

# Compliance Department

## Whistleblowing Policy

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## Compliance Department – Whistleblowing Policy

### Version History

Version	Version Date	Revision Summary	Author / Policy Owner
1.0	June 2018	Development of the whistleblowing policy	Head of Compliance
2.0	February 2020	Updating the whistleblowing policy	Head of Compliance

Note: The Management Committee (“MANCOM”) approval is executed through a MANCOM memo. Audit & Risk Committee and Board of Directors approvals will be executed through respective resolutions.

### Glossary

Abbreviation	In Full
ARC	Audit and Risk Committee
BOD	Board of Directors
CEO	Chief Executive Officer
CAO	Chief Administrative Officer
CMD	Compliance Department
IAD	Internal Audit Department
GFH	GFH Financial Group

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## 1. Introduction

### 1.1. Purpose

GFH is committed to the highest standards of ethical and legal conduct. In line with this commitment and in order to enhance good governance, openness, and integrity. GFH sets this Policy to enable its employees to report concerns internally in a responsible and effective manner when they discover information which they believe is a malpractice, without having any fear that their action (i.e., reporting of such incident) may have adverse effect/ consequences.

GFH recognizes that its employees will usually be the first to know when someone inside or connected with the Bank is doing something illegal, unethical or improper. However, they may not express their concerns because they feel that speaking up would be disloyal to their colleagues or to the organization. Therefore, GFH provides assurance to those employees acting in good faith of handling the matter with utmost confidentiality and providing them with greatest degree of protection against any possible retaliation, victimization, discrimination or disadvantage.

### 1.2. Objective

This Policy is intended to assist employees to report any act of malpractice or impropriety observed to report it, without having any fear that their action may have adverse effect/consequences. It is putting in place arrangements that will ensure that employees who report irregularities in good faith are provided utmost protection against any possible retaliation or reprisals, whether actual or threatened, as a result of their whistleblowing.

All employees of GFH shall strictly follow the guidelines mentioned in the whistleblowing policy. In case of queries or reporting any incident pertaining to whistleblowing, Compliance Department and Internal Audit Department shall be the point of contact.

### 1.3. Definitions

The “Bank” or “GFH” means: GFH Financial Group B.S.C.

The “ Policy”, means: Whistleblowing Policy

“ARC”, means: Board Audit and Risk Committee

“Good Faith”, means: An employee shall be deemed to be whistle blowing in ‘good faith’ if there is a reasonable basis for communication of unethical and improper practices or any other alleged wrongful conduct. Good Faith shall be deemed lacking when the employee does not have personal knowledge of a factual basis for the whistle blowing or where the employee knew or should have known that the whistle blowing is malicious, false or frivolous.

“Unethical and Improper Practices” means:

- a) An act which does not conform to approved standards of social and professional behavior;
- b) An act involving unethical business practices;

- c) Improper, wrongful or unethical conduct;
- d) Breach of Code of Conduct or morally offensive behavior.

In general, the above improper conduct will be seen in wrongdoing of a financial or legal nature, such as corruption, theft, fraud, misuse of Bank property or cash, abuse of official position for personal gain, etc.

“Whistle Blower” means: An employee of the Bank who discloses in Good Faith and in writing any Unethical and Improper Practices to the Head of Compliance and the Chief Internal Audit.

“Alleged Wrongful Conduct” means: Violation of law, breach of duty of care, infringement of the Bank’s Code of Conduct, misappropriation of monies and actual or suspected fraud or abuse of authority, of a financial or legal nature.

“Consequences” means: An employment related act or decision or a failure to take appropriate action by management or by an employee on his / her superior / senior which may affect the employee’s employment, including but not limited to compensation, increment, promotion, job location, job profile, immunities, leaves, training or other privileges.

### 1.4. Ownership

The ownership of the Policy rests with the Compliance Department. The Policy and any upcoming changes undertaken by the Compliance Department should be approved by the CEO, pursuant to which the same shall be approved by the Board Audit & Risk Committee.

### 1.5. Scope of the Policy

Without prejudice to the applicable rules and regulations in the Kingdom of Bahrain, other countries GFH listed in, the Company Article of Association/Incorporation and the internal policies, procedures and directives this policy comes as supplementary of them and shall not substitute them.

This Policy applies to all permanent and temporary employees, directors and any other person working for GFH Group and its subsidiaries or providing the Bank with services including agents, consultants, auditors, suppliers and other service providers under contract with the Bank (grouped together for the purpose of this Policy under the term “employee(s)”). The Policy applies whenever the employee is employed or engaged by the Bank.

The Scope of whistleblowing mentioned in this policy shall cover all breaches, wrongdoing, illegal acts and misbehavior, or act that not in line with GFH policies, its values, procedures and directive which were came out from person works for or represents GFH.

The time scale of whistleblowing breaches/violations mentioned in this policy shall cover any violation happened in the past, or happening synchronous with the whistleblowing or may happened in the future.

Geographical scale of whistleblowing breaches/violations in this policy shall cover any violation regardless where violation happened as long as it is linked to GFH, GFH will take in consideration international law provision related to the violation and place of where the violation occurred..

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### 1.6. Frequency of Review and Approval

The policy shall be subject to annual review. In case, the policy requires any modification / amendments, the same shall be recommended by the policy owner, pursuant to which approvals shall be procured from the CEO. The amended / updated policies shall be endorsed, only pursuant to the approval from Board Audit and Risk Committee.

The policy owner is responsible for retaining the signed hard copy of the policy. A soft copy of the latest signed policy must be available through the Bank's intranet.

### 1.7. Confidentiality

The contents of the policy shall be available on intranet and GFH website. A full version of the policy shall be available on the Bank's intranet for all GFH staff members and a summarized version shall be available to the Banks external stakeholders.

## 2. Responsibilities Matrix

Designation	Responsibilities
Board of Director ("BOD")	<p>The Board has the ultimate responsibility for understanding and endorsing guidelines on Compliance policies at GFH</p> <p>The Board's responsibilities with respect to Compliance Department shall be as follows:</p> <ul style="list-style-type: none"> <li>• Reviewing the overall objectives of GFH with respect to Compliance Department and ensuring that it is in line with the interests of the shareholders;</li> <li>• Setting a culture for efficient management of compliance activities in the organization, review and approve the GFH's Compliance policies and procedure;</li> <li>• Taking responsibility for determining the types and magnitude of Compliance risks from GFH's perspective;</li> <li>• Reviewing any significant Compliance issues highlighted by the Compliance Department;</li> <li>• Endorsing compliance policies and guidelines</li> <li>• Ensuring the competence of the Compliance personnel in managing GFH's compliance activities; and</li> <li>• Communicating with the media (when necessary).</li> </ul>

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Designation	Responsibilities
Chief Executive Officer (“CEO”)	<p>The CEO will be responsible for:</p> <ul style="list-style-type: none"> <li>• Recommending the policies related to the management of Compliance activities to Board;</li> <li>• Reviewing Compliance Policies and recommending / presenting the same to the Board;</li> <li>• Review of Compliance reports, breaches if any and provide recommendation where applicable;</li> <li>• Review of Whistleblowing policies;</li> <li>• Review of whistleblowing incidents as advised by Compliance and Internal Audit Department</li> <li>• Review of whistleblowing investigation reports</li> <li>• Review and approval of presentations presented by Compliance Department;</li> <li>• Provide presentations to the Board on changes / updates in the regulatory environment and the impact on GFH</li> <li>• Communicating with media when necessary</li> </ul>
Head of Compliance Department	<p>The responsibilities of Head of Compliance Department include:</p> <ul style="list-style-type: none"> <li>• Provide competent advice and guidance to GFH and its staff members on all compliance activities</li> <li>• Collaborate with various Lines of Businesses and review if required regulatory requirements are met</li> <li>• Review Compliance policies and provide recommendation on required changes</li> <li>• Identify potential non-compliant implications, and risks involved on GFH</li> <li>• Review any whistleblowing incident reported and take necessary action</li> <li>• Discuss with Internal Audit team on actions to be taken when a whistleblowing incident is reported</li> <li>• Ensure regular follow up on whistleblowing incidents until the case is resolved</li> </ul>

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Designation	Responsibilities
	<ul style="list-style-type: none"> <li>• Keep abreast of the changing regulatory environment and update Compliance team members on the same</li> <li>• Prepare presentations for CEO on all activities pertaining to compliance</li> <li>• Maintain an awareness of developments in the Compliance field and update Senior Management accordingly</li> </ul>
Compliance Department (“CMD”)	<ul style="list-style-type: none"> <li>• Liaise with various Business Units / act as intermediary on all compliance related matters / breaches</li> <li>• Develop and apply applicable compliance policies</li> <li>• Keep abreast of changing regulatory environment</li> <li>• Liaise with respective Departments on all whistleblowing matters, respond to queries and assist Head of Compliance if any incident reported</li> <li>• Assist Head of Compliance in all whistleblowing matters</li> <li>• Assist Head of Compliance in day to day activities pertaining to compliance</li> </ul>
Internal Audit Department (“IAD”)	<p>The IAD is responsible for, but not limited to the following:</p> <ul style="list-style-type: none"> <li>• Review the adequacy of controls established by Compliance Department.</li> <li>• Review of whistleblowing incidents</li> <li>• Discuss with Compliance Department and develop a detailed investigation report</li> <li>• Ensure necessary steps are taken in a timely manner to resolve the incident</li> <li>• Monitor adherence to Compliance policies by GFH staff members</li> <li>• Monitor GFH’s adherence to applicable regulatory rules</li> <li>• Report key findings related to the Audit and Risk Committee (ARC) on a periodic basis in accordance with the ARC’s approved audit plan.</li> <li>• Propose recommendations for policies and system improvements where applicable to Compliance Department.</li> </ul>



### 3. Policy and Procedures

#### 3.1. Mission and Objectives

3.1.1 The primary objective of this policy is to ensure that all applicable guidelines pertaining to Whistleblowing policy shall be strictly adhered to and possible breaches are avoided.

#### 3.2. General Principles

3.2.1 The reporting or the disclosure of a fraudulent activity or an attempt deemed illegal or malpractice which may have a possible impact on the Bank's customers, employees, shareholders or reputation. Following are few examples of serious malpractices:

- Fraud;
- Corruption;
- Bribery;
- Conduct which is unethical or illegal;
- Breaching / violating rules and regulations
- Acting outside proper financial accounting, reporting and auditing standards;
- Intentional negligence or non-compliance with the Bank's internal controls and policies which results or facilitates fraudulent act;
- A deliberate concealment of information; and
- Mismanagement

#### 3.3. Fundamental Elements

3.3.1 Employees will not lose any of their employment rights as a result of any disclosure, where the disclosure is made in good faith and is not made maliciously or for personal gain.

3.3.2 All disclosures will be investigated thoroughly.

3.3.3 All disclosures will be treated with utmost confidentiality and every effort will be made not to reveal the identity of the whistleblower and other concerned persons should the whistleblower so wish. However, the Bank cannot guarantee providing anonymity to the identity of the whistleblower if external legal action follows the disclosure or the resolution of the concern requires revealing the name of the whistleblower. Should the Bank have to reveal the identity of the whistleblower, it will inform the whistleblower.

3.3.4 The Bank is not accountable for maintaining anonymity where the whistleblower has told others of the concern.

3.3.5 The Bank expects the whistleblower to maintain high level of confidentiality and not to disclose the matter with other employees of the Bank.

3.3.6 Breach of any confidentiality requirement under this Policy by any party involved in the investigation process of the incident reported will result in a disciplinary action as per HR policies covering employee's misconduct pertaining to

whistleblowing cases. If such cases require legal action, then Audit and Risk Committee shall take a final call based on discussion with Internal Audit, Compliance and Legal Departments

### 3.4. Mode of raising a concern by GFH staff

3.4.1 initial reporting can be verbal or in writing to the Compliance Department and Internal Audit Department;

3.4.2 the same must be documented via email, if the initial reporting was verbal along with scanned copies of any physical evidences;

#### 3.4.3 The following details must be provided:

- Type of Malpractice
- Person(s) involved
- Any evidence (if available)

3.4.4 You may report the matter by the following means:

#### Report to Head of Compliance

- a) Handover the report to the Head of Compliance
- b) Send an email to [whistleblow@gfh.com](mailto:whistleblow@gfh.com)
- c) Send it by post addressed to:

Head of Compliance  
GFH Financial Group B.S.C  
30th Floor, East Tower  
Bahrain Financial Harbour  
P.O. Box 10006, Manama  
Kingdom of Bahrain  
Via telephone: +973 17549524

#### Report to the Chief Internal Audit:

- a) Handover the report to the Chief Internal Audit
- b) Send an email to [whistleblow@gfh.com](mailto:whistleblow@gfh.com)
- c) Send it by post addressed to:

The Chief Internal Audit  
GFH Financial Group B.S.C  
36th 30th Floor, East Tower  
Bahrain Financial Harbour  
P.O. Box 10006, Manama  
Kingdom of Bahrain  
Via telephone +973 17538411

### 3.5. Proof of wrong doing to report the matter

3.5.1 You can raise your concerns even if you do not have a proof or evidence; however, it must not be a false allegation due to personal or professional rift.

3.5.2 Where possible and as applicable, include the following information in your email:

- an outline of the known or suspected wrongdoing;

- details, to the best of your knowledge, about when, where and how it occurred;
- a list of the names of those suspected of being involved (both within GFH and externally);
- a list of the names of anyone who may have relevant information;
- details of how you came to know about the suspected activities;
- an estimate value of the loss to GFH or other stakeholder holder known;
- breaches of internal controls, policy, procedure or other requirements if you believe that took place;
- any specific recommendations you have for actions;
- the name(s) of person(s) whom you have discussed this incident;
- your name and contact details.; and
- Date and time of making the report.

3.5.3 It is recommended that you mention the subject of the email as “Whistle-blow”.

3.5.4 You are not expected to prove the wrongdoing that you have witnessed or suspect. However, you will be required to explain the reasons for your concern i.e. reporting of the matter.

### 3.6. Processing the reports

3.6.1 On receipt of the “Whistle-blowing incident”, Head of Compliance / Chief of Internal Audit will provide you with an acknowledgement email.

3.6.2 Head of Compliance shall discuss the whistleblowing incident with the Chief Internal Audit for taking necessary steps. Preliminary enquiries, review, investigation process shall be carried out by the Internal Audit Department and the entire process shall be undertaken as confidentially as possible. If it is determined that further investigation is necessary, the case may be even referred to the relevant external body depending upon the nature and the seriousness of the incident reported.

3.6.3 Depending on the severity of the subject matter, it shall be pre-agreed between Internal Audit and Compliance Department on when the individuals under investigation should be informed. In most cases, such individuals shall not be informed until a very later stage and when appropriate.

3.6.4 In a very sensitive case involving possibly management and Board personnel, then, Chief Internal Auditor and Compliance Department should take the appropriate instruction from ARC on the subject matter

3.6.5 In extremely rare cases where ARC member(s) might be involved, then, Board Chairman shall typically replace the ARC as a Reportee and vice versa.

3.6.6 The final investigation report will be submitted to the Head of Compliance and Chief of Internal Audit for review and validation, before being submitted to the Board Audit & Risk Committee.

### 3.7. Completion of Investigations

3.7.1 ARC shall decide to investigate the matter internally or externally through appointing a specialized firm, in order to ensure that proper set of investigation procedures shall be undertaken until a resolution is reached.

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- 3.7.2 Under the instruction from the Head of Compliance/ Chief Internal Audit, will write to the Whistle Blower to acknowledge that the concern has been received. Upon conclusion of the investigation into the allegation, under instruction from the Head of Compliance/ Chief Internal Audit, will advise (if required) the Whistle Blower of the outcome of the investigation and will also maintain all records pertaining to the Whistle Blower's reports and subsequent action taken, for a period of 5 years.
- 3.7.3 Where an employee is found to be involved in any wrongdoing, they will be dealt with in accordance with employment law, any other applicable law.
- 3.7.4 All documents produced during the process represent evidence that should be preserved, protected and retained in accordance with the Bank's record retention policy and applicable law. As these may pertain to confidential matters reported by whistle blowers, the hard copies documents will be stored in restricted access and the electronic data will be secured.

### 3.8. Follow- up

- 3.8.1 The Compliance Department shall undertake frequent follow up / update session with Internal Audit Department or an external agency (i.e. if appointed by GFH) on reported whistleblowing incidents to ensure that the investigation process is carried out as per plan and until a final resolution is reached;
- 3.8.2 Quarterly reports shall be prepared by Compliance Department for ARC to show the status of all open incidents pertaining to whistleblower, planned actions and dates for reaching resolution
- 3.8.3 In case of deviations in the planned investigations / reaching resolutions, Compliance Department shall articulate reasons for deviations and planned actions to reach a resolution and the same shall be reflected in the quarterly reports to ARC;
- 3.8.4 The status of the cases once resolved, shall be marked as closed and the same shall be communicated to the ARC in the quarterly reports.

### 3.9. Reporting on an anonymous basis

- 3.9.1 It is understood that disclosure made under this Policy may involve highly confidential and sensitive matter(s) and that you may prefer to make an anonymous disclosure.
- 3.9.2 However, the Bank actively encourages the employee to put their name and contact details when they report an incident. This is because anonymity makes it difficult to investigate the concern and impossible to liaise with the whistle-blower to seek clarification or more information, as may be required.

### 3.10. Protecting the whistleblower

- 3.10.1 Any individual who in good faith reports any violation of the Code of Conduct & Ethics, non-compliance of Bank's policies and/or rules, or financial misrepresentation and misappropriation, will be protected by GFH. GFH will not discharge, demote, threaten, harass or victimize against such individual and will take appropriate actions to protect the whistleblower.

- 3.10.2 Any investigation into allegations of potential malpractice or misconduct reported by whistle blower will not influence or be influenced by any other disciplinary procedures that already may otherwise affect the whistle blower
- 3.10.3 If the whistle-blower noticed that it has affected them adversely in any way, he/she has the right to make representations to Board Audit & Risk Committee, who will consider the claim and make a determination on a case by case basis. Each decision will be deemed to be final.
- 3.10.4 However, GFH may take appropriate disciplinary actions against a person, at its sole discretion, if upon investigation it is revealed that the report was merely made to defame the other person and was a result of any personal or professional conflict.
- 3.10.5 While reporting an incident, the whistle-blower should take every care to ensure the accuracy of the information and ensure that they have understood the facts thoroughly. Even if the incident is not proven, it may carry a degree of reputational damage for the person to whom the reported incident relates to, which can be difficult to reverse. Employees are encouraged therefore to follow the highest Islamic standards and to be as certain as they can be before reporting an incident.

### 3.11. Whistleblower Commitment

- 3.11.1 Every whistleblower shall ensure that following actions are followed:
- Ensure whistleblowing policies are strictly followed and avoid rumors, fears and claims which are not based on facts.
  - Abide to objectivity in whistleblowing and avoid personal differences, snitching, revenge, entrap others or distort their reputation, or use whistleblowing to obtain personal gains or unsettle the confidence of the bank or its employees.
  - Ensure accuracy in delivering the information, avoid symbols, partial or incomplete information.
  - Clarify all related details pertaining to whistleblowing with the Compliance Department which may guide on violation status, description and location,
  - Attach all possible details and evidence to support the incident.
  - Expedite / report any violation at the earliest.

### 3.12. Confidentiality

- 3.12.1 GFH will not reveal the employee's identity. For this mechanism to be effective, the concerned parties must adequately be assured that the information given will be treated in a confidential manner and above all that they will be protected against retaliation from within and outside the Bank.
- 3.12.2 GFH maintains as confidential, the employee identity unless:
- such person agrees to be identified,
  - it is a statutory requirement {particularly if it is essential to ensure that the right of the persons implicated to be given a fair hearing is upheld}
  - identification is necessary to allow GFH or the appropriate law enforcement officials to investigate or respond effectively to the disclosure,

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- the person accused is entitled to the information as a matter of legal right in the disciplinary proceedings. In such a situation, the employee will be informed prior to revealing his or her identity. Notwithstanding this, however, the whistle blower shall at all times continue to be protected as described in (3.10) above.

### 3.13. Communication of the Whistleblowing Policy

3.13.1 This Policy will be delivered by the following means of communication:

- Placing it on the Bank's intranet to all staff of the Bank.
- Publishing on GFH's website to make it accessible to all other external parties to whom this Policy applies.



عشرون عاماً من النجاح معنا | 20 years of succeeding through our people



مجموعة جي إف إتش المالية ("المجموعة")  
الاجتماع الأول لمجلس الإدارة ("المجلس")  
لعام 1441 هـ - 2020 م  
المنعقد في تمام الساعة الواحدة ظهراً  
يوم الأربعاء الموافق 12 فبراير 2020م  
من مقر مجموعة جي إف إتش المالية  
مملكة البحرين

قرار مجلس الإدارة (م/2020/1/21):

وافق المجلس على السياسات والإجراءات التالية:

1. Information Technology Policy.
2. Business Continuity Plan.
3. Operations Policy.
4. Fund Administration Policy.
5. Legal Policy.
6. Whistleblowing Policy.
7. Gift Policy.
8. GFH Client Charter.
9. Anti-bribery & Corruption Policy.
10. ICAAP, Stress testing and reputational risk.
11. Sanction Policy.

  
جاسم محمد رفيع الصديقي الأنصاري  
رئيس مجلس الإدارة