



Conflict of Interest Policy

March 2021

A decorative graphic at the bottom of the page consists of several overlapping, semi-transparent geometric shapes in shades of blue and grey, creating a layered, architectural effect.

2021

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1. Introduction

Commercial International Bank (CIB) is committed to maintaining the highest level of probity and behavior amongst its workforce. The Bank's Code of Conduct sets out the standards expected from all staff, providing staff, senior management, and board of directors with a comprehensive frame of reference. The standard of behavior for all staff and BoD members of the CIB is that they maintain the highest level of integrity, remaining aware of and forthcoming about any conflict of interest between the Bank and personal, professional, and business interests. This includes actual and potential conflicts of interest, as well as perceptions of conflict of interest.

The Bank is keen to mitigate any actual, potential or perceived conflicts of interest in its operations, organizational structure, reporting lines, and internal/external transactions.

The Conflict of Interest Policy provides guidance in identifying and handling actual and potential conflicts of interest involving the Bank and its activities, as well as protecting the Bank's decision-making process, to enable our shareholders, customers, and other stakeholders to have confidence in said process, and to protect the integrity and reputation of the Bank, its staff and Board of Directors.

2. Conflict of Interest Definition

Conflict of interest is defined as a situation where a staff or a board member is in position to derive direct/indirect personal benefit from actions or decisions made in his/her official capacity. The possibility of a situation to compromise or bias a staff or a board member professional judgment and objectivity or hinder the proper discharge of his/her duties and responsibilities.

3. Managing Conflict of Interest

- A. Having the proper systems, controls, policies and procedures in place, designed to prevent conflict of interest or to mitigate its associated risk;
- B. The proper disclosure and escalation of any actual, potential or perceived conflicts of interest in accordance with this policy;
- C. Having a clear segregation of duties and well-structured reporting lines across the Bank, to avoid any conflict of interest;
- D. Avoiding the service, activity or situation giving rise to conflict of interest, where this conflict cannot be prevented or mitigated effectively.

4. Responsibilities

4.1 All Staff

Staff are responsible for identifying and managing conflicts of interest on an ongoing basis and the Bank requires that all staff:

- A. Comply with this policy, rules and other applicable policies relating to the identification, documentation, escalation and management of conflicts of interest;
- B. Act with integrity and exercise good judgment and discretion in line with the Bank's core values;
- C. Avoid situations giving rise to conflict of interest or the perception of a conflict of interest wherever possible;
- D. Immediately notify their supervisor and the Head of Corporate Governance or his/her delegate, even if in doubt of the existence of an actual or potential conflict of interest, in order to appropriately manage and resolve the conflict;
- E. Staff may not serve as a board member in any other institution (including but not limited to; clubs, non-profit organizations, public or social organizations...etc.) without a prior approval from his/her direct manager, Group Head and the Head of Corporate Governance;
- F. Staff may not enter into a second contract of employment at all, or enter into any arrangement, which entails a conflict between their own interests and those of the Bank.

4.2 Senior Management

In addition to their responsibilities as Bank staff (as stated above), Members of Senior Management are responsible for overseeing the identification, documentation, escalation and management of all conflicts of interest as they arise within their relevant areas of responsibility at the Bank. Members of Senior Management are required to:

- A. Be engaged in the implementation of policies, procedures and arrangements for the identification, documentation, escalation, management and ongoing monitoring of conflict of interest;
- B. Raise awareness and promote adherence of staff to Conflict of Interest Policy;
- C. Consider the implications and take corrective action when necessary, in case conflict of interest exists;
- D. In case a conflict of interest is perceived among the Senior Management level, case must be escalated to the CEO and GNC.

4.3 Members of the Board of Directors

In order to ensure that appropriate business decisions are made, Board Members must ensure that such decisions are unaffected by conflict of interest. Board Members must therefore proactively identify conflict of interest resulting from their Board position and disclose such conflict of interest.

- A. Each director should refrain from participating in any board discussion, decision or voting that might even suspiciously implicate conflict of interest;
- B. Directors should refrain from making decisions related to obtaining any promotion, privilege, advantage or benefit, of a specific staff who is a family member up to the 4th degree, or is an associate;
- C. Chairman, Board members, their families up to second degree relatives, or any entity where they are board members, partners, shareholders or have actual control are not allowed to be granted any kind of credit facility, guarantee or preferential interest rates in any way from the Bank, except for fully secured facilities according to article (123) of Law No. 194 for the year 2020.
- D. Not to divulge any confidential information on the Bank's activities that becomes known to them, to act to protect such information from unlawful and unauthorized disclosure, and not to use such information in their own interest or the interests of other persons;
- E. Not to conclude any material contract with another company in which he/she is an owner, a major shareholder, a member of its board or a part of its management or the Bank owns a majority of its stake without prior consent of the General Assembly. And if he/she foresees a transaction in which they may be deemed to have an interest he/she is to inform the Board of Directors and to refrain from voting in such case. Such information should be recorded in the minutes of the meeting;
- F. Directors should not, whether on their personal capacity or as representative of others, be a Board Member in another bank or financial institution supervised by the CBE, or conduct any management work or consultations for such banks or financial institutions. For serving as a Board Member in any other type of entity, the Head of Corporate Governance should be notified;

5. Financial Transactions

The following must be observed in relation to any of the below "financial transactions":

- Lending/credit facilities (that are not fully secured) and fixed income investment
 - Equity participation, acquisition, equity SWAP or divestiture
 - Selling of assets or purchasing of assets or services.
- A. Executive Directors & MANCOM members are not allowed to approve / participate in the approval process of any "financial transaction" to / with a family member up to the 4th degree.
 - B. In addition to observing what the Companies Law (159 / 1981) stipulates with regards to related party transactions, should the Bank be considering a "financial transaction" with an entity where material ownership (20% and above), persons with actual control, or board members – in the entity or its parent company - have a family relationship (up to 2nd degree) with any of the CIB board members or MANCOM members, the matter should be assessed by the Governance Department and pre-approved by the BOD.

6. Practices Not Allowed

Due to the breadth of the Bank's products, service offerings and clientele base, it is not possible to enumerate in this policy every circumstance that could give rise to an actual, potential or perceived conflict. Staff, Senior Management, and Board Members should be alert to identifying situations that may give rise to a potential conflict, including the following:

- A. Seek or accept financial or other significant benefit from any party having business with the Bank, or as a result of their position at the Bank, that is inappropriate in nature;
- B. Secure, source, or promote any business activities for an external company, supplier, client or contractor within the Bank where such staff member stands to gain directly, indirectly as family, or in any other way, which may be deemed personal or unethical;
- C. Have any interest direct or indirect in any competitor of the Bank;
- D. Use or disclose any information obtained from the Bank's sources, which is not generally available to the public, for personal gain, in a manner that might create a conflict between personal interest and interest of both the Bank and the client(s), or for any reason other than that authorized for the Bank's purposes;
- E. Share or use data related to Bank clients, products and services other than those announced by the Bank;
- F. Authorize any transaction to him/her-self, or any of his/her relatives;
- G. Be the accountable officer of his/her relatives' accounts;
- H. Hold a power of attorney (PoA) or open joint accounts with clients, unless this client is a first or second degree relative, and after obtaining the governance group approval;
- I. Borrowing/lending money, or any financial benefits or transactions between staff members is not allowed;
- J. Unusual transfers between staff accounts other than the casual reimbursement up to EGP 10K and with clear purposes are not allowed;
- K. All staff members, are not allowed to have commercial transactions that might interfere with corporate accounts under their responsibilities or have personal relationships with the clients. If such cases occur, related officer must declare the nature of the conflict and abstain advising their direct supervisor and the Head of Corporate Governance or his/her delegate accordingly;
- L. Account Officers are not allowed to handle any family member facility relation. If such cases occur, related officer must declare the nature of the conflict and abstain advising their direct supervisor and the Head of Corporate Governance a or his/her delegate accordingly;
- M. Misuse of your position in dealing with the clients, suppliers, managers, subordinates or other staff members;
- N. Have an interest to favor the sale of a particular product or service to a client which is not in the best interest of the client, to achieve the required targets for example;
- O. Act in any other manner that could be construed or interpreted as a conflict of interest.

7. Staff Relatives

In cases of staff relatives, disclosure to the Head of Corporate Governance or his/her delegate is a must whether it is a new hiring or a staff transfer, for conflict of interest assessment and clearance. Staff members should disclose family relationship up to 3rd degree* while BoD members' disclosure should be up to 4th degree* relatives. It is prohibited that related staff members are in a position where one is reporting to/supervising the other. Related staff members are banned from participating in the same business, project, or a control area that inspect the department where staff relative is.

Restricted areas for staff relatives hiring:

- Audit
- Legal – (Investigations)
- Compliance (Staff Accounts Monitoring, Compliance Monitoring and Testing and Whistle Blowing)
- Governance
- HR – (Compensation and Benefits and Recruitment)

* Relatives Degrees:

- 1st degree: father, mother, sons, daughters, spouses, father in-law and mother in-law.
- 2nd degree: siblings, spouse's siblings, siblings' spouses, grand-fathers, grand-mothers, grand-sons and grand-daughters.
- 3rd degree: uncles, aunts, nieces and nephews and the spouses' equivalent.
- 4th degree: cousins, siblings' grand-sons/daughters and spouses' equivalent.

8. External Activities

The Bank should enjoy the full contribution, time and energy of its staff. Hence, staff are not allowed to undertake any other work in addition to their job at the Bank, whether by themselves or through another party; unless prior approval is obtained from the Head of Corporate Governance or his/her delegate.

- A. Staff must be alert to any external activity that could give rise to a conflict of interest with the interests of CIB, and be aware that they may be required to discontinue any activity if a conflict arises;
- B. Staff must disclose the proposed external activity to his/her direct manager prior seeking the Governance approval;
- C. Staff should declare the proceeds/profits expected from their external activity;

8.1 What Is Not Allowed

- A. Having an executive role or financial authority in the external activity;
- B. Directly or indirectly work for another party whether full or part time with or without remuneration while being staff of CIB;
- C. Allow the external activity, or the time consumed on them to affect/interfere with your job at CIB, it is the direct manager's responsibility to observe and follow up on this and report to the Head of Corporate Governance any breaches in this regard;
- D. Using the Bank's name, facilities, materials or relationships for personal benefits or for outside work purposes;
- E. Establishing a business relationship with a CIB customer;
- F. Using your personal accounts in transactions related to your external activities;
- G. Using the contacts made and information obtained through the Bank's suppliers or clients in the interests of external business activities;
- H. Taking a corporate opportunity discovered in the course of employment through the use of corporate property, information or position to compete with the Bank;
- I. Engaging in a business that competes with the Bank's business or affects its reputation/image.

8.2 Teaching/Instructing/Coaching Activities

- A. Staff are allowed to carry out teaching/instructing/coaching activities after obtaining the required approvals;
- B. Staff may not provide teaching/instructing/coaching activities to an organization that competes with CIB's business;
- C. Staff may not use the Bank's training materials or cite cases from the Bank in their teaching/instructing/coaching activities.

8.3 Partnership with/without Board Representation

- A. Staff can only be a silent partner in an external business activity, and not managing the business;
- B. Staff cannot own a controlling stake in the external activity;
- C. Staff cannot sign or act on behalf of their external activities.

8.4 Board Membership

- A. Corporate Board Membership is subject to serving a strategic purpose;
- B. Staff must obtain the approval of his/her direct manager and the Head of Corporate Governance prior accepting the proposed membership;
- C. CEO's approval is required for the Executive Management Team.

8.5 Non-Business External Activities

- A. Staff may serve in registered charitable, civic, public or social organizations, residential cooperative or condominium boards where their activities do not conflict with the interest of the Bank provided that the Bank's name is not used;
- B. Staff may not assume any role related to collecting donations, aids or any other type of payments for their external activities;
- C. Staff may participate in other entities or organizations (ex: sport clubs elections and/or political parties) without promoting their activities within the Bank, subject that their role does not involve any financial responsibilities/authorities.

9. Gifts Acceptance

As a general practice staff must not accept any reward, gifts, money or anything of value from existing or prospective clients or supplier in circumstances that might affect or influence the business judgment. Gifts acceptance is tolerated up to a certain level and within certain criteria set forth in details in the code of conduct.

10. Blackout Period

A blackout period is a period of time during which members of the Insiders List* inclusive of the Board of Directors are not allowed to trade on the CIB stock (neither buy nor sell), either local shares or GDRs/ADRs. The blackout period usually takes place prior the financial statement release and/or the announcement of any other Material Non-Public Information (MNPI) or event.

The blackout period is announced from the Head of Corporate Governance, and its duration is set in accordance with the local and foreign regulators.

In non-blackout periods, trading on the CIB stock should be through the designated brokerage company, under the proper control of the Head of Corporate Governance.

For the insiders list, all trading transactions on CIB stock must be on the designated trading form and pre-approved from the Head of Corporate Governance or his/her delegate.

11. External Auditors

- A. External Auditors engaged in the audit mission on the Bank, cannot be a family member up to the 2nd degree, of a director or an executive staff of the Bank or any of its affiliates;
- B. External Auditors engaged in the audit mission on the Bank, and their families up to second degree relatives, cannot obtain any kind of credit facility or preferential interest rates in any way from the Bank;

**Staff members on the Insiders List, are staff who have access to material non-public information.*

- C. The Board Audit Committee has direct connection with the External Auditors, approves the interim and annual financial positions and statements, and approves any other audit mission performed by the External Auditors to ensure objectivity and mitigate any possible conflict of interest;
- D. External Auditors are appointed every five years in order to ensure objectivity, and in adherence to the CBE instructions.

12. Vendors

- If a supplier or supplier's representative is a known relative of the CIB staff responsible for Source Selection or Fair Value determination, then, either the supplier's representative or the CIB staff should be reassigned. If not possible, approval is required before proceeding with the discussion.
- During the Vendor life cycle, if a conflict of interest arises, and as deemed necessary, Head of Corporate Governance feedback should be obtained.
- Approval shall be concurred from Head of Corporate Governance and COO.
- Vendor Management Policy provides more details and is available on the Bank's intranet.

13. Escalation

Each staff member must appropriately escalate any identified instances of actual, potential or perceived conflicts of interest, even if in doubt, to their direct manager and the Head of Corporate Governance or his/her delegate in order to take the necessary action to mitigate the conflict. Some cases of conflict of interest related to Senior Management might include further escalation to the BoD. Failure to escalate could expose the Bank to regulatory non-compliance, as well as reputation risk.

14. Whistle-Blowing

The Bank provides appropriate channels for the reporting/whistle-blowing of conflicts of interest within the Bank. The respective policy set forth the procedures for people to speak-up and raise any concerns for any inappropriate behaviors and practices that contradict with CIB core values. This policy is set to safeguard and protect the identity of whistle blowers.

15. Related Parties

Related parties is any party who has any direct or indirect relationship with the Bank in one of the following cases:

- A. Controlling the company, or falling with it under joint control;
- B. Owning a percentage of shares or voting rights that gives the ability to effectively influence its decisions;
- C. Board membership or occupying the CEO position of the company, or in one of its subsidiaries or sister companies;
- D. Falling under full control or joint control or under the direct influence of persons who hold a percentage of shares or voting rights that gives the ability to effectively influence decisions;
- E. The related party shall have a system independent of the Bank, for the staff benefits or pensions, for the staff of the company or any company related to it.

Moreover, any transaction carried out with a third party (outsourced transactions) should follow all the required due diligence, from ensuring that no conflict of interest exists to ensuring that all regulatory requirements are in place.

16. Breach of Policy

Failure to comply with the Conflict of Interest Policy exposes the Bank, staff and BoD to the risk of fines, penalties and settlements related to regulatory or legal actions. Breaching the policy will result in disciplinary action up to, and including dismissal.

17. Policy Governance

The Policy shall be concurred by the Management Committee “ManCom” and the Governance and Nomination Committee to be finally approved by the Board of Directors.

18. Policy Version Control

Issue Date	Version	Change History
October 2007	1.0 Initial Version	Initial Version
October 2014	2.0	
July 2018	3.0	
October 2019	4.0	
March 2021	5.0	