

**EMIRATES GLOBAL ISLAMIC BANK LIMITED**  
**STATEMENT OF COMPLIANCE WITH**  
**BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**

This statement is being presented to comply with the Code of Corporate Governance as required under section B of Prudential Regulation G 1 – Responsibilities of the Board of Directors and BSD Circular No. 15 dated June 13, 2002.

The Board of Directors of EGIBL has adopted the Code of Corporate Governance and applies the principles contained in the Code in the following manner:

1. The Bank encourages representation of independent non-executive directors and directors representing minority interests on its Board of Directors, as applicable under the Code. At present, except for the Chief Executive Officer, all the other directors are non-executive directors.
2. The directors of the Bank have confirmed that none of them is serving as a director in more than ten listed companies, including EGIBL.
3. The resident director of the bank is a registered taxpayer. None of the Directors has defaulted in payment of any loan to a banking company, a DFI or an NBFII or, being a member of a stock exchange has been declared as a defaulter by that stock exchange.
4. One casual vacancy occurred in the Board of Directors on November 1, 2007. For filling this casual vacancy, Fit & Proper Test (FPT) documents of a nominee Director was first sent to State Bank of Pakistan, while his FPT was in process by the State Bank, he withdrew his consent to act as a Director due to his extra ordinary official engagements. Thereafter FPT documents of an other nominee Director was submitted to the State Bank. He was employee of Al Rajhi Group. Under the new FPT regulations, there could be no more than two executive directors on the Board and any person under employment of the sponsors/group is also considered as executive director, thus nomination of the incoming director was also not accepted by the State Bank. As the bank is in process of acquisition of/merger with various companies, filling of casual vacancy has been deferred till the final outcome of acquisition/merger process.
5. The Bank has prepared a 'Statement of Ethics and Business Practices', which has been signed by all the employees and the directors of the Bank.
6. The Board has adopted a vision/mission statement. The overall corporate strategy has been developed and policies for all key areas have been formulated.

7. All the powers of the Board have been duly exercised and decisions on material transactions pertaining to pre-commencement, including appointment and determination of remuneration and terms & conditions of employment of the CEO, have been taken by the Board.
8. The meetings of the Board, as required by the code, were presided over by the Chairman of the Board or in his absence, by the CEO with the consent of the remaining directors in the meeting. The Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated before the meetings. The minutes of the meetings were appropriately recorded and these were also circulated to all Board Members.
9. The Directors of the Bank are professionally qualified persons experience and are well aware of their duties and responsibilities. An orientation course to apprise the Directors of their duties and responsibilities was arranged.
10. The Board has approved appointment of Chief Financial Officer/Company Secretary including his remuneration and terms and conditions of employment as determined by the Chief Executive Officer.
11. The Director's Report for this year has been prepared in compliance with the requirements of the Code and fully describes the salient points required to be disclosed.
12. The financial statements of the bank were duly endorsed by the Chief Executive Officer and Chief Financial Officer before approval of the Board.
13. The Directors, President & CEO hold shares in EGIBL. Other executives do not hold any interest in the shares of the bank.
14. The bank is complying with all the applicable corporate and financial reporting requirements of the Code.
15. The Board has formed an audit committee comprising of three non executive directors. Terms of reference of the audit committee have been determined. The meetings of the audit committee were held at least once every quarter. The third member of the audit committee will be in place after completion of acquisition/merger process.
16. An independent internal audit function has been set up.
17. The statutory auditors of the bank have confirmed that they have been given a satisfactory rating under the Quality Control Review Program of the Institute of Chartered Accountants of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the bank and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC)

guidelines on code of ethics as adopted by Institute of Chartered Accountants of Pakistan.

18. The statutory auditors or the persons associated with them have not been appointed to provide other services, except in accordance with the listing regulations and the auditors have observed IFAC guidelines in this regard.
19. We confirm that all other material principles contained in the Code and Prudential Regulation G 1 has been duly complied with.



**Syed Tariq Husain**  
**President & CEO**

**Sharjah (UAE)**  
**March 9, 2009**