

*MCB Islamic Bank Ltd.*  
**Code of Conduct & Ethical Standards  
for Directors**

## **Code of Conduct & Ethical Standards for Directors**

### **1. Compliance with Laws and Regulations:**

MCB Islamic Bank Limited (MCBIBL/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 MCBIBL's reputation and its ability to carry on its business effectively. Directors, who are required to oversee the affairs of the Bank, shall ensure that the management is carrying out its affairs prudently in line with existing laws, rules and regulations.

### **2. Ethical Conduct:**

The financial services industry in which MCBIBL operates is built on the highest levels of trust. Integrity is a cornerstone of the business. Directors shall act on behalf of the Bank with professionalism, honesty and integrity as well as high moral and ethical standards.

### **3. Disclosure of Interest:**

Directors must take care to ensure that they identify and avoid any situation of actual or apparent conflict of interest, whether the situation involves the director directly or a member of his or her immediate family. 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.

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the securities of the Bank whether on their own account or their relative's account, if they are in possession of any unpublished price sensitive information concerning the Bank. Directors who are in possession of any unpublished price sensitive information shall not communicate directly or indirectly the said information to others who trade on such information.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

## **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 MCBIBL 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 MCBIBL.

The duty of confidentiality extends to information not only about MCBIBL but also about MCBIBL'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 MCBIBL'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 MCBIBL'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 to protect the interests of shareholders through their supervisory role on the overall conduct of business and operations by the management and while doing so directors are expected to act independently.

**11. Evaluation of the Board:**

The performance of the Board as a collective body shall be evaluated as per mechanism prescribed by the Board.

**12. Priority to Bank's Interests:**

Directors shall be required to ensure that the Bank's interests take priority over all other interests.

**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 November 17, 2015 at Lahore & Karachi and shall come into force immediately.**