



**Whistle-Blowing Policy**  
of  
Kuwait Finance House (Bahrain) B.S.C.(c)



## Revision History

<b>Owner of the Policy</b>	<b>Anti-Financial Crimes Department</b>
<b>Approval Date</b>	27 <sup>th</sup> July 2011

Revision	Issue / Approval Date	Major Comments	Effective Date	Amendment Description
0.1	30 <sup>th</sup> June 2011	First Draft		NA
0.1	7 <sup>th</sup> July 2011	Approved by the Audit Risk Governance Compliance Committee		NA
0.1	27 <sup>th</sup> July 2011	Approved by the Board of Directors	27 <sup>th</sup> July 2011	First Version
0.2	17 <sup>th</sup> July 2012	Approved by the Risk Governance Compliance Committee		Ownership of the Manual amended to be with the AFC Department.  The name of the Whistle-Blowing Investigation Committee has been changed to Financial Crime Investigation Committee.
0.2	19 <sup>th</sup> July 2012	Approved by the Board of Directors	19 <sup>th</sup> July 2012	The procedures for reporting, handling allegation, investigation process and appeal process were deleted from this Manual and kept in the Anti-Financial Crimes Manual.



0.3	27 <sup>th</sup> October 2013	Approved by the Audit Risk Governance Compliance Committee		The Whistle-blowing Policy has been reviewed and re-written in a way applicable to all parties and to be suitable for publishing on the Bank's website
0.3	30 <sup>th</sup> October 2013	Approved by the Board of Directors	30 <sup>th</sup> October 2013	
0.3	10 <sup>th</sup> March 2014	Reviewed by the Head of the AFC Department- No changes proposed.		NA
0.4	12 <sup>th</sup> January 2015	Approved by the Audit Risk Governance Compliance Committee		The Whistle-blowing cases are reported directly to the Chairman of the Board.
0.4	21 <sup>st</sup> April 2015	Approved by the Board of Directors	1 <sup>st</sup> June 2015	
0.4	29 <sup>th</sup> February 2016	Reviewed by the Head of the AFC Department- No changes proposed.	29 <sup>th</sup> February 2016	NA
0.5	25 <sup>th</sup> May 2016	Reviewed by the Head of the AFC Department.		The Whistle-blowing cases should be reported first to the Audit & Compliance Committee instead of the Chairman of the Board.
0.5	18 <sup>th</sup> October 2016	Approved by the Board of Directors.	22 <sup>nd</sup> November 2016	
0.6	1 <sup>st</sup> March 2017	Reviewed by the Head of the AFC Department.		Updated the definition in section 6
0.6	16 <sup>th</sup> April 2017	Approved by the Board of Directors.	1 <sup>st</sup> June 2017	
0.6	16 <sup>th</sup> April 2018	Approved by the Board of Directors	24 April 2018	No Changes Proposed.



## Distribution list

S. No	Designation
1.	Board of Directors
2.	All permanent and temporary staff
3.	All service providers having contract with the Bank



## Abbreviations

Anti-Financial Crimes Department	AFC Department
Audit and Compliance Committee of the Board	ACC
The Board of Directors	BOD
Kuwait Finance House, Bahrain	KFHB or the Bank
Permanent and temporary employees, directors and service providers	Employees
Whistle-Blowing Policy	the Policy



## Table of Contents

1. Introduction.....	6
2. Objective of the Policy.....	6
3. Ownership of the Policy.....	6
4. Approval and Updating of the Policy.....	6
5. Scope .....	6
6. What is Whistleblowing?.....	7
7. The Fundamental Elements of the Policy.....	7
8. Raising a Concern .....	7
9. The Whistle-Blowing Report .....	8
10. Handling the Report.....	8
11. Anonymous Reporting .....	9
12. Protecting the Whistle Blower .....	9
13. Confidentiality.....	9
14. Monitoring .....	10
15. Communicating the Whistleblowing Policy .....	10
Appendix (1): Whistle-blowing Process Flow.....	11



## 1. Introduction

Kuwait Finance House (Bahrain) B.S.C. (c) (the "Bank" or "KFHB") 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, KFHB sets this Whistleblowing Policy (the "Policy") to enable its employees to report concerns internally in a responsible and effective manner when they discover information which they believe shows serious malpractice without having fear that their action may have adverse consequences.

KFHB recognizes that its employees will usually be the first to know when someone inside or connected with the Bank is doing something illegal, dishonest 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, KFHB provides assurance to those employees acting in good faith of affording them with utmost confidentiality and the greatest degree of protection possible against retaliation, victimization, discrimination or disadvantage.

This Policy should be read and applied in conjunction with the Bank's Anti-Financial Crimes Manual. Moreover, reporting suspicious transactions related to money laundering or breach of sanctions should be done following the Suspicious Transactions Reporting Procedures.

## 2. Objective of the Policy

The Policy is intended to assist employees who believe they have discovered malpractice or impropriety to report it, without having to fear that their action may have adverse consequences. It puts in place arrangements that will ensure that employees who report irregularities in good faith are afforded the utmost confidentiality and protection against any possible retaliation or reprisals, whether actual or threatened, as a result of their whistleblowing.

It is not intended to be used to consider matters that should be handled under the grievance or disciplinary policies and procedures of the Bank.

## 3. Ownership of the Policy

The ownership of the Policy rests with the Anti-Financial Crimes Department.

## 4. Approval and Updating of the Policy

The Policy will be reviewed by the AFC Department at least once every year or as and when there is a change in the regulatory requirement or the business need. The Policy and any upcoming changes should be approved by the Board of Directors.

## 5. Scope

This Policy applies to all permanent and temporary employees, directors and any other person working for KFHB 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?

Whistleblowing means the reporting by employees of possible or suspected serious misconduct that could threaten customers, employees, shareholders or the Bank's own reputation.

For the purpose of this Policy, serious misconduct will include:

- Fraud;
- Corruption;
- Bribery;
- Conduct which is unethical or illegal;
- Acting outside proper financial accounting, reporting and auditing standards;
- Intentional negligence or non-compliance with the Bank's internal controls and checks which results or facilitates fraudulent act; and
- A deliberate concealment of information tending to show any of the above.

Whistle-blowers are not those who raise issues or concerns through the normal business or management channels in an open, non-confidential manner.

## 7. The Fundamental Elements of the Policy

- 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.
- All disclosures will be investigated and interviews with witnesses and other parties involved will be conducted.
- All disclosures will be treated with utmost confidentiality and every effort will be made not to reveal the identity of the whistle-blower and other concerned persons should the whistle-blower so wish. However, the Bank cannot guarantee providing anonymity to the identity of the whistle-blower if external legal action flows from the disclosure or resolving the concern required revealing the names of the whistle-blower. Should the Bank have to reveal the identity of the whistle-blower, it will inform the whistle-blower.
- The Bank is not accountable for maintaining anonymity where the whistle-blower has told others of the concern.
- The Bank expects that the whistle-blower maintains high level of confidentiality.
- Breach of any confidentiality requirement under this Policy by any party involved in the investigation process of the allegation reported will impose that party to disciplinary action decided by the ACC.
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## 8. Raising a Concern

The whistle-blowing should be reported to the ACC and could be submitted by:

- a) Handing it to the Board Secretary who will submit it to the ACC's members.
- b) Sending it by email to [whistleblowing@kfh.com.bh](mailto:whistleblowing@kfh.com.bh) (which is only accessible by the ACC's members )
- c) Sending it by post addressed to the Board Secretary:
  - Whistle Blowing
  - Kuwait Finance House (Bahrain) B.S.C. (c)
  - P.O. Box: 2066, Bahrain

If, exceptionally, the concern is about a member of the ACC, then it should be reported to the Chairman of the Board through the Board Secretary.



The reporting shall be made within five working days from the date an employee suspected or knew about the serious misconduct. Failure to report it within the above time frame should be justified.

## 9. The Whistle-Blowing Report

The whistle-blower should report his/her concerns in writing, stating that he/she is referring to the Whistle Blowing Policy.

The report should include the information below:

- an outline of the known or suspected wrongdoing;
- details, to the best of his/her knowledge, about when, where and how it occurred;
- a list of the names of those suspected of being involved (both within KFHB and externally);
- a list of the names of anyone who may have relevant information;
- details of how he/she comes to know about the suspected activities;
- an estimate value of the loss to KFHB or other parties if any;
- breaches of internal controls, policy, procedure or other requirements if he/she believes that took place;
- any specific recommendations for actions;
- the names of anyone who he/she has discussed or reported this incident to;
- the whistle-blower name and contact details;
- date and time of submission of the report; and
- The supporting evidences and documents whenever applicable.

The whistle-blower, in no case, will be expected to prove the wrongdoing that he/she believes have witnessed or suspect. However, he/she will need to be able to explain the reasons for the concern.

## 10. Handling the Report

After receiving the whistleblowing report, the ACC's members will made initial enquiries to decide whether an investigation is required and, if so, they will determine who should conduct the investigation depending on the nature and the seriousness of the report. They may assign it to the Bank's Financial Crimes Investigation Committee, appoint a specific internal committee to conduct the investigation or an external investigator.

The whistle-blower will receive an acknowledgement for the receipt of the whistleblowing report from the investigation committee designated by the ACC. If the whistle-blower is required to attend he or she may be accompanied by a fellow employee who knows about the case.

The final investigation report will be submitted to the ACC which will decide on the actions to be taken. They will inform the Board of Directors and will decide on reporting to the authorities, where necessary.

Moreover, subject to any legal constraint, the ACC members will decide on the response to be provided to the whistle-blower and the individual(s) under investigations.

Where an employee is found to be involved in a serious misconduct, they will be dealt with in accordance with the employment law, any other applicable law and the contract of employment.

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 afforded anonymity, care must be taken to restrict access to hard-copy documents and to store and secure electronic data.

A log of all whistle-blowing cases, tracking their receipt, investigation and all relevant documents thereof will be maintained by the Board Secretary.

## 11. Anonymous Reporting

The Bank understands that disclosures made under this Policy may involve highly confidential and sensitive matters and that the whistle-blower may prefer to make an anonymous disclosure.

However, the Bank actively encourages the employee to put his/her name and contact details when he/she makes a report. 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, or to provide feedback.

Thus, reports raised anonymously are much less powerful, however, will be accepted but will be considered for investigation at the discretion of the ACC. In exercising this discretion the factors to be taken into account will include:

- the seriousness of the issue raised;
- the credibility of the concern; and
- the likelihood of confirming the allegation from attributable sources.
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## 12. Protecting the Whistle Blower

Any employee who in good faith reports any serious misconduct, will be protected by KFHB. KFHB will not discharge, demote, threaten, harass or retaliate against such employee and will take appropriate actions to protect him/her. If the whistle-blower noticed that it has affected them adversely in any way, he/she has the right to make representations to the ACC members who will consider the claim and make a determination on a case by case basis. Each decision will be deemed to be final.

However, KFHB may take appropriate disciplinary actions against a person, at its sole discretion, if upon investigation the reported allegations are confirmed to have been of malicious nature and without any factual substance. Disciplinary action may be taken against him/her as advised by the ACC.

In making a report, the whistle-blower should take every care to ensure the accuracy of the information and ensure that they have understood the facts thoroughly. Even disproven allegations may carry with them a degree of reputational damage for the person to whom the allegations relate and this can be difficult to reverse. Employees are encouraged therefore to the highest Islamic standards and to be as certain as they can be before making an allegation.

## 13. Confidentiality

KFHB 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.

KFHB 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 KFHB or the appropriate law enforcement officials to investigate or respond effectively to the disclosure, (iv) identification is required by law or under KFHB's rules, where a false accusation has been maliciously made, or (v) the person accused is entitled to the information as a matter of legal right or under KFHB's policies and procedures 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 (12) above.

#### **14. Monitoring**

The successful implementation of the Policy would be monitored by the ACC through some performance measurement such as the time to resolve a whistle-blowing case and the corrective actions taken.

#### **15. Communicating the Whistleblowing Policy**

The 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 KFHB's website to make it accessible to all other external parties to whom this Policy applies.
- Board Secretary should ensure circulation of this Policy to all members of the Board of Directors.

## Appendix (1): Whistle-blowing Pro0cess Flow

