

<b>POLICY REF. NO.</b> CAF/HRD/POL/2015/006/HRP <b>REVISION NO.</b> 11	 <b>Kuwait Finance House</b> بيت التمويل الكويتي <b>HUMAN RESOURCES POLICY</b>	<b>ESTABLISHMENT DATE</b> 1 December 2015 <b>IMPLEMENTATION DATE</b> 1 January 2023
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#### 34.0 WHISTLEBLOWING

This policy is guided by the **Islamic Financial Services Act 2013 (IFSA)** and other applicable Acts, frameworks or guidelines issued by regulators.

##### 34.1 Definition of Whistleblowing

- a. An employee or third party (e.g. contractors, consultants and interns), who **has reasonable belief**, witnessed or has come across substantiated evidence of fraud, improper conduct or any unhealthy practice may report the event / incident to the appropriate party / channel according to this policy.
- b. The Whistleblowing Policy must be clearly communicated to employees and third parties to facilitate reporting of fraud or improper conduct.
- c. For the purpose of whistleblowing, there may be employees who appoint external legal counsel to whistleblow in order to protect their interests. Although the Head, Internal Audit and Chairman of BAC may investigate the reports received from the external legal counsel, they do not have any obligation or responsibility towards the appointed external legal counsel.

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### 34.2 Investigation Responsibilities

- a. The Head, Internal Audit shall notify and provide updates on the investigation cases to the BAC or where applicable to CEO / EXCOM. The approval authority for decision to be taken on the whistleblowing cases shall reside with the BAC and / or CEO / EXCOM, where applicable. The decision made by EXCOM shall be notified to the BAC. For decision by the BAC, both CEO / EXCOM and the Board shall be notified.
- b. This includes the decision to disclose the matter to an enforcement agency.
- c. If need be, the Head, Internal Audit shall appoint independent forensic services to facilitate the investigation after approval is obtained from the BAC.
- d. The BAC or Board of Directors may instruct the Head, Internal Audit to discontinue investigations provided no law or banking regulations are violated. CEO / EXCOM shall be notified on all the decisions made, where applicable.

### 34.3 Whistleblowing Channels, Procedures and Important Requirements

- a. A whistleblowing report can be made by e-mailing [whistleblow@kfh.com.my](mailto:whistleblow@kfh.com.my), an e-mail group comprising the Head, Internal Audit, the Chairman of the Board and the Chairman of BAC. The recipients of the e-mail group shall be updated as and when required to reflect the individuals holding the said positions. Should any party wish to reach the Chairman of BAC directly, they may send an email to [BACChairman@kfh.com.my](mailto:BACChairman@kfh.com.my). The same protection under Item 34.4 will apply for those who whistleblow via this channel.
- b. The Head, Internal Audit and Chairman of BAC are given the discretion to consider investigating whistleblowing from an anonymous source. However, the Head, Internal Audit should strive to fully identify the source for credibility and accountability purpose. Anonymity may encourage the source to make an irresponsible report.
- c. Either the Head, Internal Audit or Chairman of BAC will escalate the whistleblowing case to KFH Group.
- d. The Chairman of BAC is responsible to evaluate periodic reports that monitor and assess how concerns are escalated and dealt with, and overseeing periodic reviews of the effectiveness of the whistleblowing policy. (Note: The Chairman of BAC is a non-executive director)
- e. The report made by the whistleblower should preferably contain the following minimum information:
  - i) Concise description of the fraud / improper conduct / breach of regulations.
  - ii) The name of the main account affected.

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- iii) The identity of the parties committing and abetting the fraud or misconduct.
  - iv) The date of the transaction took place.
  - v) The transaction amounts involved.
  - vi) The place where the transaction took place.
  - vii) Place where the incriminating evidence is available or the names of any other witnesses.
- f. The whistleblower should identify himself / herself when making the report. Evidence such as documents, letters and other media recording such as video is very helpful if supplied as they usually build up a stronger case, especially for criminal cases.
- g. Upon receipt of information, the Head, Internal Audit will conduct a discreet preliminary investigation and revert to the whistleblower within 14 calendar days on whether there is sufficient ground to investigate further.
- h. If there are grounds to investigate, the whistleblower must be told that he / she will only be advised when necessary at the discretion of the Head, Internal Audit, due to the need to keep matters confidential and to gather evidence discreetly.
- i. Whistleblowers may also make reports to other enforcement / regulatory agencies, including but not limited to these listed below:

No.	Enforcement / Regulatory Agency	Website
1.	Royal Malaysia Police	rmp.gov.my
2.	Malaysian Anti-Corruption Commission	sprm.gov.my
3.	Bank Negara Malaysia	bnm.gov.my
4.	Securities Commission Malaysia (Suruhanjaya Sekuriti Malaysia)	sc.com.my
5.	Companies Commission of Malaysia (Suruhanjaya Syarikat Malaysia)	ssm.com.my

#### 34.4 Protection for the Whistleblower and Confidentiality of Information

- a. The Bank guarantees that all whistleblowing cases will be treated with strict confidentiality pending their proper investigation and conclusions.
- b. The Bank empowers the Head, Internal Audit and Chairman of BAC to refuse identifying the whistleblower and collaborating parties, except when required by the appropriate law by an enforcement agency. All cases, so long as the disclosures were made in good faith, shall be afforded this guarantee.
- c. To qualify for this guarantee, the whistleblowing employee must follow the following conditions when making the report and during the investigation. The whistleblower should not:

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- i) Attempt to personally conduct investigation, interview and / or interrogate any person. This is important in order to avoid damaging the reputation of the person suspected but who may subsequently be found innocent of wrongful conduct and to protect the Bank from potential civil liability.
  - ii) The whistleblower should also not discuss the matter with anyone or voluntarily draw attention to his whistleblowing.
  - iii) The whistleblower should not act suspiciously nor behave in any way inappropriate to his / her position during and after the investigation.
  - iv) The whistleblower should not reveal his identity even under interrogation by superiors or the alleged wrong-doer(s). All such instances should be reported to the Head, Internal Audit.
- d. Without the strictest confidentiality, the Bank cannot properly protect the whistleblower. On its part, the Bank assures the fullest confidentiality to all employees who whistleblow in good faith with proper evidence or justifiable reasons.
- e. The commission of any of the above actions will preclude the whistleblower from protection under this policy and his actions may be detrimental to the interests of the Bank. Any of the above actions, if committed in good faith or otherwise by the whistleblower, should not be construed as the action of the Bank and no civil liability should be borne by the Bank or any of its Officers.
- f. In a domestic inquiry, if it is strongly believed that justice cannot be fully achieved without the discovery of the whistleblower's identity, then such inquiry may require the disclosure of the whistleblower. The decision to disclose the identity of the whistleblower must be agreed by both the Head, Internal Audit and Chairman of BAC.
- g. Once the Head, Internal Audit has acknowledged that an investigation is justified, the Bank will ensure that no detrimental action is taken against the whistleblower and other employees who come forward to cooperate in the investigation. Detrimental action is defined as:
- i) Action causing injury, loss or damage.
  - ii) Intimidation or harassment.
  - iii) Interference with the lawful employment or livelihood of the whistleblower including discrimination, discharge, demotion, suspension, disadvantage, termination or adverse treatment in relation to the whistleblower's employment, career, profession, working conditions or the taking of disciplinary action.
  - iv) A threat to take any of the actions referred to in paragraphs (i) to (iii) above.

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- h. The whistleblower or any person related to or associated with the whistleblowing case should report any such action taken against him to the Head, Internal Audit or Chairman of BAC because of him being or being suspected as the whistleblower. If the complaint is substantiated and proven to be reasonable, the Head, Internal Audit or Chairman of BAC is to seek the CEO's or the BAC's assistance to stop any such retaliatory action. The CEO / EXCOM or the BAC shall have the authority to call for immediate reinstatement of all employment benefits which are due to the whistleblowing parties.
- i. Any employee who makes or receives a disclosure of a whistleblowing allegation in the course of investigation shall not disclose the confidential information unless proper authority has been obtained from the Chairman of BAC. This will include the whistleblower and collaborating parties, the Head, Internal Audit and investigating team (internal and external) and members of EXCOM.

#### **34.5 Malicious Whistleblowing**

- a. Whistleblowers should not expect to be rewarded directly in terms of remuneration, career prospects, etc. as a direct result of their whistleblowing.
- b. The Bank under the confirmation of the EXCOM or the BAC will consider all reports made in good faith but strict disciplinary action will be taken against employees who intentionally make false or baseless reports.
- c. Reports made deliberately without proper evidence, with falsified evidence or without reasonable grounds to suspect wrong-doing are deemed malicious reports. The reporter may then be subject to the Bank's disciplinary procedures and penalties for such misconduct, which may lead to dismissal and possibly civil action.

#### **34.6 Authorisation for Investigating a Whistleblower Allegation**

The Investigating Officer (IO) assigned by the Head, Internal Audit or Chairman of BAC to investigate a whistleblower's allegation will have:

- a. Free and unrestricted access to all relevant Bank records, employees and premises, whether owned or rented during the investigation.
- b. The authority to examine, copy, and / or reasonably remove all or any portion or the contents of documents, files, desks, cabinets, and other storage facilities on the premises without the consent of any individual who may use or have custody of any such items or facilities when it is within the scope of their investigation.
- c. Authority to call and interview employees to investigate the allegation, and to require these employees to give signed statements.

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- d. Full cooperation from all parties concerned during the investigation.
- e. Any inordinate or intentional delay in delivering or tampering or updating the items or records requested by the IO may subject the party responsible to serious disciplinary action.
- f. The IO shall give a proper request and should acknowledge receipt of items or records requested. Where records are mandatory or are needed for operations, the copies of the records should be made for the department while the IO retains the originals.
- g. The IO shall also have immunity from detrimental action from any party in pursuing the investigation under the direction of the Head, Internal Audit and / or Chairman of BAC.
- h. The Bank's IO may also work together with any external investigation officers appointed by the enforcement agency (if necessary).

**Note: An appropriately qualified IO from Internal Audit Division and / or an appointed independent forensic service team shall lead and conduct the investigation.**

#### **34.7 Disciplinary Action Against "Hostile" Parties**

- a. The Head, Internal Audit may recommend to the EXCOM or BAC to take action against any person who is proven to have intentionally hampered or instigated action to hamper any whistleblowing investigation.
- b. In order to ensure proper implementation of this policy, no party should take any detrimental action or threaten to take any such action against any whistleblower, witness or the IO in any whistleblowing investigation. The victim claiming such detrimental action has to prove that such action has been taken against him because of the relevant whistleblowing allegation.
- c. Any person irrespective of rank if proven guilty of having intentionally committed detrimental action against the whistleblower, shall be subject to disciplinary action, if such complaint by the whistleblower is proven to be reasonable.

#### **34.8 Reinstatement of Benefits for Whistleblower**

At the same time, the BAC shall have the authority to suspend detrimental action taken against the whistleblowing parties or call for immediate reinstatement of all employment benefits due to the whistleblowing parties.