

## **SONERI BANK LIMITED**

### **CODE OF CONDUCT FOR DIRECTORS**

The members of the Board of Directors of Soneri Bank Limited (hereinafter referred to as “Bank”) acknowledge and accept the scope and extent of their duties as Directors. They also recognize their responsibility to carry out their duties in an honest, diligent and professional manner and within the scope of their authority as set forth in the Companies Ordinance, 1984 (“the Ordinance”), Code of Corporate Governance – 2012 (“CCG”) as well as in the Memorandum and Articles of Association of the Bank.

The Directors are entrusted with and are responsible for the oversight of the conduct and management of business affairs of the Bank by the Management, in an honest, fair, diligent and ethical manner. As Directors, they are required to act within the bounds of the authority conferred upon them and with the duty to make and enact informed decisions and policies in the best interest of the Bank.

The Board of Directors has adopted the following Code of Conduct (“Code”) and Directors are expected to adhere to the standards of care, loyalty, good faith and the avoidance of conflicts of interest that follow.

#### **1. Compliance with Laws, Rules and Regulations**

Directors are required to monitor the affairs of the Bank and seek assurance from the management that these are being carried out prudently in line with the existing laws, rules and regulations.

#### **2. Formulation of Policies**

Directors shall review and approve strategies and overall business policies for smooth running of the Bank as put forward by the management. Policies shall also be made for areas requiring policy making for inculcating best practices as per the judgment exercised by the Board.

#### **3. Ethical Conduct**

Directors shall act on behalf of the Bank with professionalism, honesty and integrity as well as high moral and ethical standards.

#### **4. Fiduciary Obligations**

Directors shall exercise their powers and carry out their fiduciary duties with a sense of objective judgment and independence in the best interests of the Bank.

**5. Protecting Shareholders' Interest**

Directors shall act to protect the interests of shareholders through their oversight role on the overall conduct of business and operations by the management and while doing so Directors are expected to act independently.

**6. Confidentiality**

Directors shall respect the confidentiality of information relating to the affairs of the Bank acquired in the course of their service as Directors. All such information that may be classified or treated as confidential should not be shared, published, discussed or disclosed by any Director, except when authorized or legally required to do otherwise.

**7. Conflict of Interest**

Directors shall disclose any personal interest that they may have regarding any matters that may come before the Board and abstain from discussion, voting or otherwise influencing a decision on any matter in which the concerned Director has or may have any interest.

**8. 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.

**9. Protecting Bank's Assets**

Directors are expected to oversee the Management's control on Bank's physical assets. In this respect the Directors are required to do policy making on ensuring that the assets of the Bank are protected from being misused and that the Bank shall invest in Assets that are required for the purpose of conducting the business.

**10. False or Misleading Statements**

Directors shall not make a statement or disseminate information, which is misleading or false and is likely to induce sale or purchase of securities by any other person or is likely to have any effect of the market price of the Bank's shares.

**11. Priority to Bank's Interests**

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

## **12. Reputation of the Bank**

Directors shall act in a manner that will enhance and maintain the reputation of the Bank.

## **13. Compliance Culture**

Directors shall help create and maintain a culture of high ethical standards and commitment to compliance of all applicable Laws, Rules and Regulations in the Bank.

Board of Directors may amend or modify this Code as it deems fit to keep it upto date and in consonance with all those changes as introduced by the regulators from time to time.

This Code is adopted for compliance by the Directors after obtaining approval of the Board in its meeting held on 24 January 2013 at Karachi and shall come into effect immediately.