

CHARTER OF THE EXECUTIVE COMMITTEE		
Approval Authority	Date Approved	Date previously approved
<i>BOD</i>	<i>02/06/2024</i>	<i>23/10/2017</i>




BAHRAIN
MIDDLE EAST
BANK
بنك البحرين والشرق الأوسط



Bahrain Middle East Bank B.S.C.

Charter of the Executive Committee of the Board

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EXECUTIVE COMMITTEE AND ITS PURPOSE

Central Bank of Bahrain ("CBB") guidelines mandate the Bank's Board of Directors ("the Board" or "Board") to create specialized committees, as and when needed, to assist the Board in discharging its role and responsibilities efficiently and effectively in specific matters delegated to such committees by the Board and to make recommendations thereon to the Board or decisions based on the authorities specifically delegated to such committees by the Board.


The Board has decided to form an Executive Committee ("EXCO") with the main purposes of:

- a) Acting on behalf of the Board when practicality and expediency dictate;
- b) Acting, in limited circumstances, on emergency matters requiring immediate approval or other actions of the Board;
- c) Ensuring continuity in the management of the business and affairs of the Bank;
- d) Discussing at greater lengths various macro management aspects of the Bank, including credit, risk and capital adequacy aspects of the Bank;
- e) Providing an avenue where specific issues may be explored in greater depth than may be possible during Board meetings; and
- f) Acting as an adviser to the Board on various matters.

EXCO'S ROLE AND RESPONSIBILITIES

EXCO's major role and responsibilities include, but are not limited to:

1. Acting on behalf of the Board on all urgent or emergency matters, when full members of the Board are unable to convene in person or by telephone or videoconference, and to make immediate or timely decisions where a delay would not be in the best interests of the Bank. All such actions will be notified to the Board for subsequent ratification;
2. Except as otherwise provided by law, or by the Bank's bylaws, EXCO shall have:
 - a) the power to direct and transact all business and affairs of the Bank which might come before the Board or any of the Board committees during the intervals between meetings of the Board or any of the Board committees
 - b) all the authority of the Board or any of the Board committees, including, but not limited to, review and approval of matters that require Board or any of the Board committees review or action; which in each case will be submitted to the Board or the Board committee concerned for subsequent ratification;
3. Approval of the Bank's overall Credit, Investment, Treasury and Securities Trading, Country and Counterparty Bank limits, which will be submitted to the Board for subsequent ratification;
4. Approval of all of the Authorities and Approval Powers to be delegated to the Bank's Senior Management including monetary limits, which will be submitted to the Board for subsequent ratification;
5. Approval of all specific Credit, Investment, Treasury and Securities Trading, Country and Counterparty Bank limits within the authority and limits delegated to it by the Board;
6. Approval of, in emergency situations, excesses over the regular Credit, Investment, Treasury and Securities Trading, Country and Counterparty limits over the authority delegated to it by the Board provided the total approved limits, including excesses approved, are within the limitations set by


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statutory authorities (CBB or other regulators), which will be submitted to the Board for subsequent ratification;

7. Reviewing and Approving of the Internal Capital Adequacy Assessment Process (ICAAP) report;
8. Assessment of and recommendation to the Board of the business plan, strategy and of activities of the Bank;
9. Reviewing of management reports on business operations and making any required recommendations to the Board;
10. Oversight of the investment and credit policies of the Bank, to take decisions as per the delegated authority of EXCO and to recommend to the Board specific investment and credit related decisions of the Bank for matters above the delegated authority;
11. Initial review of regulatory reports regarding the Bank and to provide recommendations to the Board;
12. Reviewing and making recommendations to the Board on acquisitions, divestitures and mergers etc.;
13. Reviewing and recommending to the Board any potential action relating to the opening of branches, listing or de-listing on stock exchanges;
14. Formulating and recommending strategies for capital raising and oversight of the Bank's capital raising activities, as approved by the Board.

In order to fulfil these tasks:

- EXCO shall have the appropriate authority to perform and/or assign its duties and responsibilities. In addition, it is specifically empowered to appoint or retain external independent professionals and consultants for advising or assisting EXCO on matters, to the extent that EXCO deems this necessary or appropriate;
- EXCO shall have the authority to seek any information it requires from any employee of the Bank in order to perform its duties; and
- EXCO shall have the authority to establish or maintain sub-committees as necessary or appropriate, which shall report to EXCO.
- EXCO may undertake other tasks that may be assigned to it by the Board or any of the Board committees.

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EXCO COMPOSITION, SELECTION AND TERM

Composition

EXCO shall comprise not less than two (2) members.

EXCO shall have a Chairman and a Vice Chairman (who will assume duties of Chairman in his absence).

EXCO shall be comprised only of members of the Board but shall be permitted to require any members of the Bank's Senior Management to attend meetings on a temporary or permanent basis, as shall be required to assist EXCO in performing of its responsibilities.

Any Board member who is not a member of EXCO wishing to attend an EXCO meeting shall be permitted to do so, provided at least one meeting of EXCO is held annually without the presence of any Board member who is not a member of EXCO.

The charter of EXCO and any amendment thereof shall be approved by the Board.

Selection

All EXCO members including the Chairman and Vice-Chairman are to be appointed or replaced by the Board.

Term

EXCO members are elected for a term of one year with no limitations on further renewals.

EXCO MEETINGS AND DECISION-MAKING PROCESS

EXCO meetings

EXCO shall meet no less than two (2) times per financial year or as and when needed and/or called by the Chairman of the EXCO.

EXCO shall meet as many times as needed to enable it to perform its roles and responsibilities effectively.


EXCO meetings shall be called by the Chairman of EXCO.

EXCO meetings shall be held at the head office of the Bank or at any other place deemed appropriate by the Chairman of EXCO. EXCO meetings may be conducted in person, through circulation, via telephone or videoconference. Decisions can be made via email. EXCO meetings shall be convened upon a notice from the Chairman of EXCO. EXCO meetings may also be convened by the Chairman of EXCO upon a request of any one of the members of EXCO.

Other than in the case of emergencies, the dates of EXCO meetings shall be set forth and agreed upon, at least two days before the meeting date.

Quorum

Quorum shall consist of at least two (2) members in attendance, one of whom must be a regularly elected Chairman or Vice-Chairman.

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Voting and decision

All EXCO resolutions shall be adopted, even if by circulation, through a simple majority of the members present.

In case of a tied vote, the Chairman (or in his absence the Vice Chairman) will have a casting vote.

Voting by proxies is prohibited at all times.

EXCO meeting agenda and members' participation

The Chairman of EXCO or in his absence the Vice Chairman shall be responsible for setting the agenda for regular and emergency EXCO meetings.

The Chairman of EXCO or in his absence the Vice chairman shall ensure that all members receive the agenda, minutes of prior meetings (only for regular scheduled EXCO meetings) and adequate background information in writing before each EXCO meeting.

Emergency EXCO meetings can be requested by any member of the EXCO or the CEO.

The Chairman of EXCO shall appoint a Secretary to maintain written minutes of each EXCO meeting.

Since EXCO is vested with regular and emergency approval authorities of important matters, all members shall carefully study the matters detailed in the agenda, together with all supporting papers, to ensure that they have adequate understanding to reach informed decisions.

Whenever a member has serious concerns on any decision taken or action to be taken by EXCO, he or she should consider seeking independent advice, should ensure that any such concern is recorded in the minutes of the meeting and that any material disagreement among members of EXCO is noted and is promptly reported in writing to the Board.

EXCO DUTIES, RESPONSIBILITIES AND WORKING


Minutes of meetings and notification of decisions to Board

EXCO shall maintain minutes of all EXCO meetings and make them available to the Board at the next regularly scheduled meeting of the Board.

All actions of EXCO taken as part of emergency provisions are subject to prompt review and approval by the Board and subject to modification and change by the Board.

At each regularly scheduled meeting of the Board, the Chairman of EXCO shall report to the Board on all meetings, recommendations and decisions made by EXCO since the last meeting of the Board.

The minutes of EXCO meetings should include any recommendations made by EXCO to the Board, any decisions taken/approved by EXCO and shall be signed by all the attending members of the EXCO. The Secretary of the meeting shall also sign the minutes.

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Evaluation of EXCO

EXCO shall conduct an annual evaluation of its own performance and the performance of each of its members. The evaluation process must include:

- a) An assessment of how EXCO operated, especially in light of its roles and responsibilities;
- b) A review of each member's work, his/her attendance at meetings, and his/her constructive involvement in discussions and decision-making;
- c) A review of the current composition of EXCO against its desired composition with a view to maintaining an appropriate balance of skills and experience; and
- d) Providing to the Board recommendations, if and when necessary, for new members of EXCO to replace long-standing members of EXCO or any members of EXCO whose contribution to the committee is not adequate.

Secrecy

Members of EXCO and other persons who attend any EXCO meeting must keep all matters discussed in such meetings confidential, including any and all confidential information that is disclosed to them in the course of their work on the EXCO.