

بنك وربة  
WARBA BANK



# Corporate Governance Policy Code of Conduct

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## Code of Business Conduct and Ethics Policy

### 1. Abbreviations

BoD	Board of Directors
CBK	Central Bank of Kuwait
CEO	Chief Executive Officer
ESG	Environmental, Social, and Governance
HRGSG	Human Resources & General Services Group
WB	Warba Bank

### 2. Policy Statement

**WB** expects that its Directors and employees perform their responsibilities to the best of their abilities and all times act with professionalism, honesty and integrity. There are no exceptions.

### 3. Purpose

Providing guidelines to Directors and employees with regard to the standard conduct and ethics that are expected by **WB**. Compliance with this policy will achieve the following:

1. Promote honest and ethical conduct that reflects positively on **WB**;
2. Demonstrate conduct adhering to the Islamic Sharia principles, observing its requirements while conducting business;
3. Maintain a corporate climate in which the integrity and dignity of each individual is valued;
4. Ensure compliance with laws, rules and regulations that govern **WB's** business activities;
5. Ensure the proper use of **WB's** assets.
6. Ensuring that **WB** is perceived as an organization committed to high standards of integrity in all its dealings.

### 4. Scope

Setting out standards on how directors and employees should behave with all **WB** stake holders and the general public. Every individual must display the highest standards of professional integrity in their work.

### 5. Roles and Responsibilities

1. **WB CEO** or his designee and the Senior Director of Compliance & Governance Division are ultimately responsible for the policy implementation.
2. Each director, officer and employee are responsible for knowing the contents of this policy and adhering to the standards as detailed herein.
3. This may also require referral, after consultation with the Chief Human Resources & General Services Officer / Senior Director of Compliance & Governance Division / Legal Department, to authorities (Attorney General / Law Enforcement Agencies) for possible civil or criminal charges.
4. BoD and employees of **WB** will at all times conduct themselves in a manner that:
  - a) Supports the objectives of **WB**
  - b) Serves the overall best interests of **WB** rather than any particular constituency
  - c) Brings credibility and good will to **WB**
  - d) Respects principles of fair play and due process

- e) Demonstrates respect for individuals in all manifestations of their cultural and linguistic diversity and life circumstances
  - f) Respects and gives fair consideration to diverse and opposing viewpoints
  - g) Demonstrates due diligence and dedication in preparation for and attendance at meetings, special events and in all other activities on behalf of **WB**
  - h) Demonstrates good faith, prudent judgment, honesty, transparency and openness in their activities on behalf of **WB**
  - i) Ensures that the financial affairs of **WB** are conducted in a responsible manner
  - j) Avoids real or perceived conflicts of interest
  - k) Conforms with the Articles of Association and policies approved by **BoD**, in particular this Code, Confidentiality and Conflict of Interest policies
1. All departments are responsible for ensuring that the functions and activities of the Policy meet **WB** Strategy, **WB** Sustainability Strategy, **ESG** and non **ESG** standards.

## 6. Policy Details

### 6.1 Integrity and Honesty

1. Employees are expected to act with integrity and honesty in their dealings with customers and other parties with whom **WB** is connected and in all internal matters.
2. No Director, officer or employee should act in a manner, which could lead to any damage to the reputation of **WB**.

### 6.2 Bank Secrecy

The **BoD** and the Executive Management shall be aware of their responsibilities toward developing security awareness in **WB**, in such a way that enhances and maintains banking secrecy.

### 6.3 Conflict of Interest

1. The Board will take all reasonable measures to identify, and prevent or manage, conflicts of interest that could harm the interests of **WB**.
2. In cases where the controlling shareholders have the influence to appoint Board members, the members of the Board should exercise their duties towards **WB** apart from the entity that appointed them.
3. **BoD** and employees should avoid any personal activities or situations, either financial or non-financial which may generate conflict of interest with **WB** and its customers.

### 6.4 Related Party Transactions

1. **WB** is committed to upholding the highest ethical and legal conduct in fulfilling its responsibilities and recognizes that related person transactions can present a heightened risk of actual or apparent conflicts of interest.
2. Related party transactions are governed by **WB's** Related Party Transactions Policy

### 6.5 Due Skill, Care and Diligence

1. **BoD**, while acting on behalf of **WB**, will act with due skill, care and diligence.
2. **BoD** should take the lead in establishing the "tone at the top" and in setting professional standards and corporate values that promote integrity for itself, senior management and other

employees.

3. Senior management should also contribute to **WB's** sound corporate governance by ensuring that **WB** activities are consistent with the business strategy, risk tolerance / appetite and policies approved by **BoD**.
4. Each Director, officer and employee will endeavour to be adequately skilled and observe due diligence and care in any representation made by them to prevent any negative financial or reputation impact to **WB**.

### 6.6 Confidentiality

1. Confidential Information means all non-public information entrusted to or obtained by a Director by reason of his or her position as a Director of **WB**. It includes, but is not limited to, non-public information that might be useful to competitors or harmful to the Bank or its customers if disclosed.
2. A Director may never use confidential information for his or her own personal benefit or to benefit persons or entities outside **WB**.
3. Directors shall not disclose confidential information either during or after their service as a Director of **WB**, except with the express or implied consent of the Board or as required by law.
4. Respect for confidentiality is the cornerstone of trust and confidence as well as a legislated obligation. Board members must at all times respect the confidentiality of any client names and / or circumstances that might identify clients.
5. Similarly, all matters dealt with by **BoD** during meetings and matters related to personnel, financial dealings, investments and business plans must be held in strictest confidence.
6. Confidentiality means Directors may not relate such matters to anyone including immediate family members. The duty of confidentiality continues indefinitely after a Director has left the Board.
7. Board members shall agree in writing to acceptance of Office and Confidentiality upon joining the Board of Directors.
8. All employees, must not disclose, copy or use, during and after their employment with **WB**, except in the proper course of employment duties with the **WB**, as permitted by **WB**, as required by law, or where the disclosure is protected under corporate governance legislation, any:
  - a) Trade secret, intellectual property or any information concerning: the business, financial arrangements or position of **WB**; client lists or prospective client lists; advices to clients or other documents provided to clients; methods of operation, source codes or computer systems; proposals or plans for marketing, promotion or other business activities; any of the dealings, transactions or affairs of the business of **WB** or its clients; or any of the terms of contracts, arrangements or transactions between **WB** and its clients and customers;
  - b) Technical information pertaining to **WB's** business that is not in the public domain including, but not limited to, financial models, presentations, research activities and ideas;
  - c) Personal information including identity of employees, directors, consultants employed or engaged by **WB**.
  - d) Any information which **WB** designates as being confidential or that might reasonably be expected by **WB** to regard as confidential, to any person or for any purpose.
9. All employees must take reasonable and necessary steps to maintain the confidentiality and prevent the disclosure of confidential information, immediately notify **WB** of any suspected or actual unauthorised use, copying or disclosure of confidential information, and provide any

assistance required by **WB** in relation to any steps **WB** may take to protect confidential information.

10. The Board of Directors and the Executive Management should ensure that the bank's service providers shall keep and maintain confidentiality regarding the bank, if they are exposed to matters or details that are confidential.
11. **WB's Internal Audit Group** should monitor the adherence to the confidentiality.

### 6.7 Intellectual Property

1. Employees will assign all present and future intellectual property rights, including, without limitation, copyright in and to all documents prepared by them in the course of their employment and whether made or conceived:
  - a) in whole or in part by them;
  - b) alone or in conjunction with others; or
  - c) in pursuance of specific instructions or not,
2. Employee will, at the expense of **WB** and at its request, execute all such documents and do all such things as **WB** deems necessary to vest such rights in **WB** (or its nominee).

### 6.8 Fair Dealing

1. The Board will not resort to unethical or illegal activities in the conduct of **WB** business including any improper dealing practice.
2. Each director, officer and employee should endeavour to deal honestly and ethically with **WB's** directors, officers, employees, auditors, advisors, customers, suppliers and competitors while engaged in business on behalf of **WB**
3. Non-compliance with this Code or the law or other unethical or dishonest business practices while acting on behalf of **WB** are forbidden and may result in disciplinary action as per **HR** Policy.

### 6.9 Corporate Opportunities

1. Directors, officers and employees are prohibited from acquiring for themselves personally (or for members of their immediate family) any opportunity that may be of interest to **WB** that is discovered through the use of corporate property, information or position unless such opportunity is first offered to **WB** and **WB** determines not to pursue its 'right of first refusal'.
2. Each director, officer and employee will be prohibited from engaging into business that would result in competition with **WB**

### 6.10 Business Relationships with Directors

1. Each Board member has a personal liability to direct the Board's attention to any direct or indirect monetary arrangement for goods and services between a Director or a member of the Director's immediate family and **WB** or a member of **WB's** senior management.
2. Credit extension to the Board members and related parties is made in accordance with the same terms applied to the other customers of **WB** without any preferential terms and in conformity with any instructions issued by **CBK** in this respect.
3. A Board member should not be present for discussion of any point of agenda directly or indirectly relating to him / her in a meeting in which such points and the related transactions or contracts are discussed or on which voting is cast.

### 6.11 Protection and Proper Use of Bank Assets

1. The Board and each Director shall act as a guardian of **WB's** assets and ensure **WB's** assets are used for legitimate business purposes only.
2. Directors, officers and employees are prohibited from using **WB's** assets, confidential or proprietary information or position for personal gain.
3. To secure **WB's** physical environment and protect its information and staff, all directors, officers and employees must follow the guidelines in this Code as applicable.

### 6.12 Information Security

To secure **WB's** IT Environment, all directors, officers and employees must follow the Information Security Governance Policy.

### 6.13 Communication

All information provided by the directors, officers and employees to **WB** must be full, fair, accurate, and understandable.

### 6.14 Compliance with Laws, Rules and Regulations

1. **WB's** procedures, policies and practices accentuate the importance of respecting stakeholders' rights as per relevant laws, articles and regulations and confirm their rights to rectify any violations of their rights in line with the relevant laws.
2. All directors, officers and employees of **WB** must abide by the prevailing local laws and regulations in their dealings and activities.
3. Any transaction undertaken in the name of **WB** that would violate the laws, rules or regulations of any country or its political subdivisions in which **WB** conducts business is prohibited.
4. All directors, officers and employees of **WB** must be honest in all their dealings and communications with clients, auditors, superiors, and contractors.
5. Particular attention is directed to the laws, rules and regulations relating to discrimination, securities, and antitrust, civil rights, transactions with foreign officials, safety and the environment.
6. If any uncertainty arises as to whether a course of action is within the letter and spirit of the law, advice should be obtained from **WB's** CEO or his designee.
7. Observing the law is a minimum requirement. This policy envisions a level of ethical business conduct well above the minimum required by law.

### 6.15 Insider Trading

1. The insider is any person who, by way of his / her position, comes to know and have access to any material information about **WB** or its customers unless available to the public.
2. An insider shall adhere to the standards of integrity and honesty by taking into account, at least, the following:
  - a) The Insider should maintain confidential any insider information he / she might come to know by way of his / her position.
  - b) The Insider should refrain from buying, selling or underwriting in listed securities of **WB** that he / she might come to know insider information by his / her position.
  - c) The Insider shall not disclose such information or provide advisory to other third parties based on that information.

- d) The insider shall refrain from transmitting any such information or cause the transmission thereof, directly or indirectly, to any third parties.
- e) The insider shall refrain from enticing third parties to trade on securities based on such insider information.
- f) The Insider shall maintain confidentiality of any data and information relevant to **WB** customers and further refrain from utilizing or exploiting any such data and information relevant to the customers.

**Definition of Insider Information:** The information and data not available to the public that, if disclosed, might lead to changes in the trading price or volume of a listed security.

**Definition of Material Information:** Any information belonging to the listed company, listed fund, issuer or obligor – as the case may be – relevant to its activities, identity, financial position or management that is not available to the public and dealers and affect its assets, liabilities, financial position or the general course of business of such entity.

The information that might lead to changes in the trading price or volume of a listed security, attracting or aversion of traders of the security. It also means the information that might affect the issuer's ability to fulfil its obligations.

### 6.16 Whistle-Blower Protection

1. A whistle-blower is defined as an employee who, in good faith, submits a concern of misconduct or potential wrongdoing, on part of others in contravention to any suspected breach of Code of Conduct, or any **WB** policy.
2. **WB** will ensure no one will be at risk of suffering some form of retribution as a result of raising concern even if no evidence confirming these concerns.
3. **WB** does not however, extend this assurance to someone who maliciously raises a matter they know is untrue.
4. **WB** will ensuring the protection of the whistleblowers against retaliation.

### 6.17 Acceptance of Gifts / Customary Courtesies

1. Directors and employees should refrain from accepting any gifts, either monetary or otherwise, from clients or contractors.
2. Small gifts of minor monetary value (not more than KD 50/-) such as corporate gifts, calendars etc. bearing the inscription of the giver may be accepted.
3. The offer of invitations, gifts, payments, services, hospitality or other benefits which could be seen to affect the concerned director or employee's ability to exercise independent judgment should in all cases be disclosed to Chief Human Resources & General Services Officer. The disclosure should include the following:
  - a) A description of the gift
  - b) the name and address of the gift giver
  - c) the date of receipt of the gift
  - d) the estimated value of the gift
  - e) the nature of the relationship between the gift giver and recipient
  - f) in the case of travel, the date of the travel and the destination of travel
4. As a general rule, meals, refreshments, entertainment, accommodation or travel of reasonable

value, should only be accepted on the basis that the expense would be deemed to be an appropriate business expense if it were to be charged to **WB**.

5. Employees must not solicit or accept gratuities, directly or indirectly, from clients, or other parties dealing with **WB** in connection with work that the employee is responsible for.
6. Gifts, sponsorships or invitations may not be accepted by an employee, where such could be deemed to influence or compromise the employee's position or any business decision by **WB**.

#### 6.18 Serving in Other Organizations

1. Each officer and employee are expected to devote his or her full time and efforts to the service of **WB**.
2. No officer or employee shall engage in any business or secondary employment that interferes with his or her obligations and responsibilities to **WB**.
3. No officer or employee of **WB** may serve on **BoD** of any corporation not owned or controlled by **WB**, other than a non-profit, charitable, religious, civic or educational organization, without the prior written approval of **WB's CEO**.
4. Nor, for the **CEO**, without the prior approval of **WB BoD**. Officers and employees should notify the **CEO** or his designee prior to joining a non-profit, charitable, religious, civic or educational organization.

#### 6.19 Health and Safety

**WB** places maximum value on the safety of its employees and the environmental in which it operates, therefore **WB** employees shall refer to the Health and Safety Policy that outlines the policies and procedures instituted in place covering safety rules, emergency procedures, and awareness practices among other matters.

#### 6.20 Discrimination

**WB** believes in providing its employees an environment free from all forms of discrimination and conducts which can be considered harassing, coercive, or disruptive, including sexual harassment (physical, verbal or visual). **WB** employees shall refer to the Diversity & Inclusion Policy, and Human Rights Statement that outline the policies and procedures set in place along with disciplinary action, among other matters.

#### 6.21 Customer Complaints

1. **WB** will give due attention to complaints raised by customers and will look into the matter accurately and professionally and provide their response at the earliest.
2. All complaints must be routed through **WB's** Customer Complaints and Protection unit.

#### 6.22 Media, Public and Governmental Inquiries

When members of the media, shareholders, financial analysts or government authorities contact **WB** to request information, only authorized persons speak and or release information on behalf of **WB**.

### 7. Monitoring, evaluation and review

1. Compliance & Governance Division shall review this policy 2 years after approval and make needed amendments, if any or if amendments deem necessary to reflect any new requirements by either of **WB** regulatory bodies.
2. **HRGSG** is responsible for the monitoring the implementation of this policy, ensuring adequacy and undertaking the review.

3. **HRGSG** is responsible for circulate any amendments on this policy to all employees.

**8. Related Documents**

1. This policy is to be read in conjunction with the **WB** Strategy, **WB** Sustainability Strategy, Diversity and Inclusion Policy, Human Rights Statement, and Health and Safety Policy.
2. **WB's** Emergency Procedures
3. Declaration Form
4. **WB** Strategy
5. **WB** Sustainability Strategy
6. **AML & CTF** & Risk assessment Guide policies and procedures
7. Avoiding Conflict of Interest Policy
8. Customer Protection Policy
9. Customers Complaint & Protection Policy
10. Information Security Governance Policy
11. Related Party Transactions Policy
12. Whistleblowing Policy

**Declaration Form**

Your Personal Commitment to

Warba Bank

Code of Business Conduct and Ethics

I acknowledge that I received a copy of the Code of Business Conduct and Ethics ("the Code"), that I have read the Code and that I understand it. I undertake to comply with the Code and its amendments. If I learn that there has been a violation of the Code, I will contact my supervisor or the Chief Human Resources & General Services Officer, or the CEO or the Chairman.

Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

**(END)**