BOARD CHARTER

OF

GULF INTERNATIONAL BANK B.S.C.

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1. INTRODUCTION

1.1 PURPOSE

This Board Charter (the "**Charter**") of Gulf International Bank B.S.C. (the "**Bank**") is being issued pursuant to the High Level Controls Module ("**HC Module**") of the Central Bank of Bahrain (the "**CBB**") Rulebook, Volume 1 (Conventional Banks).

1.2 CONSTITUTIONAL DOCUMENTS

This Charter shall be subject to the Bank's agreement of establishment approved by Decree Law No. (3) for the year 1975 (as amended from time to time) (the "**Agreement of Establishment**") and its Articles of Association (the "**AoA**") (together the "**Constitutional Documents**"), and in the event of any conflict between this Charter and the Constitutional Documents, the terms of the Constitutional Documents shall prevail.

1.3 EFFECTIVE DATE

This Charter shall become effective on and from 10 December 2011, whereupon the Mandate of the Board of Directors (the "**Board**"), the Mandate of the directors (the "**Directors**") and the mandate of the Chairman of the Board (the "**Chairman**") and Vice Chairman of the Board (the "**Vice Chairman**") shall be replaced by this Charter.

2. THE BOARD

2.1 THE BOARD'S ROLE AND RESPONSIBILITIES

2.1.1 The Bank must be headed by an effective, collegial and informed Board of Directors. Each member of the Board acknowledges and accepts the Board's role and responsibilities under the AoA and applicable law, in particular:

(a) the Board's role as distinct from the role of the shareholders (who elect the Board and whose interests the Board serves) and the role of the officers (whom the Board appoints and oversees), and

(b) the Board's fiduciary duties of care and loyalty to the Bank and the shareholders.

2.1.2 Responsibilities of the Board – The Board's responsibilities include (but are not limited to):

(a) the overall business performance and strategy for the Bank;

(b) causing financial statements to be prepared which accurately disclose the Bank's financial position;

(c) monitoring management performance;

(d) convening and preparing the agenda for shareholder meetings;

(e) monitoring conflicts of interest and preventing abusive related party transactions;

(f) assuring equitable treatment of shareholders including minority shareholders;

(g) establishing the objectives of the Bank;

(h) the adoption and annual review of strategy;

(i) the adoption and review of management structure and responsibilities;

(j) the adoption and review of the systems and controls framework;

(k) monitoring the implementation of strategy by management; and

(l) conduct any other activities as the Board deems necessary or appropriate, in accordance with the Bank's AoA.

2.1.3 Delegation by the Board – The Directors are responsible, both individually and collectively, for performing the responsibilities outlined in Sections 2.1.2 (Responsibilities of the Board). Although the Board may delegate certain functions to committees or management, it may not delegate its ultimate responsibility to ensure that an adequate, effective, comprehensive and transparent corporate governance framework is in place.

2.1.4 Strategy review process – In its strategy review process under Sections 2.1.2(h) and 2.1.2(k), the Board shall:

(a) review the Bank's business plans and the inherent level of risk in these plans;

(b) assess the adequacy of capital to support the business risks of the Bank;

(c) set performance objectives; and

(d) oversee major capital expenditures, divestitures and acquisitions.

The Board shall ensure that the Bank notifies the CBB in writing of all major proposed changes to the Bank's strategy and/or corporate plan prior to the implementation of such major changes.

2.1.5 Budgets, KPIs and Compliance Risk: The Board shall have effective policies and processes in place for review and approving budgets, reviewing performance against those budgets and plans and key performance indicators and management of the Bank's compliance risk.

2.1.6 Risk recognition and assessment - The Board is responsible for ensuring that the systems and controls framework, including the Board structure and organizational structure of the Bank, is appropriate for the Bank's business and associated risks. The Board shall ensure that collectively it has sufficient expertise to identify, understand and measure the significant risks to which the Bank is exposed in its business activities. The Board shall regularly assess the systems and controls framework of the Bank. In its assessments, the Board must demonstrate that:

(a) The Bank's operations, individually and collectively, are measured, monitored and controlled by appropriate, effective and prudent risk management systems, commensurate with the scope of the Bank's activities;

(b) The Bank's operations are supported by an appropriate control environment. The compliance, risk management and financial reporting functions are adequately resourced, independent of business lines and are run by individuals not involved with the day-to-day running of the various business areas. The Board shall additionally ensure that management develops, implements and oversees the effectiveness of comprehensive Know Your Customer (KYC) standards, as well as on-going monitoring of accounts and transactions, in keeping with the requirements of relevant law, regulations and best practice (with particular regard to anti-money laundering measures). The control environment must maintain necessary client confidentiality and ensure that the privacy of the Bank is not violated, and ensure that clients' rights and assets are properly safeguarded; and

(c) Where the Board identifies any significant issues related to the Bank's adopted governance framework, appropriate and timely action will be taken to address any identified adverse deviations from this document or the relevant CBB guidelines, provided that the terms of the Constitutional Documents are complied with at all times.

2.2 THE BOARD'S DECISION-MAKING PROCESS

2.2.1 Collegial Board – The Board shall be collegial and deliberative, to gain the benefit of each individual Director's judgment and experience. The Chairman shall take an active lead in promoting mutual trust, open discussion, constructive dissent and support for decisions after they have been made.

2.2.2 Number of Board meetings – The Board shall meet frequently to enable it to discharge its responsibilities effectively and at least once every three months at the invitation of the Chairman. No less than three of its members may request that a meeting of the Board be held. All Directors shall attend the Board meetings whenever possible and the Directors shall maintain informal communication between Board meetings.

2.2.3 Information for meetings – The Chairman is responsible for the leadership of the Board and for the efficient functioning of the Board. The Chairman shall ensure that all Directors receive an agenda, minutes of prior meetings, and adequate background information in writing before each Board meeting and when necessary between meetings. All Directors shall receive the same Board information. At the same time, Directors shall have a legal duty to inform themselves and they shall ensure that they receive adequate and timely information and shall study it carefully.

2.2.4 Minimum attendance – In accordance with Article 23 of the AoA, if any Director fails to attend three consecutive meetings without a legitimate excuse, he may be deemed

to have resigned. The Board shall notify the shareholder who appointed him in order that said shareholder may appoint another Director in his place. The Bank must immediately notify the CBB indicating which member has failed to satisfy the required level of attendance and any mitigating circumstances affecting his non-attendance. In accordance with Article 20(3) of the AoA, where any of the Directors is unable to attend any of the Board meetings, he shall have the right to deputise one of the other Directors to represent him, provided a written proxy is made for such representation. No Director may represent more than one Director on the Board in addition to himself.

2.2.5 Directors acknowledge and agree that non attendance at Board meetings does not absolve them of their responsibilities as directors. Each Director shall allocate adequate time and effort to discharge his responsibilities. All Directors are to contribute actively to the work of the Board in order to discharge their responsibilities and shall make every effort to attend Board meetings where major issues are to be discussed.

2.2.6 Quorum and Resolutions – The quorum of a meeting of the Board requires the attendance of the majority of the Directors or their representatives. Resolutions of the Board shall be passed by a majority of votes of the Directors present. In case of an equality of votes, the side with whom the Chairman votes shall prevail. The Chairman may, when necessary, make resolutions by way of consultations through letters or telegrams, and such decisions taken in this manner, shall be approved at the first meeting of the Board, and shall be recorded in the minutes of such meetings.

2.2.7 Recording of attendance record – The absence of Directors at Board and Committee meetings must be noted in the meetings' minutes. In addition, the percentage of Board attendance must be reported during any General Assembly meeting when Directors stand for re-election.

2.2.8 Membership – The Board shall have no more than 10 members who are appointed or elected every three years, and shall regularly review its size and composition to assure that it is small enough for efficient decision making yet large enough to have members who can contribute from different specialties and viewpoints. The Board shall recommend changes in Board size to the shareholders when a needed change requires amendment of the Bank's AoA.

2.2.9 Chairman and Vice Chairman - The Board shall elect from amongst its Directors by secret ballot a Chairman and Vice Chairman who shall hold office for a term of three years.

2.2.10 Duties of Non-executive Directors – Potential Non-executive Directors shall be made aware of their duties before their nomination, particularly as to the time commitment required. The Nomination and Remuneration Committee shall regularly review the time commitment required from each Non-executive Director and shall require each

Non-executive Director to inform the Committee before he accepts any Board appointments to another company.

2.2.11 Maximum number of other directorships – A Director shall not hold:

(a) more than one directorship of a any category of a CBB licensed financial institution in Bahrain (such as a "Wholesale Bank" or "Retail Bank" as defined by the CBB) unless otherwise permitted by the CBB; or

(b) more than three Directorships in public companies in Bahrain, and with the provision that no conflict of interest may exist, and the Board shall not propose the election or re-election of any Director who does.

2.3 DIRECTORS' INDEPENDENCE OF JUDGEMENT

2.3.1 Independent judgment – Every Director shall bring independent judgment to bear in decision-making. No individual or group of Directors shall dominate the Board's decision-making and no one individual shall have unfettered powers of decision.

2.3.2 Information from Executive Directors – Executive Directors shall provide the Board with all relevant business and financial information within their cognizance, and shall recognize that their role as a Director is different from their role as an officer of the Bank.

2.3.3 Independence of Non-executive Directors – Non-executive Directors shall be fully independent of management and shall constructively scrutinize and challenge management including the management performance of Executive Directors.

2.3.4 Appointment of Directors - Under the AoA, the shareholders have absolute discretion when appointing Directors with no requirement to comply with the type of director to be appointed i.e. whether "independent" or "executive". The Board shall, however, inform the shareholders of any applicable regulatory requirements to be taken into account in the shareholders' appointment of new directors. Where there is the potential for conflict of interest, or there is a need for impartiality, the Board shall, to the extent possible, assign a sufficient number of independent Board members capable of exercising independent judgment.

2.3.5 Review of independence – The Board shall review the independence of each Independent Director at least annually in light of interests disclosed by them. Each Independent Director shall provide the Board with all necessary and updated information for this purpose.

2.3.6 Meeting of Independent Directors – To facilitate free and open communication among Independent Directors, each Board meeting shall be preceded or followed with a session at which only Independent Directors are present, except as may otherwise be determined by the Independent Directors themselves.

2.4 THE BOARD'S REPRESENTATION OF ALL SHAREHOLDERS OF THE BANK

2.4.1 Shareholder representation – Each Director shall consider himself as representing all shareholders and shall act accordingly. The Board shall avoid having representatives of specific groups or interests within its membership and shall not allow itself to become a battleground of vested interests. If the Bank has a Controlling Shareholder (or a controlling group of shareholders acting in concert), the latter shall recognize its or their specific responsibility to the other shareholders, which is direct and is separate from that of the Board. Minority shareholders shall generally look to Independent Directors' diligent regard for their interests, in preference to seeking specific representation on the Board.

2.4.2 Controlling Shareholders' responsibilities – To the extent the Bank has a Controlling Shareholder, both controlling and non-controlling shareholders shall be aware of controlling shareholders' specific responsibilities regarding their duty of loyalty to the Bank and conflicts of interest or if the Bank has adopted cumulative voting for Directors. The Chairman shall take the lead in explaining this with the help of the Bank's lawyers.

2.5 DIRECTORS' ACCESS TO INDEPENDENT ADVICE

2.5.1 Independent advice – The Board shall ensure by way of formal procedures that individual Directors have access to independent legal or other professional advice at the Bank's expense whenever they judge this necessary to discharge their responsibilities as Directors and this shall be in accordance with the Bank's policy approved by the Board.

2.5.2 Access to Board Secretary – Individual Directors shall also have access to the corporate secretary to the Board (the "**Board Secretary**") as determined by the Board, who shall have responsibility for reporting to the Board on Board procedures. Both the appointment and removal of the Board Secretary shall be a matter for the Board as a whole, not for the CEO or any other officer.

2.5.3 Dissent – Whenever a Director has serious concerns which cannot be resolved concerning the running of the Bank or a proposed action, he shall consider seeking independent advice and shall ensure that the concerns are recorded in the Board minutes and that any dissent from a Board action is noted or delivered in writing. Upon resignation, a Non-executive Director shall provide a written statement to the Chairman, for circulation to the Board, if he has any such concerns.

2.6 DIRECTORS' COMMUNICATIONS WITH MANAGEMENT

2.6.1 Management participation – The Board shall encourage participation by management regarding matters the Board is considering, and also by management members who by

reason of responsibilities or succession, the CEO believes shall have exposure to the Directors.

2.6.2 Access to management – Non-executive Directors shall have free access to the Bank's management beyond that provided in Board meetings. Such access shall be through the Chairman of the Audit Committee or the CEO. The Board shall make this policy known to management to alleviate any management concerns about a Director's authority in this regard.

2.7 COMMITTEES OF THE BOARD

2.7.1 Creation of committees – The Board may, from time to time, create specialized committees when and as such committees are needed. The Mandates of the committees shall be approved by the Board. The Board has established the following specialized committees:

(a) The Executive Committee is authorized to formulate executive policy of the Bank and supervise the implementation of the executive policy, assist the Board by reviewing, evaluating and making recommendations to the Board with regard to key strategic issues such as mergers, acquisitions or material changes in key strategic objectives or direction, approve credit limits that exceed the authority of the CEO subject to the limits approved by the Board such other responsibilities specifically mandated to it by resolution of the Board.

(b) The Audit Committee's responsibilities include, without limitation, assisting the Board in providing oversight of the integrity of the Bank's financial statements; the Bank's compliance with legal and regulatory requirements; the Bank's compliance with the rules of good corporate governance; the external auditors' qualifications and independence; performance of the Bank's internal audit function; independent audits and regulatory inspections; the review of Bank's systems of internal controls regarding finance, accounting, legal, compliance and ethics that management and the Board have established; and the review of Bank's auditing, accounting and financial reporting policies & processes. The CEO shall not be a member of the Audit Committee.

(c) The Risk Policy Committee's role is to act as the agent of the Board in ensuring that the Bank has an effective risk management framework in place and that all risk controls operating throughout the Bank are in accordance with the regulatory requirements and best practice standards for management of risks in banks.

(d) The Nomination and Remuneration Committee's responsibilities include formulation of the Bank's executive and staff remuneration policy as well as establishing processes for the identification of, and recommending, suitable candidates for senior management, establishing processes for the review of the performance of the individual directors and the Board as a whole, establishing

processes for the review of the performance of senior management, and recommending to the Board the appropriate skill criteria and any applicable regulatory requirements to be taken into account in the shareholders' assessment of new candidates for directorships.

2.7.2 Non-Directors on Committees – The Board or a committee may invite non-Directors to participate in a committee's meetings so that the committee may gain the benefit of their advice and expertise in financial or other areas.

2.7.3 Mandate of Committees – Committees must act only within their formal written mandates (as approved by the Board) and, therefore, the Board may not allow any committee to dominate or effectively replace the whole Board in its decision-making responsibility.

2.8 EVALUATION OF THE BOARD AND EACH COMMITTEE

2.8.1 Annual evaluation – At least annually, the Board shall conduct an evaluation of its performance and the performance of each committee and each individual Director. The evaluation process shall include:

(a) assessing how the Board operates,

(b) evaluating the performance of each committee in light of its specific purposes and responsibilities, which shall include review of the self- evaluations undertaken by each committee,

(c) reviewing each Director's work, his attendance at Board and committee meetings, and his constructive involvement in discussions and decision making, and

(d) reviewing the Board's current composition against its desired composition with a view toward maintaining an appropriate balance of skills and experience and a view toward planned and progressive refreshing of the Board.

2.8.2 Administration of evaluation by committee – While the evaluation is a responsibility of the entire Board, it shall be organized and assisted by an internal Board committee and, when appropriate, with the help of external experts.

2.8.3 Reporting to shareholders – The Board shall report to the shareholders, at each annual shareholders meeting occurring after 1 January 2012 that evaluations have been done.

3. LOYALTY TO THE BANK

3.1 PERSONAL ACCOUNTABILITY

3.1.1 Acknowledgment of personal accountability – Each Director and officer shall understand that under the Bahrain Commercial Companies Law (the "**Company Law**"), he is personally accountable to the Bank and the shareholders if he violates

his legal duty of loyalty to the Bank, and that he can be personally sued by the Bank or the shareholders for such violations.

3.1.2 Duty of loyalty – The duty of loyalty described in Section 3.1.1 (Acknowledgment of personal accountability) includes a duty not to use property of the Bank for his personal needs as though it was his own property, not to disclose confidential information of the Bank or use it for his personal profit, not to take business opportunities of the Bank for himself, not to compete in business with the Bank, and to serve the Bank's interest in any transactions with the Bank in which he has a personal interest.

3.1.3 "Personal interest" – A person shall be considered to have a "personal interest" in a transaction with the Bank if:

(a) he himself, or

(b) a member of his family (i.e. spouse, father, mother, sons, daughters, brothers or sisters), or

(c) another company of which he is a Director or controlling shareholder, is a party to the transaction or has a material financial interest in the transaction. Transactions and interests which are de minimis in value shall not be included.

3.1.4 Bank's Code of Conduct – The Board has established corporate standards for Directors and employees of the Bank, which are set out in this Charter and the Bank's code of conduct (the "**Code of Conduct**"). The Code of Conduct shall be communicated throughout the Bank.

3.2 AVOIDANCE OF CONFLICTS OF INTEREST

Each Director and officer shall make every practicable effort to arrange his personal and business affairs to avoid a conflict of interest with the Bank.

3.3 DISCLOSURE OF CONFLICTS OF INTEREST

3.3.1 Disclosure to the Board – Each Director and officer shall inform the entire Board of conflicts of interest (and potential conflicts of interest) in their activities with and commitments to, other organizations as they arise and abstain from voting on the matter. This disclosure shall include all material facts in the case of a contract or transaction involving the Director or officer. The Directors and officers must understand that any approval of a conflict transaction is effective only if all material facts are known to the authorizing persons and the conflicted person did not participate in the decision.

Each Director shall declare in writing all of their other interests in other enterprises or activities (whether as a shareholder of above 5% of the voting capital of a company, a manager, or other form of significant participation) to the Board on an annual basis.

3.3.2 Procedure for disclosure – The Board shall establish and disseminate to its members formal policies and procedures for:

(a) periodic disclosure and updating of information by each Director and officer on his actual and potential conflicts of interest, and

(b) advance approval by disinterested Directors or shareholders of all transactions in which the Bank Director or officer has a personal interest provided that the Board shall require such advance approval in every case.

3.3.3 Unanimous Board approval for material conflicts – Any decision to enter into transactions under which a Director would have conflicts of interest that are material, shall be formally and unanimously approved by the full Board.

3.3.4 Material conflicts of interest – Subject to Section 3.3.3 (Unanimous Board approval for material conflicts) Directors shall:

(a) not enter into competition with the Bank;

(b) not demand or accept substantial gifts from the Bank for himself or his connected persons;

(c) not misuse the Bank's assets;

(d) not use the Bank's privileged information or take advantage of business opportunities to which the Bank is entitled, for himself or his associates; and

(e) absent themselves from any discussions or decision-making that involves a subject where they are incapable of providing objective advice, or which involves a subject or (proposed) transaction where a conflict of interest exists.

3.4 DISCLOSURE OF CONFLICTS OF INTEREST TO SHAREHOLDERS

The Bank shall disclose to its shareholders in the Annual Report any abstention from voting motivated by a conflict of interest and shall disclose to its shareholders any authorization of a conflict of interest contract or transaction in accordance with the Company Law.

4. APPOINTMENT OF THE BOARD AND TRAINING

4.1 SKILL CRITERIA AND REGULATORY REQUIREMENTS

4.1.1 The Board shall inform the shareholders of the appropriate skill criteria and any applicable regulatory requirements to be taken into account in the shareholders' assessment of new candidates for directorships. Such criteria may include judgment, specific skills, experience with other comparable businesses, the relation of a candidate's experience with that of the other Directors and other factors.

4.2 INDUCTION AND TRAINING OF DIRECTORS

4.2.1 Induction of new Director/s – When a new Director is inducted, the Chairman, assisted by the Bank's Board Secretary, legal counsel or compliance officer, shall review the Board's role and duties with that person, particularly covering legal and regulatory requirements of this Charter and the HC Module.

The Chairman shall ensure that each new Director receives a formal and tailored induction to ensure his contribution to the Board from the beginning of his term. The induction shall include meetings with senior management, visits to Bank facilities, presentations regarding strategic plans, significant financial, accounting and risk management issues, compliance programs, its internal and independent auditors and legal counsel.

4.2.2 Continuing Directors – All continuing Directors shall be invited to attend orientation meetings and all Directors shall continually educate themselves as to the Bank's business and corporate governance.

4.2.3 Management programs and presentations – Management, in consultation with the Chairman, shall hold programs and presentations to Directors in respect of the Bank's business and industry, which may include periodic attendance at conferences and management meetings. The Nomination and Remuneration Committee shall oversee Directors' corporate governance educational activities.

4.2.4 Director appointment agreements – The Bank shall have a written appointment agreement with each Director which recites the Directors' powers, duties, responsibilities and accountabilities and other matters relating to their appointment including their term, the time commitment envisaged, the committee assignment (if any), their remuneration and expense reimbursement entitlement, and their access to independent professional advice when that is needed.

5. REMUNERATION

5.1 STANDARD FOR ALL REMUNERATION

Remuneration of both Directors and officers shall be sufficient enough to attract, retain and motivate persons of the quality needed to run the Bank successfully, but the Bank shall avoid paying more than is necessary for that purpose. The Bank shall remunerate its Directors and officers fairly and responsibly.

5.2 NON-EXECUTIVE DIRECTORS' REMUNERATION

Remuneration of Non-executive Directors shall not include performance-related elements such as grants of shares, share options or other deferred stock-related incentive schemes, bonuses, or pension benefits.

5.3 OFFICERS' REMUNERATION

5.3.1 Elements of remuneration – Remuneration of senior management shall be structured so that a portion of the total is linked to Bank's and individual's performance and aligns their interests with the interests of the shareholders. Such rewards may include grants of shares, share options and other deferred stock-related incentive schemes, bonuses, and pension benefits which are not based on salary.

If an officer is also a Director, his remuneration as an officer shall take into account compensation received in his capacity as a Director.

5.3.2 Shareholder approval of share incentive plans – All share incentive plans shall be approved by the shareholders.

5.3.3 Performance-based incentives – All performance-based incentives shall be awarded under written objective performance standards which have been approved by the Board and are designed to enhance shareholder and Bank value, and under which shares shall not vest and options shall not be exercisable within less than two years of the date of award of the incentive.

5.3.4 Shareholder approval not for grants to specific individuals – All plans for performance-based incentives (other than a plan which is in effect as at the date of this Charter) shall be approved by the shareholders, but the approval shall be only of the plan itself and not of the grant to specific individuals of benefits under the plan.

6. THE BOARD MANAGEMENT STRUCTURE

6.1 ESTABLISHMENT OF MANAGEMENT STRUCTURE

The Board shall appoint officers whose authority shall include management and operation of current activities of the Bank, reporting to and under the direction of the Board. The officers shall include at a minimum:

(a) the CEO;

(b) the Chief Financial Officer;

(c) the Board Secretary;

(d) the Head of Internal Audit,

and may also include such other officers as the Board considers appropriate.

6.2 TITLES, AUTHORITIES, DUTIES AND REPORTING RESPONSIBILITIES.

6.2.1 Appointment of Management - The Board shall adopt by-laws and issue a formal letter of appointment prescribing each senior officer's title, authorities, duties and internal reporting responsibilities. This shall be done with the advice of the Nomination and Remuneration Committee and in consultation with the CEO, to whom the other officers shall normally report. These provisions shall include but shall not be limited to the following:

(a) the CEO shall have authority to act generally in the Bank's name, representing the Bank's interests in concluding transactions on the Bank's behalf and giving instructions to other officers and the Bank's employees;

(b) the chief financial officer shall be responsible and accountable for:

(i) the complete, timely, reliable and accurate preparation of the Bank's financial statements, in accordance with the accounting standards and policies of the Bank; and

(ii) presenting the Board with a balanced and understandable assessment of the Bank's financial situation,

(c) the Board Secretary's duties shall include arranging, recording and following up on the actions, decisions and meetings of the Board and of the shareholders (both at annual and extraordinary meetings) in books to be kept for that purpose; and

(d) the internal auditor's duties shall include providing an independent and objective review of the efficiency of the Bank's operations including a review of the accuracy and reliability of the Bank's accounting records and financial reports as well as a review of the adequacy and effectiveness of the Bank's risk management, control, and governance processes.

6.2.2 Limitations on authority – The Board shall also specify any limits which it wishes to set on the authority of the CEO or other officers, such as monetary maximums for transactions which they may authorize without separate Board approval.

6.2.3 Board Secretary – The Board Secretary shall be given general responsibility for reviewing the Bank's procedures and advising the Board directly on such matters.

6.2.4 Succession planning – At least annually the Board shall review and concur in a succession plan addressing the policies and principles for selecting a successor to the CEO, both in emergencies and in the normal course of business. The succession plan shall include an assessment of the experience, performance, skills and planned career paths for possible successors to the CEO.

7. COMMUNICATIONS WITH SHAREHOLDERS

7.1 SHAREHOLDERS' MEETINGS

7.1.1 Conduct of shareholders' meetings - The Board shall observe both the letter and the intent of the legal requirements for shareholder meetings including the following.

(a) Notices of meetings must be honest, accurate and not misleading. They shall clearly state and, where necessary, explain the nature of the business of the meeting;

(b) Meetings shall be held during normal business hours and at a place convenient for the greatest number of shareholders to attend;

(c) Notices of meetings shall encourage shareholders to attend shareholders meetings, and if not possible, participate by proxy and shall refer to procedures for appointing a proxy and for directing the proxy how to vote on a particular resolution. The proxy agreement shall list the agenda items and shall specify the vote (such as "yes," "no" or "abstain");

(d) Notices shall ensure that all material information and documentation is provided to shareholders on each agenda item for any shareholder meeting, including but not limited to any recommendations or dissents of Directors;

(e) The Board shall propose a separate resolution at any meeting on each substantially separate issue, so that unrelated issues are not "bundled" together;

(f) In meetings where Directors are to be elected or removed the Board shall ensure that each person is voted on separately, so that the shareholders can evaluate each person individually;

(g) The Chairman of the meeting shall encourage questions from shareholders, including questions regarding the Bank's corporate governance guidelines;

(h) The minutes of the meeting must be made available to shareholders upon their request as soon as possible but not later than 30 days after the meeting; and

(i) Disclosure of all material facts must be made to the shareholders by the Chairman prior to any vote by the shareholders.

7.1.2 Director attendance at shareholder meetings – The Bank shall require all Directors to attend and be available to answer questions from shareholders at any shareholder meeting and, in particular, ensure that the respective chairmen of the Audit Committee and Nomination and Remuneration Committee are ready to answer appropriate questions regarding matters within their committee's responsibility (it being understood that confidential and proprietary business information may be kept confidential).

7.1.3 Attendance of external auditor at shareholder meetings – The Bank shall require its external auditor to attend the annual shareholders' meeting and be available to answer shareholders' questions concerning the conduct and conclusions of the audit.

7.1.4 The Bank shall maintain a website. The Bank shall dedicate a specific section of its website to describing shareholders' rights to participate and vote at each shareholders' meeting, and shall post significant documents relating to meetings including the full text of notices and minutes. For confidential information, the Bank shall grant a controlled access to such information to its shareholders.

7.1.5 Notices of shareholder meetings – In notices of meetings at which Directors are to be elected or removed the Bank shall ensure that:

(a) where the number of candidates exceeds the number of available seats, the notice of the meeting shall explain the voting method by which the successful

candidates will be selected and the method to be used for counting of votes, and

(b) the notice of the meeting shall fairly represent the views of candidates.

7.2 DIRECT SHAREHOLDER COMMUNICATION

The Chairman (and other Directors as appropriate) shall maintain continuing personal contact with Controlling Shareholders to solicit their views and understand their concerns. The Chairman shall ensure that the views of shareholders are communicated to the Board as a whole. The Chairman shall discuss governance and strategy with Controlling Shareholders. The Board shall encourage investors, particularly institutional investors, to help in evaluating the Bank's corporate governance.

7.3 CONTROLLING SHAREHOLDERS

Insofar as the Bank has one or more Controlling Shareholders, the Chairman and other Directors shall actively encourage the Controlling Shareholders to make a considered use of their position and to fully respect the rights of minority shareholders.

8. DISCLOSURE OF CORPORATE GOVERNANCE

8.1 DISCLOSURE

8.1.1 Website – The Bank shall publish this Charter on its website.

8.1.2 Compliance – At each annual shareholders' meeting, the Board shall report on the Bank's compliance with this Charter and the Code, and explain the extent if any to which it has varied them or believes that any variance or noncompliance was justified.

8.1.3 Reporting – At each annual shareholders' meeting, the Board shall report on its compliance with the Public Disclosure Module of the CBB Rulebook, Volume 1 (Conventional Banks). Such information shall be maintained on the Bank's website or held at the Bank's premises on behalf of the shareholders.

8.1.4 Board responsibility for disclosure – The Board shall oversee the processes of disclosure and communications with internal and external stakeholders. The Board shall ensure that disclosures made by the Bank are fair, transparent, comprehensive and timely and reflect the character of the Bank and the nature, complexity and risks inherent in the Bank's business activities. Disclosure policies shall be reviewed to comply with the CBB's disclosure requirements.