

## **Corporate Governance Framework**

### **1.0 BBK'S CORPORATE GOVERNANCE PHILOSOPHY:**

High standards in corporate governance are fundamental in maintaining BBK's leading position within the local and regional banking sector and the community. Continuous review and adherence to strong corporate governance practices help enhance compliance levels according to international standards and best practice.

BBK shall continue its endeavor to enhance shareholders value, protect their interests and defend their rights by practicing pursuit of excellence in corporate life. The Bank shall not only comply with all statutory requirements but also formulate and adhere to strong Corporate Governance practices. BBK shall continuously strive to best serve the interests of its stakeholders including shareholders, customers, staff and public at large.

The adoption and implementation of Corporate Governance would be the direct responsibility of the Board of Directors, in line with the regulatory and statutory requirements in the Kingdom of Bahrain and other countries where BBK operates.

### **2.0 CORPORATE GOVERNANCE MODEL:**

The standard Corporate Governance model interconnects the dynamic relation between the three main stakeholders namely Shareholders, the Board and the Management. The roles of shareholders, the Board and the Management are distinctly different but complimentary to the core objectives and functioning of the institution.

BBK's Corporate Governance practices ensure a healthy relationship with all the stake holders while achieving core objectives of the institution.

### **3.0 CORPORATE GOVERNANCE BBK- Indian Operations**

As per the Bank's overall Corporate Governance policy the Indian branches will ensure that, as a minimum, the same or equivalent corporate governance requirements would apply to its branches in India. The corporate governance structure specifies the distribution of rights and responsibilities, spells out the rules and procedures for making decisions on corporate affairs. It influences how the objectives of the Bank are set and achieved, how risk is monitored and assessed, and how performance is optimised. The corporate governance structure of BBK is designed to enshrine the concepts of good governance as required by the Reserve Bank

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of India and the Central Bank of Bahrain (CBB). The guidelines provided herein are to support the principles stated in any other of the Bank's prevailing governance documents and related policies. The Bank also adheres to the Code of Ethics published by the Indian Bank's Association.

The Indian Operations Executive Management team is accountable to the Bank's Executive Committees at Head Office and the Board to manage the Bank in accordance with the policies and principles established by the Board and applicable legal and regulatory requirements.

### **4.0 PURPOSE OF THIS FRAMEWORK:**

The purpose of this Framework is to outline the corporate governance structure for the Indian Operation of the bank.

This Corporate Governance Framework document together with the Board Charter and the terms of reference of all Board Committees, Code of Conduct for Directors, Directors Compensation Policy, Insider Trading Policy/Procedure, Disclosures Policy and such other independent policies related to Corporate Governance will form the Corporate Governance Policy Manual and would be the reference document for the Board and the Management. The individual policies/documents may change with market and regulatory requirements from time to time and will be suitably replaced.

### **5.0 CORPORATE GOVERNANCE PRINCIPLES:**

The Indian Operation of the bank will follow the corporate governance principles as required by the Head office and other regulatory bodies in India. The principles are as follows:

1. The Indian Operation of the bank shall be headed by an effective, collegial and informed Management Committee.
2. The approved persons must have full loyalty to the Bank.
3. The Committees will have rigorous controls for financial audit and reporting, internal control, and compliance with law.
4. In line with the Head office policy, the Indian Operations will establish a clear and efficient management structure and disclose its Corporate Governance.

The following Committees are formed for India Operations based on the Bank's guiding principles of good corporate governance,

The role and responsibilities of each Committee is aligned with policy and procedures guidelines of the corporate governance outlined by the Head office.

Committees are chaired by the Chief Executive and, other Committee members are heads of the relevant divisions appointed by the Committee Chairman. Specific terms of references have been established for each Committee formed. The Chief Executive reserves the right to form temporary Committees and discontinue them, from time to time and as necessary.

**6.0 EXECUTIVE COMMITTEE:**

<b>INDIAN OPERATIONS REVIEW COMMITTEE</b>	
<b>Committee Members</b>	<b>Functions</b>
➤ CH & CEO – India	<ol style="list-style-type: none"> <li>1. To review performance of the previous month and discuss business plans for the next month.</li> <li>2. To discuss operational and administration issues of Indian Operations.</li> <li>3. Review of important RBI Circulars and initiating action plan to implement the instructions contained therein.</li> </ol>
➤ Head Support Services	
➤ Branch Head (Hyderabad)	
➤ Head Corporate Banking Division	
➤ Head Retail Banking Division	
➤ Vice President, Risk & DCO	
➤ Vice President – Financial Controller	
➤ Vice President – Treasury	

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<b>ASSEST LIABILITY COMMITTEE</b>	
<b>Committee Members</b>	<b>Functions</b>
➤ CH & CEO – India.	<ol style="list-style-type: none"> <li>1. To manager the balance sheet of the bank by measuring gaps on the Liquidity / interest rate risk front and devise a strategy for building appropriate assets &amp; liabilities there from.</li> <li>2. It is the primary vehicle for managing ALM process and achieving ALM objectives.</li> </ol>
➤ Head Support Services.	
➤ Branch Head (Hyderabad)	
➤ Head Corporate Banking Division	
➤ Head Retail Banking Division	
➤ Vice President, Risk & DCO.	
➤ Vice President – Financial Controller.	
➤ Vice President – Treasury.	

<b>RISK MANAGEMENT COMMITTEE</b>	
<b>Committee Members</b>	<b>Functions</b>
➤ CH & CEO – India.	<ol style="list-style-type: none"> <li>1. Review of policies / guidance notes, prudential exposure norms (HO &amp; RBI) and give inputs for credit risk management strategy for Indian Operations.</li> <li>2. Review of unsecured advances priority sector advances, NPA Recovery, risk based reviews of major advance assets etc.</li> </ol>
➤ Head Support Services	
➤ Branch Head (Hyderabad)	
➤ Head Corporate Banking Division	
➤ Head Retail Banking Division	
➤ Vice President, Risk & DCO	
➤ Vice President – Financial Controller	
➤ Vice President – Treasury	
➤ Vice President – CBD	

<b>INVESTMENT COMMITTEE</b>	
<b>Committee Members</b>	<b>Functions</b>
➤ CH & CEO – India.	1. To take decision and review the investment made.
➤ Head Support Services.	
➤ Head Corporate Banking Division	
➤ Vice President, Risk & DCO.	
➤ Vice President – Financial Controller.	
➤ Vice President – Treasury.	

<b>AUDIT COMMITTEE OF INDIAN OPERATION REVIEW COMMITTEE</b>	
<b>Committee Members</b>	<b>Functions</b>
➤ CH & CEO – India.	<ol style="list-style-type: none"> <li>1. Review of compliance in respect if the various audit / RBI inspection reports.</li> <li>2. Review of Frauds.</li> <li>3. Review of financial results.</li> <li>4. Review of penalties imposed / penal action taken against bank under various laws and statutes and action taken for corrective measures.</li> <li>5. Review of housekeeping.</li> <li>6. Review of the banks financial and risk management policies.</li> <li>7. Review of appointment of statutory auditors.</li> <li>8. Review of KYC / AML various guidelines / implementation.</li> </ol>
➤ Head Support Services	
➤ Branch Head (Hyderabad)	
➤ Head Corporate Banking Division	
➤ Head Retail Banking Division	
➤ Vice President, Risk & DCO	
➤ Vice President – Financial Controller	

<b>STANDING COMMITTEE CUSTOMER SERVICES</b>	
<b>Committee Members</b>	<b>Functions</b>
➤ Head Support Services.	<ol style="list-style-type: none"> <li>1. Review of monthly customer meets held by branches.</li> <li>2. Complaints.</li> <li>3. Implementation of best practice for customer as prescribed by BCSBI.</li> </ol>
➤ Rep. Retail Banking Division	
➤ Manager – NRI	
➤ Manager Compliance & IS	
➤ AVP / VP Operations	
➤ Rep. Corporate Banking	
➤ Manager Operations	

### **7.0 DELEGATION OF AUTHORITY:**

The Board Committees, Management Committees and other specific Management personnel will execute activities/transactions on behalf of the Bank in accordance with the delegated authority limits. As a general principle, policies covering operational issues, internal control, risk management, human resources, IT, compliance and such other functions in the Bank would be approved by the Board. The approval of relative Procedure is delegated to the Chief Executive. The procedures / processes relating to the functioning of the Board or Board Directors would be part of the Board Charter or approved either by the Board or by the appropriate Board Committee.

The application of the authority limits to different functionaries will be based on principles of delegation and will form part of the relevant Policy and Procedure.

Please [click here](#) for whistle Blowing Policy.