



Regulatory & Disclosure
Requirements for GFH's Substantial
Shareholders & Controllers

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Substantial Shareholders and Controllers are required to meet/comply with certain regulatory requirements prior to achieving such status/interest as per the requirements of the Capital Markets Supervision Directorate ("CMSD") and the Islamic Financial Institutions Supervision Directorate ("IFISD") of the Central Bank of Bahrain ("CBB").

A Substantial Shareholder or Controller must comply with the ongoing regulatory and market disclosure requirements as required by the regulators and the markets where GFH shares are listed – Bahrain Bourse, CMSD, Boursa Kuwait and the Capital Markets Authority ("CMA"), and Dubai Financial Market ("DFM") and the Securities and Commodities Authority ("SCA").

Definitions

Substantial Shareholder

A person whose 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 Company.

Controller

A controller of an Islamic bank licensee is a natural or legal person who either alone, or with his associates:

- a)** Holds 10% or more of the issued and paid up share capital in the licensee ("GFH"), or is able to exercise (or control the exercise of) 10% or more of the voting power in GFH; or
- b)** Holds 10% or more of the issued and paid up share capital in a parent undertaking ("P") of GFH, or is able to exercise (or control the exercise of) 10% or more of the voting power in P; or
- c)** Is able to exercise significant influence over the management of GFH or P.

Preliminary & Approval Requirements

Substantial Shareholders (holder of 5% or more of GFH shares)

Any transaction that will bring a shareholder's ownership of GFH (solely or jointly with their related parties) to above 5% must be concluded on Bahrain Bourse¹.

Controller (holder of 10% or more of GFH shares)

Controller(s) should meet the regulatory requirements of the IFISD and the CMSD of the CBB as per CBB Rulebook Volumes 2 and 6, respectively.

- 1** Shareholders must obtain the CMSD's written approval prior to executing any transaction which will bring their ownership of GFH (solely or jointly with their related parties) to 10% or more. Any further increase of 1% or more shall also be subject to the CBB prior written approval.

Such approval requests should be addressed to the Director of the CMSD as below:

Director, Capital Markets Supervision Directorate
Central Bank of Bahrain
PO Box 27
Manama - Kingdom of Bahrain

- 2** The proposed Controller should obtain the IFISD's prior written approval in any of the following situations:
 - a** A new Controller (acquiring 10% of GFH's shares, solely or jointly with their related parties).
 - b** An increase in the shareholding from 10% to 20% of the issued and paid up share capital of GFH.
 - c** An increase in the shareholding from 20% to 30% of the issued and paid up share capital of GFH.
 - d** An increase in the shareholding from 30% to 40% of the issued and paid up share capital of GFH.

¹ CBB Rulebook Volume 6, AML Module, AML-7.1



Preliminary & Approval Requirements

The approval request should be addressed to the Director of the IFISD as follows:

Director, Islamic Financial Institutions Supervision Directorate
Central Bank of Bahrain
PO Box 27
Manama - Kingdom of Bahrain

- 3** The IFISD approval request for a new Controller or changes in the controller's shareholding shall be accompanied by a dully completed Form2- (Controllers)² of the CBB Rulebook Volume 2.
- 4** The prospective Controller should meet the CBB's suitability requirements as per GR5.3- of General Requirements (GR) Module of CBB Rulebook Volume 2.
- 5** The prospective Controller should at all times ensure to meet the CBB's regulatory requirements as per GR5- of GR Module of CBB Rulebook Volume 2.
- 6** The Controller is required to keep GFH informed of its Controller status (acquisition of 10% or more), any change in its ownership, and any approvals received from the CBB at iservice@gfh.com.

² CBB Form 2 (Controller): http://cbb.complinet.com/cbb/display/display.html?rbid=1821&element_id=2427



Disclosure Requirements

The below disclosure requirements apply for any shareholder whose ownership of GFH reaches 5% or more (solely or jointly with their related parties). Therefore, they apply to both Substantial Shareholders and Controllers.

CBB/Bahrain Bourse disclosure requirements

- 1 Every transaction, starting from the acquisition of 5% or more of GFH shares, must be reported to Bahrain Bourse and CMSD on the same day of the transaction via email at LIA@bahrainbourse.com; cmsd.compliance@cbb.gov.bh and iservice@gfh.com, in the format below:

Total no. of shares before the transaction	Buy/Sell	Date of transaction	No of shares bought/sold	Currency	Share Price (Amount)	Total No. of shares after the transaction

Boursa Kuwait's disclosure requirements

- 2 A Shareholder owning 5% or more of GFH (solely or jointly with their related parties), must disclose details of such ownership upon reaching 5% to Boursa Kuwait and CMA via Appendix 1 or 2³ (of Module 10 of CMA Executive By Laws), **within 5 business days** of executing the transaction⁴.
- 3 The Shareholder must disclose any further change exceeding 0.5% from its 5% ownership (solely or jointly with their related parties) to Boursa Kuwait, CMA, and GFH via Appendix 2³ (of Module 10 of CMA Executive ByLaws), **within 10 business days of the transaction**. Disclosure must still be made even if such change is made by one of the subsidiaries or companies in which the shareholder has effective control.
- 4 The disclosures above must be made to the Boursa Kuwait at (disclosure@boursakuwait.com.kw), CMA (aalmuharib@cma.gov.kw, jaldrees@cma.gov.kw, and dalkhawari@cma.gov.kw), and GFH (iservice@gfh.com).

³ Arabic forms (الإفصاح عن المصالح - قطاع الأسواق): <https://www.cma.gov.kw/ar/web/cma/-4>
English forms are available in Module 10: <https://www.cma.gov.kw/en/web/cma/-bylaw-documents>

⁴ CMA Executive ByLaws, Module 10, Article 2-1



Disclosure Requirements

Dubai Financial Market's ("DFM") disclosure requirements

- 5** Any shareholder whether solely or jointly with their related parties, reaches any of the below ownership percentages of GFH, shall immediately notify DFM via the email disclosure@dfm.ae; disclosure@sca.ae and GFH (iservice@gfh.com)⁵:
- a** 5% or more of the shares of GFH.
 - b** 10% or more of the shares of a parent company, subsidiary, affiliate or allied company of GFH.
 - c** 1% change above the above percentages.

⁵ The Securities and Commodities Authority (SCA) Board Decision No. (3) of 2000 on Disclosure and Transparency, Article (3)



References to Regulations

- 1** CBB Rulebook Volume 6: Capital Markets (Anti-Money Laundering & Combating Financial Crime (AML) Module). CBB. Kingdom of Bahrain.
http://cbb.complinet.com/cbb/display/display_main.html?rbid=2176&element_id=2984
- 2** CMA Executive ByLaws, Module 10 on Disclosure and Transparency. Capital Markets Authority. Kuwait.
English: <https://www.cma.gov.kw/en/web/cma/-bylaw-documents>
Arabic: <https://www.cma.gov.kw/ar/web/cma/-bylaw-documents>
- 3** SCA Board Resolution No. (3) of 2000 Concerning the Regulations as to Disclosure and Transparency. Securities and Commodities Authority. UAE.
<https://www.sca.gov.ae/mservices/api/regulations/GetRegulationByIdAsPdf/57>
- 4** CBB Rulebook Volume 2 (General Requirements (GR) Module). CBB. Kingdom of Bahrain.
http://cbb.complinet.com/cbb/display/display.html?rbid=1821&element_id=4697
- 5** CBB Rulebook Volume 2 (Form 2: Application for Authorisation of Controller).
http://cbb.complinet.com/cbb/display/display_main.html?rbid=1821&element_id=2411