

Corporate Governance Policy

KFH PLC

1. Introduction

- 1.1 The Board of Directors (the “**Board**”) of Kuwait Finance House PLC (“**KFH PLC**”) has adopted Corporate Governance Policy (the “**Policy**”) to establish the standards of business this behaviour and personal conduct that it requires from KFH PLC's directors, officers, employees and contractors (collectively, the “**Personnel**”).
- 1.2 KFH PLC is responsible to regulatory authorities for ensuring that it has adequate policies and procedures that are sufficient to ensure compliance with its obligations under the regulatory system. KFH PLC may incur a financial penalty for a failure to maintain effective arrangements and it could suffer reputational harm. All Personnel are therefore required to adhere to this Policy and all underlying procedures issued by KFH PLC in order to ensure the effectiveness of KFH PLC's arrangements.
- 1.3 This Policy outlines the minimum standards of conduct expected from all Personnel. Personnel who do not adhere to this Policy will be subject to counselling and, depending on the nature of the violation, disciplinary action by KFH PLC up to and including termination of employment or service.
- 1.4 The purpose of this Policy is to provide basic principles to guide Personnel in their day-to-day activities. This Policy does not cover every legal or ethical issue that Personnel may be confronted with. However, by following the Policy and KFH PLC's procedures adopted to aid compliance with it, by adhering to the letter and spirit of applicable laws, regulations, policies and procedures, and by applying sound judgement to all activities, Personnel can demonstrate commitment to KFH PLC's and KFH Group's values, mission and objectives.
- 1.5 Corporate Governance is the process by which the conduct of companies is directed and controlled. Good corporate governance is important in creating and sustaining value for shareholders and wider stakeholders and ensuring that the organisational behaviour is ethical, legal and transparent.
- 1.6 The 2007/2008 global financial crisis highlighted a number of shortcomings in corporate governance mechanisms. Regulators worldwide have made and continue to make necessary amendments in their respective rules, codes and guidelines to enhance the robustness of corporate governance within the markets they supervise. As KFH PLC does not have a premium listing in the UK, the UK Corporate Governance Code does not technically apply to KFH PLC. However, KFH PLC chooses to apply the requirements of the UK Corporate Governance Code to various aspects of its governance on a voluntary basis, as the gold standard of corporate governance in the UK. Additionally, since KFH PLC's parent company, Ahli United B.S.C (“**AUB BSC**”), is based in Bahrain, KFH PLC (as a wholly owned subsidiary) is required to adhere to certain rules contained in the Corporate Governance Code issued by the Ministry of Industry and Commerce in Bahrain.
- 1.7 This Policy is established to provide a framework for setting the principles of effective corporate governance for KFH PLC and its subsidiaries, taking into consideration the following:
 - (a) International best practice corporate governance standards set by bodies such as the Basel Committee for Banking Supervision;

- (b) The 2018 UK Corporate Governance Code issued by the Financial Reporting Council;
- (c) Corporate governance principles issued by the Ministry of Industry and Commerce in Bahrain as “The Corporate Governance Code”, and as incorporated in the High Level Controls Module of the Central Bank of Bahrain (“CBB”); and
- (d) The Prudential Regulation Authority Rulebook including applicable guidance, the Financial Conduct Authority Handbook and CBB regulations.

2. Corporate Governance Statement

- 2.1 The Board is committed to implementing the best practices of corporate governance standards in conducting its affairs and the management of KFH PLC. The Board seeks to manage KFH PLC's business in accordance with the principles of appropriate corporate governance, which provide a basis for a performance of high quality, solid financial standing and sustainable growth.
- 2.2 In addition, KFH PLC maintains and enforces written policies, procedures and systems of supervision (related to fair disclosure) reasonably designed to:
 - (a) ensure the fair and timely release of material information about KFH PLC;
 - (b) ensure that the information it releases about KFH PLC and the KFH Group is factually correct, clear and transparent;
 - (c) ensure that the information it releases does not intentionally or unintentionally mislead investors; and
 - (d) prevent dealing in shares in KFH PLC (noting that KFH PLC is essentially a wholly owned subsidiary of AUB BSC, with nominee shares held by AUB Nominees Limited and AUB Trading Limited) on the basis of undeclared or unrevealed information by those who are, by virtue of their position, aware of such information.

3. Role of the Board

- 3.1 The Board sets out appropriate policies to ensure that transparency, effective internal controls and accurate disclosure of material information about KFH PLC are observed.
- 3.2 The Board set's KFH PLC's strategy (taking account of the strategy of the KFH Group), ensuring that the key goals in that strategy are within the agreed risk appetite, oversees management's implementation of that strategy and ensures that KFH PLC meets its regulatory obligations.
- 3.3 KFH PLC shall be headed by an effective, collegial and informed Board. The Board is responsible to AUB BSC for creating and delivering sustainable shareholder value through the management of KFH PLC's business and to KFH PLC's stakeholders more widely. The Board should therefore determine the strategic objectives and policies of KFH PLC to deliver such long term value, providing overall strategic direction within a framework of rewards, incentives and controls. The Board must ensure that collectively it has sufficient expertise to identify, understand and measure the significant risks to which KFH PLC is exposed in its business activities. The Board must ensure that management strikes an appropriate balance between promoting long term growth and delivering short term results. The Board must accordingly follow the strategy determined for the KFH Group while ensuring that it observes sufficient appropriate

independence for UK regulatory purposes. The Board should establish the company's purpose, values and strategy, and satisfy itself that these and its culture are aligned.

- 3.3 All directors of KFH PLC (the “**Directors**”) should understand the Board's role and their duties as individual Directors under the UK's Companies Act 2006; their responsibilities under the UK regulatory regime, including as either Senior Managers or Notified non-executive Directors; the High Level Controls module of the CBB Rulebook; and the relevant regulation of The Bank of England. Directors should be aware of the Board's role, as distinct from the role of the shareholders (who elect the Board and whose interest the Board serves), the roles of the officers (whom the Board appoints and oversees), and the Board's fiduciary duties of care and loyalty to KFH PLC and the shareholders. Directors should act with integrity, leading by example to promote the desired culture.
- 3.4 The Board is also responsible for ensuring that management maintains a system of internal control, which provides assurance of effective and efficient operations, internal financial controls and compliance with laws and regulations. In carrying out this responsibility, the Board must have regard to what is appropriate for KFH PLC's business and reputation, the materiality of the financial, conduct and other risks inherent in the business and the relative costs and benefits of implementing specific controls.

4. Role of the Management

- 4.1 KFH PLC's management are responsible for the implementation of appropriate procedures and processes to ensure adherence to the Board approved policies, laws, regulations and other guidelines to ensure appropriate corporate governance standards throughout KFH PLC.
- 4.2 Management shall be appointed under employment contracts specifying the terms of their appointment. Management shall be accountable to the Board and the committees of the Board.
- 4.3 KFH PLC's management monitors the performance of KFH PLC on an ongoing basis and reports to and advises the Board. The minutes of all management committees are sent to the Audit & Compliance Committee, which assesses the effectiveness of the management's committees.

5. Composition of the Board of Directors

- 5.1 In line with KFH PLC's Articles of Association, the Board shall be of sufficient size that the requirements of the business can be met and that changes to the Board's composition and that of its committees can be managed without undue disruption. The Board shall not be so large as to be unwieldy. The Board shall include an appropriate combination of executive and non-executive Directors (and, in particular, independent non-executive Directors) such that no individual or small group of individuals can dominate the Board's decision taking. The Board's size will accordingly range from 7 to 15 Directors, as agreed by General Meeting or by the Board itself in the period between General Meetings. Members of the Board shall have the necessary skills and experience of international banking to fulfil their roles and responsibilities and meet their duties under English company law and corporate governance.
- 5.2 The Board shall appoint a Chair and a Company Secretary in accordance with the Articles of Association. The roles of CEO and Chair shall not be combined. Further, a CEO should not go on to become the Chair, except in exceptional circumstances and with the views of shareholders having been taken into account. If a Director resigns or is removed from office, KFH PLC shall promptly notify the UK financial regulators, the UK's Companies House and other relevant entities including AUB BSC with reasons for the departure.
- 5.3 The Board shall identify the non-executive Directors it considers to be independent. Where practicable, in line with best practice for listed firms at least half the board, excluding the Chair,

should be non-executive Directors whom the board considers to be independent. In any event, there should be at least two independent non-executives. The role of the independent non-executive Directors is to hold management to account effectively and, between them, they should have sufficient breadth of understanding of KFH PLC's business to provide effective challenge to the executives.

- 5.4 The Board shall appoint one of the independent non-executive Directors to be the Senior Independent Director to provide a sounding board for the Chair and to serve as an intermediary for the other Directors when necessary. The Senior Independent Director shall be available to KFH PLC's shareholder if concerns exist that contact through the normal channels of Chair, CEO or other executive Directors has failed to resolve or for which such contact is inappropriate.

6. Functions and Personal Responsibilities of Directors

- 6.1 Directors are officers of the company and such an appointment carries considerable personal legal liabilities. Director duties are outlined in the UK's Companies Act 2006 and include the need to promote the success of the company, to exercise independent judgement, to exercise reasonable care, skill and diligence, to avoid conflicts of interest, not to accept benefits from third parties and to declare interest in a proposed transaction or arrangement with the company. Directors may also have additional responsibilities arising from the UK's regulatory Senior Managers Regime, further details of which are found in the KFH PLC Compliance and Code of Conduct Policy.
- 6.2 Directors may be fined under English law and may be removed from office and be prevented from acting as a director. The regulators may also censure a director, prohibit them from acting as a director or exercising a role of influence of any UK regulated financial services entity and it may also levy a significant financial penalty.
- 6.3 Directors are required at all times to be fit and proper in terms of (a) their honesty, integrity and reputation; (b) their competence and capability; and (c) their financial soundness. Directors shall promptly notify the Chair if they become aware that their fulfillment of these requirements may be challenged. Directors consent to any disclosure to appropriate external bodies about their status that the Chair or CEO authorise or, in their absence, another appropriate Director.

7. Board Meetings and Attendance

- 7.1 The Board shall meet at least four times per year. Dates for the Board's regular meetings are fixed annually in advance. Additional meetings may be convened on a needs basis at the request of the Chair or at least one third of the Directors. Additional meetings may also be requested by the external auditors or management with the consent of the Management Committee. The Board is collectively responsible for setting its own agenda but the Chair shall be responsible for approving the proposed agenda circulated to Directors for a convened meeting. The agenda shall normally be sent to each Director at least 7 days prior to a meeting, together with minutes of previous meetings pending approval, an update on matters arising from previous meetings and relevant reports and other papers relating to agenda items including papers from Committee meetings. These arrangements shall also apply to Committee meetings. All papers and matters discussed at meetings of the Board and Committees are strictly confidential.
- 7.2 Each Director must attend (in person, by teleconference call or by video call) at least 75% of all Board meetings in each financial year to enable the Board to discharge its responsibilities effectively (and as specified by the Corporate Governance Principles issued by the Ministry of Industry and Commerce in Bahrain). In the event that a Director has not attended at least 75% of Board meetings in any given financial year, the Director must immediately notify KFH PLC with details of any mitigating circumstances affecting their non-attendance. Non-attendance at Board meetings does not absolve any Director of their responsibilities. The Company Secretary

shall report upon Director attendance at Board meetings to the Group Head of Compliance on a quarterly basis.

8. Company Secretary and the Minutes

The Board, immediately after its composition, appointed a Company Secretary to the Board and shall ensure that this role is maintained. The Company Secretary shall draft minutes of each Board meeting recording at least the subjects discussed, key aspects of the discussions, the decisions reached, names of the Directors present and votes cast by each Director.

9. Director Nomination Process and Induction

9.1 The process for appointing new Directors to the Board is determined by law and KFH PLC's Articles of Association. On an annual basis, Directors representing one third of the Board stand for re-election by KFH PLC's shareholders at the Annual General Meeting. The Directors shall be individuals who have the competence, qualification and the credibility to hold such responsible positions.

9.2 The Board shall strive to achieve the following core competencies, for the Board as a whole:

- (a) strategic insight and ability to direct by encouraging innovation and continuously challenging the organization to sharpen its vision;
- (b) expertise in financial accounting and corporate finance;
- (c) understanding of management trends in general and the financial services industry in particular;
- (d) ability to perform during periods of both short term and prolonged crises;
- (e) appropriate and relevant industry specific knowledge; and
- (f) business expertise in relevant international markets.

9.3 The Board will regularly consider its composition, including its competencies, knowledge and experience including sector experience, diversity and the length of service of its members, to ensure that membership is sufficiently regularly refreshed.

9.4 KFH PLC's management shall arrange a process of induction for newly appointed Directors and facilitate arrangements to support their continuing professional development. The Chair is expected to lead the development and monitoring of effective policies and procedures for the induction, training and ongoing professional development of the Directors.

10. Conflict of Interest

10.1 KFH PLC's Directors and Senior Management personnel shall individually make every practicable effort to arrange their personal and business affairs to avoid a conflict of interest situation with KFH PLC and shall promptly inform the Company Secretary of any potential conflicts of interest as they arise and abstain from voting on any related subject matter. The Company Secretary shall maintain a register of all such declarations and ensure that minutes always record abstention from voting and withdrawal from parts of meetings during discussion of matters where conflicts exist. Directors and Senior Managers are personally accountable to KFH PLC and its shareholders if they violate their legal duties. No Director and/or Senior Manager shall put themselves in a position where their personal interest conflicts or potentially conflicts with those of KFH PLC.

10.2 Personal interest in a transaction with KFH PLC or the KFH Group is considered to arise where:

- (a) the Director or Senior Manager; or
- (b) a member of the Director's family (i.e. spouse, father, mother, sons, daughters, brothers or sisters); or
- (c) another company of which he/she is a director or controller,

is, directly or indirectly, a party to the transaction, or has a material financial interest in the transaction. Transactions and interests which are not material in value should not be included.

10.3 Directors and Senior Management personnel must:

- (a) not enter into competition with KFH PLC or the KFH Group as a whole;
- (b) not demand or accept substantial gifts from KFH PLC or other KFH Group companies or persons acting for or seeking to act for KFH PLC or the KFH Group, whether for himself or connected or any other persons;
- (c) not misuse KFH PLC's or other KFH Group company's assets; and
- (d) not use KFH PLC's or other KFH Group company's privileged information or take advantage of business opportunities to which KFH PLC or other KFH Group companies are entitled, for themselves or their associates.

10.4 If Directors have any doubts about the existence or effect of any actual or potential conflict, they shall consult the Chair before doing anything that might compromise KFH PLC or other KFH Group company. Directors are required to notify the Company Secretary of any potential conflicts through other directorships or shareholdings and disclose as and when the potential conflict appears to occur and shall confirm annually that the register of their conflicts declared to the Company Secretary is complete. All Directors and Senior Managers must 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. The format of "Declaration of Interest" is annexed to this Policy. The Board shall review the independence of each Director in the light of that annual declaration and such other information concerning the existence of conflicts of interests as the Board consider appropriate.

10.5 The Board may authorise (in writing) declared conflicts, in accordance with KFH PLC's Articles of Association (Article 101). This disclosure must include all material facts in the case of a contract or transaction involving the individual. The conflicted individual must understand that any approval of a conflicted transaction is effective only if all material facts are known to the individual concerned and disclosed to the Board and the conflicted person did not participate in the decision. Notwithstanding the authorising of any Director's conflict of interest, the relevant Director must act in a way that he/she considers, in good faith, will be most likely to promote KFH PLC's success. For the avoidance of doubt, no Director who has or may have an interest in a matter being considered by the Board (including its committees) may take part in the relevant decision.

- 10.6 As a UK bank, KFH PLC is subject to certain high level requirements as to its board composition. In particular, it is required to ensure that the members of the management body of the firm do not hold more directorships than is appropriate, taking into account individual circumstances and the nature, scale and complexity of KFH PLC's activities
- 10.7 Under to the Capital Requirements Directive regulations (as on-shored into UK law), there are rules in respect of UK banks (which are considered as significant) on the number of directorships which may be held by its Directors. These rules provide that no Director may, without Board approval, hold more than the following combinations of directorships at the same time:
- (a) One executive directorship with two non-executive directorships; or
 - (b) Four non-executive directorships.
- 10.8 Directorships within the same group count as one directorship, as does having a directorship in an undertaking of an institution whereby the institution holds 10% or more of the voting rights. In addition, directorships in organisations that do not pursue predominantly commercial objectives do not count. KFH PLC is not considered significant for the purposes of the Capital Requirements regulations or the PRA rules and as such the above limit is not a hard rule and applies as good practice guidance only.

11. Succession Planning

The Board is responsible for key succession planning and shall ensure that succession planning is in place for all Directors (particularly Senior Managers) and other key executive roles, both in emergencies and normal course of business. This includes identifying potential succession candidates and development plans for the CEO, as well as fostering management depth by rigorously assessing candidates for other senior positions. The Board shall review and evaluate the succession plans and management development programmes for all members of executive management, including the CEO.

12 Banking Integrity and Whistleblowing Policy

KFH PLC shall maintain arrangements to enable its Personnel to make a protected disclosure (often referred to as whistleblowing) under the Public Interest Disclosure Act 1998 and the FCA rules. The arrangements for compliance with this requirement are set out in the KFH PLC Banking Integrity and Whistleblowing Policy under which all Personnel are encouraged to raise genuine concerns about suspected malpractices concerning the conduct of KFH PLC's business or that of other entities and individuals in the KFH Group, whether in matters of financial reporting or other potential malpractices, at the earliest opportunity and in the appropriate way.

13 Remuneration Policy

The Board (ordinarily through the Remuneration Committee) must actively oversee the remuneration system's design and operation for Approved Persons in a Governing Function as well as for material risk-takers. The Board (ordinarily through the Remuneration Committee) must approve the remuneration policy and amounts for each Approved Person and material risk takers. KFH PLC's remuneration policy and practice must be designed to reduce employees' incentives to take excessive and undue risk and to align executive remuneration to company purpose and values and to the successful delivery of KFH PLC's long-term strategy. KFH PLC must remunerate the Approved Persons and material risk-takers fairly and responsibly.

14 Code of Conduct

The Board aims to ensure that all Directors and other Personnel act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of KFH PLC. The code of conduct is linked with the objectives of the KFH Group and its responsibilities and undertaking to customers, shareholders, staff and wider community. This code shall be read in conjunction KFH PLC's Code of Business Conduct.

15 Board Effectiveness Review

The Board and its sub-committees shall review their performance on an annual basis. The evaluation process shall include:

- (a) assessing how the committee operates;
- (b) evaluating the performance of each committee in light of its specific purposes and responsibilities;
- (c) 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; and
- (d) recommendations for new Directors to replace long-standing members or those members whose contribution to KFH PLC or its committees (such as the Audit & Compliance Committee) is not adequate.

16 Annual General Meeting

All Directors, as well as KFH PLC's external auditors, may be expected to attend the Annual General Meeting and to make themselves available during and after the meeting to answer questions from shareholders.

17 Risk Management

KFH PLC must establish a sound risk management framework commensurate with the bank's size, complexity and risk profile. A risk management framework must have the following key features:

- (a) active Board and Senior Management oversight;
- (b) independent risk management function;
- (c) a Board-driven sound risk management culture that is established throughout KFH PLC;
- (d) appropriate policies, procedures and limits;
- (e) comprehensive and timely identification, measurement, mitigation, controlling, monitoring and reporting of risks;
- (f) appropriate management information systems ("**MIS**") at a business and KFH PLC - wide level; and
- (g) comprehensive internal controls.

18 Internal Audit

KFH PLC must establish and implement an effective internal audit function that is separate and independent from other functions of KFH PLC and that provides an independent and objective assurance to the Board and Senior Management on the quality and effectiveness of KFH PLC's internal controls, risk management and governance systems and processes, to protect KFH PLC and its reputation. The internal audit function must develop an independent and informed view of the risks faced by KFH PLC based on its access to all KFH PLC's records and data, its enquiries and its professional competence. The internal audit function must discuss its views, findings and conclusions directly with the Audit & Compliance Committee and, if necessary, with the Board at their routine quarterly meetings, thereby helping the Board to oversee Senior Management. The internal audit should verify compliance with its recommendations.

19 Compliance

KFH PLC must establish and implement an effective compliance framework, which is appropriate for the size and complexity of its operations, for managing its compliance risks. For effectively managing the compliance risk, the compliance function must have access across the bank and must have adequate resources to carry out its functions effectively and commensurate with the size and complexity of the organisation. At least once per year, the Board or a designated Board Committee must assess the extent to which KFH PLC is managing its compliance risk effectively. Senior management is responsible for establishing the operating framework and the processes to support a permanent and an effective compliance function. KFH PLC must ensure that the compliance risk management framework is subject to an independent review by a third-party consultant, other than the external auditor, every three years and when there are material changes to the business.

20 External Auditor Appointment and Internal Control systems

The Annual General Meeting shall appoint external auditors in accordance with the following guidelines:

- (a) the Board shall recommend the name of the external auditor for election after considering the recommendations of the Audit & Compliance Committee;
- (b) the external auditor shall be appointed for a specific financial year. The partner at the external auditor in charge of KFH PLC's audits shall not act in that capacity for more than 5 consecutive financial years;
- (c) the external auditor shall not provide non-audit services which might affect their independence; and
- (d) the external auditor, as part of their audit procedure, shall report to the shareholders any significant concerns that come to their attention on:
 - (i) adequacy and efficacy of the internal control systems in place;
 - (ii) whether the business is a going concern (separately from Directors' assumption of going concern);
 - (iii) compliance with setting up internal systems and regulations and their adequacy and their implementation; and
 - (iv) frauds detected or suspected by the external auditor shall be reported to the Board.

21 Committees

- 21.1 The Board may, where it considers it appropriate, delegate certain of its powers to an individual Director or to a committee (a “Committee”) comprised of Directors and other persons constituted in the manner most suitable to those delegated tasks. Recipients of delegated authority shall enjoy the same powers as the Board in respect of their exercise of the delegated authority within the specified scope of their delegated task and shall be advisory in nature. Although the Board may delegate certain functions to particular Directors or Committees, it does not delegate its ultimate responsibility for the delegated activity and it shall ensure that an adequate, effective, comprehensive and transparent corporate governance framework is in place.
- 21.2 Written Terms of Reference of each of the Committees shall set out the specific membership requirements for those Committees, the scope of their activities, the nature of any restriction to the extent of authority delegated to them, and the Board’s requirements for reporting on the Committee’s activities.
- 21.3 The Committees are comprised of:
- (a) Board Committees – Audit & Compliance Committee and Remuneration Committee; and
 - (b) Non-Board Committees - Risk Committee, Asset & Liability Committee and Management Committee.
- 21.4 The Management Committee assists the Board in discharging the Board’s responsibilities relating to KFH PLC’s risk management matters including credit and market risk matters. The Management Committee is responsible for supporting the Board in its oversight and decisions related to KFH PLC’s risk management framework.
- 21.5 The Audit & Compliance Committee shall, in addition to its focus on audit and compliance matters, receive minutes of the Management Committee and committees of KFH PLC’s management that the Management Committee establishes so that it may assess the effectiveness of those committees. The Audit and Compliance Committee shall also have access to independent expert advice at KFH PLC’s expense.

22. Independent Advice

- 22.1 Independent professional advice is available, on request, to all Directors at KFH PLC’s expense. Subject to adherence to the procedure outlined below, KFH PLC will meet the costs of such advice obtained jointly or severally by a Director or Directors where that advice is necessary to enable the obligations imposed on individuals, through membership of the Board, to be properly fulfilled.
- 22.2 The procedure for obtaining independent professional advice requires prior reference to the Chair or, in his absence (or if otherwise considered inappropriate), to the Deputy Chair or the Chair of the Audit & Compliance Committee.

23. Disclosure

KFH PLC has a responsibility to communicate effectively with its shareholders. The goal of shareholder communication is to help shareholders understand KFH PLC’s business, risk profile, financial condition and operating performance and trends. Accordingly, KFH PLC’s annual report shall:

- (a) disclose true and fair accounting information prepared in accordance with applicable standards;
- (b) consider substance over form in the presentation of accounts;
- (c) disclose and discuss all material risks;
- (d) disclose and explain the rationale for all material estimates;
- (e) show the manner of compliance, or explain deviations, if any, with applicable corporate governance codes; and
- (f) discuss goals, plans and, where relevant, progress for addressing any deviations.

24 Review

- 24.1 The Board has primary responsibility for this Policy. The Board shall at least every 3 years review and assess the risks relating to this Policy and receive assurance that this Policy and supporting procedures are consistent with relevant legal and regulatory requirements and market practice. KFH PLC's Directors and officers shall all be committed to and actively involved in implementing this Policy.
- 24.2 The Director with primary responsibility for ensuring that the Board and Management Committee receive appropriate MI shall be the DCEO, who shall also be the author (the "**Policy Author**") of this Policy. The Company Secretary shall support the DCEO for the purposes of this Policy. The Board, however, requires all Senior Management to be alert to the ongoing risks addressed by this Policy and to ensure that the operational procedures to support this Policy are implemented and maintained effectively.
- 24.3 Monitoring and reporting to the Board on adherence to this Policy and its effectiveness shall use 'three lines of defence':
- (a) The Policy Author is responsible for ongoing monitoring and reporting incidents of suspected infringement;
 - (b) As part of the Company Secretary's annual review of this Policy and its underlying procedures, the Company Secretary shall assess risks identified and make recommendations for any changes to the DCEO. Compliance and Risk Management functions shall also review and assess the effectiveness of the Policy and associated risk at least once annually and make recommendations to the relevant Heads of Department and the DCEO; and
 - (c) Internal Audit shall provide periodic independent assurance.

SCHEDULE 1



Disclosure of Interest in entities other than KFH Group companies

CBB's High Level Controls (HC) module HC 2.4.1 requires all approved persons to declare in writing on an annual basis, all of their interests in other enterprises or activities (whether as a Director, or shareholder of 5% & above in the voting capital, or holding an managerial position, or other control whether direct or indirect).

This declaration is made pursuant to the above requirement.

Name of the Director/Senior Manager	
Designation	

Do you hold Directorship / Chairmanship in any entity outside KFH Group?	Yes	No
<i>If 'Yes' please specify details as below:</i>		
Name of the entity	Position	Date since holding the position

Do you own any Securities of 5% or above, in any entity outside KFH Group?	Yes	No		
<i>If 'Yes' please specify details as below:</i>				
Name of the entity	Security Type	No. of Shares	Percentage	Date since the securities are held

Do you own any Securities in locally incorporated banks listed on Bahrain Bourse OR Boursa Kuwait other than your shareholdings in KFH Group?	Yes	No
<i>If 'Yes' please specify details as below:</i>		

Name of the entity	Security Type	No. of Shares	Percentage	Date since the securities are held

Do you hold a key Managerial / Control position in any entity outside KFH Group?		Yes	No
<i>If 'Yes' please specify details as below:</i>			
Name of the entity	Position	Date since holding the position	

Are you involved in any other business with third party, which might give rise to a potential conflict of interest with your position in KFH Group?		Yes	No
<i>If 'Yes' please specify details as below:</i>			
Name of the entity	Position	Date since holding the position	

I hereby declare that the above information is true and correct and made in compliance with the relevant provisions of the CBB Rulebook and the Commercial Companies Law. If any of the above information changes either by way of additional disclosure requirements, or amendments to the existing disclosure due to a change in my status of relationship, I undertake to notify the Board immediately with revised / updated declaration form.

Signature: _____ **Date:** _____

Note: 1. Please specify the parent & subsidiaries, where applicable.

2. Please note that if you are in receipt of any board related remuneration or any benefits, such as commission, fees, shares, consideration in kind, or other remuneration or incentives, from KFH Subsidiaries, Affiliates or SPV's linked to fiduciary duties, then you are required to include the name of the respective entity in the attached form. This is required as per the new regulation of CBB's HC module HC-5.4.39 & HC-5.4.40 issued in January 2014.