

# Compliance Department Key Person Dealing Policy

|                |                  |
|----------------|------------------|
| Approval Date  | 13 February 2024 |
| Version Number | 4.0              |

### Version History

| Version | Version Date | Revision Summary                                | Author / Policy Owner         |
|---------|--------------|---|-------------------------------|
| 4.0     | 13 Feb 2024  | 3 <sup>rd</sup> Revision                        | Head of Compliance Department |
| 3.0     | 13 July 2020 | This is revamping of the GFH existing KP Policy | Head of Compliance Department |
| 2.0     | 19 July 2012 | 1 <sup>st</sup> Revision                        | Head of Compliance Department |
| 1.0     | 21 Nov 2010  | First Draft                                     | Compliance Officer            |

Note: Note: This document will be reviewed annually by the policy owner. It will also be amended on an ad hoc basis in response to any changes in the legal, regulatory and operating environment. Changes that are miscellaneous in nature can be made where required by the policy owner. Material changes will be then submitted for approval at the next Audit & Risk Committee (“ARC”) and Board of Directors (“BOD”) meeting.

### Glossary

| Abbreviation | In Full                   |
|--------------|---------------------------|
| ARC          | Audit and Risk Committee  |
| BB           | Bahrain Bourse            |
| BOD          | Board of Directors        |
| CBB          | Central Bank of Bahrain   |
| CEO          | Chief Executive Officer   |
| COO          | Chief Operating Officer   |
| CMD          | Compliance Department     |
| IAD          | Internal Audit Department |
| GFH          | GFH Financial Group       |
| KP           | Key Person                |

Table of Contents

|  |           |
|--|-----------|
| <b>VERSION HISTORY</b> .....   | <b>1</b>  |
| <b>RESPONSIBILITIES MATRIX</b> .....   | <b>3</b>  |
| <b>1. INTRODUCTION</b> .....   | <b>5</b>  |
| <b>2. COPYRIGHT STATEMENT</b> .....  | <b>5</b>  |
| <b>3. FREQUENCY OF REVIEW AND APPROVAL</b> .....   | <b>5</b>  |
| <b>4. DEFINITIONS</b> .....  | <b>5</b>  |
| <b>5. APPLICABILITY</b> .....  | <b>6</b>  |
| <b>6. DEALING WHILE IN POSSESSION OF INSIDE INFORMATION</b> .....  | <b>7</b>  |
| <b>7. NOTIFICATIONS OF DEALING</b> .....   | <b>7</b>  |
| <b>8. MAINTENANCE OF A REGISTER OF KEY PERSONS</b> .....   | <b>7</b>  |
| <b>9. PROCEDURES</b> .....   | <b>8</b>  |
| <b>10. KP FORMS</b> .....  | <b>8</b>  |
| <b>11. NOTIFICATION TO THE KEY PERSONS</b> .....   | <b>8</b>  |
| <b>12. NOTIFICATION TO THE BB ON REGISTER OF KEY PERSONS</b> .....   | <b>8</b>  |
| <b>13. VIOLATIONS AND PENALTIES:</b> .....   | <b>9</b>  |
| <b>14. AVAILABILITY OF DEALING POLICY</b> .....  | <b>9</b>  |
| <b>15. APPENDICES</b> .....  | <b>10</b> |
| <b>APPENDIX 1: FORM KP1 (PART 1) – REGISTER OF KEY PERSONS (COMPANY’S AUTHORIZED REPRESENTATIVE INFORMATION)</b> ..... | <b>11</b> |
| <b>APPENDIX 2: FORM KP1 (PART 2) – PARTICULARS &amp; HOLDINGS OF KEY PERSONS.</b>                                      | <b>12</b> |
| <b>APPENDIX 3: FORM KP1 (PART 3) – SUMMARY OF PARTICULARS &amp; HOLDINGS OF KEY PERSONS REGISTER</b> .....             | <b>13</b> |
| <b>APPENDIX 4: FORM KP2 – CHANGES TO REGISTER OF KEY PERSONS</b> .....   | <b>14</b> |

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>• Ensuring the competence of the Compliance personnel in managing GFH's compliance activities; and</li> <li>• Communicating with the media (when necessary).</li> </ul> |
| 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 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>   |

| Designation                       | Responsibilities  |
|-----------------------------------|---|
| 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>• 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</li> <li>• Develop applicable compliance policies</li> <li>• Keep abreast of changing regulatory environment</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 related policies and procedures in accordance with relevant regulatory rules.</li> <li>• Review adherence to the GFH related policies and procedures.</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>  |

## 1. Introduction

- 1.1 Dealing in the securities of a listed company while in possession of inside information is illegal according to Chapter 1 of Part 5 (particularly Article 100) of the Central Bank of Bahrain (“CBB”) Law in addition to the CBB’s rulebook volume (6) “Market Abuse and Manipulation” which prohibits such abuse of inside information.
- 1.2 As part of its policy to maintain a fair, orderly and transparent securities market, the Bahrain Bourse (“BB”) vide circular MA/208/2010 dated 6th of Dec. 2010 and the Central Bank of Bahrain (“CBB”), vide circular CMSL/L038/2011 dated 6th Feb. 2011, mandated all listed banks/ financial institutions (“FI”) to comply with the stipulation of “Key Persons’ Dealing Policy” which regulates the trading of FI’s securities by its Board Members, Senior Management and such other persons as decided by the Issuer’s board to have access to inside information relating to the Issuer from time to time, herein defined and referred as “Key Persons (“KP”).
- 1.3 This policy should be read in conjunction with the “Insider Trading Policy” and which shall also apply to Key Persons.
- 1.4 This policy is also subject to the stipulations of CBB’s Rulebook Volume 6, MAM Module (Prohibition of Market Abuse and Manipulation). Trading in debt securities referred to in this policy will be subject to the provisions of CBB’s “Guidelines for the Issuing, Offering and Listing of Debt Securities of 2004”.

The primary objective of this policy is to ensure that Key Persons are fully aware of the legal and administrative requirements regarding their holdings and dealings in the Bank’s securities, in such a way as to prevent any abuse of inside information. Any inside information is strictly confidential until published or otherwise made publicly available in the market. Inside information shall not be used in any manner to gain economic benefit for an insider himself or another person.

## 2. Copyright Statement

GFH has proprietary rights over this document and its contents. No part of the document should be copied nor is document to be removed or relocated from the Bank’s premises for any reason without the express written permission of the process owner.

## 3. Frequency of Review and Approval

The policy shall be subject to annual review or whenever regulatory requirement changes. 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 BOD.

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.

## 4. Definitions

The following words and expressions shall have the meaning assigned to them:

"Exchange" Bahrain Bourse.

"Issuer" any issuer's securities' accepted for trading in the Exchange.

"Dealing", where referred to in these Guidelines, includes (whether as principal or agent) making or offering to make with any person, or inducing or attempting to induce any person to enter into or to offer to enter into an any agreement for or

with a view to acquiring, disposing of, subscribing for, or underwriting securities of the issuer. To be clear, dealing includes (but is not limited to) on-Exchange and off-Exchange transactions, including subscriptions of securities of the Issuer, as well as transactions relating to securities of the Exchange - listed Issuer that are quoted on another Exchange.

"Dealing Policy" shall refer to each Issuer's Key Person Dealing Policy adopted pursuant to this directive/ruling/regulation.

"Guidelines" shall refer to the Exchange Guidelines on Issuers' Key Person Dealing Policies.

"Inside Information", as defined in MAM 8.2.10, means information that;

- a) Is precise in nature relating directly or indirectly to one or more of the securities of the issuer thereof;
- b) Has not been made public;
- c) If made public, is likely to have a significant impact on the price of those securities or their derivatives;

"Key Persons" of an Issuer refers to members of the Issuer's Board of Directors, senior management, the Issuer itself, and such other persons as decided by the Issuer's board to have access to inside information relating to the Issuer from time to time. While key persons may have access to inside information from time to time by nature of their duties performed, they do not necessarily always possess inside information. This fact distinguishes key persons from insiders. Dealing by key persons of an Issuer, therefore, does not necessarily constitute insider trading.

"Register of Key Persons" refers to a register maintained by the Issuer which includes basic personal data of Key Persons and information on their holdings and dealings in the Issuer. The Register of Key Persons is maintained at the Issuer's headquarters and updated by the Compliance Officer, Company Secretary or other authorized representative of the Issuer.

This policy aims to govern dealings in the shares (or other listed securities, if any) of GFH Financial Group B.S.C. ("GFH" or "the Bank") by the Bank's Key Persons which includes Board of Directors, senior management and such other persons as decided by the Bank to have access to insider information from time to time. These rules are being formulated in accordance with the "Guidelines on Issuers' Key persons Dealing Policies accepted for trading in the Bahrain Bourse ("BB") issued by Bahrain Bourse ("BB") which is effective from 1st December 2010.

The main objectives of these Policies and Procedures are:

- a) To operate under the principle of full transparency through on-going disclosure;
- b) To define obligations in relation to the identification of Key Persons, Key Persons' holdings of and dealing in GFH securities;
- c) To promote the culture of self-compliance among the Key Persons and Insiders;
- d) To maintain standards of conduct at the highest level of integrity;
- e) To avoid any conflict between the Key Persons', Insiders and the Bank's interests; and
- f) To protect the interests of public investors.

## 5. Applicability

5.1 These Policies and Procedures apply to all employees of GFH, including senior management and directors, their connected or controlled persons, and all external parties qualifying as Key Persons. Key Persons will be advised of their qualification by the Person in Charge of the Register.

5.2 The prohibition against abuse of inside information and confidentiality applies to all persons who possess inside information regardless of the source and manner in which the information has been received.

## 6. Dealing while in possession of Inside Information

Any person who is in possession of inside information shall not use such information to:

- Deal in any securities to which that information relates;
- Encourage any person to deal in any securities to which that information relates;
- Disclose inside information to any other person, otherwise than in the performance of the functions of his employment, office or profession;
- Violate the rules governing the publishing of market information

## 7. Notifications of dealing

Provided he/she is not in possession of inside information, Key Persons may deal in securities of the Bank as per the guidelines set out in the Insider Trading Policy.

Key Persons are required to advise the (Person In-Charge of Register) for its records on details of the dealing by the end of the next business day following the completion of the dealing. This shall include details of the Key Person's direct and indirect transactions including those of its ultimate beneficiaries.

The Bank must make an immediate announcement of any Key Persons transaction in accordance with Article 7.1 of the AML Module of Volume 6 of the CBB Rulebook particularly as it pertains to any person whose ownership alone or his ownership together with that of his minor children, or any other accounts under his disposal, or the ownership of any of his associate or affiliate companies amounts to 5% or more of any listed Security of the Bank.

The Bank shall immediately file with the BB such notifications by Key Persons by using Form KP2.

BB reserves the right to disseminate to the public, the dealing information as per the rules and regulations issued by the CBB.

And above notification should be reviewed by the Head of Compliance or designated staff prior to sending to ensure the accuracy and completeness of the data provided.

## 8. Maintenance of a Register of Key Persons

The Person in Charge of the Register shall at all times maintain an updated Register of Key Persons containing the following:-

- a) Basic personal data of Key Persons of GFH;
- b) Key Persons holdings and interests in GFH securities; and
- c) Details regarding dealings by Key Persons in securities of GFH.

The Person in Charge of the Register shall update the Register of Key Persons by 8th of each month, based on the changes in holdings of interests of Key Persons received during the month, if any.

The Head of Compliance or designated staff shall review the updated Register of Key Persons against the communication received by the Key Persons during the month, if any, to ensure the accuracy and completeness of the data provided pertaining to Key Persons Update Register.



The record retention period for the resigned/Key Person Register should be kept for 5years.

## 9. Procedures

9.1 Process for designating/assigning a Key Person:

- a. The Person in Charge of the Register shall send an email to the Key Person with the Key Person Declaration, Key Persons Policy, Insider Policy, and KP1 (parts 2 & 3). The Key Person is requested to submit the completed and signed Key Person Declaration, and KP1 and KP2 forms within 5 calendar days.
- b. The Person in Charge of the Register shall submit the KP1 (part 3) to BB no later than 24 hours physically and electronically, in case of any changes acknowledged by the Key Person to his/her changes to the Particulars or Holdings.

## 10. KP Forms

The below are the BB Key Persons forms (*refer to Appendices 1 through 4*) which shall be submitted and reported to the Bahrain Bourse periodically and as and when applicable:

- a) Form KP1, divided into 3 parts:
  - i. Part 1: GFH's authorized representative's information (*Appendix 1*) – *to be used only in case of any changes/ updates to GFH's authorized representative's information to update BB.*
  - ii. Part 2: Particulars and holdings of the Key Persons (*Appendix 2*) – *to be used for New Key Person or for the promoted employee (who becomes Key Person) to update BB.*
  - iii. Part 3: Summary of the particulars and holdings of the Key Persons Register (*Appendix 3*) – *to be used for updating BB with the particulars and holdings of the Key Person's person in guardianship*
- b) Form KP2: Changes to Particulars & Holdings of Key Persons Register Form (KP2) (*Appendix 4*) – *to be used for filing any changes in the holdings or particulars of any Key Person.*

## 11. Notification to the Key Persons

The Key Person shall be notified of his/her status as soon as he/she becomes a KP upon appointment, election or employment with the Bank and shall sign the KP forms to this effect.

The Board of Directors shall be notified of their designation as Key Person by the Corporate Secretary. All other Key Persons are notified of their designated status as Key Person by the Person in Charge of the Register.

The Key Person shall receive an email with the Key Persons Policy, Insider Policy, and KP1: (Part 2 & 3). The Key Person is requested to submit the completed and signed KP1: (Part 2 & 3) forms within 5 calendar days.

## 12. Notification to the BB on Register of Key Persons

12.1 Periodic Reporting of the Key Persons register. The Person in Charge of the Register shall submit an updated and complete Register of Key Persons to the BB, using the KP1: Part 3 form as below:

- a) Not more than 10 calendar day after the conclusion of the Bank's Annual General Meeting (in case of changes); and
- b) At the end of each month.

12.2 Addition of a Key Person. The Person in Charge of the Register shall submit the KP1: (Part 2 & 3) to BB physically and electronically beginning of the following month from such appointment.

12.3 Changes in the Particulars/Holdings of a Key Person. The Person in Charge of the Register shall notify the BB of the changes in the particulars or holdings of existing Key Persons using KP2 Form (*Appendix 4*) within the next 24 hours of such change.

12.4 Removal of a Key Person. The Person in Charge of the Register shall notify the BB of the removal of the Key Persons by providing them with the updated Key Persons Register list which is submitted physically and electronically in the beginning of following month.

12.5 The Person in Charge shall submit the KP1 (part 3) to Bahrain Bourse physically and electronically within 10 calendar days of the conclusion of the Bank's AGM, in case the Key Persons register included changes not reported earlier as part of the monthly reporting.

12.6 Upon request by the BB. The Person in Charge of the Register shall submit an updated and complete KP1: Parts 1, 2 and/ or 3 as soon as practicable.

### 13. Violations and Penalties:

Any conduct by relevant parties that contravenes the provisions of this Policy will be dealt with severely.

Any violation of the Policy by Key Persons employed by or under contract with the GFH including directors, employees, consultants or contractors, may result in action being taken to terminate their service.

13.1 The following are the courses of action and penalties that will be imposed on breaches and violation of this policy and procedure:

- a) Written warning (first incident)
- b) Written warning (second incident)
- c) Termination of service (third incident)

13.2 The Person in Charge of the Register shall report any violation to the Human Resource Manager and Corporate Secretary (as applicable) for the coordination on the appropriate course of action to be taken and penalties being warranted as per 10.1 above.

13.3 The Person in Charge of the Register shall report to the Board Audit and Risk Committee any violations to this Policy.

13.4 In case of violation by Key Persons of this policy and the dealing policy, GFH shall notify BB and take necessary actions as prescribed by this Policy.

13.5 The above actions are without prejudice to the penalties prescribed in the CBB and the BB laws, rules and regulations which may result in fines and imprisonment of the party in violation.

### 14. Availability of Dealing Policy

- a) The approved policy will be available on GFH's website
- b) A copy of the approved policy will be made available to all KPs

## 15. Appendices

Appendix 1: Form KP1 (Part 1) – Register of Key Persons (Company's Authorized Representative Information)

Appendix 2: Form KP1 (Part 2) – Particulars & holdings of Key Persons

Appendix 3: Form KP1 (Part 3) – Summary of particulars & holdings of Key Persons Register

Appendix 4: Form KP2 – Changes to Register of Key Persons

Appendix 1: Form KP1 (Part 1) – Register of Key Persons (Company's Authorized Representative Information)

استمارة سجل الأشخاص الرئيسيين (KP1)

Form Register of Key Persons (KP1)

Company's Authorized Representative Information (Part 1)

بيانات الشخص الخول بالتوقيع عن الجهة الصادرة (الجزء الأول)

|                     |                   |      |       |       |       |
|---------------------|-------------------|------|-------|-------|-------|
| Name of Issuer:     | اسم الجهة الصادرة |      |       |       |       |
| Submitted by:       | مقدم من قبل       |      |       |       |       |
| Name                | الاسم             |      |       |       |       |
| Designation         | المسمى الوظيفي    |      |       |       |       |
| Issuer's Stamp:     | ختم الجهة الصادرة |      |       |       |       |
| Signature           | التوقيع           |      |       |       |       |
| Date of submission: | تاريخ التقديم     |      |       |       |       |
| Day                 | Month             | Year | السنة | الشهر | اليوم |

Appendix 2: Form KP1 (Part 2) – Particulars & holdings of Key Persons

استمارة سجل الأشخاص الرئيسيين (KP1)  
Form Register of Key Persons (KP1)

Particulars & holdings of Key Persons<sup>1</sup> - (Part 2)

مفردات وملكيات الأشخاص الرئيسيين<sup>1</sup> - (الجزء الثاني)

| المفردات/Particulars                |   |                                      |          |                               |   |        |          |            |
|-------------------------------------|---|--------------------------------------|----------|-------------------------------|---|--------|----------|------------|
| Name<br>الاسم                       |   | Designation<br>المسمى الوظيفي        |          | ID Number<br>رقم الهوية       |   |        |          |            |
| Nationality<br>الجنسية              |   | Date of appointment<br>تاريخ التعيين |          | Passport Number<br>رقم الجواز |   |        |          |            |
| الملكيات/Holdings                   |   |                                      |          |                               |   |        |          |            |
| Security type<br>نوع الورقة المالية | Number of securities<br>عدد الأوراق المالية |                                      |          |                               | Percentage of Holding (%)<br>نسبة الملكية (%) |        |          |            |
|                                     | Direct                                      | مباشرة                               | Indirect | غير مباشرة                    | Direct  | مباشرة | Indirect | غير مباشرة |
| Shares<br>أسهم                      |   |                                      |          |                               |   |        |          |            |
| Options<br>خيارات                   |   |                                      |          |                               |   |        |          |            |
| Rights<br>حقوق                      |   |                                      |          |                               |   |        |          |            |
| Warrants<br>ورانتس                  |   |                                      |          |                               |   |        |          |            |
| Others<br>أخرى                      |   |                                      |          |                               |   |        |          |            |
| Total<br>المجموع                    |   |                                      |          |                               |   |        |          |            |

يرجى تعبئة هذه الاستمارة لكل شخص رئيسي على حدة<sup>1</sup>

الختم والتوقيع

Stamp & Signature: \_\_\_\_\_

Company's Authorized Representative

للخول بالتوقيع عن الشركة



Appendix 4: Form KP2 – Changes to Register of Key Persons

تحديث سجل تعاملات الأشخاص الرئيسيين  
Changes to particulars and holdings of Key Persons

Form KP2

استمارة KP2

| الفردات/Particulars                 |  |                              |   |  |   |  |
|-------------------------------------|--|------------------------------|---|--|---|--|
| Name<br>الاسم                       |  | Designation<br>السمى الوظيفي |   |  | ID Number<br>رقم الهوية   |  |
| Issuer's Name:<br>اسم الجهة المصدرة |  | Nationality<br>الجنسية       | Date of appointment<br>تاريخ التعيين  |  | Passport Number<br>رقم الجواز   |  |
| تحديث الملكيات/Changes to holdings  |  |                              |   |  |   |  |
| Security type<br>نوع الورقة المالية | Number of securities held before changes<br>عدد الأوراق المالية المملوكة قبل التحديث | Date<br>التاريخ              | Number of securities acquired / Disposed or off market<br>عدد الأوراق المالية المشتراة / المباعة أو الحالات المستثناة | Direct / Indirect<br>مباشرة / غير مباشرة | Number of securities held after changes<br>عدد الأوراق المالية المملوكة بعد التحديث | Percentage of issued share capital (%)<br>نسبة الملكيات من رأس المال (*) |
| Shares<br>أسهم                      |  |                              |   |  |   |  |
| Options<br>خيارات                   |  |                              |   |  |   |  |
| Rights<br>حقوق                      |  |                              |   |  |   |  |
| Warrants<br>ورانتس                  |  |                              |   |  |   |  |
| Others<br>أخرى                      |  |                              |   |  |   |  |
| Total<br>المجموع                    |  |                              |   |  |   |  |

يرجى تعبئة هذه الاستمارة لكل شخص رئيسي

الختم والتوقيع

Stamp & Signature: \_\_\_\_\_

Company's Authorized Representative

المخول بالتوقيع عن الشركة