

MCB Bank Limited



Code of Conduct & Ethical Standards for Directors

(Version 2.0)

Introduction:

MCB Bank's Vision is to be the leading financial services provider, partnering with customers for a more prosperous and secure future. To achieve this vision, the Board of Directors sets strategic aims of the Bank and provides entrepreneurial leadership within a framework of prudent and effective controls which enables risk to be assessed and managed. The Board formulates values and the highest standards of integrity to ensure that Bank's obligations to its customers, shareholders and other stakeholders are understood and met. The directors perform their fiduciary duties in a way where conflict between their personal interests and their duty as fiduciaries is avoided. MCB Bank has earned a reputation built on honesty and fairness of its directors and employees.

This Code of Conduct & Ethical Standards ("Code") require the directors to exercise their powers and carry out their fiduciary duties with a sense of objective judgment and independence in the best interest of the Bank. It is not an exhaustive document but it recognizes directors' responsibilities within the scope of their authority as set forth in applicable laws, regulations and directives of regulatory authorities as well as in the Memorandum & Articles of Association of the Bank.

The Code applies to all members of the Board of Directors and its main principles outlined in this document are intended to:

- codify a standard of conduct by which all directors are expected to abide by;
- protect the business interests of MCB Bank;
- maintain MCB Bank's reputation of integrity; and
- ensure compliance with applicable legal and regulatory obligations.

The Directors are entrusted with and are responsible for overseeing the conduct and management of business affairs of the Bank by the Management, in an honest, fair, diligent and ethical manner. The principles in the Code provide for individual and collective responsibility of all directors and require a consistent and high standard of ethical conduct by all directors.

From time to time, a situation may arise that warrants a waiver of one or more provisions of this Code. A director who believes that a waiver may be more appropriate in certain situation should first consult with the Chair and finally get the same approved by the Board.

The Code may be revised from time to time to reflect changing legal, regulatory and ethical standards. After approval by the Board, the current version of this Code shall be made available on the MCB Bank website.

Code of Conduct & Ethical Standards for Directors

1. Compliance with Laws and Regulations:

MCB Bank operations are subject to numerous laws and regulations in jurisdictions in which it carries on its business, which have an impact on its products and services. Violation of any law can affect MCB Bank's reputation and its ability to carry on its business effectively. Directors, who are required to oversee the affairs of the Bank, shall assure that the management is carrying out its affairs prudently in line with existing laws, rules and regulations including Articles of Association.

2. Ethical Conduct:

The financial services industry in which MCB Bank operates is built on the highest levels of trust. Integrity is a cornerstone of the business. Directors shall adhere to the principles of fairness, integrity and professionalism and shall discharge their duties with due and reasonable care, skills and diligence and shall exercise independent judgment. They shall not assign their office and any such assignment so made shall be void.

3. Disclosure of Interest:

Directors must take care to ensure that they identify and avoid any situation of actual or apparent conflict with the interest of the Bank, whether the situation involves the director directly or a member of his or her immediate family. They shall not achieve or attempt to achieve any undue gain or advantage either to themselves or to their relatives, partners, or associates and if any director is found guilty of making any undue gain, he shall be liable to pay to the Bank an amount equal to that gain.

Further, every director, including his/her spouse and minor children, who is in any way, whether directly or indirectly, concerned with or interested in any contract or arrangement entered into, or to be entered into, by or by the Bank shall disclose the nature of his/her concern or interest at a meeting of the directors and abstain from discussion, voting or otherwise influencing a decision on any matter related to such contract and/or arrangement. If any director has a conflict of interest the directors shall ensure that the quorum of the meeting of the Board shall not be deemed to be present unless at least two independent directors are also present at such meeting in person or through video link when such matter comes up for the first time for consideration of the Board.

4. Insider Trading:

Directors shall not deal directly or indirectly in the securities of the Bank whether on their own account or their relative's account, if they are in possession of any unpublished price sensitive information concerning the Bank. Directors who are in possession of any unpublished price sensitive information shall not communicate directly or indirectly the said information to others who trade on such information.

Where any director or his/her spouse sells, buys or takes any beneficial position, whether directly or indirectly, in the shares of the Bank, he/she shall immediately notify the Company Secretary in writing. Such director shall also deliver a written record of the price, number of shares, form of share certificates, (i.e., whether physical or electronic within the Central Depository System), and nature of transaction to the Company Secretary within four days of effecting the transaction. Further, no director shall, directly or indirectly, deal in the shares of the Bank, in any manner, during the closed period*.

*Closed period is determined prior to the announcement of interim/ final results and any business decision, which may materially affect the market price of shares.

5. False or Misleading Statements:

Directors shall not make a statement or disseminate information, which is misleading or false and/or is likely to induce sale or purchase of securities by any person and/or is likely to affect the market price of the Bank's shares.

6. Other Directorship:

If a Director wishes to become officially involved with any third party corporation or other organization as director, trustee, officer or advisor, the director must inform the Board of Directors through the Company Secretary prior to such involvement.

7. Protecting or dealing in Bank's Assets and Services:

Directors shall oversee the Management's control on the Bank's physical assets and shall ensure that management invests in assets that are required for the purpose of conducting Bank's business. Directors shall monitor implementation of such policies to ensure that the assets of the Bank are protected from being misused.

Further, directors shall not enter into leasing, renting and sale/purchase of any kind with the Bank. However, this restriction shall not apply in case of purchase by paid directors (executive directors) of vehicles, laptops, mobile phone devices and iPads which remained in their own use, provided such sale is covered under the employees service rules duly approved by the Board and is effected at least at book value at the date of such transaction.

8. Confidentiality:

In the financial services industry, confidentiality is fundamental. Customers trust MCB Bank with their confidential information (non-public information), as do employees and suppliers. To safeguard that trust, and to meet legal requirements, each director has a duty to preserve and protect confidential information. A Director's duty regarding confidentiality continues even after they no longer serve on the Board of MCB Bank.

The duty of confidentiality extends to information not only about MCB Bank but also about MCB Bank's:

- Customers, including persons who apply for products and services;
- Employees; and
- Suppliers, including proprietary information owned by suppliers.

Confidential information concerning a customer, employee or supplier shall never be disclosed to a third party except pursuant to applicable laws or regulations, or a court order or other legal process, or after the informed consent of the customer, employee and/or supplier in writing.

Likewise, proprietary information about MCB Bank's business, including marketing plans, agreements, customer lists, databases, trade secrets, intellectual property as well as information about competitive and strategic matters, and material, non-public information such as information about MCB Bank's

current or projected earnings and new business initiatives shall never be disclosed to a third party except pursuant to a statute or regulation, or a valid court order.

9. Anti-Competitive Practices:

Competition fosters a fair and effective financial services industry. Accordingly, directors are expected to comply with competition legislation and may not, on behalf of the Bank, agree with other financial institutions or businesses to (i) fix interest rates, prices, charges or types of services or (ii) avoid competing for customers in particular product categories or geographic markets.

10. Protecting Shareholders' Interest:

Directors shall act in good faith in order to promote the objects of the Bank for the benefit of its members as a whole, and in the best interests of the Bank, its employees, the shareholders the community and for the protection of environment through their supervisory role on the overall conduct of business and operations by the management.

This Code is adopted for compliance by the directors of MCB Bank Ltd. after obtaining approval of the Board of Directors in its meeting held on April 25, 2018 at Lahore and shall come into force immediately.

CODE OF CONDUCT & ETHICAL STANDARDS – ACCEPTANCE

I hereby acknowledge that I have received a copy of MCB Bank Ltd. Code of Conduct and Ethical Standards for directors and declare that I have read, clearly understood and expressly agree to the provisions stated herein and shall abide by the same to the best of my abilities.

Name of Director _____

Signature _____ **Date** _____