



GFH Gift Policy

Approval Date	
Version Number	1.0

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Date :

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Chairman of Board ARC
Date : 31/1/18

APPROVED BY

H.E. Shaikh Ahmed Bin Khalifa Al Khalifa
Chairman of the Board of GFH
Date :

Version History

Version	Version Date	Revision Summary	Author / Policy Owner
1.0	22 nd January, 2018	Development of the Policy	Head of Compliance

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.

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ANNEXURES:

- a) GIFT POLICY DECLARATION
- b) GIFT REPORTING FORM

1. Purpose and Policy Objectives:

It is GFH's policy to conduct all businesses in an honest and ethical manner. GFH and its employees, management and Board of Directors are committed to act professionally, fairly and with integrity in all our business dealings and relationships wherever we operate.

The objective of this Gift Policy (the "Policy") is to ensure that neither GFH nor any of its Executives offers, gives, solicits or accepts any inducements such as gifts, commissions or any other direct or indirect benefits where such inducements are reasonably likely to conflict any duty that GFH may owe to its clients, shareholders and counterparties.

The Policy aims to achieve good effective handling of any possible conflict of interest situations that may arise on account of the acceptance or provision of gifts and inducements.

Zero-tolerance approach shall be taken against any Executive that fails to Comply with GFH's Gift Policy.

2. Definitions:

"GFH": GFH Financial Group B.S.C., its subsidiaries and affiliated companies.

"Executive": For the purpose of this policy includes members of the Board, senior management and all other employees of GFH.

"Gift": Anything of value for which an Executive is not required to pay the retail or usual and customary cost. A gift may take many forms, it may include meals or refreshments, goods, services, tickets to entertainment or sporting events, or the use of a residence, vacation home or other accommodations.

"Third Party": Any individual or organization you come into contact with during the course of your work for "GFH". This includes actual and potential customers, suppliers, business contacts, intermediaries, government and public officials, including their advisors, representatives and officials, politicians and political parties.

"Public Official": Officials or employees of any government public body, agency or legal entity, at any level, including officers or employees of state-owned enterprises and officers or employees of enterprises which are mandated by a public body or state-owned enterprise to administrate public functions.

"Luxury Gift": Items above the nominal value of USD \$5000 which may include, but not limited to, jewelry, watches, electronics, etc.

3. Applicable Rules and Regulations:

Principle/Rules	Synopsis
Labor Law – Private Sector	Part Ten – Workers Duties and Penalties
GFH Policies and Procedures	GFH Code of Conduct

4. Scope of the Policy:

The Policy covers all the Executives of GFH. The Policy stipulates the duties and responsibilities of GFH's Executives in respect of the gifts/inducements they have offered or been provided with, while engaging in the performance of their functions, to or from the clients and counterparties. This policy applies in all countries or territories no matter where in the world.

Gifts given by others to members of Executive's, to those with whom the Executive has a close personal relationship, and to charities designated by the Executive, are considered to be gifts to the Executive, for the purposes of this Policy.

5. Gift Policy of GFH:

Neither GFH nor any of its Executives shall offer, give, solicit or accept any kind of gifts and inducements such as commissions or other direct or indirect benefits where such inducements and gifts are reasonably likely to conflict with any duty that GFH owes to its clients or counterparties or intermediaries.

i. General Prohibitions

An Executive of GFH may never, except as provided in this Policy:

- Solicit for himself/herself or for anyone else, anything of value from anyone in return for any business, service, or confidential information of GFH; and
- Accept anything of value, directly or indirectly (other than bonafide salary, wages, awards, and fees paid by or to GFH), from anyone in connection with the business of GFH, either before or after a transaction is discussed or consummated. Note that the restrictions in this section are not intended to apply to gifts based on obvious family (such as your parents, children, or spouse) or close personal friendships, where the circumstances make it clear that it is the relationship rather than GFH's business that is the motivating factor.

ii. Acceptable Gifts

Acceptance of gifts of a high financial value (including entertainment and hospitality) from third parties that do business with GFH is discouraged. Subject to the prohibitions in the Prohibitions Section, the following gifts may be accepted on infrequent occasions from a party that does business with GFH, if it is clear that the party is not trying to influence or reward an Executive in connection with any business decision or transaction and the gift is unsolicited:

- Gifts that have a “nominal retail value” (**Not exceeding USD \$300.00**) and are given on an occasion when gifts are customary (on a birthday or major holiday, or on the occasion of a promotion or retirement, for example; note that gifts given by a customer in appreciation for good service are generally not permitted, as we consider excellent service to be part of the Executive's job and not out of the ordinary);
- Advertising or promotional material of nominal retail value, such as pens, pencils, note pads, key chains, calendars, and similar items;
- Discounts and rebates on merchandise or services that are offered to the general public, or to all Executives under a plan negotiated by GFH;
- Customary mementos at corporate dinners, sports events, and similar functions;
- Civic, charitable, educational, or religious organization awards for recognition of service and accomplishment having a nominal retail value;
- Gifts that are perishable (a fruit basket, for example) and therefore cannot be easily returned;
- Meals, refreshments, and entertainment in the course of a meeting or other occasion, provided:
 - The purpose is business-related;
 - The Executive's host is present;
 - The Executive's attendance is related to his/her duties with GFH;
 - The level of expense is reasonable and customary in the context of his/her business and the relationship with the host;
 - The expense would be paid for by GFH as a reasonable business expense if not paid for by the host, and the frequency of such invitations from one host is not excessive;

If the Executive has questions about whether a specific invitation may be accepted under this item - whether, for example, it is business-related, or reasonable and customary in the context of GFH's business with the host – then he/she shall discuss it with his/her immediate supervisor/relevant department head.

Whenever an Executive receives a gift, or an offer of a gift, that is not permitted by this Section, he/she shall make every effort to refuse or return it. If that isn't possible, the Executive must notify his/her department head to discuss how to deal with the gift

iii. **Non-Acceptable Gifts**

An Executive must not accept the following from any current or prospective customer, supplier, or other party doing business with GFH:

- Gifts of cash or cash equivalents (such as gift certificates, gift checks, or securities);
- Discounts not available to the general public or to all Executives under a plan negotiated by GFH;

- Gifts to be delivered in instalments;
- Bequests or legacies;
- Travel or accommodation expenses, unless they have been approved in writing by the Executive's relevant department head.
(Note: travel or accommodations are not considered gifts and may be accepted if they are agreed as part of a business transaction between the party providing the travel or accommodations and GFH); and
- Tickets for professional sports, concerts or other events for his/her personal use unless he/she has reimbursed the party providing the tickets for the face value of the tickets
(Note that solicitation of such tickets is generally inappropriate, even where he/she does reimburse the party providing them).

6. Gifts Reporting Procedures and Approval Process for Acceptance of Acceptable Gifts:

Any gift above the specified "nominal retail value" (i.e. USD \$300) must be reported using the Gift Reporting Form.

The Executive shall submit the **Gift Reporting Form**, which is available on GFH's intranet (under Public Documents – HR tab), to the relevant department head for approval. The Gift Reporting Form must include all relevant facts, the circumstances surrounding the offer and acceptance, the nature and approximate value of the gift, and the reason why it cannot or should not be returned.

The relevant department head will assess and accordingly make a judgment to approve or disapprove the gift. The Executive must then submit the approved/disapproved Form to the Human Resource Department ("HRMD") for assessment. The HRMD will perform the assessment and if required will seek further clarification from the Executive.

Gifts exceeding the Value of USD \$300 are required to be reviewed/approved as per the below table:

Gift Value	Required Approval From*
US\$ 301 – US\$ 500	Department Head + HR Head
US\$ 501 – US\$ 750	Department Head + HR Head + Compliance Head
US\$ 751 and above	Department Head + HR Head + Compliance Head + Board ARC

***Based on Board ARC discretion, any item considered as luxury gifts will be escalated to the Board for their consideration and approval.**

**** If a gift is received or offered by:**

a) The Department Head, then the first level approval will be required from the CEO and HR Head up till the limit of US\$ 500.




b) The CEO, than the first level approval will be from HR Head and Compliance Head up till the limit of US\$ 750.

**** In case, a Board Member has received or was offered a gift above the nominal value of USD \$300, the 'Gift Approval Form' will be directly submitted to the Compliance Head who will seek Board ARC approval personally.*

7. Legal Implications or Actions for Receiving/Offering Gifts Against the Policy:

In case the gift accepted (or offered) is not in compliance with this Policy, HRMD will have the right to request the Executive to return the Gift if possible, or HRMD can seize the Gift and place it under GFH's ownership. **Violation of this Policy may lead to strict disciplinary action against the Executive.**

Bahrain Labor Law States:

It is prohibited for a worker to undertake, by himself or by someone on his behalf, accepting any commissions, gifts, rewards, sums of money or other items of any description in the course of carrying out his job duties without the employer's consent.

8. General Provisions:

The HRMD shall ensure that all the gift reports and supporting information received are properly recorded and filed. All the approvals issued, with relevant details shall be recorded in the Gift Register maintained for this purpose with HRMD.

A Declaration must be signed by all Executives and submitted to HRMD confirming compliance with this Policy.

9. Review and Policy Update:

This policy shall be reviewed and updated as per the amendments in the applicable regulatory provisions (if any). Any amendments or revisions to this policy shall be recorded and approved by the Senior Management and Board of Directors of GFH.



Date: _____

GFH Financial Group
28th Floor, East Tower
Bahrain Financial Harbor
Manama
Bahrain

Subject: Gift Policy Declaration

I, the undersigned, bearing CPR/Passport No. _____, do hereby confirm, declare and undertake that:

- i. I have read and understood GFH's Gift Policy;
- ii. I shall notify GFH in writing through the Gift Reporting Form in line with Paragraph 6 of GFH's Gift Policy;
- iii. I am aware that strict disciplinary action will be taken in case of non-compliance with GFH's Gift Policy; and
- iv. I undertake to comply with the guidance and responsibilities explained in GFH's Gift Policy.

Yours truly,

Name: _____

Signature: _____

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A handwritten signature in blue ink, appearing to be 'S' with a flourish.



Gift Reporting Form

Event:	Gift Received <input type="checkbox"/>		Gift Given <input type="checkbox"/>	
Recipient of the Gift:	Name:		Company:	
	Position:			
Gift Given By:	Name:		Company:	
	Position:			
Gift Received Date:		Estimated Value of the Gift (USD):		
Details of the Gifts:				
Additional Information: (as necessary)				
GFH Executive Signature:				
Authorized By:	Approved: Yes <input type="checkbox"/> No <input type="checkbox"/>			
	Name:		Department:	
	Position:		Signature:	
For Human Resources				
Date Report Received		In compliance with policy?	Yes <input type="checkbox"/> No <input type="checkbox"/>	
Escalation Required	Yes <input type="checkbox"/> No <input type="checkbox"/>	Comments:		
For HRMD	Name:		Signature:	
For Compliance				
Date Report Received		In compliance with policy?	Yes <input type="checkbox"/> No <input type="checkbox"/>	
Escalation Required	Yes <input type="checkbox"/> No <input type="checkbox"/>	Comments:		
For HRMD	Name:		Signature:	
Board Audit & Risk Committee				
Escalation Required	Yes <input type="checkbox"/> No <input type="checkbox"/>	In compliance with policy?	Yes <input type="checkbox"/> No <input type="checkbox"/>	
For ARC	Name:		Signature:	