
Tadhamon International Islamic Bank (TIIB)

Date: 21/01/2016

Circular No. (5 / 2016)

To: TIIB Employees

Bank Governance Manual and Code of Conduct

Greetings,

Referring to the above subject, please be informed that the Governance Manual and the Code of Conduct attached thereto have been approved by the Board of Directors and the Central Bank of Yemen (CBY). Given the significance of their contents, the TIIB affiliates have to comply with the organizational guidelines, articles, and values adopted and approved by the Bank to be a general framework for regulating the duties and tasks of all supervisory and executive levels.

Therefore, we hope that you would review and understand the contents of the two files attached. It would be better for the department managers and branch managers to discuss the contents with their respective staff and document the same in the minutes of their regular departmental meetings.

Best regards,

Mahmoud Ata Al-Refai

General Manager

**Central Bank of Yemen
Head Office**

Banks Supervision Sector

Sana'a

**Banks Supervision General Directorate
Banking Affairs Department**

Date: 17/1/2016

Ref No. 000336

General Manager

TIIB

Greetings,

Referring to your letter dated 15/01/2015 concerning the request for approving the Governance Manual, and pursuant to the Governor's approval dated 4/01/2016, please be advised that the CBY agrees hereby to grant your bank the approval to adopt your bank's Governance Manual.

Best regards,

Nabeel Mansour Al-Montasir

Acting Banks Supervision Deputy

Governance Manual of the Tadhamon International Islamic Bank (TIIB)

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About the Bank:

Tadhamon international Islamic Bank (TIIB) is a closed Yemeni shareholding company. It was founded in 1996 as per the Republic of Yemen's Islamic Banks Law No. (21) for the year 1996 and is running its banking and investment business according to the banking rules and practices pursuant to the applicable laws, making sure not to violate the Islamic Sharia.

TIIB has experience that spans over 17 years and has around 786 male and female employees. The bank provides comprehensive Sharia-compliant banking solutions. It has continuously worked on developing its products and services through its specialized staff and plays a key role in bridging the gap between the modern banking requirements and the essential values of Islamic banking legislation.

TIIB Head Office is located in Sana'a the capital of the Republic of Yemen, having a network of more than 20 branches spread across the Yemeni governorates, and has the largest ATM coverage.

The TIIB controls the largest portion of conventional and Islamic banking market, up to 20% of the total assets and deposits, and controls around 30% of the international trade volume between Yemen and the world.

Vision:

To Be Your Number One Choice for Banking

Mission:

To provide world class local and international Islamic banking services by TIIB's unique and professional team through modern and up-to-date programs and technology that meet the demands of the times, while meeting the expectations of our clients, shareholders, and employees, all in a socially responsible manner.

Strategic Goals:

1. Providing the best Islamic finance and investment services and solutions.
2. Building and developing a professional and experienced team and using the most advanced systems and technologies.
3. Building strategic relationships with our clients and different financial institutions.
4. Improving the society and increasing social responsibility in our work.
5. Achieving the highest returns for our shareholders and clients.

Values:

- **Excellence:**

We exceed our client's expectations, work to develop and enable our employees, run our operations in a standardized and streamlined manner, and add, through our excellence, value to our society.

- **Commitment:**

We commit to dealing in integrity and transparency with our customers, providing justice and equal opportunities for our employees, accomplishing our goals according to Shariah rulings, and increasing awareness of Islamic finance in the society.

- **Responsibility:**

We preserve our clients' rights, protect and nurture our employees, operate with professionalism, and contribute to the sustainable development of our society.

- **Team Spirit:**

We share mutual respect and success with our clients, create teams that perform harmoniously with professionalism and ensure effectiveness and continuity for our operations and, thus, provide a model that revives values and leaves impact in our society.

- **Innovation and Development:**

We encourage and support our employees to unleash their talents to materialize the dreams of our clients, provide innovative solutions, and contribute to fostering the growth of our society.

- **Communication:**

We strive to build a strong partnership and lasting relationship with our clients in the spirit of one family, make communication a tool for complete coordination and smooth flow of our operations, and build bridges for interaction and integration with our society.

Board of Directors' Foreword

Chairman of the Board of Directors

Despite the fact that governance is a new trend in Yemeni banking sector, the TIIB has been keen to be among the first banks to apply the principles of this system. TIIB is indeed one of the leading banks in the application of this system.

As TIIB Management, we have exerted ourselves right from the beginning to adopt the highest ethical standards, establishing a set of core values and principles including honesty in dealing, fulfillment of commitments, transparent dealing with customers and all parties as part of our social responsibility, and enhancing accountability and compliance with the systems governing our business.

We have realized the significance of governance principles in order to achieve the objectives of sustainable profitability and create a culture of Islamic banking governance that meets with the Central Bank of Yemen (CBY) requirements in connection with corporate and banking governance. At every meeting of the Board, we highlight the vitality of governance and make key decisions in this regard such as the formation of the Board's governance-related committees. Moreover, the General Assembly has increased the number of the Board's members for the purpose of accommodating such committees and complying with their formation requirements. Thus, the TIIB is undoubtedly among the first banks to apply the governance principles which were introduced practically in the fourth quarter of 2013.

Sound Principles of Islamic Banking Governance

Governance is defined as the set of relations among the institution's management, board of directors, shareholders, and the other parties that have interests in the institution (stakeholders). It shows the right mechanisms and techniques to set the institution's objectives and strategies and the means to achieve them, adopt the principle of accountability before the shareholders, take care of the rights and interests of the parties concerned and the rules and instructions issued by the supervisory and regulatory authorities, protect the interests of depositors and comply with the requirement of developing robust risk management systems.

Significance of Governance for TIIB:

Based on the principles used for adopting and applying a governance system with the highest professional standards and procedures, the TIIB has prepared and issued the Governance Manual which reflects the TIIB responsibilities and commitment towards its shareholders, community, environment, and stakeholders.

The Governance Manual has been prepared to guide all the parties concerned including the Board of Directors, Executive Management, and the Bank's employees to follow the principles of good governance.

This Manual is consistent with the CBY instructions concerning governance principles and requirements and include the topics emphasized by the CBY in its governance-related periodical publications.

TIIB Governance Key Elements:

Given the special nature of Islamic banking and its additional responsibility towards the shareholders, depositors, creditors, investors, customers, and stakeholders (as the Islamic banks are subject to additional Sharia principles), they have additional requirements described in this Manual. The elements established by the Bank are as follows:

- **Compliance:** The practice of all Sharia-compliant banking business.
- **Transparency:** Making information widely accessible.
- **Responsibility:** Justification of procedures and/or decisions.
- **Equity:** Performing the duties in an equitable and neutral manner.
- **Integrity:** To be honest and consider ethics.

Fatwa and Sharia Audit Board

TIIB is fully committed to practicing all banking business in compliance with the Islamic Sharia principles, particularly the compliance with the Sharia decisions and fatwas issued by the Bank's Fatwa and Sharia Audit Board (FSAB). Among our priorities is to provide the FSAB with all information, accurately and sufficiently and in a timely manner, to assist it in practicing its duties, i.e., issuing the Sharia opinions on the activities, products and services provided by the Bank, providing solutions and alternatives to the products and activities that do not comply with the Bank's rules and regulations, making sure that the Bank complies with the Islamic Sharia principles, and formulating an independent opinion in this regard.

Furthermore, the FSAB has a special position in the Bank's structure as its members are appointed by the General Assembly. It comprises three members, whose appointment is subject to governance as per the CBY's directives.

- **The FSAB duties can be summarized as follows:**

- 1- Review and approve all contracts, agreements, and business procedures, policies, systems, mechanisms, programs, and provision of services and products including investment policies, dividend distribution, investment account loss allocation, methods of managing the Sharia-noncompliant income, and zakat calculation so that all the above is approved by the FSAB before implementation and is subject to its audit even after implementation.
- 2- Prepare a Sharia-compliant policies and procedures manual.
- 3- Submit an annual report to the General Assembly to indicate the level of the Bank's Sharia-compliance.
- 4- Provide consultation to the Bank's local and foreign customers.
- 5- Post the TIIB FSAB's decisions and fatwas on the Bank's website.

The FSAB enjoys also the following privileges:

- 1- The right to fully access, without any restriction, to all records, documents, procedures, and information from all sources including reference to professional consultants and the relevant employees of the Bank.
- 2- The right to seek the assistance of external experts to provide consultation on legal and financial issues.
- 3- Supervise the training and awareness promotion programs and activities of the employees to enable them to practice their works in compliance with the Islamic Sharia. The FSAB may suggest to the Board of Directors the organization of symposia and conferences to address the issues related to the Islamic economy.
- 4- Coordinate with the Governance Committee and Audit Committee concerning the compliance with the principles of Islamic Sharia.

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- **FSAB Member Appointment Mechanism:**
 - The nominee must have the academic qualifications required and the experience in the fiqh (jurisprudence) of Islamic financial transactions. The FSAB members must be at least 3.
 - The FSAB does not comprise TIIB managers as members and does not comprise shareholders who own 5% or more of the Bank's capital.

 - **Characteristics of FSAB Members:**
 - Independence
 - Personal responsibility
 - Care and professional conscience
 - Confidentiality

Section I: Board of Directors

- **Board of Directors**
- **General Responsibilities of the Board of Directors**
- **Composition of TIIB Board of Directors**
- **Board of Directors' business organization:**
- **Secretary of the Board of Directors**

TIIB Corporate Governance:

Based on the Central Bank of Yemen (CBY)'s Yemeni Banks Governance Manual issued by the CBY in Sept. 2013 and the topics and principles of corporate governance contained therein, the TIIB has formulated important rules and frameworks for the purpose of applying the governance rules and principles in the Bank. The TIIB Corporate Governance Code includes the following sections which are consistent with the CBY's instructions:

Section I: Board of Directors

Section II: Board's Committees

Section III: Senior Executive Management

Section IV: Risk Management and Internal Audit and Control Systems

Section V: Disclosure and Transparency

Section VI: Protection of the Rights of Shareholders and Stakeholders

Section I: Board of Directors

General Responsibilities of the Board of Directors

The TIIB Board of Directors shall carry out all responsibilities including the following:

1. Make sure that the Bank's management is executed prudently in accordance with the relevant applicable laws, Central Bank of Yemen (CBY) instructions, and the Bank's internal policies in a safe and appropriate manner in such a way as to protect the rights of depositors and the interests of shareholders, borrowers, employees, and other stakeholders.
2. Make sure that the TIIB Corporate Governance system is applied.
3. Adopt and oversee the Internal Audit and Control Systems and review their effectiveness.
4. Make sure that there is an independent Internal Audit Dept. reporting directly to the Board of Directors.
5. Directly supervise the Internal Audit Dept. to control the Bank's business and activities.
6. The Board shall form committees to assist the Board in the control over the Bank's business including the Nomination and Remuneration Committee, Governance

Committee, Risk Committee, and Audit Committee. A policy shall be issued for every committee, describing the term, powers, and responsibilities of such committee and the Board's control method over it.

7. Enhance the principle of the Board of Directors' loyalty to the Bank and that all shareholders are represented so as to serve the Bank's interest.
8. Protect the Bank from illegal acts.
9. Adopt a policy to regulate and define the dealing with the stakeholders and the common interests with them and make sure it is applied fairly and equitably.
10. Make sure that the Board of Directors do not participate in decision-making in case of conflicts of interest.
11. Understand the supervisory and regulating role of the Board of Directors and their loyalty to the Bank, its shareholders, and stakeholders.
12. Make sure that the Board of Directors' members dedicate enough care and time.

 **Qualifications of TIIB Board of Directors' members:**

1. The members shall have knowledge of the laws regulating the banking sector and are fully aware of the duties and responsibilities of the Board of Directors.
2. The members shall have adequate academic and/or professional qualifications and working experience so that they can carry out their duties and responsibilities ably.
3. Enjoy good reputation, efficiency, and responsibility in such a way as to achieve the strategic goals.

 **Composition of TIIB Board of Directors:**

1. The Board of Directors election procedures shall be carried out by the Shareholders General Assembly in a transparent manner based on a brief biography of each Board of Directors' candidate.
2. The number of the Board of Directors' members shall be in proportion with the size of the Bank's business.
3. The Bank's Articles of Association define the membership term of the Board of Directors, and every Board of Directors' member may be reelected every three years through the General Assembly in accordance with the relevant laws and regulations.
4. The number of relatives of first-degree on the Board of Directors may not be more than two members.
5. The majority of the Board of Directors' members shall be non-executive.
6. The number of the independent members on the Board of Directors may not be less than three.

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7. There must be separation between the position of the Board Chairman (and/or his Deputy) and the position of the Executive Director / General Manager, provided that the Board Chairman (and/or his Deputy) and the Executive Director/ General Manager have no relation of up to the second-degree.
 8. The Board Chairman and his Deputy shall be of the Board's non-executive members.

 **Board of Directors' business organization:**

1. The Board shall hold at least six meetings annually. A non-independent member shall have to attend (in person) at least four meetings annually, while an independent member shall attend not less than 75% of the Board's meetings. A member who fails to attend this quorum shall lose membership pursuant to a Board's decision. The Board's independent members shall attend all meetings at which strategic decisions that materially affect the Bank's interest are made; a Board's member may not have a representative from outside the Board and a member may not act as a representative more than once annually and no member of the Board may have a representative more than once annually. To ensure the comprehensiveness of the topics discussed at the Board's meetings, and to prevent the Board's involvement in the day-to-day operations of the Bank, all banking operations that lie within the Board's powers and require the Board's approval have to be explained in writing formally. The Executive Management shall promptly suggest the topics it deems important and add them to the agenda of every meeting and the Board's Chairman shall prioritize the discussion of the same.
2. The Board's members shall be provided with the meeting agenda supported with the relevant documents and information ten days before each meeting of the Board to allow them to study the proposed topics and make the proper decisions. The duties and responsibilities of the Board's members shall be well defined and described in conformity with the relevant legislations, and the Bank shall provide each Board's member, upon election, with a manual that explains the rights, responsibilities, and duties of the member.
3. The Board's members have to keep themselves informed of the developments inside the Bank and the local and international banking sectors. The Management of the Bank shall adequately brief the members on the Bank's businesses upon appointment, during the membership term, and upon request.
4. The Board's members and committees shall be allowed to directly communicate with the Executive Management, provided that the Board's members may

communicate with the Executive Management through the Board's committees or Chairman.

5. The Board and/or its committees may, if necessary, seek assistance from external experts in order to carry out the duties assigned to them perfectly.
6. Each member shall disclose any potential conflict of interest in the topics submitted to the Board.

Secretary of the Board of Directors:

The Board Secretary shall be responsible for assisting the Board and the Board Chairman in managing the Board's affairs including the following:

1. Make sure that the Board's minutes are prepared in a timely manner in coordination with the Board's Chairman and the Chief Executive Officer (CEO).
2. Organize and coordinate the attendance of meetings of the Board and shareholders.
3. Keep the minutes and drafts of the Board's meetings.
4. Carry out any instructions issued by the Board.
5. Make sure there is compliance with all legal requirements in connection with the Board's affairs.

Appointments and Successions:

1. Upon the consent of the General Assembly, a highly qualified and experienced independent External Auditor shall be nominated, contracted and remunerated in accordance with the relevant applicable laws, the laws regulating the banking sector, and the CBY instructions.
2. Make sure that the Human Resources Dept. has succession plans for the Bank's senior positions such as the General Manager, Deputy General Manager, Assistant General Manager(s), and Dept. Managers, and such a plan is applied effectively inside the Bank. The Board shall approve the urgent position succession plan which describes the qualifications and eligibility criteria of the applicants for such positions.

✚ Board of Directors' activities:

1- Strategic Planning and Audit and Control Systems:

• **Strategic Planning:**

Approve the Bank's main objectives, strategies, plans, and policies, and make sure that the Bank is in conformity with the strategies, plans, policies, and measures approved or required by the CBY laws and instructions, and make sure that the Executive Management reviews the performance achievements as per the work plans and take the corrective measures necessary therefor, in addition to making sure that all risks of the Bank have been managed properly.

• **Audit and Control Systems:**

- Exercise control and oversight over the Executive Management and approve the Internal Audit and Control Systems especially the Audit Charter which formally describes the duties, powers, and responsibilities of the Audit Dept., and shall make sure of the effectiveness of such systems. It shall also approve the appropriate policies, measures, and frameworks to ensure the compliance with the Islamic Sharia principles in all of the Bank's activities, transactions, products, and services provided by the bank, and ensure safeguarding the rights of the shareholders, particularly the investment account holders.
- Approve and develop the TIIB organization chart which shows the reporting lines and approve, develop the internal rules and regulations related to the Bank's businesses and approve the work delegation and implementation policy of the Executive Management provided that every delegation is issued by the Board.

2- Code of Conduct:

The TIIB Board shall make sure that the TIIB enjoys high integrity in the practice of its business and shall enhance the policy of the pursuit of perfection by providing policies and code of conduct that define the conflicts of interest and the insider trading by the Bank's employees_based on inside information about the bank they obtained due to their authorizations. Such policies and code of ethics shall be circulated to all employees of the Bank and the Board's members and their approval of the same shall be secured before making it public.

✚ Self-evaluation and performance evaluation

The Board shall regularly (not less than once per annum) perform the following:

1. Evaluate the Board's collective performance.

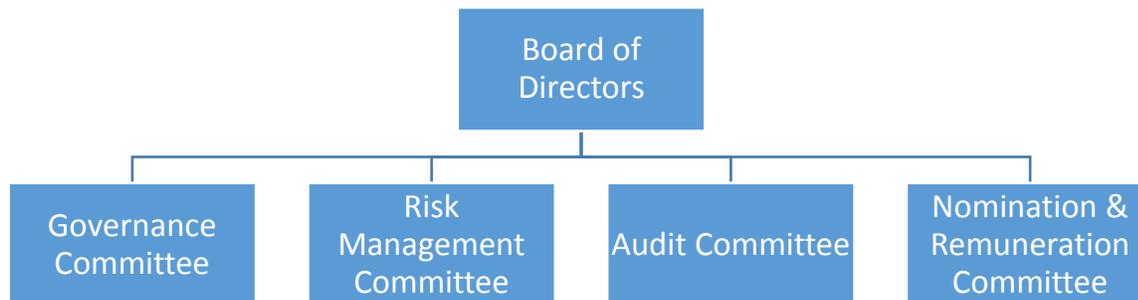
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2. Evaluate the performance of the General Manager.
 3. Evaluate the performance of the Board's committees.
 4. The Board shall incorporate into the Bank's annual report a report on the adequacy of the Internal Audit and Control Systems related to the financial reporting mechanism.
 5. Based on the periodical reports submitted by the departments concerned, the Board shall review the performance of the Bank and evaluate its activities, and sound management, diagnose the deviations and violations, analyze the reasons therefor, identify the responsible parties, hold them accountable, and issue the instructions necessary for correction and non-recurrence. The Board shall review and discuss the dealings with the stakeholders which are not part of the Bank's ordinary operations before presenting the same to the Shareholders General Assembly.
 6. The Board shall approve the periodical and annual financial statements, and shall request information on the Bank's risk measurement and risk profile in order to analyze and discuss the risk data and statistics (qualitative and quantitative) in the Bank continually.
 7. The Board shall approve and oversee the compliance policy. The Compliance Unit shall be authorized to prepare and develop such policy and ensure the application of the same.
 8. The Board shall study the Executive Management's reports and recommendations on the developments, improvements and enhancements of the Bank's practices in terms of disclosure and other aspects.
 9. The Board shall inform the shareholders at the General Assembly meetings that the evaluation has been performed and show them the results.

Section II – Board’s Committees:

- **Governance Committee**
- **Risk Management Committee**
- **Audit Committee**
- **Nomination and Remuneration Committee**

Section II: Board's Committees

The Board shall form committees subordinated to the Board for the purpose of enhancing the effectiveness of the Board's control over the TIIB core operations. This shall by no means relieve the Board from taking direct responsibility for all the matters related to the Bank's activities.



Governance Committee

The Committee's objectives include setting up a governance system for the Bank and overseeing its application and modification when necessary.

- Committee's composition and meetings
 - The Committee shall comprise the Board's non-executive members, not more than three members.
 - The Chairman and the majority of the members shall be independent provided that one of them is one of the Audit Committee's independent members.

- **Committee's Duties and Responsibilities:**

- Control and oversee the application of the governance system, follow up whatever is issued by Basel Committee on Banking Supervision (BCBS) and submit the same to the CBY.
- Coordinate with the Sharia Board and the Audit Committee to make sure of compliance with the Governance Manual
- The Committee shall hold at least two meetings annually and the Board shall be provided with annual reports.

- ** Risk Management Committee**

The Committee shall set up the risk policy in proportion with the Bank's capacity and risk appetite. It shall review the Senior Management's performance in connection with risk management of credit, market, cash, operation, noncompliance, reputation, etc. It shall comprise at least three members, provided that the executive members shall not be more than one, and the Committee Chairman shall be an independent member.

- **The Duties and Responsibilities of the Risk Committee:**

1. Oversee the compliance of the Risk Management Dept. with the standards issued by the Islamic Financial Services Board (IFSB) concerning risk management and those issued by BCBS, related to risks of credit, market, and operations, in such a way as not to violate the Islamic Sharia principles.
2. Review the Risk Management Dept.'s strategies and policies before approval by the Board and make sure of the application of the same.
3. Make sure of the availability of sufficient resources and systems necessary for risk management, and ensure that the Risk Management Dept.'s employees are independent of the Bank's risk-taking activities.
4. Review the organization chart of the Risk Management Dept. and submit relevant recommendations before approval by the Board.
5. Review the regular reports on the nature and size of the risks encountered by the Bank and the Risk Management Dept.'s activities.
6. The Committee shall submit regular reports to the Board, present statistic on the risks encountered by the Bank and the changes and developments experienced by the Risk Management Dept.
7. Review the risk levels and the exceptional cases that might arise in connection therewith and present pertinent opinion to the Board.
8. Oversee the compliance of the Risk Management Dept. with the IFSB standards related to risk management as well as the BCBS standards related

to the risks of credit, market, and operations, in such a way as not to violate the Islamic Sharia principles.

9. The Committee shall hold regular meetings with the Risk Dept. to discuss and evaluate the risks encountered by the Bank and the adequacy of the countermeasures and present recommendations in this regard.
10. Since the Bank is using participation and speculation, the Committee's responsibilities shall expand to include:
11. Perform a regular review of the performance of such assets.
12. Inform the Board regularly of any material progress in such operations.
13. Submit recommendations to the Board Chairman concerning the appointment, transfer, remuneration and dismissal of the Risk Dept. Manager.

Audit Committee

The Committee's objectives include the review of the financial and Sharia reports, the Audit and Control Systems, the scope, outcomes, and effectiveness of internal and external financial and Sharia audit, and the accounting and Sharia issues that have material impact on the financial statements.

- **Committee's Composition and Meetings:**

- The Committee shall comprise non-executive members of the Board, and shall not include the Board's Chairman.
- The Committee Chairman and the majority of the members shall be independent.
- The Committee's members have to understand the Islamic Sharia principles.
- The Committee shall include at least one member with academic qualifications and working experience in the field of accountancy and auditing.
- The Committee shall hold regular meetings with the External Auditor (at least once annually), and at least four times with the Internal Audit Manager. The Internal Auditor and External Auditor may request to hold a meeting with the Committee whenever necessary.
- The Board shall appoint the Audit Committee's Chairman and members for three years renewable for two terms maximum.
- The Committee with all members shall hold four meetings (once every three months) at least every year, and all minutes shall be documented.

- **Duties and Responsibilities of the Committee:**

- Oversee the compliance with Islamic Sharia principles.
- Review the financial statements.
- Monitor the accounting issues with material impact on the financial statements.
- Make sure of the effectiveness and adequacy of the Internal Audit and Control Systems.
- The Committee shall be authorized to directly communicate with the External Auditor, evaluate his performance, and review his reports.
- Review the reports prepared by the Sharia Audit Board and make sure of compliance with Islamic Sharia principles.
- Review and approve the audit plans suggested by the Internal Sharia Auditor and evaluate the effectiveness and adequacy of the Internal Audit function and evaluate the same.
- Submit recommendations to the Board regarding the appointment, transfer, remuneration, performance evaluation and dismissal of the Internal Audit Dept.'s Manager and employees.
- The Committee shall review the operations with the stakeholders and inform the Board thereof.
- The Committee shall make sure of the Bank's conformity with the relevant applicable laws, the laws regulating the banking sector, and the instructions issued by the CBY, and the Bank's internal policies and system.
- The Committee shall receive all whistleblower reports by employees regarding the possible financial or legal violations with complete confidentiality as per the Whistleblower Policy approved by the Board.
- Prepare the Internal Audit Charter that defines the Internal Audit Dept.'s framework.

Nomination and Remuneration Committee:

The Nomination and Remuneration Committee shall assist the Board in nominating members to all committees based on the membership criteria of the respective committee, making sure that there is enough number of non-executive members of the Board on each committee in order to ensure the independence of their decisions. The Committee shall comprise members of the Board, including three non-executive members one of whom shall be the Chairman, provided that each committee shall have a charter defining its duties and responsibilities, including the following:

1. Membership qualifications.
2. Prepare clear remuneration, compensation, and salary policies.
3. Set up criteria and requirements for the appointment of Senior Management Officers.
4. Coordinate the meetings.
5. Explain the powers of the Committee
6. Submit reports to the Board.
7. Monitor and make sure of the transparency of appointment, reappointment, and replacement of the Sharia Audit Board.

- **The duties and responsibilities of the Nomination and Remuneration Committee include the following:**

1. Set up the criteria for the appointment of the Senior Executive Management officers in case an officer proves to be inefficient and negligent in carrying out his duties and responsibilities.
2. Submit recommendations to the Board to terminate / dismiss any Senior Executive Management Officers in case such officer proves to be inefficient and negligent in carrying out his duties and responsibilities.
3. Submit recommendations to the Board regarding the Board membership nomination as per the approved policies and criteria and the CBY instructions concerning the Board membership nomination guidelines.
4. Conduct an annual review of the skill-set requirements of the Board membership, prepare a description of the abilities and qualification requirements for the Board membership, conduct an annual review of the Board structure, and provide recommendations regarding the changes that might be made in accordance with the TIIB interest.

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5. Perform an annual evaluation of the Board collective performance, and of each individual Board Director, which evaluation shall include the knowledge and experience of such members, as well as their authorizations, powers and their leadership characteristics.
 6. Ensure the existence of clear policies regarding remuneration, compensation, salary, and any other benefits of the Board of Directors and the Executive Officers that fit their experience and qualifications all of which shall be approved by the Board and reviewed annually by the Committee, striking a balance when determining the remuneration, compensation, and salaries so that it attracts qualified personnel without exaggeration. The remuneration and compensation scale shall be set within the range determined by the Bank's policy and not connected to the short-term performance especially in terms of revenues from products, in order to discourage too much risk-taking.
 7. The Bank's annual report shall describe the mechanism for determining the remuneration of the executive and non-executive members.
 8. Provide background information and summaries on some important topics related to TIIB, and submit reports and information to the Board members, making sure that the Board members are kept informed on the recent topics related to the banking sector. For that purpose, the Board members shall attend the academic and specialist symposia and conferences in the banking and financial sector.

Section III – Senior Executive Management

- **CEO Duties and Responsibilities**

Section III: Senior Executive Management

The Senior Executive Management shall comprise qualified and experienced general managers and executives with high abilities, skills, and ethical standards along with other employees directly reporting to them, general managers, and executive managers responsible for overseeing the management of the Bank

The Executive Management and the Senior Management shall contribute to the good governance in terms of personal conduct and by providing sufficient control over the activities they manage.

It is known that the Senior Management is responsible for assigning tasks to the employees and creating an administrative structure that enhances accountability and transparency. It is responsible for setting up the adequate systems for managing financial and non-financial risks in conformity with the Board's direction and is responsible for the independence of positions and the separation of duties. The Senior Management shall provide the Board with financial and administrative reports transparently and objectively on a regular basis.

• CEO Duties and Responsibilities

The CEO shall be responsible before the Board for carrying out the management duties and evaluating the overall performance of the Bank. The CEO shall manage the Bank according to the strategies, plans, and policies approved by the Board.

- Prepare and develop, whenever necessary, an organizational structure to be approved by the Board.
- Comply with the regulations and the Board's directives.
- Evaluate the management of the risks encountered by the Bank.
- Evaluate the Internal Audit Dept.
- Take the measures required for the Board's meetings.
- Execute the compliance and risk policies approved by the Board.
- Set up the Internal Audit and Control Systems.
- Facilitate the procedures of the internal and external audits.
- Promote professionalism and develop skills in the Bank.
- Set up the compliance function policy.

Section IV: Risk Management and Internal Audit and Control Systems:

- **Internal Audit and Control Environment**
- **Internal Audit Function**
- **Compliance Function**
- **Duties and Responsibilities of Risk Management Dept.**
- **External Audit**

Section IV: Risk Management and Internal Audit and Control Systems:

Internal Audit and Control Environment:

1. Establish effective Internal Audit and Control Systems
2. The structure of the Internal Audit and Control Systems shall be reviewed by the Internal Auditor and External Auditor.
3. The Board shall incorporate into the Bank's annual report the following:
 - The Executive Management's responsibility for setting up the Internal Audit and Control Systems and the ability to maintain the same.
 - The framework adopted by the Executive Management to evaluate its effectiveness.
 - Disclose the weaknesses in the Internal Audit and Control Systems.
 - A report from the External Auditor explaining his opinion of the report submitted by the Executive Management.
 - Take measures that allow the employees to submit whistleblowing reports when there are fears of the existence of any violations.

Internal Audit Function:

1. Make sure of the compliance with the policies and procedures approved by the Board.
2. Make sure of the application of the Bank's instructions and internal policies and submit relevant suggestions.
3. Describe formally the Dept.'s duties and powers.
4. Assist the Board in carrying out its duties and responsibilities perfectly.
5. Regularly audit all of the Bank's departments, sections, branches, activities and risks.
6. The review shall be conducted based on the state-of-the-art standards and such programs shall be evaluated and developed to catch up with the Bank's development.
7. Keep the papers and reports in an organized manner.

✚ Compliance Function:

1. Constant monitoring of the Bank's compliance with all applicable and relevant laws and the laws regulating the banking sector.
2. Monitor the consistent application of the governance system.
3. Receive the reports from the Bank's employees on any violations.
4. Measure the expected impact resulting from any change to the legal framework.
5. Make sure that the Bank is adequately aware of the noncompliance risks.
6. Submit compliance reports to the Board with a copy to the Executive Management.

✚ Duties and Responsibilities of Risk Management Dept.

1. Risk Management Dept. shall submit the reports to the Risk Committee while the day-to-day operations shall be reported to the General Manager.
2. Analyze all risks.
3. Develop the methodologies of measurement and control of all types of risks.
4. Submit recommendations to the Risk Committee regarding the risk levels_ and provide the Bank's Board with information on risk measurement.
5. The other executive committees shall assist the Risk Management Dept.

✚ External Audit:

1. An independent External Auditor shall be appointed.
2. The External Auditor shall be regularly rotated.
3. Compliance with the laws issued by the CBY.
4. The Audit Committee shall coordinate and follow up the External Auditor.
5. The Auditor shall be responsible before the Board for performing his job as per the relevant international professional standards to ensure the sound procedures of the Bank.

Section V: Disclosure and Transparency

- **Disclosure and Transparency Policy**
- **Disclosure of Significant Events**
- **Disclosure of Organizational and Administrative Aspects**

Section V: Disclosure and Transparency

Disclosure and Transparency Policy:

It is among the key elements of the TIIB governance system as it enhances confidence in the Bank and assists in the decision-making process connected with the Bank's activities. Therefore, the disclosure and transparency principle shall be observed in all operations and activities of the Bank. Disclosure shall be as follows:

1. Complete disclosure as per the International Financial Reporting Standards (IFRS), relevant applicable laws and the CBY instructions.
2. Regular disclosure in a timely manner without delay, demonstrating commitment to the provision of accurate information on the Bank's website.
3. Disclosure of the remarks and analyses of the Board which include financial and non-financial information that allows the investors to know the current and future position of the Bank and the anticipated challenges of the Bank.

Disclosure of Significant Events:

1. A complete description of the event and the relevant information.
2. The causes of such event.
3. The financial effect of the event and the liabilities that might arise against the Bank as a result of such event.
4. Take into consideration non-disclosure of nonpublic information that might affect the market price of the share.

Disclosure of the organizational and administrative aspects:

5. Disclosure of the Bank's objectives, business policies, charters, code of conduct, and performance evaluation in comparison with the above charters and policies with a special reference to the Bank's governance policies and procedures.
6. Aspects related to the Board of Directors, the Board Committees, and the Executive Management:
7. The data and biography of each member.
8. The number of the meetings of the Board and the Board Committees.
9. Regularity of the Board's meetings.
10. The key performance indicators adopted for evaluating the effectiveness of the Board of Directors and each Board member.
11. The duties and responsibilities of the Executive Management.

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12. Executive Management reporting lines.
 13. Disclosure of the dealings with the stakeholders, their subsidiaries, and the interests directly or indirectly related to them, as well as the nature and size of such dealings.
 14. The remuneration, salaries, finances and interests of the Bank's Executive Officers and the stakeholders.

 **Other aspects:**

15. The Bank's organizational structure and the main ownership structure.
16. As a minimum, disclosure of the main shareholders whether they are natural or legal persons.
17. The compensation and remuneration policies.
18. Detailed information on the fees of the External Auditor.
19. The framework of the Internal Audit and Control Systems.
20. The Code of Conduct.
21. The Bank's Conflict of Interest Policy.
22. A summary of the main economic changes and their effects on the Bank.

Section VI: Protection of the Rights of Shareholders and Stakeholders

- **Rights of Shareholders**
- **Rights of Stakeholders**

Section VI: Protection of the Rights of Shareholders and Stakeholders

Rights of Shareholders:

1. Protect of the rights of the shareholders, facilitate their exercise of their rights, provide them with effective communication channels, and ensure they are dealt with fairly and equitably.
2. Provide a specific mechanism by the Bank that ensures that the shareholders exercise their rights including the receipt of dividends, attendance of the General Assembly, and voting on its resolutions as per the relevant applicable laws.
3. Discuss the meeting agendas, forward relevant questions, and receive pertinent answers.
4. The shareholders may nominate and elect the Board members, ask about their qualifications, experiences, and abilities to carry out the duties, and discuss the size of financial remuneration and incentives received by each Board Director and the Senior Executive Officers.
5. Participate in electing the Board's members by accumulative voting, and shall have the right to ask about the members' qualifications, experiences, and abilities to carry out their duties
6. Provide the shareholders with information on the venue of the General Assembly meeting and its agenda.
7. After the conclusion of each General Assembly meeting, a report shall be prepared to inform the shareholders of the remarks and the outcomes of such meeting, and the Bank shall be provided with a copy of the minutes.

Rights of Stakeholders:

1. Rights of stakeholders shall be taken into consideration.
2. Adequate information shall be provided
3. Safe and hygienic environment shall be provided for the employees.
4. There shall be efforts to fully meet the requirements of the supervisory and regulatory authorities, and adopt transparency and objectivity when providing information.
5. Prepare programs that discuss social responsibility, support social projects and try to promote awareness.
6. Provide the banking services that meet the needs and requirements of the community at fair costs and encourage small and medium size finance enterprises.

Appendix

Employees' Code of Conduct (COC)

COC Components

COC First Component: Objectives, Scope and Responsibility of Application. It includes:

Board's Commitment Towards COC

Introduction

First: General Purpose

Second: Main Objectives

Third: Scope of Application

Fourth: Responsibility for Application

COC Second Component: Professional Performance. It includes:

First: Compliance with local and international rules and regulations and adherence to the best professional practices

Second: Banking Governance

Third: Anti-Money Laundering and Counter-Terrorism Financing Rules

COC Third Component: Organizational Core Values and Professional Ethics and Standards. It includes

First: Sharia-based responsibility towards the society, customers, transactions, and employers

Second: TIIB Employees' Professional Standards and Ethics

Third: Bribery, Gift, and Material Compliments

Fourth: Abuse of Position to Gain Personal Benefits

COC Fourth Component: Policy of Disclosure, Confidentiality, and Information Security

First: Confidentiality and Protection of Data and Intellectual Property

Second: Whistleblowing and Violation Reporting

Third: Disclosure of Conflicts of Interest

Fourth: Record-Keeping and Disclosure Documents

COC First Component: Objectives, Scope and Responsibility of Application. It includes:

Board's Commitment Towards COC

Introduction

First: General Purpose

Second: Main Objectives

The Commitment of the TIIB Board of Directors' and Senior Executive Management:

We, the members of the TIIB Board of Directors and the Senior Executive Management, hereby commit ourselves to being an example of compliance of corporate rules, ethics, and practices, described or otherwise indicated herein.

We confirm to the shareholders, customers, employees, legislators, creditors, and every stakeholder of our institution that the TIIB vision, mission and objectives and all personal and corporate practices related to its business shall be achieved in conformity with the Bank-approved financial and administrative rules, regulations, codes, decisions, and instructions and to maximally comply with all applicable laws and regulations. We are also committed to supporting the positive practices and trends that are conducive to the improvement of the business inside and outside the TIIB.

Introduction:

Professionalism requires that every institution should have core values, ethics and professional standards that serve as a guide for the corporate culture adopted by the institution and to unify the concepts and control the behaviors of individuals from inside and outside the institution. Therefore, this code has been drafted to meet a need, in addition to the financial and administrative rules regulating the Bank's affairs. Thus, once approved, this code will be considered an integral part of the TIIB rules and regulations and shall be applied by all TIIB affiliates (both temporary and permanent) in all their professional practices. However, the TIIB Board of Directors and the Senior Executive Management call on all employees to extend this commitment to the social life so as to present a uniform identity of the Bank and a distinctive mental image among the customers. This will enable all TIIB affiliates to set one corporate and social frame of reference (role model) that helps spread virtues and positive practices (both professional and social), and respect human values in the community and in other institutions.

This policy will serve as a guide for professional conduct in the TIIB for every individual regardless of their occupational level; it is an approved formal source for adequate information on the allowed and disallowed professional and personal behaviors, conduct, and practices. It aims to standardize and control the behaviors and interests within the common interest of all stakeholders. Therefore compliance with the same is an occupational duty and one of the preconditions and requirements for joining the TIIB because they are related to the corporate reputation and integrity sought by everyone.

The compliance of all TIIB affiliates with the application of this policy will reassure the community of our customers, shareholders, and stakeholders of our seriousness to keep up the confidence placed in us. Hence, everyone of us has to read each and every paragraph carefully and reread the document from time to time to make sure of his compliance with it. As the Senior Management is keen to afford everyone the opportunity to review it anytime, the policy has been posted on the TIIB website and will be updated whenever necessary.

Finally, the Board of Directors and the Senior Management are pleased to provide the TIIB affiliates, both individually and collectively, with some important guidelines that ensure the proper application of all the articles of this policy:

1. You have to acknowledge in writing to have reviewed and fully understood this policy.
2. You have to confirm in writing at the beginning of every year to comply with everything included herein and with any amendments or additions that have been or will be made hereto.
3. Do not hesitate to ask about anything described herein that you do not understand or you doubt your understanding of it. You can ask your direct supervisor or the department head. If you cannot find the answer, you can ask the Human Resources Manager at the Head Office.
4. Any violation of any rule hereof will be considered a violation that will deserve the application of the suitable penalty as per the TIIB rules and regulations.

The compliance of every TIIB employee with this policy will undoubtedly lead to the adoption of existing and future plans and strategies based on original core values and positive business ethics. This will consequently enable the TIIB to achieve its own and its affiliates' objectives, enhancing the confidence of our existing and potential customers in the individual and corporate compliance. This will eventually materialize the TIIB "To Be Your Number One Choice for Islamic Banking" Vision.

First: General Purpose

To define and explain the local and international principles, core values, ethics, and professional standards on which the TIIB was established, and is practicing its activities in accordance with its rules and regulations, and to formulate the same in a code that controls and guides the personal and professional conduct and behaviors in all activities and tasks performed by the TIIB affiliates both individually and collectively.

Second: Main Objectives

1. To lay down professional rules and standards and organizational core values that unify the concepts, control the individual and collective behaviors, both personal and professional, in the Bank.
2. Underscore the importance of compliance with the corporate standards, rules, and values and support the positive practices which the Bank is trying to establish as part of a corporate culture observable in all worksites of the Bank.
3. Protect the corporate image and high reputation of the Bank from any damage that might be caused by any unethical, illegal, or unprofessional practices by some of the Bank's affiliates intentionally or otherwise.
4. Provide corporate protection for the employee from committing any violations related to reputation or the honor of the profession which might cause damage to the employee, the Bank, or a customer.

Third: Scope of Application:

This COC shall be applied by all employees working for the TIIB and its subsidiaries.

Fourth: General Rules and Instructions

1. All employees of the Bank have to fully comply with the work rules and regulations approved by the Bank including this COC and all laws related to the Bank.
2. All affiliates of the Bank shall comply with objectivity and professionalism in dealings, and no privilege or dealing may be carried out that may violate their neutrality towards the customers of the Bank and other stakeholders.
3. If this COC does not prescribe a required behavior or action, the employee cannot be relieved from responsibility. The employee has to immediately ask his supervisors concerning the unmentioned information, and should receive clear instructions concerning the problematic issue.

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4. Everyone should work towards creating a healthy work environment free of complaint and other unfavorable behaviors and sentiments that affect the individuals and the business.
 5. Any scientific, intellectual, or practical production, including all reports, documents, instruments, memos, or programs, of whatever type or form, hardcopy or electronic, and any studies or research works produced by the employee as part of his job is the property of the Bank and the employee does not have any title to it and shall be treated as the Bank's documents and assets.
 6. Protection of the Bank's assets and moneys or the third party's assets in the possession of the Bank is among the occupational duties and professional rules that should be observed by the employee. Once recruited by the Bank, the employee is considered responsible for the same and for the effective use of what he needs of them to carry out his tasks according to the powers and authorization vested in him, and has full obligation not to use them for any personal purposes.
 7. The TIIB employees are not permitted to provide unwarranted commitments or promises whatsoever to third parties that might commit the Bank.
 8. Every TIIB employee has to immediately inform his supervisors or the Human Resources Dept. of any waste, falsification, or abuse of a position or any form of corruption whatsoever that is considered a violation of the COC or the relevant laws.
 9. All TIIB employees have to fulfill their obligations towards the Bank or the third party in a goodwill and in a timely manner, and promptly report the undeducted amounts which are duly deductible or the amounts paid in excess by mistake. Failing to act accordingly is considered a breach of integrity incriminated as per the TIIB rules and regulations and is taken as ill-will. Such obligation includes all financial, material, ethical, and moral obligations such as good behavior and professional conduct.

Fifth: Responsibility for Application

1. Responsibility of the Bank's Leaders and Heads

All Bank's leaders and heads (regardless of their level) are fully committed towards this COC by:

- Reading, reviewing, and fully understanding this code.
- Taking the initiative to be fully committed to its application to themselves in every activity or task carried out to achieve the occupational duties or when representing the Bank before third parties.
- To be individually and collectively role models to others in terms of compliance and application.
- Everyone of them is responsible for complying with reporting and immediately disclosing to the Human Resources Manager or the Senior Executive Management any violation or breach of any article of this COC by any employee regardless of their level or position whether subordinate to him or otherwise.
- Every business leader and head in the Bank is fully responsible for the proper application of the articles of this COC by their subordinates within the organizational structure of his unit, section, department or branch.

2. Responsibility of the individuals (non-leaders)

The obligations of the employee who does not have a supervisory or leading position are as follows:

- Reading, reviewing, and fully understanding this code, and asking about any missing or unclear information.
- Taking the initiative to be fully committed to its application to themselves in every activity or task carried out to achieve the occupational duties or when representing the Bank before third parties.
- To be individually and collectively responsible for complying with reporting and immediately disclosing to the Human Resources Manager or the Senior Executive Management any violation or breach of any article of this COC by any employee regardless of their level or position.

COC Second Component

Professional Performance. It includes

First: Compliance with local and international rules and regulations and adherence to the best professional practices

Second: Bank Governance

Third: Anti-Money Laundering and Counter-Terrorism Financing Rules

First: Compliance with local and international rules and regulations and adherence to the best professional practices

1. Banks operate in a sector with high risks as they manage cash under high complexities and risks imposed by local, regional, and international circumstances that raised the level of legislative and legal precautions and professional standards.
2. Therefore, the banks operate under a large number of laws, regulations, and practices, which are issued by the CBY and the international organizations concerned with the banking sector worldwide. There are also the laws and regulations adopted in the powerful countries that control the international banking affairs, the violation of which might result in the suspension of the activities of the noncomplying bank.
3. The negligence, omission, or inaction to apply it or even not knowing it or its updates might make you commit violations that have grave material and moral liabilities and repercussions, and might cause great damage to the Bank. However, your compliance with the application of the local and international laws, regulations, and rules and adherence to the best professional practices are your best guarantee to proceed without such mistakes. In this regard, you need to comply with the following:
 - a. Full application of the policies and procedures circulated to you without allowing embarrassment and shyness to affect your work. Such policies and procedures are meant for everyone and not to be applied selectively.
 - b. You need to familiarize yourself with the new developments related to your profession, and make sure to read carefully every word in every new business policy, decision, procedure or form that you receive, document the same, and not to apply them except after you get clarifications regarding all aspects and you are satisfied that everything is very clear to you.
 - c. Do not ask anyone about the matters of your job except your direct supervisor and senior manager because they are the most knowledgeable and they are the ones authorized to give administrative and professional opinions on that matters related to your job.

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- d. Do not carry out any transaction without having the complete data, procedures, and attachments described in the Bank's regulations and policies.
 - e. If you are in charge of filling in the customers' data or any similar job, you need to exercise the maximum level of professionalism to fill in the correct data completely as per the documents whose authenticity you verify and make sure they are original and valid official documents.
 - f. Always make sure of the identity of the person you are dealing with according to the procedures adopted by the Bank and do not accept any other means regardless of any justification.
4. The managers, their assistants, section heads, and supervisors are responsible for being fully aware of the applicable legal requirements related to banks such as:
- g. The requirements of laws, bank guarantees, accounting rules, disclosure rules, employment legislation requirements, and other relevant laws. They have to make sure that the Head Office's departments concerned have incorporated them fully in the Bank's policies and procedures. Then, they have to be responsible for applying the same and that all their employees are familiar with them and apply them appropriately.
 - h. The policies, decisions, and laws related to anti-money laundering and counter-terrorism financing, including the compliance with Know Your Customer rules.
 - i. Information security rules and their abuse:
 - j. The Bank's attitude towards the insider trading and how to deal with the traders.
 - k. the tax laws imposed by countries or jurisdictions which the Bank has to comply with such as the FATCA.

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5. You have to know that you are the first one responsible for considering and applying all these basic and additional legal and legislative requirements, existing or potential, which are at your level in the Bank. Therefore, you have to make it a habit to apply the same consistently without hesitation.

Second: Bank Governance:

1. You need to know that there are new rules and legislations that have been added to control the banking activities worldwide which is called “Bank Governance”. It is defined as a set of rules and legislations that guide and monitor the banking performance. The CBY has adopted them and issued them in a manual applicable to all banks. Therefore, you have to read the CBY manual and familiarize yourself with the rules therein, and consequently apply the part applicable to your occupational tasks within the limits of your powers and responsibilities, including the following:

Third: Anti-Money Laundering and Counter-Terrorism Financing

1. Money-laundering is among the most dangerous operations classified as major crimes. It has become a nightmare for all banks worldwide, given the damage made to the banks that suffered such operations which could involve high fines, or restriction of the foreign activity of the bank, leading to bank closure.
2. The money-laundering phenomenon is among the most dangerous issues for the societies and countries as they involve fraud and deceit in the acquisition of money from crimes affecting the society and the State, and later such money is transferred through banks as legitimate income from an apparently real trade. This process is defined as “the transfer of proceeds or disguise their sources to hide the ownership or original source of the procedures of financial offence in order to hide their criminal illegitimate origin such as arms dealing, drugs, terrorism support, etc. to appear as proceeds earned from other legal activities.”

3. You need to know that the TIIB is fully committed to fighting this dangerous phenomenon and providing the necessary assistance for the departments concerned at the CBY and the State to stop and fight any attempts that may be made through the bank for the purpose of money-laundering or terrorism financing. Therefore the TIIB has created a unit for formulating policies and procedures necessary for monitoring the compliance of the concerned personnel in the Bank with the State's policy regarding money-laundering and terrorism-financing. Thus, by joining the TIIB team, you become fully committed to the application of the Bank's policies and procedures to everything related to money-laundering and terrorism-financing. To assist you, the Bank has prepared a "Know Your Customer" manual. It will introduce you to what should and what should not be practiced in your job. Therefore, you need to read the manual and make sure that you have understood everything related to this significant issue, and that you adhere to the application of all decisions added to it from time to time concerning the affairs of your job. You have to immediately ask questions if you have doubts so that you can perform your job appropriately without making mistakes or problems that could immediately terminate your service and hold you legally and morally liable. Moreover, you need to comply with the following:

- a. Assist and cooperate with the State's authorities to identify the money-laundering and terrorism-financing attempts, as a religious, national, and professional obligation.
- b. Not to allow any suspicious situation or transaction unless you verify the soundness of the situation with the Bank's Anti-Money Laundering Unit. This entails working in parallel and in integration with the Anti-Money Laundering and Compliance officers to apply and monitor everything related to the anti-money laundering rules, policies and procedures, and immediately report any suspicious situation to the Bank's managers.
- c. Make sure that you do not open accounts or provide financial services on behalf of or for any individual or entity suspected with terrorism or illegal trafficking, or you provide support services for such operations.

COC Third Component: Organizational Core Values and Professional Ethics and Standards. It includes

First: Sharia-based responsibility towards the society, customers, transactions, and employers

Second: TIIB Employees' Professional Standards and Ethics

Third: Bribery, Gift, and Material Compliments

Fourth: Abuse of Position to Gain Personal Benefits

First: Sharia-based responsibility towards the society, customers, transactions, and employers

1. The Sharia aspect of dealings is the real value to which the TIIB employees have to adhere as it is the basis and identity of the Bank and emphasizes the Bank's credibility as an Islamic bank whose activities are exclusively governed by the Sharia rules adopted in the acceptable books of Islamic *Fiqh* (jurisprudence).
2. Therefore, every TIIB affiliate has full obligation before Almighty Allah, and then before the employers to apply the Sharia-approved rules and procedures as adopted in the Bank's policies, procedures, and forms, and not to fail or neglect to take any measure, however slight he might think, as the difference between Halal and Haram (permissibility and impermissibility) is very small. A neglected procedure might make the difference between a Sharia-approved transaction and a Sharia-disapproved usury transaction.
3. Therefore, you need to review the Sharia Dealing Manual prepared by the Bank's Sharia Oversight, and not carry out any transaction you suspect to be Sharia-noncompliant. In such a case, you need to immediately without hesitation contact the Sharia Auditor at the Head Office to ask him about any procedure or transaction you do not know or you doubt its Sharia compliance. Beware of coming on the Day of Judgment carrying sins which we hereby confirm our disapproval of them to Almighty Allah. Such sins are related to your carrying out or neglecting Sharia-noncompliant transactions without the knowledge of the Management.

Second: TIIB Professional Ethics and Standards:

The banking employees have to show the highest levels of professional performance and dealing, given the significance and risks encountered in this vital sector in each country. This cannot be ensured unless the employee complies with a set of general ethics and professional ethics and standards adopted by the Bank, both local and international. The most important of them can be summarized as follows:

- a. Loyalty and Excellence:**
 - To be loyal in your job is to exercise a high level of professionalism. Professional loyalty is a core value that you can rely on to build your professional reputation in the first place and earn halal income. Above all, Allah becomes pleased with you in this life and rewards you in the Hereafter. A job without loyalty means recurrent problems and mistakes in performance that could bring your career to an end. Loyalty is a reason for excellence which is higher than quality which you are naturally required to fulfill in the performance of your job. If you enjoy this dichotomy (loyalty and excellence),

be sure that you are on the right path and that you have done your job perfectly and fulfilled the most important conditions of quality. Then you need only to check other performance conditions and keep the pace.

b. Compliance

- It is an umbrella word in meaning and practice. It means to live up to the level of confidence that you are performing your job in accordance with the instructions, policies, and procedures regulating your job. Moreover, it entails your compliance with all your job requirements and avoidance of what should be avoided, approaching all issues, both significant and insignificant, with the same obligation towards duty and abstention from prohibitions in all your personal and professional affairs.

c. Belonging

- This can be achieved when you consider your job at the TIIB as a real partnership and that you represent the owners and depositors in safeguarding the TIIB interests, moneys, assets and customers.

d. Initiative:

- You have to take the initiative to provide support for yourself to perform your duty, suggest ideas and submit proposals without waiting for request, and then take the initiative to extend cooperation and advice and support for your colleagues and supervisors and those related to you professionally.

e. Respect:

- It is an umbrella term denoting a set of meanings that boil down to self-esteem in the first place by not putting yourself in the situations or places in which you might be blamed or punished. The same thing applies to the fact of not offending others inside and outside the TIIB explicitly or implicitly or participating in what might be understood as insult, libel, insinuation, or disregard for religions, personalities, groups, or any other act that might be considered an offence by the society or incriminated by the law. It also means consideration of the public decorum, and socially acceptable positive customs and traditions which can by no means be disrespected.
- Respect means also your understanding of how necessary it is to respect the time and assets of the Bank and limit their use to the performance of the professional duties assigned to you; such understanding should extend to cover your commitment to respecting others' time and assets so that you do not waste them by any means whatsoever.

f. Honest Competition:

- It means that you perform your job and persevere to obtain higher positions, salaries, and privileges, without affecting others' right to obtaining such rights. This entails abstention from exercising any form of falsification or fraud to make others appear ineligible for something in order for your to obtain it. Furthermore, the honest competition principle entails that you talk about your banking services without adversely affecting, defaming the competitors, criticizing their services, etc. which can be understood as implicit offence.

g. Credibility:

- It is a mixture of honesty and integrity that you need to observe in all your professional and personal affairs. The most important thing in this regard is to observe honesty and integrity by providing the banking services to the customers in accordance with the Sharia rules adopted by the Bank without any negligence of procedures, and you comply with the performance of your job as required and you give everyone their dues, big or small.
- You need to keep yourself away from fraud, treachery, lying, backstabbing, exploitation, theft, embezzlement, deception, misleading, violation of other's rights, or other immoralities or misconduct. You are a banker and not an ordinary person. You have to be honest and sincere with the Bank by reporting any suspicious situation or negligence of procedures from which Sharia-noncompliant banking transactions might arise.

h. Professional Efficiency:

- It is one of the significant core values of a banking employee because your professional efficiency would lead to a professional performance that attracts the attention of customers and increase their trust in you and in the bank you work for. It is also one of the guarantees for minimizing mistakes and increasing development. The more you develop your professional efficiency, the more you get better privileges and more promotions.

i. Feedback:

- From time to time, you have to provide data and information on your performance through meetings, reports, memos, and questions that keep your supervisors informed on the tasks you are doing and the activities you undertake. The more feedback you send to your supervisors, the more

appreciation you get for the tasks you perform plus the benefit of correction of your mistakes and even correction of your anticipated mistakes before they occur. Your continued contact will reveal many important things that concern you in your job and organizational environment in which you work.

j. Patience and Perseverance:

- They are your way to success and to getting what you seek of performance improvement, and consequently better income and your living standard. High goals cannot be achieved without patience and perseverance. Therefore, you need to be a good listener to other, absorb any clamor or any unpredictable reaction especially on the part of the customers, and enjoy a good deal of calmness, peace of mind, smile, and reasoning. This will allow you to turn the negative situations into positive ones from which you become the first beneficiary by creating positive working relations. A person who tests your patience in a situation would most often turn into a person who appreciates and respects you and searches for you whenever he arrives at the workplace because he knows that you have outstanding characteristics. Therefore, you need to cherish these two nice characteristics and make them your favorite tools to challenge the difficulties and reach the level of excellence of performance.

k. Integrity:

- It means that you practice your professional duties and tasks completely independent of your self-interest or the interest of your dependents and the ones of concern to you (regardless of its form, size, or value of such interest) that might your job bring to you, might be offered to you, or solicited by you from any party whatsoever because of your professional position or connection with the TIIB, except for what is clearly described as part of your entitlements in your employment contract or in the TIIB rules and regulations.
- It means that you are neutral in your dealing with others. Your love or hate for someone should not make you increase or decrease your good dealings with them when you carry out your duties. The love and hate are not the criteria of preference applied to the service seekers. However, the criteria is that you are a TIIB employee providing a specific service for a customer, supplier, or an employee. Anyone of them is a customer of the Bank and you are the one who has to provide such service to them. Therefore, you have to provide the same at the highest level of professionalism, and the customer has to be given due care and respect regardless of the distance or problems between you and him, and

irrespective of the hate or love. Such conduct means the very professionalism that your professional obligation necessitates and this COC stipulates.

- Moreover, integrity means rejection of bribery and considering it a crime and corruption regardless of its form or type. This rejection is among the factors that fulfill integrity in form and content. Given the significance of the bribery and gift issue, they are described in detail in a separate section of this COC.

l. Responsibility:

- Responsibility in the TIIB means that you can be held accountable at any moment for your professional duty and for whatever is related to your affiliation with the TIIB. Therefore, your sense of responsibility should be clear in your persistence to practice your job with a full ethical and professional commitment, with honesty, integrity, and equity in dealing, quick initiative-taking, and performance of your professional duties without delay. Your responsibility is clear in your quick response to implement and support all that is related to the business organization in the TIIB and not dissociating yourself from what you have done or you have to do. All this should be practiced fully clearly at all times in all your dealings, communications, whether direct or through any other means such as the telephone, correspondence, report, email, or any other means of communication, whether with the customers, legislators, colleagues, supervisor, or other stakeholders.

m. Dress code and attire as a corporate value:

- You need to know that appearance is among the core values of the Bank, being a service provider to the general public. Therefore, the Human Resources Dept. have taken care of producing a Dress Code and Attire Policy that you have to review and fully observe. This has a significant effect on yourself and on the position you hold as it reflects your high taste and nice temperament. Therefore, you should take care of it. Be advised that your negligence of this value would make you liable as per the Dress Code and Attire Policy adopted in the Bank.

Third: Bribery, Gifts, and Tangible Compliments

1. Bribery:

- a. This is one of the gravest forms of moral and social misconduct that corrupts the personality of the perpetrator and deprives him of his human dignity. Feeding on thefts or embezzlement makes the perpetrator like an insect that feeds on dirt or like a germ that should be exterminated immediately because it infects others and destroys social

morals. Such misconduct can be variably manifested in institutions including the employee's receipt of unsolicited items, explicitly solicited items, or implicitly solicited items as a benefit for breaching the law or the adopted business procedures, to neglect a requirement, to provide information, or for any other purposes.

- b. Therefore, you need to be careful not to be caught in such a trap which you are usually at the beginning informed that it is just a gift or a compliment while it is not irrespective of what you are falsely told. Hence, you have to carefully read this part and make sure to ask about everything, significant or otherwise, to ensure a decent life for yourself and your family and a future free of the misfortunes caused by such corruption.
- c. Given its significance and to make sure of your safety, this topic has been reviewed in some detail. It is all about gifts, the acceptable and nonacceptable ones as related to the business in the Bank. It is as follows:

2. The Gift that means bribery and is considered as such

- a. For the purpose of the TIIB COC, acceptance or solicitation of a gift means "the pursuit of anything of value or benefit or the acceptance of either of them, whether for oneself, or recommended to an entity or individual/individuals of concern to the employee, in return of the TIIB employee coming under the influence or inducement of the gift provider to take/ not take, neglect, expedite, facilitate, take more care of a procedure, or to obtain a statement, information, or whatever from the TIIB."

3. TIIB Bribery Policy:

- a. The TIIB strictly prohibits every form of bribery, secret agreements, or any payment, gift, contribution, or any other corruption-related incentive, in cash or otherwise, to the employee from a third party.

4. TIIB Employee Gift Acceptance Guidelines:

- a. When the TIIB employee has not explicitly or implicitly solicited the gift from a third party who has any relation with the employee's position in the Bank or because of such relation. The employee has to be fully aware of any situation which he has doubts that it involves bribery, corruption, or secret business, and in such a situation you have to

immediately write a report to your manager with a copy to the Bank's Human Resources Manager.

b. The TIIB employee must not accept a gift from a prohibited source such as:

- A person or entity that has a procedure they seek to finalize with the TIIB as a customer or supplier.
- A person or an entity that has an interest at the TIIB and there might be a significant influence on or for such interest by or through the employee.
 - c. The gift must not be provided in return for coming under the influence while the TIIB employee is performing his job such as: facilitation, execution, or taking more care of the procedure of the gift provider, keeping silent or neglecting procedures, obtaining information or statement, giving priority to the procedure or any other benefit of whatever type or size.
 - d. The gift must not have been solicited, implicitly solicited, or someone has been forced to provide the same.
 - e. The gifts (however insignificant they might be) must not be accepted frequently from a source / different sources to the extent that it raises doubts that the employee is abusing his position for personal gains and benefits.
 - f. The TIIB employee does not receive, or cause someone of concern to him to receive, a salary, incentive, bonus, loan, academic facilities, service, any other material facilitations, certificates of recognition, training, event attendance, or symposium attendance, a discount, credit, guarantee, shares, securities, certificates of deposit, entertainment, goods, foods, refund, advance, reimbursement, payment on his behalf, clothes, furniture, promotional items, any other item of any value, local or foreign entertainment or transport service, seats, travel tickets, domestic trips, hosting, meals, bonus, alms, *zakat*, or any other form of material or moral benefit of whatever form, type, size, or value from any person or entity or institution, whether they are customers, suppliers, or any person associated with, or temporarily or permanently contracted by the Bank, except what the TIIB Management allows the employee in writing to take and utilize from any entity or person with the TIIB knowledge.
 - g. Any gifts offered by any person or entity as a reciprocity on formal visits (such as souvenirs, books, and free travel tickets received by the employee because of his travel on formal visits) are considered a part of the Bank's assets and the employee may not possess or retain them or a

part thereof and has to submit them formally to the Management of the Bank. Otherwise, the employee would be considered to have committed a violation punishable as per the Bank's regulations.

- h. In addition to the penalty imposed because of the violation, the gift accepted in violation of the rules herein must be returned immediately. If already consumed, the gift has to be purchased on behalf of the employee and with his knowledge, and sent formally to the gift provider and the cost must be deducted from the employee's salary.
- i. Any gift offered by an employee to a higher-level employee is considered a violation hereof and the perpetrator will be punishable.
- j. Donations may not be collected for an employee or otherwise from outside the Bank except after obtaining a written permission from the Bank's Human Resources Manager.
- k. The above rules apply equally when the gift is offered to a member of your family, entity, associations, or dependents, or to any third party who may benefit at employee's direction.

5. Acceptable Gifts:

- a. Gifts are acceptable when the employee is representing the TIIB at public or private entities on formal or special visits provided that the price of such gift does not exceed 200 USD, in which case the gift receiver must report the gift in writing upon his return to the Bank's premises, and inform the Senior Management of the received items and the Bank's Senior Management should make a decision regarding the gift.
- b. Invitations extended to the employee by the entities associated with the Bank may be accepted provided that there is prior written approval from the Bank's Senior Management of the details of the mission and the Senior Management specifies what can and cannot be accepted from the host, and the employee should show full compliance.
- c. The TIIB employee may not accept to personally make use of an advantage obtained by the Bank through the employee due to a mission or expenses paid by the Bank.
- d. The inexpensive items including food, beverages (such as nonalcoholic drinks, mineral water, coffee, and tea) or cake, offered as part of a meal, provided that they are not offered at the Bank's premises but as a usual form of hospitality when the employee is performing his job outside his business station, and do not depend on fixed frequent appointments that

indicate that the employee is abusing his position for his personal benefit.

- e. Congratulation cards or other inexpensive items whose value (individually or collectively) does not exceed 300 Y.R. which are usually offered upon the return from the Holy Lands.
- f. The bonuses or rewards received by the employee from any entity even though they are related to the Bank provided that the employee obtained them at a public competition and as per a publically announced draw and he won as a competitor, provided that there is no justification or reason to doubt that he has won them due to interest in a business relation such as when the customer has an interest with the employee involving for example high-value contracts and procedures (this is to observe the *Fiqh* rule: to avoid harm is more important to accrument of benefit).
- g. The employee may accept the gifts offered to him by any other TIIB employee because of personal relations between him and the gift provider if the gift is offered in clear circumstances due to a family relation, or a friendship and not because of the employee's position. In such a case, the circumstances should be considered in terms of the relation history, whether the person is a family member, or is socially related such as when there are mutual visits between the families because of marriage, birth, etc. which are understood as a social relation not indicating the existence of business interests behind such gifts.
- h. An appropriate gift may be given by an employee to a higher-level employee, a same-level employee, or a lower-level employee on special nonrecurring occasions such as marriage, illness, birth, retirement, resignation, transfer outside the employee's department (and is prohibited on appointment or promotion), provided that the gift is not so exaggerated that it raises doubts that it is offered for purposes other than personal compliment.
- i. The TIIB employees may exchange and share the inexpensive gifts of daily consumption which are:
 - The items (other than cash) which do not totally exceed 2000 Y.R. per occasion.
 - The inexpensive items such as food and beverages shared at the office among a number of fellow employees.
 - What is offered to people on their home visits according to the rules of hospitality of the Yemeni society, and are usually

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- considered a form of hospitality offered by the employee to his friends in terms of type and value.
- The items offered as part of hospitality in terms of type and value if given on occasions such as Eids.
- j. A number of employees may cooperate to collect an amount to buy a gift whose price does not exceed 5000 Y.R. to offer to a fellow employee who is sick, has a wedding ceremony, or has a newborn.
- k. The discounts on membership fees, etc. received by the TIIB employee from professional or academic organizations that has a business relation with the Bank, provided that the employee is formally enrolled in such institutions, that he has not been preferred over the general public, and that the advantages and facilitations offered are governed by a documented and publically announced code by such institutions.
- l. When a TIIB employee is designated to participate as a speaker or participant on a committee on behalf of the TIIB at a conference, forum, or event related to the TIIB business, he may accept the free-of-charge attendance of such event and his participation in the public receipt of inexpensive gifts such as the beverages, breakfast, lunch, dinner, and the like, provided that the invitation is public, such acceptance is allowed on the day of the event, and the event is organized by the sponsor itself.

Fourth: Abuse of Position to Gain Personal Benefits

1. Abuse of a Public Position to Gain a Personal Benefit

- a. The TIIB employee may not abuse his position for personal benefits or gains or to recommend a product, service, or project, or to benefit friends, relatives, or other persons or entities regardless of the type and form of relation. Abuse of position can be manifested in different forms which are, by way of example and not limitation, as follows: abuse of position, cash, data, information, documents or instruments, assets, equipment or tools, wasting the business hours on non-business tasks, etc.
- b. Induce or force others to provide benefits, facilities, recommendations, or to neglect procedures of whatever form, type, or value, etc. which are considered a violation of the position or the rights of the TIIB or its affiliates, whether it is for that perpetrator, his friends, relatives, or a third party to which he is related in whatever way.

2. Abuse of Nonpublic Information

- a. The nonpublic information is defined as the information which the employee knows or should know that it is not public and he knows it due to his position or his business relation to the TIIB. Such information includes:
- The information which is usually confidential as per the Bank's rules or is protected from disclosure by any other means as per the contracts, agreements, professional rules, or the instructions of the TIIB Senior Leadership.
 - The information classified by the TIIB as confidential and nonpublic.
 - The information not disclosed to the public even upon request.
 - The information publically announced at certain times, and which is considered unpublishable except when posted on the Bank's website or the official newspapers (information is considered public only when disclosed to the public or published so that it is within the reach of all interested people).
 - The information, ideas, issues, studies, and reports circulated at any TIIB-exclusive meetings, conferences or symposia related to the business and may not be transferred to the staff community or the public except by a formal permission from the authorized person.
- b. An employee may by no means abuse any nonpublic information for any personal gain, whether such gain is for himself, for his friends, relatives, or other entities, institutions, or individuals regardless of the type of relation between them. Furthermore, he may not allow or remain silent regarding the abuse of any information, or explicitly or implicitly use or disclose the same by any means to enhance his personal benefit or the benefit of any person/persons, or entity/entities whether by providing advice or recommendation or his knowledge of confidential information.
- c. The assets that you have to protect and use rationally are not the tangible assets but includes other assets such as: the securities, cash, office equipment, intangible assets such as software, information systems, patents, trademarks, copyrights, and the proprietary information and instructions.
- d. Time is among the most vital assets of any organization and the TIIB is no exception. Therefore, any time you spend during the business hours has to be used on the performance of your occupational tasks or on whatever assigned to you by your supervisors within the limits of your job responsibilities. Anything other than that is considered a waste of the business hours. What you can do for others, regardless of its form, type, size, or time, but is not part of your job responsibilities

specified in your job description form or not assigned to you formally by the Management, comes under the abuse of position in terms of time.

COC Fourth Component: Policy of Disclosure, Confidentiality, and Information Security

First: Confidentiality and Protection of Data and Intellectual Property

Second: Whistleblowing and Violation Reporting

Third: Disclosure of Conflicts of Interest

Fourth: Record-Keeping and Disclosure Documents

First: Confidentiality and Protection of Data and Intellectual Property

1. The protection and safeguarding of the TIIB assets, regardless of their form, size, value, or type, is one of your basic job duties that you have to observe. Therefore, you must not use or allow them to be used for purposes other than your performance of your job duties in ways that ensure their safe and effective use.
2. The data, information, and intellectual property and whatever comes under knowledge management is among the most significant assets of the TIIB as well as the records, files, documents, hardcopy and electronic documents. Therefore, you have to protect them and continue to protect them as long as you are a TIIB employee. Even after leaving the TIIB, you will have the obligation to keep them fully confidential, and not to disclose, reveal, or give any information, record, report, document, or instrument, or software, whether hardcopy or electronic.
3. Being a TIIB employee, you have to respect the intellectual property rights of third parties and that you will not produce or use any software or technology whatsoever except when the TIIB has obtained a license therefor and that it is an original copy purchased from a genuine source and has passed to the possession of the TIIB. You take the full legal responsibility for any violation in this regard.
4. There should be compliance with the protection programs that prevent the theft of such assets or non-authorized use as well as compliance with all codes and contracts of agreement governing the use thereof.
5. You will take all precautions and measures necessary to protect passwords, etc. and not reveal them to others and will ensure the prevention of the access of the non-authorized persons to the Bank's information resources.
6. You have to fully protect the information in your hand or under your responsibility in whatever form, individually or in conjunction with others, from any improper use or any attempt to disclose confidential information and whatever related to the business systems, programs, policies, forms, etc., such as the banking business strategies, financial results, commercial transactions, contracts, products, results of research and studies, etc.

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7. Being a TIIB employee, you will act on its behalf and consequently you will be given powers to carry out your job but such powers will not make you independent of the TIIB to personally control the TIIB information resources. Hence, all data, information, software, passwords, and other technical applications, and the content of any machine, device, tool, or computer in your custody are the assets of the TIIB, and all of them and their contents are not your own information or the information of any user working with you or subordinate to you, and the TIIB reserves the right to test, receive, or block any of the above for any reason without any prior notice and you agree in advance to such control and measures without any reservation, as per the TIIB rules and regulations and the articles herein contained.
 8. The disclosure of information received from the customer or any source in the Bank should be limited to the colleagues in need for such information related to customer service. You have to satisfy yourself that such information does not cause conflicts of interest or can be misused or abused for other purposes.
 9. The customer data at the TIIB is confidential and may not be given to others for a business purpose without an authorization from the TIIB Management or the customer's prior consent. Among such information is, for example, the intellectual property information.
 10. All measures have to be taken to secure the data and information of the TIIB and its customers as the TIIB policy strictly prohibits the announcement or disclosure of any customer data regardless of the form, type, size of such information, explicitly or implicitly. The only one authorized to get the information and data is the customer himself or the oversight entities duly authorized by the Bank's departments, and the legally-powered government authorities such as the CBY, General Prosecution, and competent courts, as per instructions you receive from your manager. Data or information may in no event whatsoever be disclosed to a third party regardless of the degree of relation to the customer, or being a family member or a friend.
 11. When requested by the authorized persons, you have to provide the information in a sealed envelope and write "CONFIDENTIAL" on the cover. You have to explain to the person who formally requested you to provide him with confidential information that the information is confidential.

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12. You have to be particularly careful when formally requested to provide information on temporary employees, contractors, or consultants in order to minimize the confidential information disclosure on such persons as much as possible.
 13. Do not give unauthorized public statements as you are unauthorized to give any statement that can be understood as a statement or give the listener the impression even implicitly that you are speaking on behalf of the TIIB whether to the press or any other media outlet (including written press, radios, TV, or publications, or writing an article, respond to interviews, an advertisements, other media activities, or any similar thing). An exception to the above is whatever you are permitted to do in writing by the Senior Management within the permissible limits.

Second: Whistleblowing and Violation Reporting

1. For the purpose of this COC, whistleblowing means “to report immediately when you notice that you or any other person has violated the laws, regulations, procedures or any article hereof.” You comply with this reporting obligation in case any form of deceit or misconduct has been done or may be done by some colleagues or there is a breach or defect in a system, software, etc., and the professional duty entails that you quickly submit a report to your supervisor and to the Human Resources Management to avoid the situation and expedite the correction. In case the situation involves any of the above, you can directly report to the Senior Management.
2. You need to know that any report you submit will be dealt with in full confidentiality and that your name will not be mentioned before any persons who will be investigated lest you become harassed or victimized by anyone of them. Rather, you will be fully and directly protected by the Bank’s Senior Executive Management.
3. Be advised that any false reports submitted by any employee deliberately will be treated as a crime that may lead to the dismissal of the reporter.
4. If the report involves a violation committed by yourself, the Management promises that it will consider the fact that you voluntarily made the report and

this will be a factor that may mitigate the disciplinary action that might be taken against you as you contributed to the non-exacerbation and the prevention of the negative results of non-reporting the violation.

Third: Disclosure of Conflicts of Interest

1. What is disclosure?

For the purpose of applying this COC, conflicts of interest can be defined as “the existence of a personal interest for the employee in conflict with the interest of the institution in which he works.”

2. Disclosure Examples:

- a. The institution’s certified accountants is one of its shareholders.
- b. The interrogator of an employee is one of his friends or relatives.
- c. The member of the institution’s recruitment committee is the interviewer.

3. When and How to Disclose?

- a. Forms of conflicts of interest are different. Therefore, whenever you feel that there is a conflict of interest or you have an interest that conflicts with the Bank’s interest, you have to immediately disclose the same in writing to your manager or to the Human Resources Manager lest you become accused of preference or abusing your position for personal gain, benefit or support, whether what you get goes to you personally or to any person or entity of concern to you.
- b. You have to announce your resignation of any task you know that it conflicts with your personal interest and explain the reasons to the Management
- c. You have to disclose in writing the name of any relative working in the Bank and specify the degree of relation to you, and any relative who joined or will join the Bank whether you recommended him or not.
- d. You have to submit a written disclosure to the Management before you make any decision when you are one of the beneficiaries or affected parties of such a decision and explain the form, size, and type of interest
- e. You have to submit a written disclosure to the Management when a decision is made for you to participate on a committee or a work team to set up regulations or procedures before the participation starts if you or any of your friends or relatives are a beneficiary or an affected party of the results of such a committee or team and explain the form, size, and type of interest.
- f. You have to submit a written disclosure when there is a customer or there are customers or a new customer or new customers join the Bank and you have a

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- family relation, friendship, or a business partnership with them and you will deal with them even for a part of a procedure due to the nature of your job.
- g. Generally speaking, in any situation similar to the above or whenever you notice that your interest conflicts with the Bank's interest or personal obligation is in conflict with the Bank's interest , you have to disclose the same in writing to your manager or to the Human Resources Manager.

4. Disclosure of Another Job

- a. Any new employee of the TIIB has to state in writing whether he has a private job or is working for a person, entity or has a government position whether such job is private, temporary, or permanent, part time or full time. He has to explain the nature, time, and number of hours of the job. Nondisclosure of the above is a violation that may give rise to procedures that may lead to dismissal because of concealing information required upon employment. Immediately upon review of this COC, any employee who has not disclosed the above has to provide a disclosure of the same as per the designated form.
- b. You have to immediately disclose any activity or job you do outside the business hours as per the designated form attached hereto. Any person wishing to have another job after the business hours has to get the prior approval of the Senior Management's Human Resources Committee. Otherwise, he may not carry out such job and his continued performance of such job is a violation that might lead to the termination of his service.
- c. In addition to the requirement of pre-employment disclosure of any private or public job outside the business hours, all Bank's affiliates have to sign an annual report that describes any new employment or job or other activities outside the Bank.
- d. All Board of Directors' members and the Senior Leadership and the Managers have to disclose and state in writing to the Board of Directors through the Audit Committee their interests and activities in any other institutions whether as shareholders of more than 5% of the capital or whether they have executive positions therein.
- e. The TIIB policy strictly prohibits the employee to have another job during the 7a.m.-4p.m. period on each day approved formally as a business day by the TIIB Management for any individual, entity, or institution regardless of the form, type, or description of the job.
- f. Moreover, the TIIB policy prohibits the employee to have another job of whatever form, type, size, or description outside the business hours to which the following or part of the following applies:

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- The business/ Job/ position conflicts with the TIIB interest such as working for another bank, exchanger, or financial institution, or all or part of the job conflicts with any or all of his job duties or might adversely affect the same in whatever way, including the possible exhaustion caused by the other job and is observable on the employee's productivity.
 - The job is carried out for any of the TIIB owners, shareholders, customers, suppliers or contractors.
 - The job or activity is prohibited pursuant to local and international laws.

Fourth: Record-Keeping and Disclosure Documents:

1. In light of everything described above particularly the confidentiality of data and information and non-disclosure of the same, you have at the first time and all times to apply the same integrity, honesty, and excellence standards when you create a record, prepare a statement, report, or file, or enter data into the computer, making sure they are accurate, complete, and detailed in a way that describes all the Bank's transactions under your responsibility and you take quality as a standard for your performance.
2. All records, documents, instruments and information (hardcopy and electronic) has to be created, kept and handled as per the policies adopted by the Bank.
3. You have to document on daily basis all transactions you perform in an organized manner with numbers and indexes for reference whenever necessary so that documentation is not delayed from day to day. This is to prevent the loss or piling of documents and consequently avoid the hard task of filing later on.
4. You have also to take care of providing accurate, correct, and real information whenever you are requested to do so, as per the requirements of information keeping and protection, whether to your supervisors or customers, and you have to always follow the proper procedures of performance and delivery.
5. All documents required to be disclosed as per the laws have to be accurate and disclosed in a timely manner.