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# Corporate Governance Guidelines

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Dated: October 2015

**The Board of Directors (the “Board”) of First National Bank S.A.L. (the “Bank”) adopted these guidelines to further the Bank’s commitment to best practices in corporate governance.**

**I. Governance Framework**

- 1.1 The Bank’s corporate governance policies are designed to ensure the independence of the Board and its ability to effectively supervise the operations of the Bank, Middle East Capital Group SAL (“MECG”), Capital Finance Company SAL (“CFC”) and Corporate Finance House Limited (“CFH”) and together with MECG and CFC, (the “Subsidiaries” and each a “Subsidiary”).
- 1.2 The Board shall seek to ensure that the management and employees of the Bank and its Subsidiaries have a good understanding of and strictly comply with applicable laws, regulations and standards in each of the markets and jurisdictions in which the Bank and its Subsidiaries operate.

**II. Board Governance**

**1. Mission of the Board**

- 1.1 The Board shall ensure effective governance, supervise the management of the Bank’s business and affairs, and exercise reasonable business judgment on behalf of the Bank.
- 1.2 The Board shall make every effort to balance the interest of its shareholders, customers, employees and suppliers. In all actions taken by the Board, Board members shall act on a fully informed basis, in good faith, with due diligence, keeping in mind the best interest of the Bank. In discharging that obligation, Board members may rely on the honesty and integrity of the Bank’s senior management and its outside advisors and external auditors.

**2. Core Responsibilities of the Board**

- 2.1 The Board shall be in all cases the ultimate governing body accountable towards the Bank’s shareholders.
- 2.2 The Board shall assume the following tasks and responsibilities: review and approve the Bank’s strategy, supervise management, and set and oversee the implementation of corporate governance structures and policies.

- 2.3 The Board shall adopt a Code of Conduct, which shall establish the Bank's core corporate values and address acceptable and unacceptable behaviours, potential conflict of interest situations, confidentiality obligations and information security matters.
- 2.4 The Board shall comply with all regulations and decisions issued by Banque du Liban and other related regulatory authorities. The Board shall ensure that the Bank maintains a good relationship with its regulators.
- 2.5 Ensure that related party transactions are performed at arm length and approved by the Board and the shareholders in compliance with applicable laws and regulations governing transactions with related parties (notably the provisions of Article 152 of the Code of Money and Credit and Article 158 of the Code of Commerce). The Board shall ensure that all such transactions are properly disclosed.

### **3. Authority of the Board**

- 3.1 In accordance with Lebanese law, the Chairman represents the Bank vis-a-vis third parties.
- 3.2 The Board has the ultimate power to decide on all issues, except for matters that are reserved to the General Assembly of shareholders by law or in accordance with the By-laws of the Bank.

### **4. Roles and Responsibilities**

- 4.1 Role and Responsibilities of the Chairman: The Chairman heads the Board. He shall have the powers, duties and responsibilities specified in applicable laws including the Code of Commerce, Code of Money and Credit and Article 23 of the By-laws of the Bank.
- 4.2 Role and Responsibilities of Board Members: Board members shall have the responsibilities specified in Lebanese applicable laws including the Code of Commerce, the Code of Money and Credit and Article 22 of the By-laws of the Bank.
- 4.3 Role and Responsibilities of Senior Management: The Bank's business is conducted by its senior management and employees under the direction of the Chairman-General Manager. Senior management shall oversee the day-to-day management of the Bank and ensure that resources are properly utilized to meet the aims and objectives of the Bank. Senior management shall have the necessary experience, competencies and integrity to manage the business of the Bank as well as the sufficient authority over the key individuals in the relevant areas.

- 4.4 Role and Responsibilities of the Corporate Secretary: The corporate secretary is responsible for the effective operation of the Board. The Corporate Secretary shall be appointed by the Board and report directly to the Chairman-General Manager.

## **5. Board Member Qualifications and Independence**

### **5.1 Non-Executive Board Members**

- 5.1.1 A non-executive Board member shall not have a managerial position or perform executive tasks at the Bank or any of its Subsidiaries or affiliated companies in Lebanon and abroad.
- 5.1.2 A non-executive Board member shall not perform at present or shall not have performed within two (2) years prior to becoming a Board member consultancy services for senior management of the Bank.

### **5.2 Independent Board Members**

- 5.2.1 A Board member shall qualify as independent if the Board has determined that the relevant member has no material relationship with the Bank, either directly or as an officer, partner or employee of an organization that has a relationship with the Bank.
- 5.2.2 Independent Board members should have Board experience or senior management experience to ensure that they have exposure to current governance issues and business practices.
- 5.2.3 The Remuneration committee shall ensure on a yearly basis that independent Board members do not perform any business that could materially interfere or reasonably be perceived to materially interfere with the exercise of the Board member's independent judgment.

### **5.3 Board Member Nomination Policy**

- 5.3.1 The Remuneration committee shall identify and evaluate individual candidates for their qualifications to become Board members. Remuneration committee shall make its recommendations to the Board and General Assembly.

The Remuneration committee and the Board shall consider the overall experience and expertise represented by the Board as well as the qualifications of each candidate.

- 5.3.2 Shareholders shall elect Board members and vote on individual nominees. Candidate's information disclosed to the shareholders includes Board member qualifications, share

ownership in the Bank, membership in the Board of other companies, and whether the member is considered by the Board to be an independent member.

5.3.3 Board members are elected by the General Assembly of shareholders for a term of three (3) years and can be re-elected for an indefinite number of terms upon expiry of a term of appointment. One year means the period extending between two yearly consecutive meetings of the annual meeting of the General Assembly of shareholders.

#### 5.4 Board Member Remuneration Policy

All Board members shall receive attendance fees as resolved by the General Assembly.

5.4.1 The remuneration policy shall specify the relationship between remuneration and performance, and shall also include measurable standards that are based on the Bank's objectives and key performance indicators. When considering key performance indicators, the Board and the Remuneration committee may wish to consider financial indicators (such as return on equity or return on assets) as well as non-financial indicators (such as customer satisfaction levels or retention rates; operational processes and quality measures; and internal growth, knowledge management and training programs, as well as employee satisfaction rates).

5.4.2 The Bank shall disclose information on the remuneration of Board members to potential investors in order for such investors to assess the costs and benefits of remuneration plans and the contribution of incentive schemes to the Bank's performance.

#### 5.5 Restrictions on Board Memberships

5.5.1 Board members shall comply with Article 154 of the Code of Commerce as follows:

- The Chairman of the Board shall not act as a chairman for more than four companies with a condition to act as General Manager for at least two of them; and,
- No Board member shall be a member in more than six boards of directors for companies located in Lebanon. For members above the age of seventy, the limit is two companies.

5.5.2 All non-executive and independent Board members shall disclose their association with any other institution which, in their judgment, may lead to conflict of interest with the Bank.

5.5.3 Board members shall not become members in the Board of another company carrying out similar activities as the activities of the Bank unless a special authorization by the General Assembly has been obtained to that effect, which authorization shall be renewed every year in accordance with Article 159 of the Code of Commerce.

5.5.4 Board members shall ensure that other commitments including Board memberships in other organizations do not interfere with their duties and responsibilities as Board members.

5.6 Board Member Orientation and Continuing Education Policy

5.6.1 All new Board members shall participate in the Bank's orientation program for new Board members within six months of their election. This orientation shall include presentations by the Chairman-General Manager, General Managers and senior management aiming at familiarizing new Board members with the Bank's strategy, its significant financial, accounting and risk management issues, compliance programs, conflict of interest policies, Code of Conduct, and other policies.

**6. Structure of the Board**

6.1 Number of Board Members

The Bank shall be managed by a Board composed of not less than three and not more than twelve members as determined by the shareholders at their ordinary meeting or at any ordinary meeting called for that purpose, provided that the majority of the Board members shall be of Lebanese nationality or as otherwise provided by applicable laws.

Where the office of a director becomes vacant in the interval between two shareholders' meetings, the Board shall, within two (2) months from the date on which the vacancy occurs, either call an ordinary meeting of the shareholders to elect a director to fill the vacant office or decide to maintain the Board with the remaining directors. However, if the remaining directors are less than three they shall call an ordinary meeting as aforesaid. The director so elected shall hold office until the end of the term of office of his predecessor.

6.2 Board Composition

6.2.1 The Board shall maintain a suitable balance between the numbers of executive, non-executive and independent directors. One third of the Board members or at least two of the members shall be independent members whichever is greater, while the majority of the Board shall be non-executive members. It is anticipated that the Board shall be composed of nine (9) members out of which three (3) are independent.

6.2.2 The Board shall be elected by the General Assembly of shareholders at their general ordinary meeting for a period of three (3) renewable years. By one year it is understood the period extending between two yearly consecutive annual meetings of the General Assembly of shareholders.

### 6.3 Board Committees

6.3.1 The members of the Remuneration committee, Audit committee and Risk committee should be appointed by the Board. Each committee reports directly to the Board.

6.3.2 Even if the Board delegates some of its responsibilities to a committee, the Board remains the ultimate decision making authority, and retains responsibility for all Board decisions.

6.3.3 Should any committee require outside advice, it may hire outside expertise to obtain such expert advice when needed. External advisors should not however become full Board members committees as they are not Board members.

6.3.4 Each committee shall have its own written charter which shall comply with all applicable laws, rules and regulations. The charters shall be approved by the Board.

6.3.5 The charter shall be reviewed and updated on a yearly basis, or when needed, by the respective committee and submitted to the Board for approval. The charters will be communicated to all departments and will be distributed by internal email to promote transparency.

6.3.6 The Board shall monitor these committees via an annual review of the Board committee reports and recommendations. This annual review will be documented in the Board meeting minutes.

6.3.7 The Board may, from time to time, establish or maintain additional committees as necessary or appropriate.

## **7. Functioning of the Board**

### 7.1 Board Meetings

Board members are expected to attend General Assembly meetings, Board meetings and meetings of committees on which they serve, and to spend the time needed to prepare for and to meet as frequently as necessary to properly discharge their responsibilities.

- 7.1.1 The Board shall meet at least every three (3) months upon written convocation of its Chairman or two of its members, two (2) weeks before the date of the meeting unless all the Board members agree to meet without notice. The notice shall indicate the agenda of the meeting. At least two meetings per year shall be held in Lebanon.
- 7.1.2 The presence personally or by proxy of at least half of the number of Board members shall be necessary to constitute a quorum for the meetings of the Board. Resolutions of the Board shall be adopted by a simple majority vote of the Board members present or represented.
- 7.1.3 Board meetings can vary significantly in duration. It is essential that the meeting be long enough to cover the agenda in appropriate detail.

### **III. Organizational Governance**

#### **1. Functions and Committees**

##### **1.1 Management Committees**

- 1.1.1 Management committees play an important role in assisting the Chairman-General Manager and General Managers in implementing the strategy set by the Board.

##### **1.2 Internal Audit department**

- 1.2.1 The internal audit department shall audit the departments, business units, branches and activities of the Bank. The internal audit department shall provide assurance to the Board on all processes and controls in effect.
- 1.2.2 The internal audit department may utilise external resources on a limited basis as and when needed. A complete outsource of the internal audit department is prohibited.
- 1.2.3 The internal audit department shall be headed by the Group Chief Audit Executive (“CAE”) who shall be appointed by the audit committee of the Board. The Bank shall notify the *Banking Control Commission of Lebanon* of the name of the CAE and of any subsequent changes to the CAE along with the underlying reasons for such change.

##### **1.3 Risk Management department**

- 1.3.1 The risk management department shall ensure that effective and efficient processes are in place to manage the Bank’s risks. The risk management department shall be headed by the Group Chief Risk Officer (“CRO”).

- 1.3.2 The CRO shall have direct access to the risk committee and other Board committees. Communication between the CRO and the Board or Board committees should be adequately documented by the Corporate Secretary or the secretary of the relevant Board committee as the case may be. Information to the Board and senior management shall be communicated by the CRO in a timely, complete, understandable and accurate manner.
- 1.3.3 The risk management department shall have sufficient authority, standing, independence, resources and access to the Board through the risk committee to effectively carry out its duties. The risk committee shall ensure that the resources available at the risk management department are adequate to meet the Bank's needs in light of the size and nature of the Bank's activities.

## **2. General Policies**

### **2.1 Anti-Money Laundering**

- 2.1.1 The Anti-Money Laundering/ Combatting Financing of Terrorism (“**AML/CFT**”) policy shall be approved by the Board and communicated to the shareholders in the ordinary General Assembly meeting. The AML/CFT policy shall be circulated to all concerned employees of the Bank.

### **2.2 Restriction on Hiring Family Members**

- 2.2.1 Family members shall be defined as first degree relatives (father, mother, sister, brother, husband, wife and children).
- 2.2.2 If an employee reports to a family member, one of the employees shall be transferred to a different position to ensure that the conflict of interest is resolved.

Until the conflict of interest is resolved, the Chairman-General Manager and General Managers in consultation with the Remuneration Committee shall review the salary, promotion, performance evaluation and bonus of the employee.

- 2.2.3 The Remuneration Committee shall review the salary, promotion, performance evaluation and bonus of family members of the Chairman-General Manager, Board members and General Managers.
- 2.2.4 Hiring of all employees (including family members) shall be based on merit. Family members shall be subject to the same selection process (i.e. structured interviews, job-related tests) as non-family members.

2.2.5 Any Board member or employee shall remove himself from discussion and decisions relating to his family member.

2.3 Measurements and Accountability

2.3.1 The Board shall adopt quantitative key performance indicators (“**KPI**”s) to measure the profitability and performance of the Bank within well-defined safety and risk measures.

2.3.2 The KPIs of the Bank shall be comprehensive, tailored to the Bank and consistent with the business plan and corporate strategy. KPIs shall be reported to the Board on a regular basis with commentary on achievement or failure to meet the target objectives for each KPI along with explanations supporting any failure.

2.4 Disclosures and Transparency

2.4.1 The governance of the Bank shall be adequately transparent to its shareholders, depositors, other relevant parties, to the extent applicable to each category of parties.

2.4.2 The Bank shall disclose as appropriate relevant and useful information that enhance its corporate governance. Such disclosure shall include material information on the Bank’s objectives, governance structures and policies, major share ownership and voting rights and related party transactions.

2.4.3 Disclosure shall be accurate, clear and presented in an understandable manner. Timely public disclosure is desirable in the Bank’s annual and periodic financial reports or by other appropriate means.

2.4.4 A detailed procedure shall be developed by the Bank to include all the required disclosures.

2.5 Confidential Reporting / Whistleblowing

2.5.1 Individuals shall be encouraged to raise any serious concerns, on a confidential basis, without fear of victimisation, subsequent discrimination or disadvantage.

2.5.2 The Bank’s internal audit department shall have the responsibility to investigate any registered improper action, and report on priority issues directly to the Board.

2.5.3 The Bank shall comply with all applicable laws, regulations, and standards that protect employees against unlawful discrimination or retaliation by their employer as a result of their lawfully reporting information regarding, or their participating in, investigations

involving corporate fraud, or other violations of the Bank's Code of Conduct, applicable laws or regulations or Bank policies and regulations.

- 2.5.4 All employees engaged in the confidential reporting process, including the CAE shall act with the utmost discretion and integrity in assuring that information received is acted upon in a reasonable time frame and its confidentiality is protected to the greatest extent possible.

## 2.6 Corporate Social Responsibility

- 2.6.1 The Bank shall ensure that all matters of corporate social responsibility are considered and supported in its operations and administrative matters and are consistent with the Bank stakeholders' best interests.

## 2.7 Succession Planning

- 2.7.1 The Board, through the Remuneration Committee, shall ensure an appropriate succession plan for the Chairman-General Manager, General Managers and all senior management positions.

- 2.7.2 The succession planning program shall:

- Identify high-potential employees capable of rapid advancement to positions of higher responsibilities;
- Ensure systematic and long-term development of individuals to replace key job incumbents due to deaths, disabilities, retirements, and other unexpected losses; and
- Provide a continuous flow of talented people to meet the Bank's management needs.

## 3. Code of Conduct

### 3.1 Code of Conduct for Board Members

The Bank shall be committed to the highest standards of ethical and professional conduct.

The Board shall acknowledge, in writing or electronically, that they read and understood the requirements of the Code of Conduct for Board members (the "**Board Code**").

The Board Code enters into force upon approval by the Board.

The Chairman of the Board shall supervise adherence to the Board Code. A breach of the Board Code may result in disciplinary action up to termination of the membership.

The Board Code shall be reviewed, signed and returned to the Corporate Secretary at the first Board meeting of the Bank's fiscal year by all of the Board Members.

The Bank shall be committed to treat all current and potential Employees, customers, vendors and others who deal with the Bank fairly. The Bank shall also be committed to maintain a work environment that supports dignity and self-respect of all Employees.

Each Board member shall:

1. Observe the highest standards of ethical conduct and comply with all applicable laws, rules and regulations.
2. Act in the interest of the Bank to the best of his/her ability and judgment, when exercising the powers and carrying out the tasks and duties assigned to him/her.
3. Maintain the confidentiality of non-public information about the Bank, its activities, operations and any other non-public information to which he/she has access by virtue of his/her functions as a Board member. Ensure if and when disclosing non-public information on behalf of the Bank, that he/she is authorized by the Chairman of the Board to do so. This confidentiality clause shall be applicable beyond the term of his/her membership of the Board.
4. Carry out his/her responsibilities to the exclusion of any personal advantage.
5. Strive to avoid actions (including actions regarding his/her personal interests) which would have a negative impact on either his/her duties as a Board member or the interests of the Bank.
6. Take appropriate actions, to avoid conflict of interests, or the appearance of conflict of interests. The Board member shall inform the Chairman, who may, if appropriate, raise the matter with the Board for further actions or decisions.
7. Ensure if and when making public statements on behalf of the Bank, that he/she is duly authorized by the Chairman of the Board to do so.

### 3.2 Code of Conduct for Employees

The Bank shall be committed to the highest standards of ethical and professional conduct.

Each Employee shall acknowledge, in writing or electronically, that he read and understood the requirements of the Code of Conduct (the “**Code**”).

The Code sets out rules and policies that help the Bank to do the right thing when dealing with its customers, suppliers, and other stakeholders. The Code reflects the Bank’s commitment to high standards of business conduct and ethics and builds on the Bank proud tradition of doing what is fair, right, and legal.

Each Employee must comply with the Code. Failure to comply with the Code may result in severe consequences for the Bank and may, therefore, constitute grounds for disciplinary action, which could potentially include dismissal or, in some circumstances, criminal prosecution.

#### **Principle 1 - Commitment to Integrity**

1. The Bank shall be committed to treat all current and potential Employees, customers, vendors and others who deal with the Bank fairly. The Bank shall also be committed to maintain a work environment that supports dignity and self-respect of all Employees.
2. The Bank shall ensure that relationships among Employees are professional and free of discrimination and harassment
  - Discrimination includes all forms of discrimination based on race, color, religion, age, gender, sexual orientation, marital status, physical or mental disability, or a criminal offence for which a pardon has been granted.
  - Harassment includes displays of offensive, unwelcome, intimidating or humiliating behaviour that could reasonably be interpreted as demeaning others and undermining efforts to maintain a safe, comfortable, and productive workplace.

Complaints of harassment or discrimination shall be dealt with promptly, and treated with seriousness, sensitivity and confidentiality.

3. The Employee shall not retaliate against any other Employee for raising ethical concerns.

4. The Employee shall avoid personal behaviour that harms his/her reputation and the Bank's reputation.

**Principle 2 - Compliance with the Law**

Employees shall comply with prevailing Bank policies, laws and regulations as follow:

1. Understand all relevant Bank policies.
2. Comply with government and legal requirements and industry standards, where applicable.
3. Avoid taking any action, either personally or on behalf of the Bank, which violates any law, regulation or internal policy affecting the Bank's business.
4. Be alert to any illegal, suspicious or unusual activity. Promptly report any unusual account activity to his/her manager.
5. Comply with all applicable laws on Anti-Money Laundering and terrorist financing and report suspicious activities to the Compliance Department. Failure to report suspicious activities may be considered a criminal offence.
6. Do not take advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of facts or any other unfair-dealing practice, in carrying out his/her job.
7. Do not give or accept bribes, kickbacks, promises or preferential extensions of credit.
8. Do not deprive the Bank of a business opportunity by:
  - Competing with the Bank or using corporate property, information or position for personal gain; and,
  - Diverting an opportunity that belongs to the Bank to third parties or helping others to do so.
9. Deal, in carrying out his/her job, only with people who meet the Bank's ethical standards. The Employee shall not deal with people who try to use the Bank's services or products illegally or unethically. The Employee shall verify the identity of the Bank's customers, and report suspicious activities to the Compliance Department.

10. Cooperate with the *Banking Control Commission of Lebanon* and external auditors in carrying out investigations, audits, and reviews. The Employee shall not frustrate or circumvent their inquiries or make any false or misleading statements. The Employee shall refer all information requests by regulators and external auditors to the right people.
11. Disclose to his/her manager if he/she is charged or convicted of theft, fraud or any other criminal offence in a domestic, foreign or military court. The manager shall consult the Human Resources Department, to take appropriate actions.
12. Do not give, promise or offer anything of value to any customer, government employee or any other person for the purpose of improperly influencing a decision, securing an advantage, avoiding a disadvantage or obtaining or retaining business. If the Employee engages in such behaviour, he/she may expose himself/herself and the Bank to civil and criminal liability, significant reputational harm and undermines the trust of the Bank's customers, shareholders and communities.

### **Principle 3 – Protection of the Bank Resources**

Employees shall protect the Bank resources as follow:

1. Be responsible for safeguarding tangible and intangible assets of the Bank, its customers, suppliers and distributors that are under their control.
2. Use the Bank resources only for approved purposes. Resources include but are not limited to, cash, securities, physical property, services, business plans, policies, manuals, customer and employee information, supplier information, distributor information, intellectual property (computer programs, models and other items) and all other personal, proprietary and confidential information.
3. Do not use the Bank resources inappropriately. Similarly, carelessness, waste or unauthorized use in regard to the Bank resources shall be considered a breach of the Employee duty to the Bank.
4. Do not use the access to the Bank's funds or facilities to do inappropriate actions. The employee may access, accumulate data and use records, computer files and programs (including personnel files, financial statements, online customer and employee profiles and other customer or employee information) only for their intended and approved purposes.
5. Consider confidential information, all information concerning the Bank's customers, prospective customers, vendors or agents, or their accounts or transactions with the Bank, including but not limited to their financial, business and credit information, and all non-

public information regarding the Bank's business, finances, systems, procedures and intellectual property.

Use and disclose confidential information solely, as necessary and authorized, for purposes of conducting the Bank's business, and not use, disclose, sell, give or exchange any confidential information to benefit any party other than the Bank.

Employees must safeguard all confidential information in accordance with applicable law and any applicable non-disclosure agreement or arrangement that employees may have with the Bank.

6. Know that all information generated or obtained in carrying out his/her job, shall remain the exclusive property of the Bank.

#### **Principle 4 – Avoidance of Conflicts of Interest**

Employees shall avoid conflicts of interest as follow:

1. Do not let his/her personal interests impair, or even appear to impair, his/her judgment, loyalty, objectivity, or impartiality in dealing with the Bank or with prospective or current customers and suppliers. The Employee shall be alert to potential conflicts between the Bank's interests and those of its customers and suppliers; and use good judgment in these cases. If he/she learns of a potential or actual conflict of interest involving him/her, another employee, or the Bank, promptly reports it to his/her manager.
2. Do not use his/her position or connection with the Bank to benefit himself/herself or people he/she is connected to, such as family members, business associates, or colleagues. The Employee shall not use his/her position to harm the interests of Bank's customers. The Employee shall not use his/her access to the Bank's information or other assets to benefit him/her personally.
3. Do not offer, give, or receive gifts, entertainment, or similar types of benefits that compromise, or appear to compromise, the recipient's or donor's judgment or honest performance of their duties. Any employee may accept any non-cash item of value from customers only if it:
  - Is valued at USD 500 or less;
  - Is not intended to influence any decision;
  - Is unsolicited; and,

- Is infrequent.
4. Do not accept cash or any other form of money as a gift from any customer.
  5. Ensure that his/her second job, a personal business, or a directorship (if applicable) do not harm the Bank's interests, reputation and customers. Before the employee takes on outside activities, he/she shall follow the procedures for review and approval to resolve potential conflicts. He/she shall also follow any regulations that may restrict or prohibit his outside business activities.
  6. Be prohibited from giving or approving loans to companies in which the employee or a family member has a substantial interest as an owner, director, officer, or partner.

#### **Principle 5 – Protection of Bank Interests**

Employees shall ensure that their personnel activities do not harm the Bank as follows:

1. The Bank shall support the Employee involvement in religious, educational, cultural, and social activities if personal activities do not conflict with the Bank's interests or harm the Bank's reputation. The Employee shall make it clear that the Bank is not associated with his/her personal activities.
2. Funds or assets of the Bank shall not be used to make any unlawful contribution.
3. Political campaigning, wearing and displaying political campaign slogans, distributing political literature, and soliciting campaign funds in the work places shall be prohibited.
4. Employees shall report their business expenses accurately and in a timely manner. They shall not use their corporate credit card for any purpose other than appropriate business expenses.
5. If Employees express personal views, they shall make it clear that they are not speaking on behalf of the Bank. Before publicly expressing views on matters that could affect the Bank, Employees shall consult with their managers. When offering personal opinions in a public forum, Employees shall use common sense and do not make statements that might discredit the Bank or its competitors.
6. If Employees write books, articles, or letters, run a personal website or blog, or share personal information on a social media website, they shall not harm the Bank's interests or reputation. Employees shall not use or refer to customer information, or other confidential

information, or the Bank's brand assets such as name, logo, and other trademarked and copyrighted materials in any form, unless authorized to do so by their respective managers.

**Principle 6 – Disclosure of Breaches**

Employees shall report breaches as follows:

1. Promptly reporting breaches can protect the Employee, the Bank, other Employees, customers, shareholders and other stakeholders. Accordingly, if the Employee believes that he/she may have breached the Code that applies to him/her, he/she shall have an obligation to report it to his manager immediately. Failing to do so may be considered grounds for disciplinary actions including but limited to termination with cause.
2. The Employee shall have an obligation to report, with their respective job description and abilities, serious weakness or deficiency in Bank's policies, procedures or controls that might enable breaches to occur or go undetected; and,
3. The Bank shall protect the rights of any Employee who, in good faith, reports actual or perceived breaches by another Employee, supplier, contractor, or reports problems with the Bank's policies, procedures or controls.

The Bank shall protect the Employees by providing anonymous and confidential mechanisms for the disclosure of wrongdoing or irregularities.