



AHLI BANK Q.S.C (THE “BANK”)

Corporate Governance Guide

V.04

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INTRODUCTION

- 1.1 Corporate governance is a system by which companies are directed and controlled (“**Corporate Governance**”). Good Corporate Governance practice is an important function in creating and sustaining shareholder value and ensuring that the organisational behaviour is ethical, legal and transparent.
- 1.2 This Corporate Governance Guide is established to provide a framework for setting the principles of effective Corporate Governance across Ahli Bank QSC (the “**Bank**”) and its subsidiaries, to the extent applicable, taking into consideration the following:
 - (a) International best practice corporate governance standards set by bodies such as the Basel Committee for Banking Supervision;
 - (b) Focus on the Bank’s commitment to good corporate governance, the structure and functioning of the Board, the control environment and processes, and the assurance of the transparency and disclosure of information; and
 - (c) QCB Corporate governance rules and principles issued by virtue of Circular No. 68/2015) (the “**Governance Instructions**”), QFMA governance code for companies and legal entities listed on the main market (the “**Governance Code**”), QCB Law on Regulation of Financial Institutions issued by virtue of Law No. 13 of 2012 (“**QCB Law**”), Commercial Companies Law No. (11) of 2015 (the “**Law**”) and the Bank’s AoA, all as be amended, reviewed or replaced from time to time.
- 1.3 In the event that a conflict exists between this Guide and the applicable laws, regulations or other regulatory pronouncements, the latter shall prevail, and accordingly this Guide shall be amended so as to ensure compliance, and where not amended immediately it shall be applied in accordance with such laws or regulations as amended.

2. SCOPE

- 2.1 This Guide captures the guidelines of the Bank’s governance framework. It falls within the responsibilities of the Board to ensure the observance of governance requirements. This Guide shall be reviewed and amended by the Board Secretary in coordination with the Compliance Department as and when necessary or required.

3. DISTRIBUTION

- 3.1 This Guide shall be made available to the public in line with the transparency and disclosure requirements in line with the Governance Rules. The Board and employees should read and understand this Guide and to ensure that they comply and assist others to comply with it.

4. GOVERNANCE GUIDING PRINCIPLES

- 4.1 The Board of Directors (the “**Board**”), Executive Management and employees of the Bank are committed to implementing the best practices of Corporate Governance standards and principles in conducting their affairs and the management of the Bank. The Bank seeks to manage its business in accordance with the principles of appropriate Corporate Governance which provide a basis for a performance of high quality, solid and sound financial standing as well as sustainable growth.
- 4.2 Corporate Governance at the Bank focuses on the responsibilities of the Board of Directors and Executive Management, the independence of the Board’s committees, the segregation of duties and responsibilities of the Board and Executive Management, the independence of the external and internal auditors, the cooperation with supervisory and

regulatory authorities and external auditors and the assurance of the transparency and disclosure of information.

- 4.3 The Bank maintains and enforces written policies, procedures and systems of supervision (related to fair disclosure) reasonably designed to:
- (a) Ensure an effective control environment and the fair and timely release of material information about the Bank;
 - (b) Ensure that the information it releases about the Bank is factually correct, clear and transparent;
 - (c) Ensure that the information it releases does not intentionally or unintentionally mislead investors,
 - (d) Control dealing in the Bank's shares on the basis of undeclared or unrevealed information, by those who are, by virtue of their position, aware of such information.
 - (e) Compliance with exacts of the Governance Rules, to the extent applicable to the Bank.

5. DEFINITIONS

- 5.1 Capitalised terms in this guide, unless otherwise defined else shall have the following meanings;

AC means the bank's Audit committee.

AOA means the Bank's Articles of Association as amended from time to time based on the resolutions of the General Assembly.

AGA means the Bank's annual general assembly of the shareholders pursuant to the AOA and the provisions of Law.

Bank means Ahli Bank QSC, and where applicable, its subsidiaries and affiliates.

Board means the board of directors of the Bank.

Board Committees means each and any of the AC, RCC, GNRC and any other committee of the Board.

CEO means the Bank's Chief Executive Officer or an officer acting in that capacity.

Chairman means the Chairman of the Board.

Director means a director of the Board

EGA means the Bank's extraordinary general assembly of the shareholders pursuant to the AOA and the provisions of Law.

GNRC means the Governance, Nomination and remuneration committee of the Board.

General Meeting means the AGA and the EGA or any of them.

Governance Rules means collectively the Governance Rules and the Governance Instructions as amended from time to time.

Law means the Commercial Companies Law No. 11 of 2015 as amended or replaced from time to time.

QCB means Qatar Central Bank.

QFMA means Qatar Financial Market Authority.

QE means Qatar Exchange.

RCC means the risk and compliance committee of the Board.

Shareholder means a shareholder of the Bank at any given time.

TORs Terms of reference outlining the organization, composition and main functions and responsibilities of the bank's board of directors, Board committees and other management committees.

6. THE BOARD OF DIRECTORS

6.1 Composition

- a) The Bank strives to ensure diversity of expertise and knowledge amongst the Board members and this is reflected in the diverse professional backgrounds of the members, which allows them to perform their functions in the best interest of the Bank. The Bank's AOA details the Board composition
- b) The Bank takes into consideration the QCB governance regulations which require that majority of the Directors shall be non-executive and independent to ensure sound and objective decision-making.

6.2 Roles and Responsibilities

- a) The Board assumes the comprehensive responsibility for the Bank's Corporate Governance practices performance in accordance with the requirements and exacts of the Governance Rules, including the development of appropriate policies, strategies, risk structures, governance framework and corporate values. The Board shall also be responsible for supervising the sound enforcement of the above, as well as for supervising the Executive Management.
- b) The Board shall be fully aware of its duties and responsibilities, particularly:
 - (i) Approving the Bank's strategic objectives, policies, plans, setting forth management compensation, reviewing management performance and ensuring succession planning concerning the management of the Bank;
 - (ii) Ensuring the Bank's compliance with related laws and regulations and the Bank's AoA;
 - (iii) Ensuring independence of the Board's committees, the segregation of duties and responsibilities of the Board and those of Executive Management.
 - (iv) Ensuring independence of the external and internal auditors.
 - (v) Cooperation with supervisory and regulatory authorities and external auditors and the assurance of the transparency and disclosure of information.
 - (vi) The professional and legal responsibilities of the Board to shareholders and stakeholders, most notably honesty and dedication to achieve the Bank targets and safeguard the rights of depositors, shareholders and stakeholders.

- c) The Board functions and responsibilities are set out in the Board TOR.

6.3 **Meetings**

The Board shall hold meetings regularly so as to ensure that the Board is effectively performing its duties. The Board shall meet at least six times during a year. Meetings are held in accordance with the requirements of the Law, the AoA and Governance Rules where applicable.

6.4 **Separation of the Chairman and CEO Position**

It is not allowed to combine between the position of the Chairman and the CEO in the Bank, in all circumstances, no one person should not have unlimited authority to take decisions in the Bank.

6.5 **Access to Information and Support**

- a) The Board and the Board Committees are given detailed information with relation to the bank's operations and transactions, to the extent the Board approval is required, thus facilitating the informed decision making by the Board and the Board Committees.
- b) All Directors, including each of the Board Committees, may seek independent professional advice in appropriate circumstances at the bank's expenses. The Board will be also provided with education programs to enhance their knowledge and skills in corporate governance issues. In addition, all newly appointed directors are provided with detailed and tailored induction in respect of the Bank activities, including its corporate governance systems, as well as their responsibilities and duties and relevant regulatory requirements.

6.6 **Initial Induction Training and Ongoing Professional Development**

- a) The Board will ensure that newly appointed Directors receive a full, formal, and tailored induction training upon joining the Board of Directors. This is to ensure that Directors are fully aware of their responsibilities and have an adequate understanding of the Bank's operations, and the Board will undergo continuous professional development and training throughout their tenure as Directors.
- b) The Board of Directors will ensure that all Directors have access to independent professional advice at the Bank's expense where they judge it necessary to discharge their responsibilities as Directors.
- c) All Directors will have access to the advice and services of the Board Secretary.

7. **DISCLOSURE**

7.1 The Bank complies with the governance disclosure requirements and annually prepares its corporate governance report, which is shared with the shareholders in the AGA and is published on the Bank's website. The Governance report shall include, *inter alia*, the following information;

- a) A full list of the Board members providing information on their experience and information about their membership in any other banks or companies, also stating their status;
- b) A report on the total remuneration for each of the members of the Board and the adopted remuneration policy for the members of the Board;

- c) Board Committees and their responsibilities and activities and their meetings during the year;
- d) Capital structure of the Bank;
- e) Approved organisation chart which identifies the reporting lines of the different departments;
- f) Internal control procedures including all relevant information describing the Bank's risk management operations and Internal Control procedures

7.2 The Corporate Governance Report shall include the assessment by the Board of Directors of the compliance of the Bank to the provisions of Governance Rules. The Corporate Governance Report shall be submitted to the QFMA on an annual basis and whenever required, and shall be published on the Bank's website

7.3 The Board is dedicated to promoting transparency at all levels and areas of the Bank.

8. BOARD PRACTICES AND CONFLICT OF INTEREST

The Board is in charge for determining the appropriate governance practices as necessary for fulfilment of Board duties, adopting necessary measures for compliance therewith, conducting periodic reviews of the same for purposes of enhancement, and developing necessary polices and controls to minimize conflict of interest-related risks.

8.1 Board Practices

- a) Each Director is required to evaluate its own performance and that of all Board Committees once a year. The evaluation process complies with Governance Rules and shall be reviewed and assessed by the GNRC.
- b) Evaluation takes into account (amongst other factors), the Director's attendance, performance, contribution.

8.2 Conflict of interest

- a) Each Board member and Executive Management member is aware that by virtue of the Commercial Companies Law and the QCB Law, they assume personal responsibility to QCB and the shareholders for breach of their obligations and duty of loyalty under applicable laws and supervisory directives.
- b) The loyalty duty involves non-misuse of Bank's property and funds for personal interests, non-disclosure of Bank/client confidential information or using the same for any personal gain, abstaining from realising any private gain by exploiting commercial operation opportunities of the Bank.
- c) Each Director shall exert every effort possible to avoid being party to transactions leading to conflict of interests with the Bank. A Director shall not receive any preferential terms to Bank client, nor may any person related thereto receive any such preferential terms.

8.3 Each Director shall disclose any conflict of interest upon materialization and shall abstain from voting on conflict of interest matters, and observe Commercial Companies Law provisions in this respect.

9. BOARD SECRETARY

9.1 The Board have a Board Secretary to handle the following duties:

- a) To record the minutes of the Board meetings and decisions in a serial number register, the register shall also include names of Directors who attended the meeting and their reservations if any.
- b) To keep all the minutes of the Board meetings, their records, the reports submitted from/ to the Board.
- c) To ensure that all the related working papers, documents, information and the agenda of each Board meeting are shared with all Directors under the supervision of the Chairman.
- d) To coordinate between the Board and other stakeholders of the Bank including Executive Management and employees.
- e) In coordination with the Executive Management, to ensure that Board members can reach completely and quickly all the Board meeting minutes, related information, documents and records of the Bank.

9.2 The Board Secretary shall be appointed or terminated by a Board resolution.

10. BOARD COMMITTEES

10.1 The Board may exercise its duties through its Board Committees comprised of Directors in order to ensure effective, independent and specialist Board supervision over various Bank activities and risks. In general, the number of types of Board committees depend on several factors, most notably the type, size, variances and complexity of bank activities, risk structure, Board structure and the number of Directors.

10.2 Below are the key Board Committees which are required by the Governance Rules:

- a) Audit Committee;
- b) Risk and Compliance Committee;
- c) Governance, Nomination and Remuneration Committee.

10.3 The Bank has also an Executive Committee and a Tender Committee.

10.4 The Board may set up other committees and to approve their TOR or may reduce the number of the Board Committees (to the extent permitted by the Governance Rules) by distinguishing or merging the missions of two or more committees, while observing consistency and harmony in powers and duties of committees affected. However, the duties of the RCC and the AC may not be merged together or with any other committee or committees.

10.5 The Board determines the number of Director of each committee. No committee may comprise of less than three (3) Directors. The Board shall select the Chairman of each committee, determine and commit to record its duties, powers, number of meetings and other key information such as quorum requirements, voting, reporting, necessary qualifications and expertise of its Directors, etc.

10.6 Each committee has its own record and minutes keeping system together with all its resolutions, decisions and reports submitted thereto by the Board or the Executive Management. All records of the Board Committees shall be kept with the Board Secretariat.

11. EXTERNAL AUDITORS

11.1 The Bank shall appoint one or more External Auditors and determine their fees according to article no. (141) of the commercial companies law no. (11) of the year 2015.

11.2 Shareholders should have the right to vote annually on the ratification of appointment of the external auditors in the annual general assembly.

12. EXECUTIVE MANAGEMENT

12.1 The Executive Management comprise of senior Bank officers, managed by the CEO who shall assume the responsibility of putting into action the operations, activities and decisions of the Board as per the Board approved strategies and policies as well as the Bank risk structure.

12.2 The Board may assign the CEO the power to act generally in the name of and represent the Bank in transactions with third parties. Further, the Board may set any limitations to its discretion on the CEO's or any other senior officer's powers, including setting limitations on financial transactions executable by the same without prior approval by the Board.

12.3 Executive Management members are part of proper corporate governance and the enforcement and enhancement of a sound governance system in cooperation with the Board.

12.4 Executive Management developed an appropriate organizational structure for the Bank and have the same approved by the Board, while ensuring therein a sound distribution of duties, delegation of powers, limitation of responsibilities and accountability. Moreover, such structure shall include, without limitation, the following:

- a) Departments, units and divisions in a manner that ensures independent executive and review duties and wards off conflict of duties.
- b) Job designations, grades and levels.
- c) Communication channels and reporting mechanisms.
- d) Dual control.
- e) Evaluation and accountability.

12.5 Any delegation of powers to employees shall not relieve the CEO of accountability before the Board.

12.6 Executive management at the Bank ensure that control functions forms an integral part in the decision making process, without deviating from the fact that control functions shall not directly interfere in the business.

12.7 The Bank has several Management Committees, including but not limited to:

- a) Asset Liability Committee;
- b) Investment Committee;
- c) Credit Committee;
- d) Purchasing Committee; and
- e) Special Assets Committee.

13. SEGREGATION OF AUTHORITIES

- 13.1 In strict accordance with the Governance Rules, the Bank ensures that duties are not vested in one person and that the position of Chairman of the Board and the CEO are separated.

14. RISK MANAGEMENT

- 14.1 The Risk Management function shall be independent, provided with powers and necessary resources and shall have direct access relevant Board committee. Relieving the Chief Risk Officer of his position requires the consent of the relevant Board Committee or the Board

- 14.2 The Risk Management Department shall put the risk-related strategies and policies and is responsible for the effective management of all risks associated with the Bank's operations, including without limitation:

- a) Credit Risk for corporate, retail and private banking
- b) Market Risk, including liquidity risk and funding risk
- c) Operational Risk
- d) Risk Compliance Control Unit (RCCU)
- e) Special Assets
- f) Liquidity Risk
- g) Funding Risk

- 14.3 For the purpose of performing its activities, the risk management department shall at all times have in place the necessary policies and procedures to cover any of the risk related areas.

- 14.4 Risk management shall have at all times a risk appetite policy, which is updated annually and is responsible to conduct stress testing on an annual basis and to report it to the Board and the relevant Board Committee.

- 14.5 The Risk management department is responsible for collection and recovery of non-performing assets.

15. INTERNAL AUDIT

- 15.1 The Bank has an established and independent internal audit unit with an approved charter and with clear and specific roles, authorities and responsibilities, which reports to the Board where required or generally through the AC.

- 15.2 The Bank's Board, AC and Executive Management are entitled to use Internal Audit to assess the effectiveness and sufficiency of internal control systems. The head of Internal Audit shall periodically submit to the Audit Committee the internal audit report including a review and evaluation of internal control systems and the control environment within the Bank.

- 15.3 The Board and the Executive Management shall continually support the Internal Audit function through encouraging auditors to keep up with the relevant international standards, and shall ensure using qualified and experienced auditors as necessary for their respective duties and responsibilities. Effective corrective actions shall be timely enforced in respect of Internal Audit where necessary.

- 15.4 The Bank's Internal Audit shall as part of the internal audit charter, comply with all related regulatory requirements and the International internal audit standards and Code of ethics.

16. COMPLIANCE FUNCTION

- 16.1 The Bank is required to introduce the function of compliance officer in accordance with the following:

- a) **Compliance Officer's Definition:** Compliance officer can be a person, unit, or department that carries out the duties in a permanent and independent manner. Compliance officer is responsible for detecting, evaluating, providing advice, monitoring and reporting on risks of the non-compliance with the applicable instructions and standards.
- b) **Compliance Officer's Responsibilities:** Compliance function should include the following:
- (i) Detect and evaluate violations connected with banking activities and any new product.
 - (ii) Provide advice to the management on the applicable laws, regulations, and standards and inform the management on the latest updates daily.
 - (iii) Issue written instructions to employees on the proper application of laws, regulations, and standards.
 - (iv) Evaluate the appropriateness of internal procedures directives, and instructions, detect any weakness in policies, and procedure and draft proposals for solutions.
 - (v) Carry out regular and comprehensive examination and send periodical reports to the executive management on remarks and violations relating to compliance with necessary corrective actions.
 - (vi) Send periodical reports to the board or its subsidiary committee on violations and weak points detected, and the corrective actions implemented, in addition to, information about the compliance training program for its staff.
 - (vii) Act as information center for employees of the bank to reply to any inquiry relating to compliance.
 - (viii) Strengthen the banks relations with the concerned external bodies particularly QCB's Supervision and Control Department to respond to inquiries on compliance and regulatory requirements.
 - (ix) There should be distinction between the authority granted to the compliance officer and that to the legal affairs department for providing advice to the department regarding laws. Banks which have branches and subsidiaries abroad should check that they follow the bank's compliance policy.

17. GOVERNANCE POLICIES

- 17.1 The Board has adopted a set of policies to promote effective governance and sound practices, including;

- a) Compliance Policies;
- b) Code of Ethics;

- c) Fraud Policy;
- d) Whistle Blowing Policy;
- e) Remuneration policy;
- f) Related Party Transactions Policy;
- g) Dividend Policy;
- h) Board Remuneration Policy;
- i) Risk Manual and Policies
- j) Succession Policy; and
- k) Anti-Money Laundering and Combating Financing of Terrorism (AML & CFT) Policy.

17.2 The Bank's Remuneration Policy sets the guidelines for financial rewards and bonuses and the compensation and incentives of employees for their performance and their actual contribution on the success and profitability of the Bank and is designed to attract and retain qualified, knowledgeable, skillful and experienced talents for the benefit of the Bank. All Employee and Executive Management bonuses and incentive are presented to the Board Committee which is responsible to approve bonuses in accordance with the Remuneration Policy.

- l) The remuneration policy is designed in strict accordance with Governance Rules to:
 - (i) govern the remuneration for various administrative levels of the Bank, from Directors and key officers to all the Bank employees, to ensure effective risk management and achieve remuneration targets.
 - (ii) Align the remunerations to the risk structure and the overall Bank performance, including profitability, liquidity capital sufficiency and operational performance, while aligning employees' bonuses to their respective contribution to achievements and overall performance of the Bank.
 - (iii) take into account long-term performance, rather than the current year only.

17.3 The Bank's Succession Policy is designed to ensure that there is adequate staffing at all levels of the Bank such that in the case of vacancy of an Executive Management position or key positions at the Bank operations are not adversely affected and that a properly and adequately trained successor is available to ensure continuation of such position.

17.4 The Bank has also a Whistle Blowing Policy. Based on the policy, if an individual (including employees, agency staff, agents, contractors, suppliers and customers) believes that his/her own or another employee's behaviour contravenes the standards of business conduct laid down in the Bank's policies, or if he/she has a genuine concern that something is not right, it is vital that the matter be raised immediately through the Bank's secure channel. All concerns raised will be taken seriously and will be investigated before the Whistle Blowing Committee. The identity of employees who raise a concern will be kept confidential, and no employee will be discriminated against in any way as a result of raising an issue in good faith.

18. RIGHTS OF THE BANK'S SHAREHOLDERS

18.1 The Bank's shareholders shall enjoy all the rights granted to them under the related laws and regulations including the governance codes issued by QCB and QFMA and the

Bank's Articles of Association, and the Board shall ensure to respect the rights of the shareholders in order to achieve justice and equality.

18.2 The Board should ensure that Shareholders' rights are respected and Shareholders are treated in a fair and equitable manner.

18.3 The Board should foster constructive relationships with the Shareholders that encourage them to engage with the Bank.

18.4 The Board and corporate communications and shareholders unit function will ensure that Shareholders gain a better understanding of the business of the Bank through appropriate informative communications.

19. EQUITABLE TREATMENT

19.1 The below principles will be followed by the Bank with regards to the equitable treatment of Shareholders:

- a) All Shareholders should be treated equally.
- b) All shares should carry the same rights.
- c) Processes and procedures for General Meetings should allow for equitable treatment of all Shareholders.

20. COMMUNICATION WITH SHAREHOLDERS

20.1 Dialogue should be maintained with Shareholders based on the mutual understanding of objectives. The Board of Directors as a whole has the responsibility for ensuring that a satisfactory dialogue with Shareholders takes place.

20.1 Directors should maintain sufficient contact with Shareholders to understand their issues and concerns. The Bank shall communicate with shareholders of various classes to ensure their involvement and to respect their legally enshrined rights.

20.2 During the General meetings, the Board should discuss governance and strategy with Shareholders.

20.3 The Chairman should arrange for Board Committee members to be available to answer questions at the General Meetings.

21. OTHER STAKEHOLDERS' RIGHTS

21.1 The Bank shall respect the rights of other stakeholders, in the cases where the stakeholders are sharing in the governance, they should be able to get reliable, trustable, sufficient and related information in a suitable and regular time.

21.2 The Board shall ensure that the Bank's employees have been treated according to the principles of justice and equality and without any discrimination based on ethnic, sex or religion.

22. GENERAL ASSEMBLY MEETINGS

22.1 The conduct of meetings and the general procedures in relation thereto are detailed in the AoA and by Law. In particular, the Board shall, without limitation:

- a) Serve Ordinary and Extraordinary General Assembly meeting notices to shareholders in clear and non-misleading wording. Notices so served shall provide explicitly, and as necessary, for the purpose and the agenda of the meetings.

- b) During General Meetings, Chairman shall encourage shareholders to ask questions, including those on Bank governance directives and guidelines.
 - c) Shareholders shall be encouraged to attend meetings in person or, failing which, through proxies. Appointment of proxies and voting mechanism shall be clarified.
 - d) The Bank shall request all Directors to attend the meetings and answer any questions raised by shareholders.
 - e) The Chairman shall disclose all key facts to shareholders prior to casting their votes.
- 22.2 Shareholders should have the opportunity to participate effectively and vote in the General Meeting and should be informed of the rules, including voting procedures that govern the meeting.
- 22.3 Shareholders should be able to effectively participate in key corporate governance decisions and should be able to provide their views on the remuneration policy for Directors and Executive Management.
- 22.4 Minutes of meetings shall be provided as soon as practically possible to shareholders upon request; i.e., within a period not exceeding thirty (30) days from the date of the relevant meeting.
- 22.5 Calls for Director-election meetings shall provide all necessary information pursuant to the Law, Governance Rules, QCB Law and any other mandatory requirements.

23. BUSINESS CONTINUITY AND DISASTER RECOVERY

- 23.1 As business continuity and disaster recovery are key for the Bank's operations, the Bank put in place policies and procedures for business continuity and disaster recovery, in order to mitigate reasonably foreseeable risks of a potential disaster, technology or power blackout, technical failure, terrorist attack, cyber-attack. The Bank has also built a business continuity and disaster recovery site, which ensures that the Bank will continue to operate and to serve its customers in the event where an eventuality takes place.

24. INFORMATION SECURITY

- 24.1 The Bank seriously considers the confidentiality of data and its availability whenever needed, and that such data, including client and Bank data, are secure and protected from unauthorised access. The Bank has therefore implemented the necessary policies and procedures with the aim protecting confidential data.

25. SUBSIDIARIES CONTROLS

- 25.1 Where the Bank operates through a subsidiary which is controlled by the Bank, and in order to ensure strict governance, the Bank appoints the directors and senior officers of such subsidiary, and the directors should operationally report to the Bank's CEO who reports to the Board or the relevant committee (as applicable).

26. BANK GOVERNANCE DISCLOSURE

- 26.1 The Bank shall transparently disclose its governance system to shareholders, depositors, creditors and other stakeholders and market players.
- a) In order to achieve the purposes of the Bank, stakeholders and other relevant bodies concerned in terms of enhancing governance applications, the Bank shall develop a transparency and disclosure policy and have the same approved by the Board as per the relevant international standards of BCBS and OECD on company governance.

- b) The transparency and disclosure policies shall provide for all information to be disclosed and their timely disclosure.
- c) The Bank shall disclose key points on how progressive and capable the bank is of addressing risks while respecting privacy and confidentiality requirements at the same time. The role of the Board in this respect shall be determined as well. If the Bank works against a complex organizational structure, the Bank shall disclose sufficient information regarding its targets, strategies, risks and controls.
- d) The Board shall approve an in-house governance guide covering all requirements hereof as well as other bank governance-related matters as deemed appropriate by the Board. The Bank shall also publish and periodically update the abovementioned governance guide on the aforementioned website.
- d) In each annual General Assembly meeting, the board shall provide a report on how compliant the Bank is with these requirements, and shall clarify any deviations thereof along with appropriate justifications, if any.
- e) In each annual General Assembly meeting, the Board shall also provide a report on corporate governance containing the information specified by the Governance Instruction, Governance Code and the Law. Such report-based disclosure shall be accurate, clear and apprehensible so that shareholders, creditors and other stakeholders and market players can easily refer to it. Public disclosure shall be timely fulfilled when it comes to annual and periodic financial statements or in any other website-friendly form. The Executive Management and the Board shall be responsible for any insufficient and/or non-transparent disclosure.
- f) The Bank shall comply with all the requirements of the disclosure, including submitting the financial reports, the disclosure about number of shares owned by Board members, Executive Management, major or controlling shareholders. The Bank shall disclose about the information related to the Board members, including the biography of each member which show his academic level, profession, his membership in other board of directors (if any), also, the Bank shall disclose about the names of the members of the different Committees established by Board.
- g) The Board shall ensure that all the Bank's disclosures avail adequate, correct and non-misleading information.

27. MARKET MISCONDUCT AND INSIDER DEALING

- 27.1 Directors and employees are prohibited from involvement in any capacity in market misconduct or similar abuses. Engaging in any illegal or improper activities will be considered a serious breach of the terms of employment and the Bank's relevant policies, and will result in disciplinary action.
- 27.2 Similarly, no Director or employee in possession of confidential price-sensitive information relating to a corporation, may deal in any listed securities of that corporation or a related corporation, or counsel or procure another person to deal in such securities.

28. CONFIDENTIALITY

- 28.1 The Bank prohibits public disclosure of confidential company and customer information. This applies to all its employees without any exception.
- 28.2 The Bank ensures that information of a confidential nature received in the course of dealings with its customers is treated in an appropriate manner, and records maintained in a confidential and secure manner.

28.3 Specific policies have also been established regarding who may communicate information to the press and the financial community.

29. CORPORATE SOCIAL RESPONSIBILITY

29.1 The Bank considers the importance of being an active participant in the community development and promotion and environment preservation through effective and meaningful participation. Corporate Social Responsibility (CSR) relates to the Bank's initiatives to assess and take responsibility for the Bank's effects on social wellbeing.

Schedule 1 Version History Control

Version	Description / Modification(s)	Issue Date	Author(s)	Reviewed by
1.0	Approved Version	18/01/2012	Head of Compliance	Board of Directors
2.0	Approved Version	05/11/2014	Head of Compliance	Board of Directors
3.0	Approved Version	24/09/2018	Head of Compliance	Board of Directors
4.0	Approved Version	16/01/2020	Head of Compliance	Board of Directors