

GALAXY INTERNATIONAL BANK CODE OF CONDUCT AND ETHICS POLICY

1. APPLICABILITY

This code of conduct contained in this guideline is applicable to Directors, Managing Director, and Management and Officers of Galaxy International Bank (GIB). The Board of Directors should ensure that all officers adhere to all the elements of the prescribed code of conduct, stated below.

2. PRESCRIBED CODE OF CONDUCT AND ETHICS POLICY

2.1. Conflict of Interest

Directors, Managing Director, Management and Officers of GIB should not engage directly or indirectly in any business activity that competes or conflicts with GIB's interest. These activities include, although not necessarily limited to, the following: –

2.1.1. Outside Financial Interest

Where a Director, Managing Director, Management or Officer of GIB has a financial interest in a customer, whether a sole proprietor, shareholder, creditor or debtor, such an interest must be disclosed immediately to the Full Board of GIB. Thereafter, the affected Directors, Managing Director, Management or Officer should not be directly involved in GIB's dealings with the customer so long as the interest continues to exist.

The above restriction does not apply in cases where employees have holdings of public quoted securities unless Board views the interests to be material, and that the financial interest is considered likely to impair the GIB objectivity of the member of staff concerned. The holding of 5% or more of the voting shares of a publicly quoted company would be regarded as material.

2.1.2. Other Business Interests

It is considered a conflict of interest if a Director, Managing Director, Management or Officer of GIB conducts business other than GIB's business during office hours.

Where the acquisition of any business interest or participation in any business activity outside GIB and office hours demands excessive time and attention from the member of staff, thereby depriving GIB of the employee's best efforts on the job, a conflict of interest is deemed to exist.

2.1.3. Other Employment

Before making any commitment, employees are to discuss possible part-time employment or other business activities outside the financial institution's working hours with their manager or departmental head. A written approval of GIB's Board Chairman should be obtained before an employee embarks on part-time employment or other business activities. Approval will be granted only where the interest of GIB will not be jeopardised.

2.1.4. Corporate Directorship

Employees of GIB must not solicit corporate directorships. An employee of GIB should not serve as a director of another corporation without approval of the Board of Directors. Employees who hold directorships without such approval must seek approval immediately, if they wish to remain as directors of other corporations.

However, employees may act as directors of non-profit public service corporations, such as religious, educational, cultural, social, welfare, and philanthropic or charitable institutions, subject to policy guidelines of GIB.

2.1.5. Trusteeships

Directors, Managing Director, Management or Officers of GIB must not solicit appointments as executors, administrators or trustees of customers' estates. If such an appointment is made and the employee is a beneficiary of the estate, his/her signing authority for the estate's bank account(s) must be approved by the Board of Directors, who will not unreasonably withhold approval.

2.2. Misuse of Position

- a) Directors, Managing Director, Management and Officers of GIB must not use GIB's name or facilities for personal advantage in political, investment or retail purchasing transactions, or in similar types of activities. Directors, Managing Director, Management and Officers of GIB, and their relatives must also not use their connection with GIB to borrow from or become indebted to customers or prospective customers. The use of position to obtain preferential treatment, such as purchasing goods, shares and other securities, is prohibited.
- b) Directors, Managing Director, Management and Officers of GIB must not solicit or otherwise accept inducements either directly or indirectly whether in cash or in kind in order to provide any favours to a customer in the provision of loans, acceptance of deposits or any other conduct of the business of GIB to which they are entrusted either jointly or individually.
- c) Further, Directors, Managing Director, Management and Officers of GIB must not use GIB's facilities and influence for speculating in commodities, gold, silver, foreign exchange or securities, whether acting personally or on behalf of friends or relatives. Such misuse of position may be ground for dismissal and/or prosecution. Directors, Managing Director, Management and Officers of GIB should also not engage in "**back-scratching**" exercises with employees and directors of other institutions to provide mutually beneficial transactions in return for similar facilities, designed to circumvent these ethical guidelines.

2.3. Misuse of Information

- a) Directors, Managing Director, Management and Officers of GIB should not deal in the securities of any company listed or pending listing on a stock exchange at any time when in possession of information, obtained by virtue of employment or connection with the institution, which is not generally available to shareholders of that company and the public, and which, if it were so available, would likely bring a material change in the market price of the shares or other securities of the company concerned. "Insider dealing" as this is called, is a crime.
- b) Directors, Managing Director, Management and Officers of GIB who possess insider information are also prohibited from influencing any other person to deal in the securities concerned or communicating such information to any other person, including other members of staff who do not require such information in discharging their duty.

2.4. Integrity of Records and Transactions

- a) Accounting records and reports must be complete and accurate. Directors, Managing Director, Management and Officers of GIB **should never** make entries or allow entries to be made for any account, record or document of GIB that are false and would obscure the true

nature of the transaction, as well as to mislead the true authorisation limits or approval authority of such transactions.

- b) All records and computer files or programmes of GIB, including personnel files, financial statements and customer information must be accessed and used only for management purposes for which they were originally intended.

2.5. Confidentiality

- a) Confidentiality of relations and dealings between GIB and its customers is paramount in maintaining GIB's reputation. Thus Directors, Managing Director, Management and Officers of GIB must take precaution to protect the confidentiality of customer information and transactions. No member of staff or director should during, or upon and after termination of employment with GIB (except in the proper course of his duty and or with the institution's written consent) divulge or make use of any secrets, copyright material, or any correspondence, accounts of GIB or its customers. No employee or director shall in any way use information so obtained for financial gain.
- b) Business and financial information about any customer may be used or made available to third parties only with prior written consent of the customer or in accordance with the arrangements for the proper interchange of information between banks about credit risks, or when disclosure is required by law.

2.6. Fair and Equitable Treatment

All business dealing on behalf of GIB with the current potential customers, with other members of staff and with those who may have cause to rely upon GIB, should be conducted fairly and equitably. Staff and directors must not be influenced by friendship or association, either in meeting a customer's requirement, or in recommending that they be met. Such decisions must be made on a strictly arms-length business basis. All preferential transactions with insiders or related interests should be avoided. If transacted, such dealings should be in full compliance with the law, judged on normal business criteria basis and fully documented and duly authorised by the Board of Directors or any other independent party.

2.7. Insider Loans

Directors, Managing Director, Management and Officers of GIB should not use their positions to further their personal interests. In this regard therefore, GIB shall NOT: –

- a) Grant or permit to be outstanding any **unsecured advances** in respect of any of its employees or their associates.
- b) Grant or permit to be outstanding any advances, loans or credit facilities which are unsecured or advances, loans or credit facilities which **are not fully secured to any of its officers, shareholders or their associates.**
- c) Grant or permit to be outstanding any advance, loan or credit facility to any of its directors or other person participating in the **general management of GIB** unless it is:
 - ✓ Approved by the full board of directors of GIB upon being satisfied that it is viable.
 - ✓ Is made in the normal course of business and on terms similar to those offered to ordinary customers of GIB.
- a) Grant any advance or credit facility or give guarantee or incur any liability or enter into any contract or transaction or conduct its business or part thereof in a fraudulent or reckless manner.

2.8. Bribery

Bribery is the corrupt payment to or giving of gifts or other things of value to any employee, employer, contractor, official, supplier, person of influence for the purpose of influencing an act or decision or securing an improper advantage.

GIB implements and maintains a ZERO TOLERANCE policy towards bribery.

2.9. Money Laundering

For details, please see the separate “GIB’s Anti-Money Laundering Policy”. Our suppliers and contractors are expected to follow applicable laws that prohibit money laundering and require the reporting of cash and other suspicious transactions.

3. REMEDIAL MEASURES AND SIGNATURES

3.1. Remedial measures

When an officer is assessed and found to be unfit and not proper to work for GIB, the Board of Directors of GIB shall dispense with the services of such an officer forthwith and to inform the Central Bank of Somalia of such a decision as soon as possible.

Prior to being dismissed, the officer shall be liable jointly and severally to indemnify GIB against any loss arising in respect of the contravention of this Code of Conduct and Ethics Policy.