

UNITED GULF BANK B.S.C. (c)

UNITED GULF HOLDING COMPANY B.S.C.



CODE OF CONDUCT

Date of Last Review: February 2023

Date of Current Review: March 2024



Copyright statement

©United Gulf Bank B.S.C. (c) 2024

Unless explicitly stated otherwise, all rights including those in copyright in the content of this document are owned by or controlled for these purposes by United Gulf Bank B.S.C. (c) (UGB, the Bank)

Except as otherwise expressly permitted, the contents of this document may not be copied, reproduced, republished, downloaded, posted, broadcast or transmitted in any way without first obtaining the written approval of UGB's Chief Executive Officer or Corporate Secretary.

The Chief Compliance Officer of UGB is responsible for maintaining a record of all written permissions.

Date of Last Review: February 2023	Date of Current Review: March 2024
---	---



Table of Contents

1.	Introduction -----	5
2.	Conduct with respect to employment-----	6
2.1	Stance on human rights, women’s rights, child, human trafficking and forced labour--	6
2.2	Employment of Relatives-----	7
2.3	Hiring and Internships -----	7
2.4	Personal Employment Elsewhere -----	7
2.5	Outside Partnerships, Partnerships, Sole Proprietorships, Other Business Entities ---	8
2.6	Professional Organizations, Charitable, Educational or Other Civic Affairs -----	8
2.7	Gifts -----	8
2.8	Anti Bribery & Corruption (ABC) -----	8
2.9	Whistleblowing Policy -----	9
2.10	Commitment of Corporate Funds -----	9
2.11	Personal Investments-----	9
3.	Confidential / Sensitive Information and Protection of Personal Data -----	10
4.	Conflict of Interest -----	12
5.	Relations with Clients, Subsidiaries, Affiliates and the Regulators -----	13
6.	Communication with the Media -----	14
7.	Unacceptable Behaviour-----	15
8.	Expected Standards of Professionalism, Fairness, Behaviour and Language-----	16
9.	Management, Systems and Controls-----	17
10.	Enforcement Mechanism, Incident Reporting and Investigations-----	17
11.	Dissemination-----	18
12.	Annual Awareness and Certification of the Code -----	18
13.	Key Persons Trading -----	19

Date of Last Review: February 2023

Date of Current Review: May 2024



14. Posting of the Code of Conduct -----20

15. Review of the Code of Conduct -----20

Appendix 1 -----21

Appendix 2 -----22

Appendix 3 -----23

Date of Last Review: February 2023	Date of Current Review: May 2024
------------------------------------	----------------------------------



1. Introduction

The reputation and integrity of United Gulf Bank B.S.C., (UGB, the Bank), are valuable assets that are vital to the Bank's success. Each employee of the Bank is responsible for conducting its business and working in a manner that demonstrates a commitment to maintaining the highest standards of honesty, integrity, good faith, due diligence and care, while upholding the best interests of the Bank, its shareholders and other stakeholders. This Code of Conduct represents ethics and policies followed by the Bank. It is applicable to members of its Board of Directors, Senior Management and Employees (UGB Staff). It incorporates the ten principles of business that are stipulated by the CBB rulebook.¹

HC- 2.2.3 of the Central Bank of Bahrain's ("CBB") rulebook related to High Level Controls states that, "The Board must establish corporate standards for approved persons² and employees. This requirement should be met by way of a documented and published code of conduct or similar document. These standards must be communicated throughout the bank, so that the approved persons and staff understand the importance of conducting business based on good corporate governance values and understand their accountabilities to the various *stakeholders of the licensee. Banks' approved persons and staff must be informed of and be required to fulfil their fiduciary responsibilities to the bank's stakeholders.*"

The Board, Senior Management³ and Employees of UGB are committed to the implementation of this Code. It is an integral part in the way they exercise their responsibilities and conduct themselves vis a vis customers, shareholders, staff and the wider community. This document should be read in conjunction with the other relevant policies related to UGB's Anti Money Laundering Policies & Procedures, the Human Resources Policy and Procedures Manual, the Remuneration Policy and the Corporate Governance Guidelines. Under the terms of the service level contract signed by UGB and its parent UGH dated 24 August 2017, the employees of UGB undertake the tasks required to manage its parent company, UGH. The principles of this Code of Conduct hence apply to the entire Board of Directors of UGH, Senior Management and staff who also carry out the functions of UGH.

¹ Module PB – Principles of Business, Volume 1

² Approved / Controlled Persons are defined under LR 1 A.1.2 as those Board Members; Chief Executive or General Manager and their Deputies; Chief Financial Officer and/or Financial Controller; Head of Risk Management; Head of Internal Audit; Head of Shari'a Review; Compliance Officer; Money Laundering Reporting Officer; Deputy Money Laundering Reporting Officer; and Heads of other Functions.

³ Defined as direct reports of the CEO.

Date of Last Review: February 2023	Date of Current Review: May 2024
---	---

2. Conduct with respect to employment

2.1 Stance on human rights, women's rights, child, human trafficking and forced labour

UGB and UGH recognize that the threat of abuse in terms of human rights, child and forced labor and human trafficking are pervasive global problems. As a responsible corporate citizen, the following Principles have been adopted to reinforce the core value of treating employees, shareholders and stake holders with dignity:

- The Bank and its parent respects human rights and is committed to ensure that there is no discrimination on the basis of gender, nationality, origin, language, faith, religion, physical ability, social standing and any other social vector.
- The Bank and its parent recognize that women's rights are specifically enshrined in international human rights declarations and are committed to follow a policy of gender equality and the empowerment of women.
- The Bank and its parent have a zero tolerance policy on the use of child or forced labour in any of its operations in Bahrain or through its subsidiaries.. The exploitation of children, their engagement in unacceptably hazardous work, slavery, physical punishment, abuse, or involuntary servitude is condemned and repudiated by the Bank and its Group. A "child" is defined as anyone who is less than 15 years of age. In accordance with Bahrain's Labour Law, it is prohibited to employ anyone who is less than fifteen years of age.⁴
- The Bank condemns slavery and human trafficking which includes forced or compulsory labour and financial servitude. The fact that UGB is a conventional wholesale bank, implies that there is a low risk of dealing with customers involved in such crimes. None the less, it is the Bank's stance to terminate the relationship with any supplier or vendor that it identifies as being involved in modern slavery.
- Hiring of employees will be done only through reputable manpower / recruitment agencies who provide the necessary assurances and checks on prospective candidates. The Bank follows this up by conducting its own due diligence and getting good conduct certificates prior to onboarding the employee. Staff are paid commensurate salaries including benefits like health and educational support. The Bank is also committed to not employing indentured labour.
- The Bank and its parent expect the suppliers and contractors with whom it does business to uphold the same standards. If it comes to the attention that these principles have been violated, the business relationships will be terminated at the earliest.

⁴ Article 24, Labour Law of the Private Sector - 2012

2.2 Employment of Relatives

In order to avoid current or potential conflicts of interest, the process of UGB's staff selection and remuneration is based on an objective evaluation of qualifications, experience, ability and suitability. The hiring of immediate relatives including spouses, children, brothers and sisters of Directors and employees of UGB is prohibited. Any exception to this rule, has to be approved by the Chairman of the Board of Directors. At the discretion of the UGH's management, this restriction may also extend to relatives up to the second degree, as defined by the Labour Law of the Private Sector, Kingdom of Bahrain.⁵

2.3 Hiring and Internships

The Bank has a separate HR policy that sets out observance of values such as transparency of the recruitment process and equal treatment of all applicants, in particular with regard to the development of an attractive, open and sustainable environment for employees. This is complementary to the principles outlined in the 2023-26 National Labour Market Plan of the Kingdom of Bahrain. Senior UGB staff who are involved in the recruitment process are forbidden to solicit applications for vacancies in lieu of monetary / non-monetary favours.

Hiring and internships are provided based on UGB's Board approved Internship Policy. The process is transparent and candidates are informed about the recruitment process, the selection criteria and career development prospects. They undergo multiple interviews to ensure that there are no bias or pecuniary interests involved in hiring practices. It should be noted that all temporary workplace internship and apprenticeship education programs for younger persons will be closely supervised to ensure that morals, safety, health and compulsory education are not compromised in any way.

2.4 Personal Employment Elsewhere

No UGB staff is to have an outside interest or employment that encroaches on the time or attention which should be devoted to the employee's duties at the Bank; adversely affects the quality of work performed; competes with the activities of UGB; involves any use of the equipment, supplies or facilities of UGB or adversely affects the good name of UGB. Any member of UGB staff who is interested in outside employment or interest must seek the prior approval of the CEO. Such employment or activities may be undertaken only after approval is received in writing.

⁵ Relatives is used to refer to any person who has a "close" relation with a Director or an employee. "Close" relation refers to relation by blood or marriage, whose living arrangements resemble those of a first or second degree blood relative. This includes parents, step-parents, grandparents, in-laws, spouses or domestic partners, children, step-children, adoptive children, grandchildren, siblings, uncles, aunts, cousins, nieces and nephews.



2.5 Outside Partnerships, Partnerships, Sole Proprietorships, Other Business Entities

Prior written approval from the CEO must be obtained before any member of UGB's staff accepts a position as officer or director of a company or becomes a member of a partnership, limited liability company, sole proprietorship or any other business entity, irrespective of whether it is independent or whether it does business with the Bank.

2.6 Professional Organizations, Charitable, Educational or Other Civic Affairs

Members of UGB's staff are encouraged to take part in professional organizations, charitable, educational, and other civic activities, so long as such activities do not impair the performance or reputation of the Bank or conflicts with the employee's duties and or affects the employees' work performance. It is expected that the staff will conduct his/her activity with ethical best practices, integrity, and honesty, and in complete accordance with the Laws of the Kingdom of Bahrain. No prior written approval or annual declaration is required for these activities.

In cases where the employee represents the Bank in professional organisations either through written or verbal communication at a public forum including social media the content has to be approved by the CEO or in his absence, the Chief Audit Executive. This is to ensure that there is no sensitivity in the contents that will inadvertently affect the Bank's image and reputation.

2.7 Gifts

Directors and Employees are prohibited from placing bets or accepting cash or any assets from any person with whom they are associated with as a result of their being a director or employee of UGB/UGH. Token gifts and promotional material may be received or given provided their monetary value does not exceed **BD 100 cumulatively in a year** and

- they do not place the Director/employee under any commercial or moral obligation;
- No misconstructions, however ill founded, could be put upon the acceptance;
- The employee notifies his/her manager that a gift or hospitality has been made.

Hospitality in the form of lunches, dinners, and social events is permitted provided it falls within reasonable limits and does not infringe standards of propriety and decency. Any person accepting a gift contrary to these rules will be liable to disciplinary action, which may result in summary dismissal. If there is any element of doubt about any offer regarding the acceptance of gifts, gratuities or hospitality, guidance should be sought in advance from the Chairman of the Board of Directors, the CEO or the Chief Compliance Officer.

2.8 Anti Bribery & Corruption (ABC)

This section of the Code of Conduct documents the anti-bribery and corruption policy of UGB. It ensures that appropriate anti-corruption and bribery procedures are in place to avoid any violations of relevant laws and regulations, including among others, the U.S. Foreign Corrupt

Date of Last Review: February 2023	Date of Current Review: May 2024
---	---



Practices Act and the U.K. Bribery Act of 2010, and the Wolfsberg Group's update guidance on anti-bribery. Each of the Bank's other subsidiaries has its own Code of Conduct/ ABC program, that is in line with the requirements of the laws of the jurisdiction in which it operates. It is UGB's Chief Compliance Officer's responsibility to ensure that Directors and employees are aware and properly trained with respect to their role to ensure compliance with this policy.

Directors and employees of UGB are strictly prohibited from promising, offering, giving, soliciting, or receiving anything of monetary value, directly or indirectly intended to improperly influence action or obtain an unfair advantage. It is also forbidden to permit facilitating payments (regardless of whether these are common practices in a particular country), which involve anything of monetary value to government / third party vendors in order to expedite or facilitate, routine, non-discretionary actions that would normally be part of the normal course of business.

Charitable and political donations that are linked to obtaining any improper advantage including facilitating payments are explicitly prohibited. All relevant expenditures will be properly documented, approved and maintained for a minimum period of five years. It is also forbidden for directors and employees to falsify books and records pertaining to any such payments.

2.9 Whistleblowing Policy

A separate whistleblowing Policy that has been developed to report violations of the Code of conduct, and which guarantees confidentiality of reporting / protection to the whistle-blowers. The relevant forms are available on the Bank's website: www.ugbbh.com.

2.10 Commitment of Corporate Funds

No Director or member of Senior Management, Officer or Employee is permitted to commit funds of UGB to a borrower or other entity, when any part of those funds will be to the direct or indirect personal benefit, of the Director, employee, officer or member of Senior Management committing the funds. Any commitment of payment of funds for the purposes of the Bank, have to be made in accordance with the Authorised Signatory list and the Payment Authority Matrix approved by the Board of Directors.

2.11 Personal Investments

Personal investment by a member of UGB's directors, senior management or staff in securities of a publicly traded/ privately held company that is independent and has no conflict of interest with the activities of the Bank, is permissible without prior disclosure, provided that the total ownership does not exceed 5% of any class or type of issued shares or exceeding 5% ownership

Date of Last Review: February 2023	Date of Current Review: May 2024
---	---

of the company.⁶ If it exceeds this threshold, it requires the prior approval of the Chairman or the CEO, and should be disclosed in the Annual Declaration of Compliance to the Chief Compliance Officer on an ongoing basis.

If any of UGB staff or his/ her immediate family invests, directly or indirectly, in the shares or a percentage of 5% of any class or type of issued shares, or of a company or any percentage of ownership exceeding 5% in a partnership, limited liability company or operates a sole proprietorship doing business with UGB, that investment requires prior approval of the Chairman or the CEO. Further, the concerned UGB staff is prohibited from handling the account / transactions, or being involved in discussions or decision making related to such a company or business, or be in a purchasing position if the underlying business is a supplier to UGB. The interest of the staff should be disclosed in the Annual Declaration of Compliance with the Code of Conduct.

3. Confidential / Sensitive Information and Protection of Personal Data

In adherence with the Principles of Business guidelines mandated by the CBB and Bahrain's Personal Data Protection Law No. 30 of 2018, the Bank adopts a stance of complete privacy and confidentiality for protecting personal data and sensitive information of all matters, including employee and client information.⁷ Conformity with these principles is applicable to members of the Board of Directors, Senior Management, and all employees of the Bank. Directors and employees are prohibited from using their positions to exploit the information that they have access to, for their own personal interests. The exception to this is where disclosure is allowed or provided in response to legal or regulatory requirements.

- i) Information including personal data obtained with respect to the clients and employees of the Bank from any source other than public documents, is considered privileged and must be held in strict confidence. Personal data received from or about clients is to be used solely for corporate purposes and should be disclosed to employees of the Bank only as needed to discharge their assigned duties. In accordance with the CBB rulebook and Bahrain Personal Data Protection Law No. 30 of 2018, personal data is not to be transmitted, published or released to third parties concerning the accounts or activities of the Bank's customers unless:
- Such information is requested by the CBB or in implementation of any judicial order issued by competent court, the Public Prosecution, the investigative judge or the Military Prosecution;
 - The release of such information is approved by the customer concerned; or

⁶ The threshold is based on MIR 5.1.2, Volume 6 of the CBB rulebook

⁷ PB 1.1.4; reiterated by the CBB's letter dated 6 April, 2014 (EDBS/KH/C/27/2014 – Banker's Duty of Confidentiality; HC 2.2.4 c

Date of Last Review: February 2023	Date of Current Review: May 2024
---	---



- It is in compliance with the provision of the Law or any international agreements to which the Kingdom of Bahrain is a signatory.⁸
- ii) The internal financial data, management reports, business plans, marketing strategies, contracts, intellectual property, client lists, policies and procedures and all other proprietary information of UGB is confidential and may not be disclosed, discussed or made available to anyone outside of UGB.

UGB employees are bound by their contracts of employment to continue to observe this level of confidentiality and integrity. Such information and materials, including those maintained in an electronic format, are intellectual proprietary assets of the Bank and may not be retained for use nor removed from the Bank at the time employment ceases. This is also in accordance with Article 71 of the Bahrain Labour Law for the Private Sector - 2012, which requires all employees to 'return any tools, records, documents related to work or unused materials in their custody after the termination of the contract of employment.'

In accordance with Bahrain Personal Data Protection Law No. 30 of 2018, UGB employees are required to notify their Direct / Line Manager immediately upon becoming aware of a personal data violation/ breach affecting client's personal data.

⁸ BC-3.1



4. Conflict of Interest

A 'conflict of interest' is defined as any situation in which a person's private interests are incompatible with the official responsibilities of that person within the UGB Group. Such a conflict would arise where any member of Senior Management, Officer or employee, has a personal interest - financial or otherwise, in a client, counterparty, borrower, supplier, or other person or company dealing with UGB. Each member of UGB staff is expected to manage his or her personal and business affairs so as to avoid situations that might lead to a conflict, or even the appearance of a conflict, between the staff's self-interest and his or her duty to UGB, its clients and other stakeholders.⁹

All Staff and Directors are expected to behave professionally such that they do not:

- Act with honesty, integrity and care for the best interest of UGB, UGH, its shareholders and other stakeholders;
- Not use properties of UGB and UGH for their personal needs;
- Not misuse or misappropriate UGB or UGH's assets or resources;
- Not disclose confidential information of UGB or UGH to use it for their personal profit or interest;
- Make every practicable effort to arrange their personal and business affairs to avoid a conflict of interest with UGB / UGH;
- Not redirect business opportunities of UGB/ UGH for themselves;
- Not compete in business with UGB/UGH or engage with them in transactions with a company in which they have a personal interest¹⁰

In any such situation, the person concerned must absent himself/herself from any discussions or decision making that involves a subject where they are incapable of providing objective advice, or which involves a subject or (proposed) transaction, where a conflict of interest exists. This is also reiterated in the Corporate Governance PPM related to Conflict of Interest. All abstentions and details of related parties' transactions that are conducted on an arm's length process, is disclosed in the annual Corporate Governance report.

Any staff member who has a conflict of interest must inform the Head of HR and Administration immediately of the same and disclose all material facts in the case of a contract or transaction involving him or her. The CEO then approves all potential conflicts of interest, as documented by the Head of HR. UGB and UGH Directors have to inform the entire board of (potential) conflicts of interest in their activities in accordance with the separate board approved Disclosure of Conflict of Interest Policy.

⁹ HC 1.2.4

¹⁰ HC 1.2.4

Date of Last Review: February 2023	Date of Current Review: May 2024
---	---



5. Relations with Clients, Subsidiaries, Affiliates and the Regulators

Senior Management or employees may not borrow either directly or indirectly, from a client of UGB or any other entity owned or controlled by UGB or by its parent United Gulf Holding Company B.S.C. (UGH) or suppliers other than recognized lending institutions in accordance with the latter's terms and conditions.

Senior Management and employees are also expected to act in an open and co-operative manner with the CBB and other regulatory/supervisory bodies whose authority they come under¹¹.

Staff are also expected to undertake their fiduciary responsibilities seriously and safeguard the assets and deposits of the Bank's customers.¹² They must pay due regard to the legitimate interests and information needs of their customers and communicate with them in a clear, fair and transparent manner. Staff who advice customers on investment decisions, must take reasonable care to ensure the suitability of such advice or decisions.¹³ They must also qualify for the Financial Advice Program as mandated by the CBB (if applicable).¹⁴

Other responsibilities involved in dealing with customer include:

- Acting with due skill, care and diligence in all dealings with customers.
- Acting fairly and reasonably in all dealings with customers.
- Ensure that any advice to customers (if any) is aimed at the customers' interests and based on adequate standards of analysis;
- Provide sufficient and timely documentation to customers to confirm that their investment arrangements are in place and provide all necessary information about their products, rights and responsibilities;
- Maintain fair treatment of customers through the lifetime of the customer relationships, and ensure that customers are kept informed of important events;
- Ensure complaints from customers are dealt with fairly and promptly.
- Ensure that all information provided to customers is clear, fair and not misleading, and appropriate to customers' information needs; and
- Take appropriate measures to safeguard any money and property handled on behalf of customers and maintain confidentiality of customer information.¹⁵

¹¹ PB 1.1.8

¹² PB 1.1.6

¹³ PB 1.1.7

¹⁴ CBB's letter dated 24 July 2014, EDBS/KH/C/45/2014

¹⁵ BC 8.3.1

Date of Last Review: February 2023	Date of Current Review: March 2024
---	---



6. Communication with the Media

This section should be read in conjunction with UGB's Media Policy.

In order to minimize the risk of inappropriate disclosure and to ensure a clear message is communicated to the public, UGB has designated a limited group of senior officials who are entitled to speak on its behalf when material information may be disclosed. They are the Chairman of the Board, the Chairman of the Board Audit Committee, the Chief Executive Officer, the, the Chief Financial Officer and the Chief Compliance Officer (the "Spokespersons"). The Chairman or the Chief Executive Officer may designate other directors, officers, other employees or agents to speak on particular matters or to respond to specific inquiries as necessary or appropriate. Unless so designated, no director, officer, employee or agent of the Bank may communicate on behalf of UGB with regulators, investors, shareholders, analysts and the media with respect to any disclosure that may include material information about the UGB Group. Spokespersons shall remain knowledgeable about UGB's public and the views of the investment community relating to the Bank. Further details are provided in the Bank's Media Policy.

Officers and employees of UGB should refer inquiries from analysts and institutional investors about significant investor relations issues to the CEO or the Chief Financial Officer. Similarly, officers and employees of UGB should refer inquiries from the media to the CEO or any of the Bank's other Spokespersons. The CEO's approval should be procured before releasing any material information to the public.

Date of Last Review: February 2023	Date of Current Review: May 2024
---	---



7. Unacceptable Behaviour

The Bank's Code of Conduct prohibits certain actions by Directors, Senior Management, Officers and employees of UGB. This includes:

- Theft, embezzlement or misapplication of funds or assets or proprietary information in electronic or paper form.
- Breach of UGB's personal data and confidentiality policies including unauthorized disclosure of the Bank or its clients or its employee information over social media.
- Market abuse or insider trading.
- Inability to honour personal financial commitments due to a high degree of debt.
- Assuming a false identity or submitting false certificates or testimonials.
- Unauthorized issuance of obligations or making or causing false entries to be made.
- Making any false statement or report to any legal or regulatory authorities in or outside the Kingdom of Bahrain.
- Being sentenced for a crime or a misdemeanour involving dishonour, dishonesty or immorality.
- Being under the influence of alcohol or drugs during the hours of work.
- Harassment or assault of any member of UGB staff or supervisors during the course of employment.
- Acting in an irresponsible manner that compromises on health and safety standards of the Bank. Examples of these include disregard of HR protocol with respect to environmental, fire, health and safety standards.

Date of Last Review: February 2023	Date of Current Review: March 2024
---	---

8. Expected Standards of Professionalism, Fairness, Behaviour and Language

It is the policy of the Bank that all employees should be able to enjoy a work environment free from all forms of misbehaviour including discrimination, and harassment from supervisors, colleagues, visitors or customers of the Bank. Care should be taken to ensure that all staff act with honesty, integrity, due skill, care and diligence at all times.¹⁶ The following behaviour is not acceptable under any circumstances.

- Employees shall not discriminate in dealings with any persons within or outside the Bank on account of gender, nationality, origin, language, faith, religion, physical ability or social standing.¹⁷
- Employees shall not misbehave with clients or colleagues inside or outside the premises of the Bank. Misbehaviour would include acts such as shouting, use of unparliamentary language, threatening, intimidation, physical assault etc.
- No employee shall use his / her position to intimidate or secure undue advantage from any other employee or external person or outside agency.
- Harassment is prohibited on any basis, including but not limited to an individual's age, sex, race, national origin, ancestry, language, religion, social standing, physical ability, medical condition and disability.
- Misbehaviour by employees may result in disciplinary action up to and including termination of the employee who misbehaves.
- Harassment of employees by customers, consultants should be dealt by the immediate manager amicably without compromising on business relationships. In case the matter cannot be resolved politely, the intervention of management should be immediately sought for resolution and necessary action.
- Employees are forbidden from making any sexual advances or use of any sexual overtones with any client or colleague, including use of social media or any messaging applications.

¹⁶ PB 1.1.1, PB 1.1.3

¹⁷ BC-B1.1.1

- False accusations of misbehaviour will lead to severe disciplinary action, up to and including termination.
- Employees should behave in an ethical manner and not indulge in any activity in their professional or personal capacity, that is against human rights, women empowerment, child, human trafficking and/or forced labour.

9. Management, Systems and Controls

The Bank has developed internal controls, standards and procedures to ensure that all its assets are identified, protected and properly used, and that all business records, financial records and other reports are reliable, accurate and timely prepared and maintained. All members of Senior Management and employees are responsible for complying with all internal controls and recordkeeping standards and procedures. There will also be adequate human, financial and other resources sufficient to run the Bank in an orderly manner.¹⁸

The Internal Audit Department undertakes and conducts regular reviews as part of a risk based plan, to measure the effectiveness of internal controls and compliance, and to facilitate ongoing improvement. Internal Audit will also report any observations/violations/concerns regarding the adherence to this code of conduct, to the Board Audit Committee.

10. Enforcement Mechanism, Incident Reporting and Investigations

The Board of Directors empowers the Board Audit Committee to supervise matters upon its own initiative or as requested from any employee, officer or director. The Committee in turn will arrange for an investigation to be conducted by the Compliance Department and Internal Audit Department. In order to provide an unbiased viewpoint, one representative each from Compliance and Internal Audit will jointly conduct the investigation. They will have the authority to collect statements, reports and documentation to aid in the investigation as well as to interview individuals, including the person whose conduct is questioned. Upon consideration of the factual information available to the Committee, it will determine whether a violation of the Code of Conduct has occurred and, whether a waiver should be granted. If a violation has occurred, the Nominating & Remuneration Committee will be notified accordingly and disciplinary action will be taken in line with the Bank's HR policies. Upon completion of the investigation the documentation and all related evidence will be maintained by the HR Department for future reference.

¹⁸ PB 1.1.9



In the event that the subject of investigation involves members of the Compliance and /or Internal Audit Department, the Chairman of the BAC and the CEO should be contacted. They have the authority to determine alternative resources who will conduct the query.

It is important to investigate any breaches to the Code of Conduct, as failure to do so, may call into question as to whether the Bank meets its licensing conditions. In the case of approved persons, it calls into question as to whether they continue to meet the 'fit and proper' requirements for the function for which they were approved by the CBB¹⁹.

11. Dissemination

All members of UGB Staff are expected to read and understand this Code of Conduct. Any questions regarding the guidelines should be directed to the Chief Compliance Officer. This Code will be a part of the Human Resources Policy Guidelines and is expected to be understood and complied with by all UGB Staff.

12. Annual Awareness and Certification of the Code

All UGB staff will be required on an annual basis, to confirm their adherence to UGB's Code of Conduct. The key objective of this affirmation is to enforce the highest standards regarding professional conduct, conflicts of interest, insider trading & confidentiality. Disclosures on Personal Investments, will be also be part of this Annual Statement .

The Chief Compliance Officer (CCO) will provide an annual refresher presentation on the Code of Conduct, to all UGB Staff. While all staff are encouraged to attend, this session is mandatory for new employees. The latest copy of the presentation is posted on the Bank's intranet, so that it is accessible to staff at all times.

The affirmation by staff will be addressed to the Chief Compliance Officer within the stipulated timeframe of one month from the date of the presentation. The CCO in turn, will address his/her affirmation to the CEO and the Chairman of the Bank Audit Committee. All completed forms will be provided to the Human Resources Department, who in turn will file these in the personnel files of the employees. The CCO has the authority to notify the BAC of the names of any employee who refuses to provide the annual affirmation to the code of conduct or delays providing the same without justification.

It should be noted, that all new employees will be asked to sign this statement upon joining the Bank.

¹⁹ PB B.2.1

Date of Last Review: February 2023

Date of Current Review: May 2024

13. Key Persons Trading

This section is to be read in conjunction with the UGH's Key Persons Policy.

All members of the Board of Directors of UGB, UGH and staff are expected to observe proper standards of market conduct, and avoid action that would generally be viewed as improper.²⁰ Confidential information may, in certain instances, be considered 'insider information', which if used or disclosed, could subject Directors, Senior Management, Officers and employees of UGB who undertake responsibilities for UGH, to be liable under the CBB and the Bahrain Bourse's ("BB") rules.

Insider information is material, non-public information about UGB or any client. The test of materiality, is whether the information was of such importance that it could be expected to affect the judgment of investors as to buying, selling, or holding securities and which, if generally known, could be expected to impact the market price of the underlying share. Some of the examples of non-public information, that are perceived as 'insider information', are.

- Change in the dividend rate.
- Significant unexpected losses or gains.
- Sales, earnings and cash flow projections showing a rapid rise/fall in earnings.
- Negotiations to possible mergers, takeovers or spin-offs of business units.

The above is not an all-comprehensive list of situations involving 'insider information'. All Directors and UGB staff who undertake responsibilities for UGH are urged to be extremely cautious in discussing non-public corporate information with outsiders. They may not use 'insider information' for the trading of the Company's shares either for themselves or for others directly, or by making recommendations to buy or sell a security based on such information.

In accordance with this Code of Conduct and in order to standardize compliance reporting requirements all Directors of UGH and UGB staff who undertake responsibilities for UGH must comply with the following:

i) Personal Account Rules

The purchase / sale of UGH shares by staff designated as Key Persons of based on information that they are privy to, is not permitted. This comprises members of the Board of Directors, the CEO and all heads of departments reporting to the CEO. Key persons are prohibited from

²⁰ PB 1.1.5

transacting in UGH's shares if they are doing so on the basis of inside information. Examples of these include when the matter in question constitutes unpublished price-sensitive information in relation to UGH's securities, or would be perceived by regulators as an act that would divulge, abuse or breach disclosing confidential information. There are no exceptions for transactions that the key person thinks may be necessary or justifiable for independent reasons (such as the need to raise money for an emergency expenditure)²¹.

ii) Non-use of personal hedging for UGH shares.

In line with the remuneration requirements, key persons and employees must commit themselves not to use personal hedging strategies or remuneration- and liability-related insurance to undermine the risk alignment effects embedded in their remuneration arrangements. Although such mechanisms (e.g., short selling or forward selling) are not available, employees are required not to use them in future, should they be made available.²²

iii) Bahrain Bourse Undertaking

As per the rules of the Bahrain Bourse, an Issuer, its directors, officers, employees or agents must not wilfully make, furnish or permit the making or furnishing of any false or misleading information, statement or report to BHB.²³ As the employees of UGB undertake the responsibilities for UGH, all approved persons have to fill out an undertaking to the Bahrain Bourse (see Appendix) after their appointment. This will be submitted by the Compliance Department to the Bourse, along with the identity documents of the approved person.

14. Posting of the Code of Conduct

The Code of Conduct will be available to all staff on the UGB Intranet.

15. Review of the Code of Conduct

This Code of Conduct will be reviewed at least once in two years or as and when there are significant changes to the Bank Code of conduct and ethical framework or regulatory rules.

²¹ Key Persons Policy

²² HC 6.1.17

²³ Section 10, 10.53 Listing Rules

Date of Last Review: February 2023	Date of Current Review: May 2024
---	---



Appendix 1

ANNUAL EMPLOYEE CERTIFICATION

To: The Chief Compliance Officer

I confirm receipt of UGB's **Code of Conduct that also applies to its parent UGH** ("the Code")

I understand that the Code refers to the more important rules and regulations applicable to UGB and UGH's Directors and employees and that it sets out certain principles and standards that must be observed at all times.

I understand that failure to comply with the rules, regulations; policies and procedures set out in this code may have serious consequences for UGB, UGH and/or its employees and may result in my dismissal.

I hereby undertake to familiarise myself with the contents of the Code and, in case of doubt, to consult my Supervisor or the Chief Compliance Officer.

I am aware that I have to declare in writing, my 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). My ownership and managerial interests in other companies are listed below:

#	Name of Company	Ownership Stake (%)

(Please use a separate sheet if you need to include more information)

I am aware that I have to declare in writing, any relatives of mine²⁴ who are employed by UGB, as mentioned below.

#	Name of Relative	Relationship

I also declare that I hold the following Directorships²⁵ as of the date of signing this affirmation.

#	Name of Company	Directorships Held	Year of assuming the Directorship

In particular I confirm that I have read, understood and agree to adhere to UGB's procedures set out or referred to in the Code of Conduct.

Employee name:

Employee signature:

Date:

²⁴ The term 'relatives' is used to refer to any person who has a "close" relation with an employee. "Close" relation refers to relation by blood or marriage, whose living arrangements resemble those of a first- or second-degree blood relative. This includes parents, stepparents, grandparents, in-laws, spouses or domestic partners, children, step-children, adoptive children, grandchildren, siblings, uncles, aunts, cousins, nieces and nephews.

²⁵ Please list all Directorships that you hold, either in your personal capacity or representing the Bank.

Date of Last Review: February 2023

Date of Current Review: May 2024



Appendix 2

ANNUAL CERTIFICATION FROM DIRECTORS

To: The Chairman of the Board of Directors

I confirm receipt of UGB's **Code of Conduct** ("the Code")

I understand that the Code refers to the more important rules and regulations applicable to UGB, its directors and its employees and that it sets out certain principles and standards that must be observed at all times.

I understand that failure to comply with the rules, regulations; policies and procedures set out in this code may have serious consequences for the firm and/or its employees and may result in my dismissal.

I hereby undertake to familiarise myself with the contents of the Code and, in case of doubt, to consult the Chairman of the Board of Directors

I am aware that I have to declare in writing, my interests in other enterprises or activities (whether as a shareholder of **5% or above 5% of the voting capital of a company**, a manager, or other form of significant participation). My ownership and managerial interests in other companies are listed below:

#	Name of Company	Ownership Stake (%)

(Please use a separate sheet if you need to include more information)

I am aware that I have to declare in writing, any relatives of mine²⁶ who are employed by UGB, as mentioned below.

#	Name of Relative	Relationship

I also declare that I hold the following Directorships²⁷ as of the date of signing this affirmation.

#	Name of Company	Directorships Held	Year of assuming the Directorship

In particular I confirm that I have read, understood and agree to adhere to UGB's procedures set out or referred to in the Code of Conduct.

Director name:

Director signature:

Date:

²⁶ The term 'Relatives' is used to refer to any person who has a "close" relation with an employee. "Close" relation refers to relation by blood or marriage, whose living arrangements resemble those of a first or second degree blood relative. This includes: parents, step-parents, grandparents, in-laws, spouses or domestic partners, children, step-children, adoptive children, grandchildren, siblings, uncles, aunts, cousins, nieces and nephews.

²⁷ Please list all Directorships that you hold, either in your personal capacity or representing the Bank.

Date of Last Review: February 2023

Date of Current Review: May 2024



Appendix 3

UNDERTAKING BY APPROVED PERSON OF UGH

Cross-referenced from Rule 3.9.5 of the Market Rules, Bahrain Bourse

To: BAHRAIN BOURSE ("BHB")

In consideration of the BHB approving the application for my registration with BHB as an Approved Person* in accordance with the Rules of Bahrain Bourse ("the Rules"), I hereby irrevocably and unconditionally undertake and agree as follows:-

- (a) to be bound in all respects by and to comply with the Rules which now are or may hereafter be in force and all directives' rulings and guidelines issued by BHB in so far as they apply directly or indirectly to an Approved Person*;
- (b) to indemnify and keep BHB fully indemnified from and against all losses, damages, costs, expenses, actions and claims or otherwise which BHB may incur arising out of any act or omission on my part or failure by me to comply with any provisions in the Rules and/or any directives and guidelines issued by BHB; and
- (c) notwithstanding my cessation to be registered as an [Approved Person*] with BHB for any reason whatsoever, I further undertake to continue to be bound by the Rules which now are or may hereafter be in force and all directives rulings and guidelines issued by BHB in so far as they may relate to any act or omission that I may, in the opinion of BHB, have committed or omitted to do during the period of my registration with BHB.

I hereby acknowledge that the approval of the application for my registration as an [Approved Person1] with BHB hereunder, or any indulgence or delay in making any demand or instituting any action by BHB shall not constitute or be deemed to operate as a waiver by BHB of any of its/their rights hereunder or under the Rules.

Name of Applicant :
Signature :

Date of Last Review: February 2023

Date of Current Review: May 2024



Version Control

Version #	Date Reviewed	Date of Board Approval	Originator/ Modified By	Reason for Issue / Re-Issue
9	February 2023	28 February 2023	Compliance	<ul style="list-style-type: none">• clarification that the limit for gifts is BD 100 cumulatively• clarification on content having to be approved by the CEO or in his absence, the Chief Audit Executive, in cases where the employee represents the Bank in professional organisations either through written or verbal communication at a public forum including social media.
10	May 2024		Compliance	<ul style="list-style-type: none">• Inclusion of a new section on human rights, women's rights, child, human trafficking and forced labour• Inclusion of a new section on hiring and internships• Updating the section on conflict of interest with new regulatory requirements.• Updating the section on expected standards of professionalism and fairness to endorse the Bank's stance on human rights, women's rights, child, human trafficking and forced labour• Changing previous references of Disclosure Policy to Media policy• Strengthening the section on enforcement mechanisms, incident reporting and investigations• Removal of the section on waivers

Date of Last Review: February 2023**Date of Current Review:** March 2024