



Whistleblowing Policy & Procedures

GFH Financial Group

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1. 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 Compliance Director and or to the Head of 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.

“Adverse effect /Consequences” means:

An employment related act or decision or a failure to take appropriate action by management 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.

2. Introduction

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, integrity and transparency, 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.

3. Objective of the Policy

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.

4. Ownership and Approval of the Policy

The ownership of the Policy rests with the Compliance Department. The Policy and any upcoming changes should be approved by the Board Audit & Risk Committee.

5. Scope

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.

6. What is Whistleblowing?

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:

- 1) Fraud;
- 2) Corruption;
- 3) Bribery;
- 4) Conduct which is unethical or illegal;
- 5) Acting outside proper financial accounting, reporting and auditing standards;
- 6) Intentional negligence or non-compliance with the Bank’s internal controls and policies which results or facilitates fraudulent act;
- 7) A deliberate concealment of information; and
- 8) Mismanagement

7. What are the Fundamental Elements of This Policy?

- a. 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.
- b. All disclosures will be investigated thoroughly.
- c. 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.
- d. The Bank is not accountable for maintaining anonymity where the whistleblower has told others of the concern.
- e. The Bank expects the whistleblower to maintain high level of confidentiality and not to disclose the matter with other employees of the Bank.
- f. 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.

8. How Do I Raise a Concern?

- 1) The initial reporting can be verbal or in writing;
- 2) However, based on the Compliance Director advise, the same must be documented via email, if the initial reporting was verbal;
- 3) The following details must be provided:
 - a) Type of Malpractice
 - b) Person(s) involved
 - c) Any evidence (if available)
- 4) You may report the matter by the following means:
Report to Compliance Director:
 - a) Handover the report to the Compliance Director
 - b) Send an email to whistleblow@gfh.com
 - c) Send it by post addressed to:
The Compliance Director
GFH Financial Group B.S.C
36th Floor, East Tower
Bahrain Financial Harbour
P.O. Box 10006, Manama
Kingdom of Bahrain
 - d) Via telephone:+973 38833560

Report to the Head of Internal Audit:

- a) Handover the report to the Head of Internal Audit
- b) Send an email to whistleblow@gfh.com
- c) Send it by post addressed to:
The Head of Internal Audit
GFH Financial Group B.S.C
36th Floor, East Tower
Bahrain Financial Harbour
P.O. Box 10006, Manama
Kingdom of Bahrain
- d) Via telephone +973 39461464

9. Do I Need Proof of Wrongdoing to Report any Matter?

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.

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

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

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

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.

10. How Will the Report be processed?

On receipt of the “Whistle-blowing incident”, Compliance Director will provide you with an acknowledgement email.

Preliminary enquiries will then be made 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.

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



11. What Will Happen on Completion of the Investigations?

Subject to any legal constraints, the Bank will communicate the findings of the investigation to:

- a) the person who raised the report;
- b) the individual(s) under investigation;
- c) the members of the ARC; and
- d) if appropriate, the members of the Bank's management or external authorities who need to consider whether action should be taken on the basis of the findings.

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.

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.

12. Can I Report on an Anonymous Basis?

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.

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.

13. Protecting the Whistle Blower

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 retaliate against such individual and will take appropriate actions to protect the whistle-blower.

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.

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.

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.

14. Confidentiality

GFH will protect 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.

GFH maintains as confidential, the employee identity unless:

- i. such person agrees to be identified,
- ii. 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}
- iii. identification is necessary to allow GFH or the appropriate law enforcement officials to investigate or respond effectively to the disclosure,
- iv. 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 (13) above.

15. Communication of the Whistleblowing Policy

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

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