



**CODE OF ETHICS  
AND  
BUSINESS CONDUCT**

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## INTRODUCTION

Our integrity and reputation depend on our ability to do the right thing. Our Code of Ethics and Business Conduct (hereafter referred to as the **“Code”**) is more than an expression of our commitment to integrity. It represents the guiding values of Ithmaar Bank B.S.C. (C) (**“Ithmaar Bank” or “Company”**) and helps to instil ethically sound behaviour and accountability among all Ithmaar Bank employees. At Ithmaar Bank, we hold one another accountable because we understand that our reputation is fundamental to our success. We educate employees about our standards and provide opportunities to ask questions or report concerns.

No rulebook can anticipate every situation. Ultimately, the integrity and honesty of every Ithmaar Bank employee define the character of our Company. We never underestimate the importance of our own ethical conduct to the business and success of Ithmaar Bank.

We promise to value honesty and integrity, not only because the law requires it, but also because it is the right thing to do. At Ithmaar Bank, our ethical standards have always been the highest possible. We are proud of our ethical heritage and we are committed to maintaining the same high standards in the years to come.

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## DEFINITIONS

- “**Ithmaar**” means Ithmaar Bank B.S.C. (C).
- “Head of Human Resources” means the contact point.
- “the **Code**” means the Code of Ethics and Business Conduct of the Bank.
- “the **Company’s Inventions**” means any invention, discovery, development, concept, idea, process or work related to the Company’s business, written or otherwise, whether or not it can be patented or copyrighted, that the Employee develops alone or with others during the employment with the Company.
- “the **Conflict of Interest**” means direct conflicts, indirect conflicts, potential conflicts and situations which could be construed as having an appearance of impropriety.
- “the **Gift**” means includes anything of value for which an employee is not required to pay the retail or usual and customary cost. A gift may include meals or other refreshment, goods, services, tickets to entertainment or sporting events, or uses of a residence, vacation home or other accommodations.
- “the **Individual Authority**” means Employee’s authority to act on behalf of Ithmaar Bank is limited by various laws, regulations, corporate charters, Board resolutions and internal policies and procedures.
- “the **Information**” means information entrusted to the Employee by the Bank’s clients and business partners, information regarding Ithmaar Bank’s business and activities, information about the Company’s employees, clients, counterparties, business parties, or advisory clients (all of which the Code refers to as clients) and business partners.
- “the **Inside Information**” means all material, non-public information about the securities, activities, or financial condition of the Company. Material, non-public information concerning market developments may also be construed to be inside information.
- “the **Ithmaar Property**” means telephone, electronic mail (“e-mail”) systems and other electronic communications devices provided by Ithmaar Bank, whether in the workplace or elsewhere and all data and communications transmitted through, received by, or contained in the Company’s electronic or telephonic equipment and systems to be Ithmaar Bank’s property including but not limited to client lists, directories, files, reference materials and reports, computer software, data processing systems, computer programs and databases – belongs to the Company.
- “the **Intellectual Property**” means any invention, discovery, development, concept, idea, process or work related to the Company’s business, written or otherwise, whether or not it can be patented or copyrighted, that the Employee develops alone or with others during your employment with the Company (all of which are referred to as “**Company Inventions**”) belongs to the Company.

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**Your Personal Commitment to Ithmaar Bank  
Code of Ethics and Business Conduct**

I acknowledge that I have read the Ithmaar Bank B.S.C. (C) (“**Ithmaar Bank**”) Code of Ethics and Business Conduct (the “**Code**”) and understand my obligations as an employee to comply with the principles, policies and procedures outlined in the Code, including any amendments made by Ithmaar Bank.

I understand that my agreement to comply with the Code neither constitutes nor should be construed to constitute either a contract of employment for a definite term or a guarantee of continued employment.

Please write your name: \_\_\_\_\_ Title: \_\_\_\_\_

Please sign here: \_\_\_\_\_ Date: \_\_\_\_\_

**This signed and completed form must be returned to the Human Resources Department of Ithmaar Bank within three (3) days of receiving this Code. Failure to sign / return this form shall not affect the applicability of this Code or any of its provisions to you.**

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## PRINCIPLES OF THE CODE OF ETHICS AND BUSINESS CONDUCT

The Code sets forth the minimum expectations that Ithmaar Bank has for you and the principles that you must follow in your activities as a Board Director, Sharia Supervisory Board Member, Executive or Employee of Ithmaar Bank. It also covers your obligations to Ithmaar Bank should you leave the Company. You are expected to conduct the Company's business in full compliance with both the letter and the spirit of applicable law, rules and regulations in addition to the Code, and any other policies and procedures that may be applicable to you. The "Company" and "Ithmaar Bank" as used throughout the Code mean Ithmaar Bank B.S.C. (C) and all its direct and indirect subsidiaries (in accordance with the best practices of corporate governance).

This Code does not cover every legal or ethical issue that you may face at the Company as no code can attempt to anticipate the numerous issues that may arise in a business as diverse and dynamic as Ithmaar Bank's. However, by following this Code and other Company policies and procedures, by adhering to the letter and spirit of all applicable laws and regulations, and above all by applying sound judgment to your activities, you can demonstrate your commitment to the Company's core values which includes complying with Sharia principles, honesty, integrity and objectivity in all our relationships, maintaining market and customer focused, working towards continuous improvement, creativity, innovation and willingness to bring about changes and playing an active role in community.

### 1. VALUES

Are our core set of underlying principles dedicated to achieving excellence:

- Comply with Sharia principles.
- Honesty, integrity and objectivity in all our relationships.
- Market and customer focused.
- Continuous improvement, creativity, innovation and willingness to bring about changes.
- Active role in community.

### 2. ADMINISTRATION OF THE CODE

This Code is intended to provide general guidance regarding your conduct as a Board of Director, Sharia Supervisory Board Member, Executive or Employee of Ithmaar Bank. However, this Code is not exhaustive of all policies and procedures that may be applicable to you, and it is your responsibility to understand the laws, rules, regulations and other policies applicable to your responsibilities and to comply with both the letter and spirit of these laws, rules, regulations and other policies. This requires that you avoid not only actual misconduct but also the appearance of impropriety. When in doubt, ask questions. If you are unclear about the application of the law to your responsibilities, or if you are unsure about the legality or integrity of a particular course of action, you must seek the advice of the Legal Department/Compliance & AML Department of Ithmaar Bank. You will be personally responsible for any improper or illegal act you commit during your employment at or service

to the Company.

Any waiver of the provisions of this Code for management or an Executive must be made by the Board of Directors of the Company (the “**Board**”).

## 2.1 Applicability of the Code

2.1.1 The Code applies to all Employees, Board Directors and Sharia Supervisory Board Members of Ithmaar Bank. Employees of entities in which Ithmaar Bank holds an investment are not subject to the Code except to the extent the Board determines otherwise.

2.1.2 Certain business departments of the Company have policies that are more restrictive than the Code, and those more restrictive policies shall apply to those departments. You are responsible for understanding and complying with all applicable laws and policies.

## 2.2 Consultants, agents and temporary workers

2.2.1 Consultants, agents, temporary workers and trainees are expected to comply with the underlying principles of the Code. Specific arrangements with such persons will vary depending on their relationship with the Company.

2.2.2 Consult the Head of Human Resources Department of Ithmaar Bank (the “**HHRD**”) if you have questions about your obligations or those of others.

## 2.3 Consequences of violating the Code

2.3.1 All Ithmaar Bank employees must conduct the Company’s business affairs in compliance with all applicable laws, rules and regulations. Ignorance of legal obligations is never an acceptable excuse. If you are in doubt regarding a particular issue you are encouraged to seek advice from your direct superior, department head ,the Company’s Human Resources Department, Legal Department or the Compliance & AML Department before acting.

2.3.2 Compliance with the Code and with other policies and procedures applicable to you is a term and condition of employment with Ithmaar Bank. Violations of any laws that relate to the operation of Company business, the Code or other applicable policies and procedures, or failure to cooperate as directed by the Company with an internal or external investigation, may result in a corrective action, up to and including immediate termination of employment. The Company shall take all reasonable actions to enforce the Code. In case where a violation of the Code could cause the Company irreparable harm, the Company may seek injunctive relief in addition to monetary damages.

## 2.4 Questions about the Code

2.4.1 Ithmaar Bank has assigned the HHRD to act as a resource for all employees in the area of Code-related issues. Contact information for the HHRD is included in the Code Contacts List attached as Schedule 1, and employees can contact the HHRD for assistance with any question regarding the Code.

- 2.4.2 Employees who have questions about the Code or other policies and procedures, or about how a particular rule applies in a specific situation, can also contact:
- a. their Department Head;
  - b. the Legal Department; and
  - c. the Head of Human Resources.

## 2.5 Obligations to report violations

- 2.5.1 You must promptly report any known or suspected violation of the Code or any applicable law, rule or regulation, whether the suspected violation involves you or another person subject to the Code through the Company's Whistle Blowing system.
- 2.5.2 You must report any illegal conduct, or conduct that violates the underlying principles of the Code, by any of our clients, contract workers, business partners, or agents.
- 2.5.3 Report violations as follows:
- a. Matters involving harassment, violence or discrimination must be reported to the Human Resources Department;
  - b. Matters involving fraudulent acts, including acts by third parties against the Company or personal dishonesty by an employee, must be reported to the Chief Executive Officer (the "CEO");
  - c. All other matters shall be reported to the HHRD, or where applicable, the Legal Department and or the Compliance & AML Department.
- 2.5.4 If the persons to whom you report a violation are not responsive, or if there is a reason to believe that reporting to the persons indicated above is inappropriate in a particular case, then you should contact the Chief Executive Officer (the "CEO").
- 2.5.5 You may report your concerns anonymously. The Company will respect the confidentiality of those who raise concerns, subject to the Company's obligation to investigate the concern and any obligation to notify third parties, such as regulators and other authorities. The Company strictly prohibits retaliation against employees for good faith reporting of any actual or suspected violations of the Code.
- 2.5.6 You must immediately report to the Human Resource Department any misdemeanour (other than a minor traffic violation), criminal charge, or arrest involving you personally, whether it relates to the business of the Company or not.

## 2.6 Amendments to the Code

The current edition of the Code may be amended from time to time, and all amendments are effective immediately. It is your responsibility to review the Code from time to time to ensure that you are in compliance.



## 2.7 Affirmation

You are required to affirm that you have read and understood the Code and that you will comply with it by completing, signing and returning the enclosed form to the Human Resource Department within three (3) days of receiving the Code. Non-compliance with this guideline shall be treated as a breach of responsibilities and suitable action shall be initiated by the Human Capital department.

## 3. DIVERSITY

3.1 Ithmaar Bank is committed to providing an inclusive and non-discriminatory working environment in which all employees are valued and empowered to succeed. The Company prohibits discrimination or harassment on the basis of race, colour, national origin, citizenship status, religion, age, gender, marital status, disability and any other status protected under any applicable law. Each of us is responsible for ensuring the implementation of this policy and maintaining a business environment free of harassment and intimidation.

3.2 You may not unlawfully discriminate in your dealings with current or prospective clients and others.

## 4. CONFIDENTIAL INFORMATION

We are all responsible for the safeguarding of confidential information, whether it is information entrusted to us by our clients and business partners, information regarding Ithmaar Bank's business and activities, or information about the Company's employees.

### 4.1 Information about the Company, its clients, its employees and others

Information related to the Company's business includes information about the Company, as well as information related to the Company's clients, counterparties, business parties, or advisory clients (all of which the Code refers to as clients), business partners, and fellow employees.

4.1.1 Under this section 3.1, all forms of communication are covered, including written, telephonic and electronic communications including but not limited to website chat rooms, e-mail and instant messaging.

4.1.2 You may not, either during your period of service or thereafter, directly or indirectly, use or disclose to anyone any such confidential information, except as permitted by the laws, rules and regulations governing the Company's business and activities, the Code and other policies applicable to you.

4.1.3 You shall observe the following principles when dealing with information relating to the Company's business:

- a. Assume that most of the information that you have about the Company and its business, or about its past, present, or prospective clients and employees is confidential, unless the information is readily available in the public domain;

- b. Treat all personal information about individuals and groups as confidential;
- c. Before sharing confidential information with others in the Company, be sure that you are permitted to do so. Do not disclose confidential client information to other employees who are not involved with the transaction or service for which the information was provided to the Company - - even if you believe that such disclosure might be useful in the context of other Company business - - unless you are authorised to do so;
- d. Do not disclose confidential information to anyone outside the Company unless you are authorised to do so. Where such disclosure is authorised, a confidentiality agreement may be required upon consultation with the Company's Legal Department;
- e. If you are permitted to share confidential information, use your judgement to limit the amount of information shared and disclose it only on a need-to-know basis in order to provide the services we are engaged to provide. Ensure that the recipient knows the information is confidential and has been instructed about restrictions on further use and dissemination;
- f. Comment or provide information on matters related to the Company's business only if it is part of your job function or you are otherwise authorised to do so; and
- g. Protect confidential information on matters related to the Company's business;

#### 4.2 Prior employer's confidential information and trade secrets

Do not disclose to Ithmaar Bank, or use during your employment at Ithmaar Bank, any confidential information or trade secret of a prior employer, unless the information or trade secret is made public information by the competent authority through no action of your own.

#### 4.3 Special rules regarding client information

Each of us has a special responsibility to protect the confidentiality of information related to clients. This responsibility may be imposed by law, may arise out of agreements with our clients, or may be based upon policies or practices adopted by the Company. You must be familiar with the laws and regulations relating specifically to the privacy of individuals, business, and institutional clients. Client information must never be disclosed to anyone outside of the Company except as permitted by the law and in the proper conduct of our business, where disclosure is required by legal process, or where the Legal and Compliance & AML Department otherwise determines it is appropriate.

#### 4.4 Publications, speeches, and other communication relating to the Company's business

- 4.4.1 You should be alert to situations in which you may be perceived as representing or speaking for the Company, especially in public communications.

- 4.4.2 You should not make any statements on behalf of the Company, or regarding the Company, its business, or its clients, unless it is assigned as a part of your job or you are otherwise specifically authorised to do so.
- 4.4.3 Save for the Chairman of the Board and the CEO, public testimony, publications, official disclosures in social media and speaking engagements relating to the Company's business are subject to pre-clearance by the CEO.

## 5. INSIDE INFORMATION

- 5.1 Buying or selling securities while in possession of material non-public information is prohibited, as is the communication of that information to others.
- 5.2 Inside information includes all material, non-public information about the securities, activities, or financial condition of the Company. Material, non-public information concerning market developments may also be construed to be inside information.
  - 5.2.1 Information is „material“ if it could have an impact on the market price of securities involved or if it is likely that a reasonable investor would consider the information important in deciding whether to purchase or sell the securities. Information may be material to one issuer but not to another, or to certain securities of an issuer but not to all securities of that issuer.
  - 5.2.2 Information should be considered “non-public” unless it is clearly public. Information is deemed public once it has been publicly announced or otherwise disseminated in a manner that makes the information available to investors generally.
- 5.3 If you are aware of inside information, you may not:
  - 5.3.1 buy or sell securities that may be affected by that information, either for your own account or any account over which you exercise control, alone or with others; and
  - 5.3.2 pass along any inside information expressly or by way of making a recommendation for the purchase or sale of such securities based upon inside information.
- 5.4 If you have knowledge of proposed client trades, trades by Ithmaar Bank, or forthcoming reports regarding those securities or the issuer of those securities, you may not pass along this information to others in any way.
- 5.5 The prohibitions do not apply to legally permissible transactions with the issuer of the securities, or with other persons having the same information you may have. However, before engaging in any transaction you believe to be permissible, you must consult with the HHRD.

## 6. OTHER BUSINESS CONDUCT

We are all expected to conduct the Company's business in accordance with the highest ethical standards, respecting the Company's clients and other business counterparties, dealing responsibly with the Company's assets, and complying with applicable legal and regulatory requirements.

### 6.1 Assets of the Company

- 6.1.1 You are expected to protect the Company's assets as well as the assets of others that come into your custody. The Company's assets include not only financial assets such as cash and securities and physical assets such as furnishings, equipment and supplies, but also client relationships and intellectual property such as information about products, services, clients, systems and people. All property created, obtained or compiled by or on behalf of the Company – including but not limited to client lists, directories, files, reference materials and reports, computer software, data processing systems, computer programs and databases – belongs to the Company.
- 6.1.2 The Company's assets should be used only for the conduct of the Company's business, except where limited incidental personal use is authorised by the Code or other applicable policies.

### 6.2 Intellectual Property

- 6.2.1 Any invention, discovery, development, concept, idea, process or work related to the Company's business, written or otherwise, whether or not it can be patented or copyrighted, that you develop alone or with others during your employment with the Company (all of which are referred to as "**Company Inventions**") belongs to the Company.
- 6.2.2 If a Company Invention is something that can be copyrighted and you create it as part of your job with the Company or because the Company asks you to create it, it is a „work made for hire“. The Company is not required to acknowledge your role in the creation of any Company Inventions or have your permission to modify, expand, or benefit from it.
- 6.2.3 As a condition of your employment, you assign exclusively to the Company all of your right, title and interest in the Company Inventions. You further agree to assist the Company in obtaining for its own benefit intellectual property rights, including any patents and copyrights, in the Company Inventions and agree to deliver any documents that may be requested to assure, record or perfect your assignment of the Company Inventions to the Company.

### 6.3 Telephone, e-mail, internet, and other electronic communications devices

- 6.3.1 Telephone, electronic mail ("**e-mail**") systems and other electronic communications devices provided by Ithmaar Bank, whether in the workplace or elsewhere, are the property of the Company and should be used for business purposes; however, limited

incidental personal use is permitted, consistent with the Code and all other policies of the Company.

6.3.2 The use of e-mail, the Company's intranet and the internet must conform to the policies of the Company. E-mail and internet systems may be used to transmit or provide access to confidential information only when such information is adequately protected and transmitting such information is necessary for business purposes.

6.3.3 Among other things, the following are prohibited in electronic communication:

- a. statements, which, if made in any other forum, would violate any of our policies, including policies against discrimination and harassment; participation in impermissible or illegal activities; and misuse of confidential information; and
- b. accessing, downloading, uploading, saving or sending offensive materials.

6.3.4 Ithmaar Bank considers all data and communications transmitted through, received by, or contained in the Company's electronic or telephonic equipment and systems to be Ithmaar Bank's property.

6.3.5 Subject to the applicable laws and regulations, Ithmaar Bank reserves the right to monitor, review, and disclose all such data and communications as it deems appropriate.

#### 6.4 Internal controls, record-keeping and reporting

6.4.1 The falsification of any book, record, or account relating to the business of Ithmaar Bank or to the disposition of assets of the Company (including without limitation the submission of any false personal expense statement, claim for reimbursement of a non-business expense or a false employee record or claim under an employee benefit plan), is prohibited.

6.4.2 No document or record may be destroyed if you have been advised or otherwise should recognise that it may be relevant to a pending or threatened legal or regulatory proceeding, except in accordance with procedures approved by the General Counsel. All documents/records within the Bank shall be stored as per the regulations of the Central Bank of Bahrain (the "CBB").

6.4.3 It is of critical importance that Ithmaar Bank's filing with regulatory authorities be accurate and timely. Information provided to those involved in preparation of Company's disclosures to regulators and investors should be complete, accurate and informative.

#### 6.5 Limits of your authority

6.5.1 Your authority to act on behalf of Ithmaar Bank is limited by various laws, regulations, corporate charters and internal policies and procedures. You may not sign any document, or otherwise represent or exercise authority, on behalf of the Company unless you are specifically authorised to do so. Be aware of limits on your authority and do not take any action that exceeds those limits.

6.5.2 Delegation of authority, where permissible under corporate policies and otherwise appropriate, shall be reasonably limited in scope and subject to appropriate ongoing oversight.

## 6.6 Alcohol and drugs

6.6.1 You may not possess, consume, serve, be under the influence of, or drink alcohol while on Company property, conducting Company business or at Company functions or at external events at which you are representing Ithmaar Bank. Although alcohol may be served at such events, consumption of alcohol is not permitted.

6.6.2 Ithmaar Bank will not tolerate the use, sale or purchase of illegal drugs or the abuse of prescription or over-the-counter medications, alcohol or other substances while on Company property. Employees must notify the Human Resource Department and their immediate supervisor if they take any medication that affects their ability to perform their job.

## 6.7 Business Relationship

### 6.7.1 Fair Dealing

You shall always endeavour to deal fairly and in good faith with the Company's clients, competitors, business partners, regulators, and employees. It is our policy not to take unfair advantage of others through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any action that exceeds those limits.

### 6.7.2 Relationships

During your employment you may not, directly or indirectly:

- a. solicit for a competitor, or divert or attempt to divert from doing business with Ithmaar Bank, any client, identified prospective client or other person or entity with whom Ithmaar Bank has a business relationship; and
- b. solicit the Company's employees for employment or engagement elsewhere or solicit or induce any employee, consultant, independent contractor or agent to leave Ithmaar Bank.

### 6.7.3 Recommending External Service Providers

Customers may ask an employee to recommend an external service provider (accountant, real estate agent, lawyer etc.). Employees may provide the names of external service providers but may not recommend any particular service provider in the official capacity. Employer shall not provide any public endorsement or testimonial of any service provider without the clearance of the Head of Human Resources.

## 6.8 Money Laundering

6.8.1 Ithmaar Bank established policies, procedures and internal controls designed to assure compliance with the Central Bank of the Kingdom of Bahrain (the "CBB") and international laws and regulations regarding money laundering and terrorist financing.

- 6.8.2 You should be familiar with, and comply with, these policies, procedures and controls. You should understand your obligation to:
- a. know your customer and your customers use of the Company's product and services;
  - b. get proper training if you are identified as being in a job that poses a risk of money laundering or terrorist financing; and Bank shall conduct Anti Money Laundering trainings for all concerned staff on a periodic basis. The concerned staff should enlist themselves for such trainings
  - c. be alert to and report unusual or suspicious activity to the designated persons within your line of business or region, including the Compliance Officer and any other person responsible for anti-money laundering compliance.

## 6.9 Bribery

- 6.9.1 The laws of the Kingdom of Bahrain prohibit bribes or other similar remuneration or consideration given to any person or organisation, such as a domestic or foreign government, a political candidate, or to any intermediaries, such as agents, attorneys or other consultants, in order to attract or retain business or to influence any governmental decision or action. Offering or paying such remuneration or consideration is strictly prohibited.
- 6.9.2 You may not accept any payments in connection with any business decision or transaction, even if the payments are customary in the particular country involved.

## 6.10 Post-employment responsibilities

- 6.10.1 Employees will have certain responsibilities after their employment with Ithmaar Bank terminates. These responsibilities include an obligation to:
- a. return all Company assets in their possession;
  - b. maintain the confidentiality of information;
  - c. refrain from insider trading based on information obtained in the course of employment by the Company; and
  - d. assist, if requested, with investigations, litigation, and the protection of intellectual property relating to their employment.
- 6.10.2 Employees may have additional obligations after they leave Ithmaar Bank, including prohibitions on the solicitation and hiring of Ithmaar Bank employees and solicitation of certain clients.

## 6.11 Other professional obligations

Some employees have additional obligations relating to their positions with the Company, including employees who are considered finance and investment professionals.

## **7. OUTSIDE ACTIVITIES, GIFTS AND OTHER POTENTIAL CONFLICTS OF INTEREST IN RESPECT OF EMPLOYEES**

Employees must never permit their personal interests to conflict with or to appear to conflict with the interests of the Company. Employees are obliged to disclose to the Legal Department all potential conflicts of interest, including those in which he / she may have been placed inadvertently due to either business or personal relationships with clients, business associates, competitors or the Company's employees.

### **7.1 Personal Relationships**

- 7.1.1 An employee may not act on behalf of the Company in any transaction or business relationship involving himself / herself, members of his / her family, or other persons or organisations with which the employee or his / her family have any significant personal connection or financial interest. Such matters must be handled by an authorised unrelated employee.
- 7.1.2 An employee may not engage in self-dealing or otherwise trade upon his / her position with the Company or accept or solicit any personal benefit from a client not generally available to other persons or made available to the employee due to his / her position with the Company (except in accordance with our policies regarding acceptance of gifts);
- 7.1.3 Negotiating with the Company on behalf of others with whom an employee or his / her family have a significant connection shall be avoided if there is a risk that the employee's involvement will be perceived as self-dealing or trading upon his / her position with the Company.
- 7.1.4 Hiring or working with relatives or someone with whom employees have a personal relationship is subject to specific restrictions.

### **7.2 Personal finances**

- 7.2.1 Any improper handling of an employee's personal finances could undermine his / her credibility and that of the Company. Also, a precarious personal financial position might appear to influence actions or judgements an employee makes on behalf of the Company.
- 7.2.2 An employee may not borrow money (other than nominal amounts) from or lend money to other employees, clients or act as a guarantor, co-signer or surety or in any other similar capacity for clients or other employees.

### **7.3 Conflict of Interest**

Every employee must engage in honest and ethical conduct and is prohibited from engaging in any conduct or business relationship that could result in a conflict of interest for Ithmaar Bank. The phrase "conflict of interest" encompasses direct conflicts, indirect conflicts, potential conflicts and situations which could be construed as having an appearance of impropriety. An Ithmaar Bank employee must avoid business relationships and dealings that



could sway or manipulate an employee's ability to conduct business affairs in an objective and fair manner. Employee shall refer to the Connected Part and Conflicts of Interest Policy of the Bank for further guidance on the matter.

#### 7.4 Outside business and not-for-profit activities; outside employment

##### 7.4.1 General

- a. An employee's outside activities must not reflect adversely on the Company or give rise to a real or apparent conflict of interest with his / her duties to the Company.
- b. Each employee must be alert to potential conflicts of interests and be aware that he / she may be asked to discontinue any outside activity if a potential conflict arises.
- c. An employee must not, directly or indirectly:
  - i. accept a business opportunity from someone doing business or seeking to do business with the Company that is made available to the employee because of his / her position with the Company;
  - ii. take for himself / herself a business opportunity belonging to the Company; and
  - iii. engage in a business that competes with any of the Company's businesses.
- d. Without the prior written permission of the CEO, employees may not work for, or serve as director or officer of or adviser to, a competitor of the Company. Competitors include unrelated financial services companies of any kind, and others engaged in any business in which Ithmaar Bank is involved.
- e. Employees shall not invest in a competitor (other than investments in securities of publicly traded companies).
- f. Outside activities must not interfere with the employee's job performance or require such long hours as to affect his / her physical or mental effectiveness.
- g. Employees may act as a personal fiduciary only for family members and close personal friends. However, he / she may not act as a personal fiduciary for a personal friend if the friendship developed in the context of an Ithmaar Bank client relationship.

##### 7.4.2 Required pre-clearance of outside activities

- a. Outside business activities
  - i. Subject to the exclusions listed below, each employee is required to pre-clear with the CEO:
    - ☐ any outside activity for which he / she will be paid, including a second job; and

☐ whether or not he / she is paid, any affiliation with another business as a director, officer, advisory Board member, sharia supervisory board member, general partner, owner, consultant, holder of 5% or more of business“ voting equity interests, or in any similar position.

ii However, employees are not required to pre-clear the following activities:

☐ certain types of appointment specifically undertaken at the request of the Company and in the normal course of a business in which the Company is routinely engaged;

☐ any affiliation with a trade association, professional association or other such organisation relating to his / her position with the Company; and

☐ positions with holding companies, trusts, or other non-operating entities established in the normal course of business.

b. Not-for-profit activities

Not for profit activities generally do not require pre-clearance. However, employees are required to pre-clear any Board or official position with a not-for-profit entity if:

ii. the not-for profit entity is a client of the Company;

iii. the employee has been requested to serve in that capacity by a client; or

iv. the employee’s service would otherwise present a conflict of interest or the appearance of a conflict of interest.

c. Governmental activities

Employees are required to pre-clear with the CEO any government position, including as an elected official and as a member, director, or employee of a governmental agency, authority, advisory Boards, sharia supervisory board member or others. Each employee must obtain pre-clearance from the CEO before becoming a candidate for elective office. The employee must seek a new clearance for a previously approved activity whenever there is any material change in the relevant circumstances arising from a change in his / her job with the Company or in his / her role with respect to that activity or organisation.

## 7.5 Accepting gifts, meals and entertainment from clients and others doing business with Ithmaar Bank

7.5.1 For the purposes of the Code, the term “gift” includes anything of value for which an employee is not required to pay the retail or usual and customary cost. A gift may include meals or other refreshment, goods, services, tickets to entertainment or sporting events, or uses of a residence, vacation home or other accommodations. Gifts given by others to members of an employee’s family, to those with whom an employee has a close personal relationship, and to charities designated by the employee, are considered to be gifts to the employee for purposes of the Code. The

restrictions in this section 6.4 are not intended to apply to gifts based on obvious family relationships or close personal friendship, where the circumstances make it clear that it is the relationship rather than the Company's business that is the motivating factor.

7.5.2 An employee may never, except as provided in the Code:

- a. solicit, for himself / herself or for anyone else (other than the Company), or accept anything of value from anyone doing business with the Company;
- b. solicit, for himself / herself or for anyone else (other than the Company), or accept anything of value from anyone in return for any business, service, or confidential information of the Company; or
- c. solicit, for himself / herself or for anyone else, or accept anything of value, directly or indirectly, from anyone in connection with the business of the Company; either before or after a transaction is discussed or consummated.

7.5.3 Acceptance of a gift of any kind (including entertainment and hospitality) from persons that do business or seek to do business with Ithmaar Bank (including identified prospective clients) is generally prohibited. However, the following gifts may be accepted on *infrequent occasions* from such a person *if it is clear that the person is not trying to influence or reward an employee inappropriately* in connection with any business decision or transaction and the gift is unsolicited:

- a. gifts having a retail value not exceeding US\$ 300 that are given on an occasion when gifts are customary – note that gifts given in appreciation of good service, or as thanks for our business are not permitted;
- b. advertising or promotional material having a retail value not exceeding US\$ 300 such as pens, pencils, note pads, key chains, calendars and similar items;
- c. discount on merchandise or services that are offered to the general public, or to all employees under a plan negotiated with the Company;
- d. customary mementos at closing dinners;
- e. meals, refreshments and entertainment in the course of a meeting or other occasion, provided:
  - i. the purpose is business-related;
  - ii. the employee's attendance is related to his / her duties at the Company;
  - iii. the level of expense is reasonable and customary in the context of the employee's business; and
  - iv. the frequency of such invitations is not excessive; and
- f. gifts of food if they are:
  - i. given on an occasion when gifts are customary;
  - ii. not extravagant; and
  - iii. shared among members of the employee's department.

- 7.5.4 Whenever an employee receives a gift, or an offer of a gift, that is not specifically permitted, he / she shall make every effort to refuse or return it. If not possible, then he / she shall notify the Head of Human Resources to discuss how to deal with the gift.
- 7.5.5 An employee may not accept the following from any current or identified prospective client or other party doing business with Ithmaar Bank:
- a. gifts of cash or cash equivalents in any amount;
  - b. alcohol or non-Shariah compliant gifts;
  - c. discounts not available to the general public or to all employees under a plan negotiated by the Company;
  - d. travel or accommodation expense, unless they have been approved in writing by a the Chief Executive Officer with a copy to Ithmaar Bank's Human Resources Head – travel and accommodations are not considered a gift and may be accepted if they are agreed as part of a business transaction between the party providing the travel or accommodations and the Company; or
  - e. tickets for professional sports, concerts or other events for the employee's personal use.
- 7.5.6 Approval of nonconforming gifts
- f. The CEO and the Head of Human Resources Department together may approve, on a case-by-case basis, the acceptance of a gift that is not specifically permitted under this section.
  - g. The approval must be in writing and pursuant to full written disclosure of all relevant facts, including the name of the donor, the circumstances surrounding the offer and acceptance, the nature and approximate value of the gift, and the reason why it cannot or should not be returned.

## 7.6 Political activities

- 7.6.1 Employees of the Company shall refrain from activities of a political nature in the workplace including, without limitation, assembly, speech, propaganda, solicitation, and distribution or posting of literature having no relation to the Company's business and not otherwise expressly authorised in writing by the Company's CEO.
- 7.6.2 If an employee wishes to volunteer for a political campaign, he / she must do so on his / her own time and as an individual, not as a representative of the Company. An employee may not use any of the Company's staff, facilities, equipment, supplies or mailing lists in respect of his / her role in the political campaign.
- 7.6.3 When acting as a fundraiser for a candidate or political event, employees shall ensure that such activities cannot be viewed as connected with his / her position with the Company, especially when communicating with colleagues and clients.

## 7.7 Religious activities

- 7.7.1 Employees of the Company shall refrain from activities of a religious nature in the workplace including, without limitation, assembly, speech, propaganda, solicitation, and distribution or posting of literature having no relation to the Company's business and not otherwise expressly authorised in writing by the Company's CEO, except for personal religious activities such as praying and other socially and generally accepted conduct at the work place.
- 7.7.2 Employees of the Company shall not engage in any religious activity in the workplace such as soliciting others to join a religion or a religious organisation, or without the prior written approval of the CEO, requesting donations or distributing promotional literature.
- 7.7.3 While the Company respects employees' right to engage in activities outside their employment that are private in nature, such as social, community or religious activities, each employee is expected to protect the Company's interests, avoid undue outside influence on work-related decisions or activities and to comply with all applicable laws and regulations and Company policies in this regard. While employees are free to voice their personal opinions on social and religious issues, each employee shall ensure that such views and opinions are perceived to be personal and not representative of the Company. In addition, each employee agrees that his / her religious activity outside of work must not interfere with his / her performance nor reflect on the standing and integrity of the Company. Depending on the nature of conduct occurring outside work, such conduct may constitute misconduct depending on its relevance to the Company and the position and level of responsibility held by the respective employee.

## **8. PERSONAL SECURITIES AND OTHER FINANCIAL TRANSACTIONS OF EMPLOYEES**

Personal investment activities should always be conducted with the Company's reputation in mind and in compliance with all applicable laws and regulations.

### 8.1 General investment principles

Employees are expected to devote their workdays to serving the interest of the Company. Accordingly, the employee's personal securities and other financial transactions must be oriented towards a philosophy of investment as distinguished from short-term or speculative trading.

In addition to complying with the Code and relevant policies and procedures, employees should observe the following investment principles in carrying out personal transactions in securities and other financial instruments:

- 8.1.1 While in possession of inside information about the issuer of any securities, never buy, sell, or recommend the purchase or sale of such securities for his / her account or the accounts of others, regardless of whether the inside information is gained through the scope of his / her employment or elsewhere;

- 8.1.2 Each employee's trading and investment activities must be within his / her financial means;
- 8.1.3 Employees must not ask for or accept any preferential terms or conditions in connection with any personal trading or investment, unless the terms are available to all persons having comparable portfolios and creditworthiness, or to all employees under a plan negotiated with the Company; and
- 8.1.4 Each employee must limit the risks in his / her personal account trading.
- 8.1.5 The Bank has established a 'Variable Remuneration Policy' for all approved persons and material risk takers (as defined in the CBB regulations). Human Resources Department shall provide a copy of the remuneration policy to the approved persons and material risk takers. In line with the policy and in compliance with CBB requirements, such employees must not use personal hedging strategies or remuneration- and liability-related insurance to undermine the risk alignment effects embedded in their remuneration arrangements.

## 8.2 Persons and accounts subject to investment policies

All personal investment policies that apply to employees also apply to transactions for the accounts controlled by the employee on behalf of his / her spouse, minor children and any other person to whom the employee provides significant financial support as well as to transactions in any other account over which the employee or any of these persons exercise investment discretion, regardless of beneficial interest.

## 8.3 Trading in Ithmaar Bank Securities

The purchase and sale of Ithmaar Bank's shares or other securities are subject to the general policies related to insider trading. Employees may not engage in short selling of the Company's securities, except for short sales against a long position already held by him / her. The employee's transactions in the Company's securities may be halted at any time the Company finds it necessary or advisable to halt trading by all employees or certain group of employees.

## 8.4 Trading in securities of clients

- 8.4.1 As a general rule, employees may not invest in any securities of a client with which he / she has or recently had significant dealings or responsibility on behalf of Ithmaar Bank if such investment could be perceived as based on confidential information.
- 8.4.2 If an employee owns securities in a company with which Ithmaar Bank is dealing and he / she is asked to represent Ithmaar Bank in such dealings he / she must:
  - a. disclose this fact in writing to his / her department head and the HHRD; and
  - b. obtain prior approval from the HHRD before selling such securities.

## **9. HEALTH AND SAFETY**

Health and Safety of the employees is of paramount importance to the Company. Employees are encouraged to ensure that they stay healthy and able to effectively discharge their duties towards the Company. Employees are supported by the Company's corporate health insurance program. Employees can contact the Human Resources Department for any clarifications relating to their medical insurance, medical leave policy, or any other medical related issues/emergencies. The Company's management shall make their best efforts to support employees on any health /medical issues.

The Company has established various policies relating to safety and security of employees and the Company's customers. All employees are required to be well versed and ensure compliance with the policies. Any act of an employee which endangers or jeopardizes the safety and security of the Company's employees, customers, premises shall be dealt with seriously.

## **10. TRAINING**

The Company is dedicated towards to ensuring that all its staff have the requisite skills and expertise to perform their duties. It shall be the responsibility of every employee to stay abreast with new developments (regulations, technologies, market dynamics etc.) in their respective fields.

The Company supports the training requirements of its employees through its multiple in-house and external training programs. Employees are encouraged to notify their supervisors and the Human Resources Department of their training needs. The training needs of all employees shall be processed in line with the training policies and processes of the Bank.

## **11. DISPUTES AND CUSTOMER COMPLAINTS**

All customer related complaints are handled by the Complaints Management Unit (CMU) of the Bank which is part of the Compliance & AML Department. All customer related complaints shall be directly referred to the CMU. All employees are required to remain alert to any grievances and complaints of customers in order to support the Bank's objective of constantly improving customer service and satisfaction. Employees are required to direct any customer complaint that they encounter to the CMU whether or not it relates to their respective function.

The Company has established a Complaints Management Policy which is in line with the CBB regulations. All employees are required to remain updated with the policy and support the complaint resolution process in line with this policy.

## **12. ANTITRUST AND COMPETITION**

The Bank shall not engage in any practices which can be viewed to be against the antitrust and competition laws in the countries where it conducts its business operations (financing and investments). Employees shall ensure that they are well aware of the antitrust and competition laws in countries where the bank conducts its business and duly comply with such regulations

## **13. IMMIGRATION LAWS**

All expatriate employees shall abide by the immigration laws. Immigration and work permit

related activities are handled by the Personnel Management Unit under Human Capital Department. All employees are encouraged to contact the Personnel Management Unit in cases of any queries relating to their work permit, rights/entitlements/status of their (and family members) visa. All employees are required to be aware of the rights and entitlements of the visa granted to them and their family members and ensure that they are in compliance with the regulations.



#### **14. CONTRACTS AND AGREEMENTS**

Legal Contracts and agreements prepared by the Bank are standardized wherever possible and approved by the Legal department of the Bank. All non-standard legal contracts shall need to be approved by the Legal department.

Prior to signing any legal agreement or contract all employees shall need to ensure that they are the authorized signatory of the agreement/contract.

#### **15. CHARITY AND DONATION**

The Bank has a Zakat and Charity Policy approved by the Board. All employees are required to comply with the requirements of the policy while undertaking any charity and donation related activities.

**Schedule 1**

**Code Contact List**

Name	Position	Contact Details
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