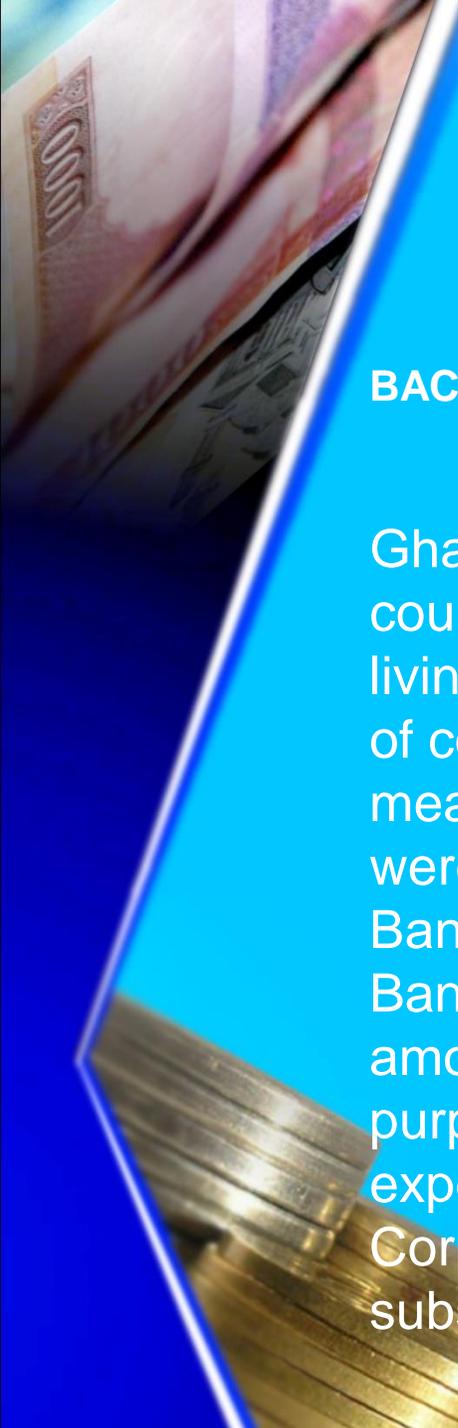




غضنفر بانك
GHAZANFAR BANK

CORPORATE GOVERNANCE FRAMEWOCK

(Chief Executive Officer)



CORPORATE GOVERNANCE CODE AND POLICY FRAMEWORK

BACKGROUND

Ghazanfar Bank is an Afghanistan's Bank operating with to serve the people of the country by providing financial services in order to develop the economy and to uplift the living standards with utmost determination and commitment. In pursuance of attainment of corporate goals & objectives, the Bank has been in the mode of adopting valued measures. Among those, implementing high standards of corporate governance codes were on the top line agendas.

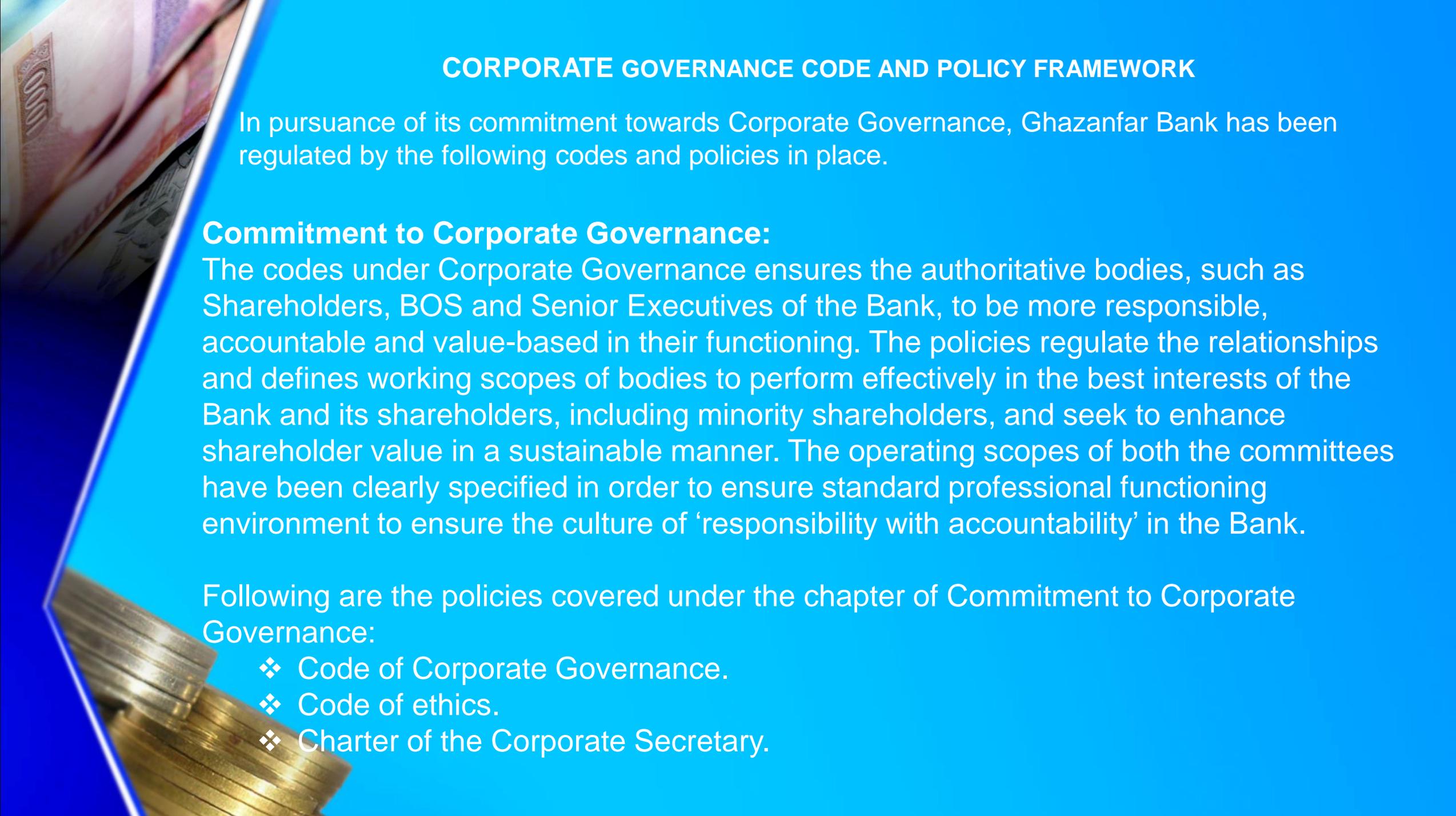
Bank's corporate governance provides a framework of structures and processes of the Bank and describes the working domains of related authorities and mould relationships among Bank's Shareholders, Board of Supervisors (BOS) and Executive Bodies with the purpose of creating long-term shareholder value. The Bank has hired the advisory expertise of internationally recognized institution namely International Financial Corporation (World Bank Group) to draft and design the Corporate Governance principle subsequent to the assessment and understanding of the Bank's needs.

A decorative graphic on the left side of the slide. It features a stack of gold coins at the bottom, with a blue diagonal line extending upwards from the coins. To the left of this line, there are images of banknotes, including a 100 Euro note at the top and a 100 Afghan Afghani note below it. The background of the slide is a solid blue color.

Continued...

Apart from established legal and regulatory framework on Corporate Governance by Central Bank of Afghanistan (DAB), Ghazanfar Bank has cut an extra edge by inculcating additional norms based on best International practices which would further differentiate Ghazanfar Bank among its fraternity.

Accountability, Fairness, Transparency and Responsibility form the bedrock of golden principles of Ghazanfar Bank's corporate governance framework. In adopting, implementing and updating this Code in its true soul and spirit, Ghazanfar Bank confirms its desire to demonstrably lead and promote good corporate governance to foster the confidence of its shareholders, employees, investors, regulators and the general public.

The background of the slide is a vibrant blue. On the left side, there is a vertical strip showing a stack of banknotes at the top and a stack of gold coins at the bottom. The text is centered and white.

CORPORATE GOVERNANCE CODE AND POLICY FRAMEWORK

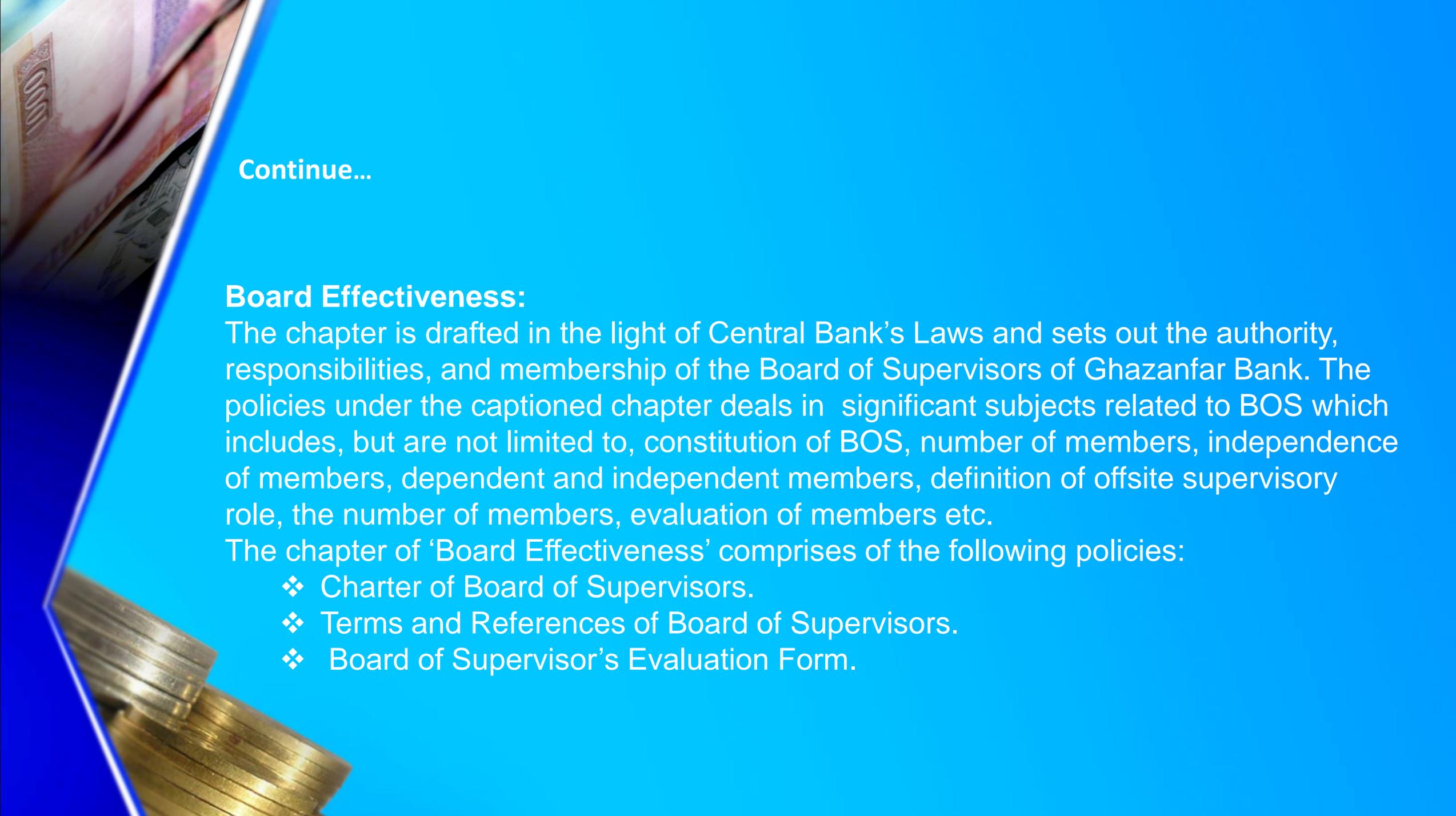
In pursuance of its commitment towards Corporate Governance, Ghazanfar Bank has been regulated by the following codes and policies in place.

Commitment to Corporate Governance:

The codes under Corporate Governance ensures the authoritative bodies, such as Shareholders, BOS and Senior Executives of the Bank, to be more responsible, accountable and value-based in their functioning. The policies regulate the relationships and defines working scopes of bodies to perform effectively in the best interests of the Bank and its shareholders, including minority shareholders, and seek to enhance shareholder value in a sustainable manner. The operating scopes of both the committees have been clearly specified in order to ensure standard professional functioning environment to ensure the culture of ‘responsibility with accountability’ in the Bank.

Following are the policies covered under the chapter of Commitment to Corporate Governance:

- ❖ Code of Corporate Governance.
- ❖ Code of ethics.
- ❖ Charter of the Corporate Secretary.



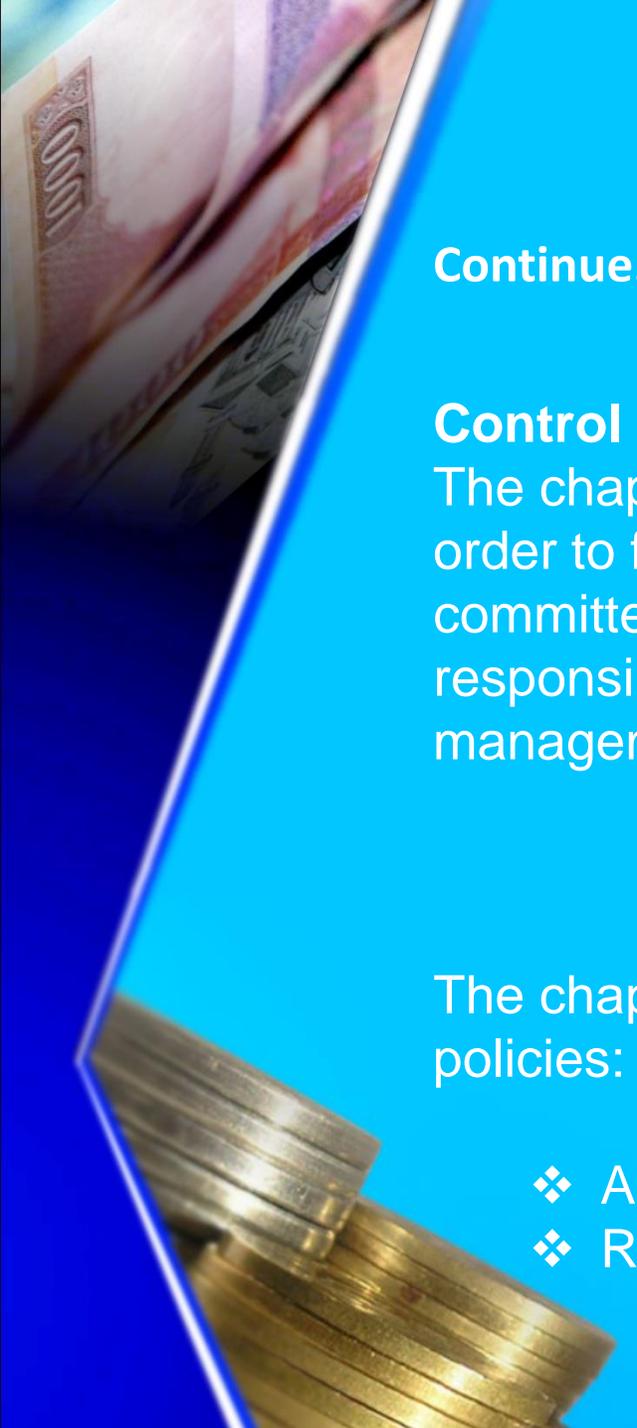
Continue...

Board Effectiveness:

The chapter is drafted in the light of Central Bank's Laws and sets out the authority, responsibilities, and membership of the Board of Supervisors of Ghazanfar Bank. The policies under the captioned chapter deals in significant subjects related to BOS which includes, but are not limited to, constitution of BOS, number of members, independence of members, dependent and independent members, definition of offsite supervisory role, the number of members, evaluation of members etc.

The chapter of 'Board Effectiveness' comprises of the following policies:

- ❖ Charter of Board of Supervisors.
- ❖ Terms and References of Board of Supervisors.
- ❖ Board of Supervisor's Evaluation Form.



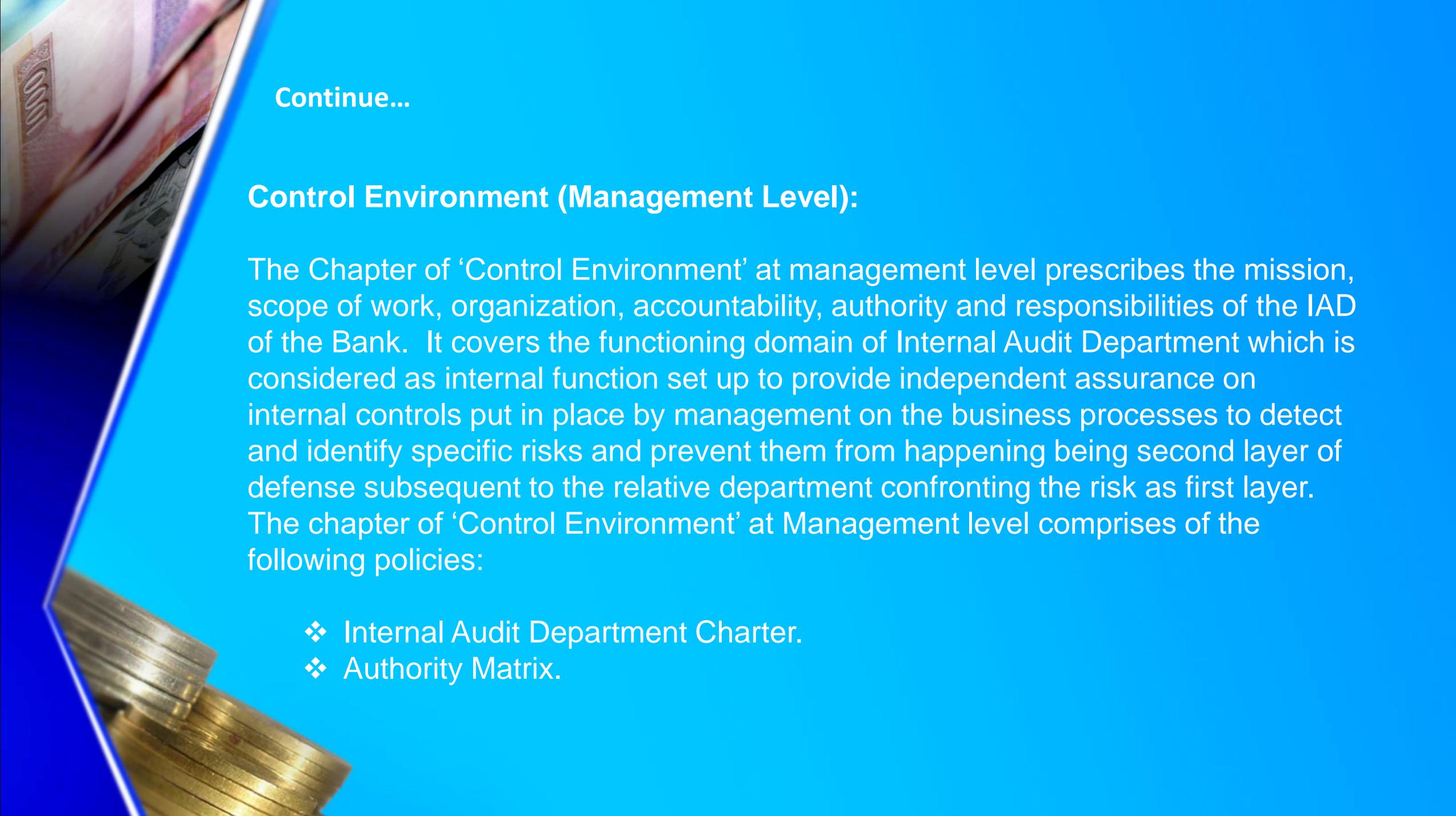
Continue...

Control Environment (Board Level):

The chapter describes and provides the tools of assessment and oversight in order to foster control and monitoring mechanism through formation of sub-committees of the Board. The chapter prescribes the assigned roles and responsibilities of significant sub-committees of the Board related to Risk management and Audit along with their domains of functioning.

The chapter of 'Control Environment' at Board level comprises of the following policies:

- ❖ Audit Committee Charter.
- ❖ Risk Oversight Committee Charter.

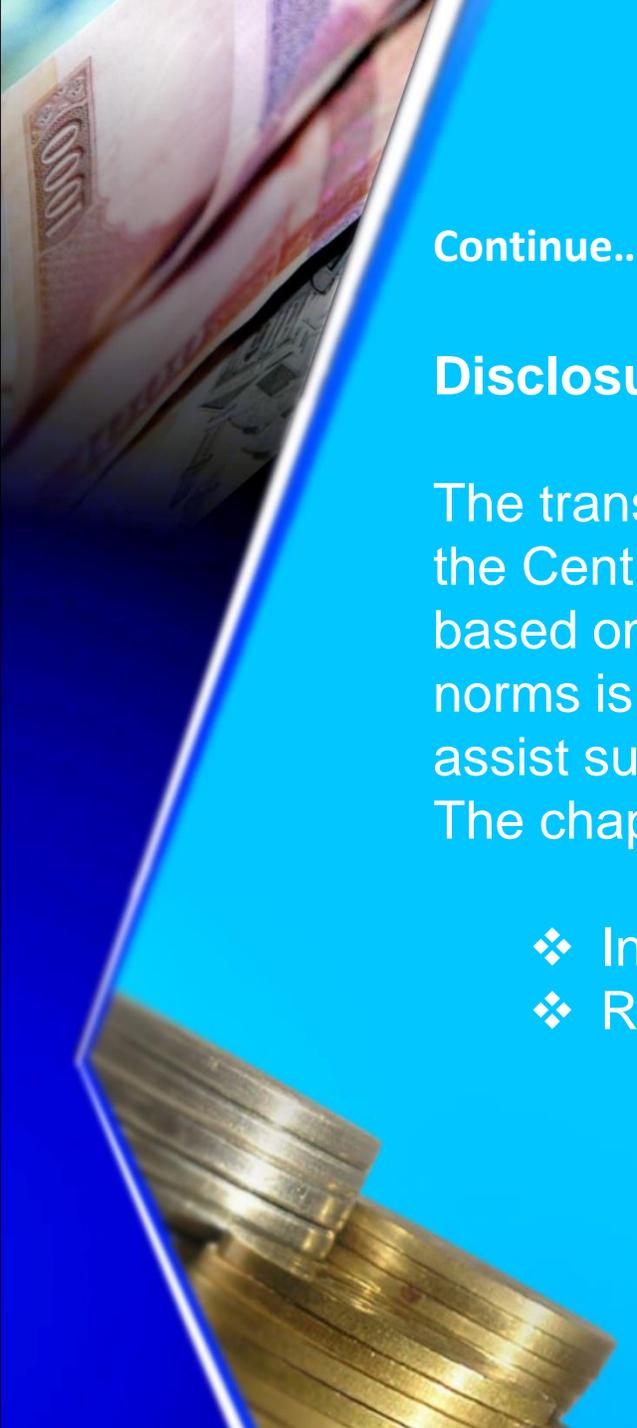


Continue...

Control Environment (Management Level):

The Chapter of 'Control Environment' at management level prescribes the mission, scope of work, organization, accountability, authority and responsibilities of the IAD of the Bank. It covers the functioning domain of Internal Audit Department which is considered as internal function set up to provide independent assurance on internal controls put in place by management on the business processes to detect and identify specific risks and prevent them from happening being second layer of defense subsequent to the relative department confronting the risk as first layer. The chapter of 'Control Environment' at Management level comprises of the following policies:

- ❖ Internal Audit Department Charter.
- ❖ Authority Matrix.



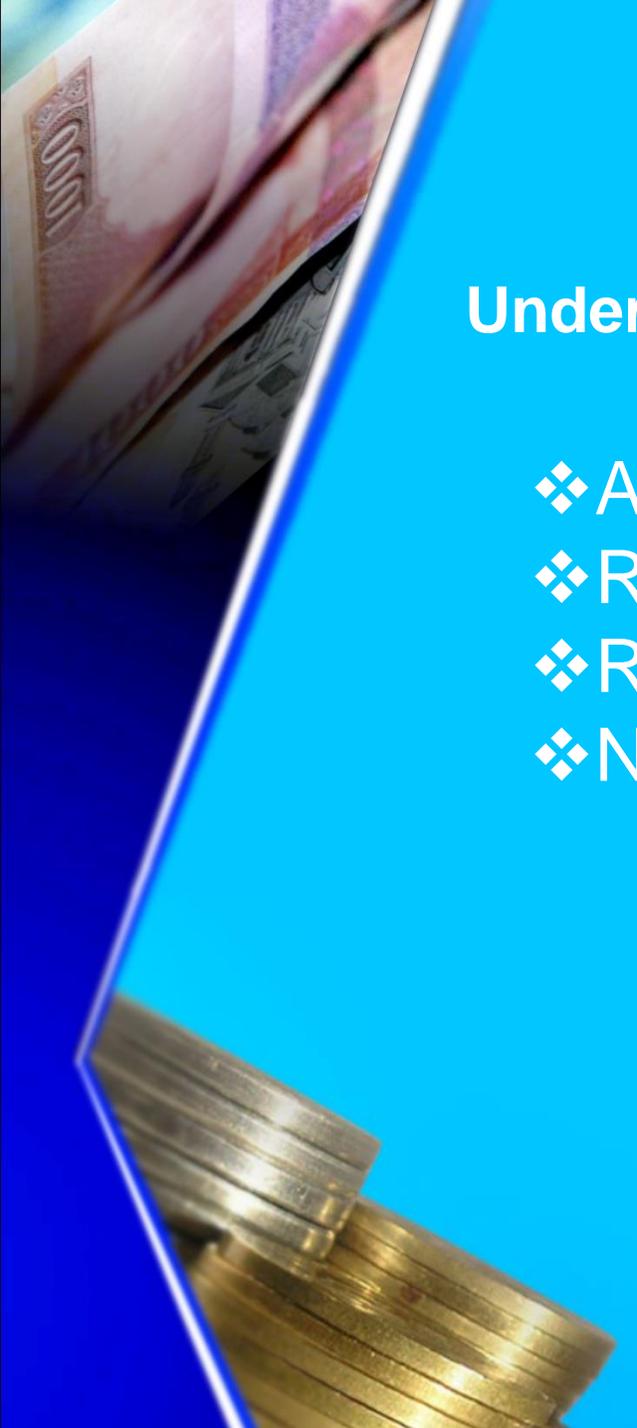
Continue...

Disclosure and Transparency:

The transparency and disclosure norms have been developed in accordance with the Central Bank's requirements of the country along with additional stipulations based on best International banking practices. The basic purpose of disclosure norms is to provide information for interested parties and shareholders in order to assist such persons in making informed decisions or taking actions.

The chapter of 'Disclosure and Transparency' comprises of the following policies:

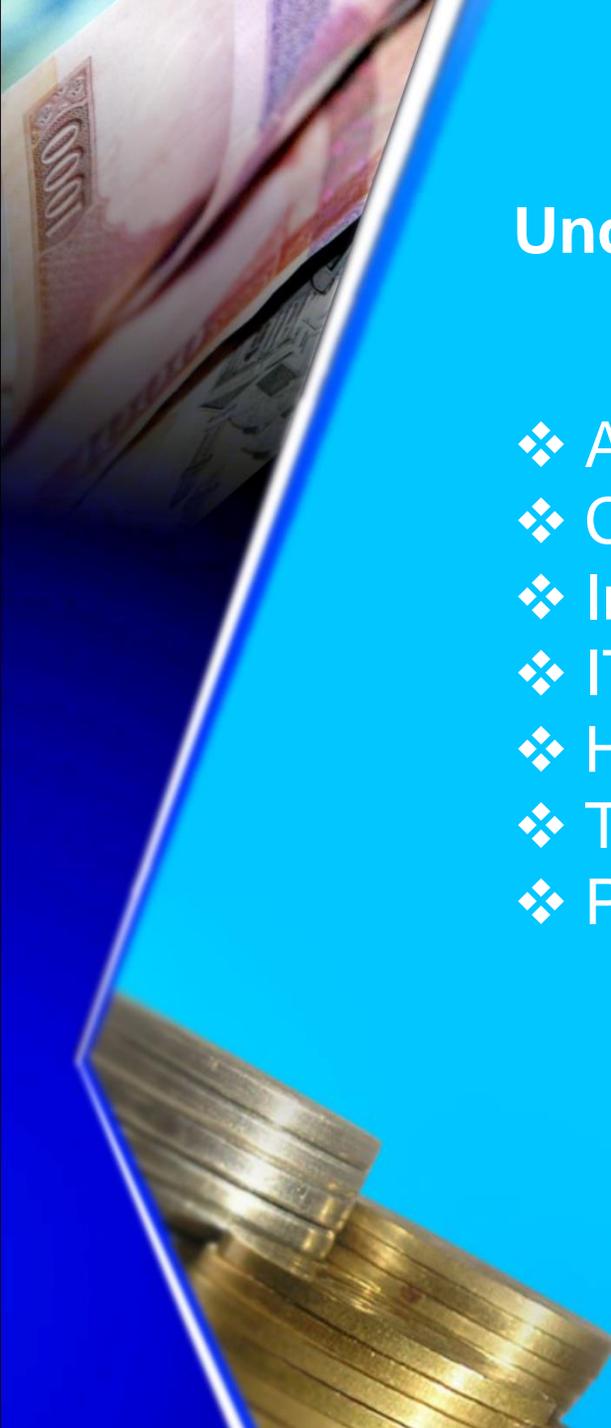
- ❖ Information Disclosure Policy.
- ❖ Related Party Transaction Policy.



DIFFERENT COMMITTEES

Under the Board of Supervisors

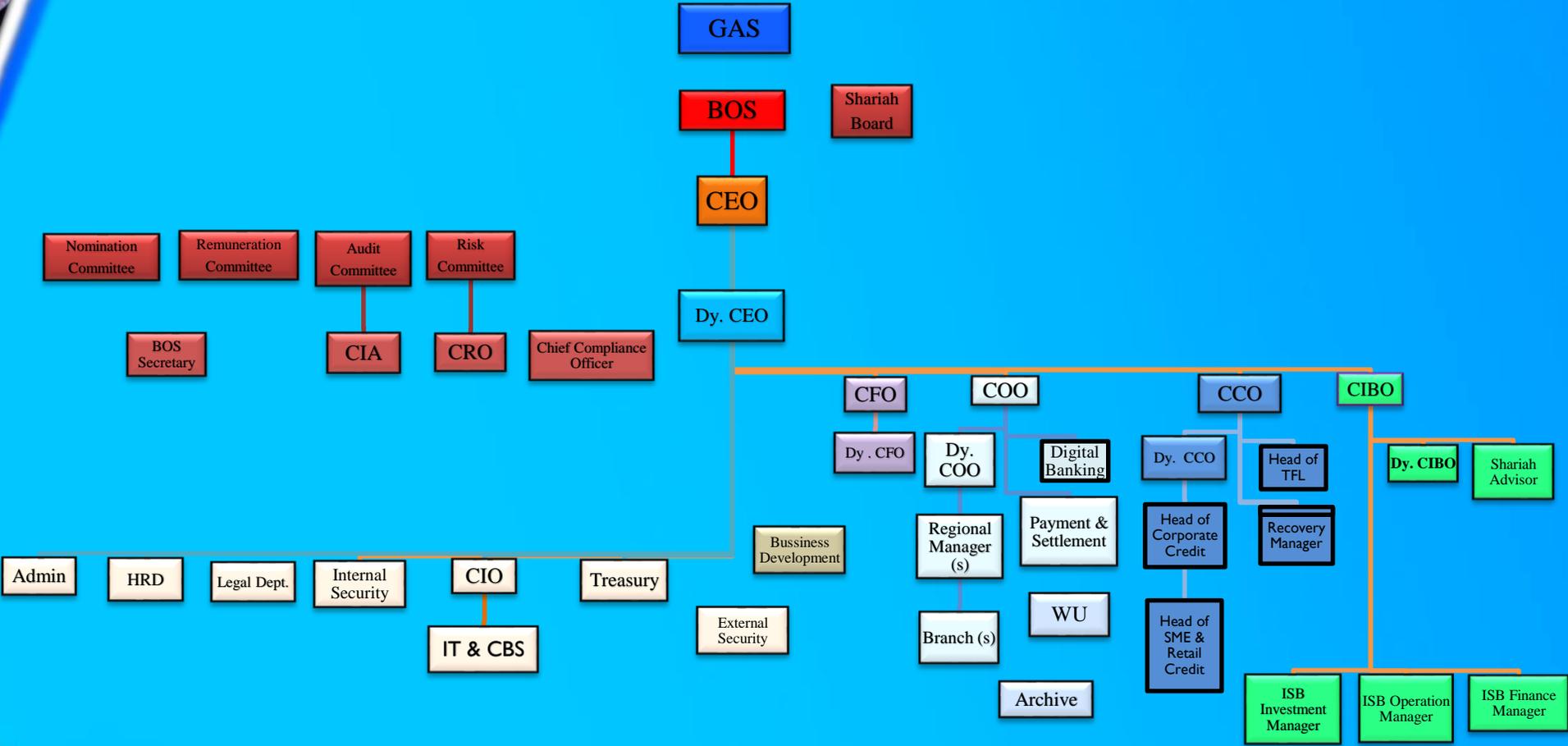
- ❖ Audit Committee
- ❖ Risk Management Committee of Board
- ❖ Remuneration Committee
- ❖ Nomination Committee

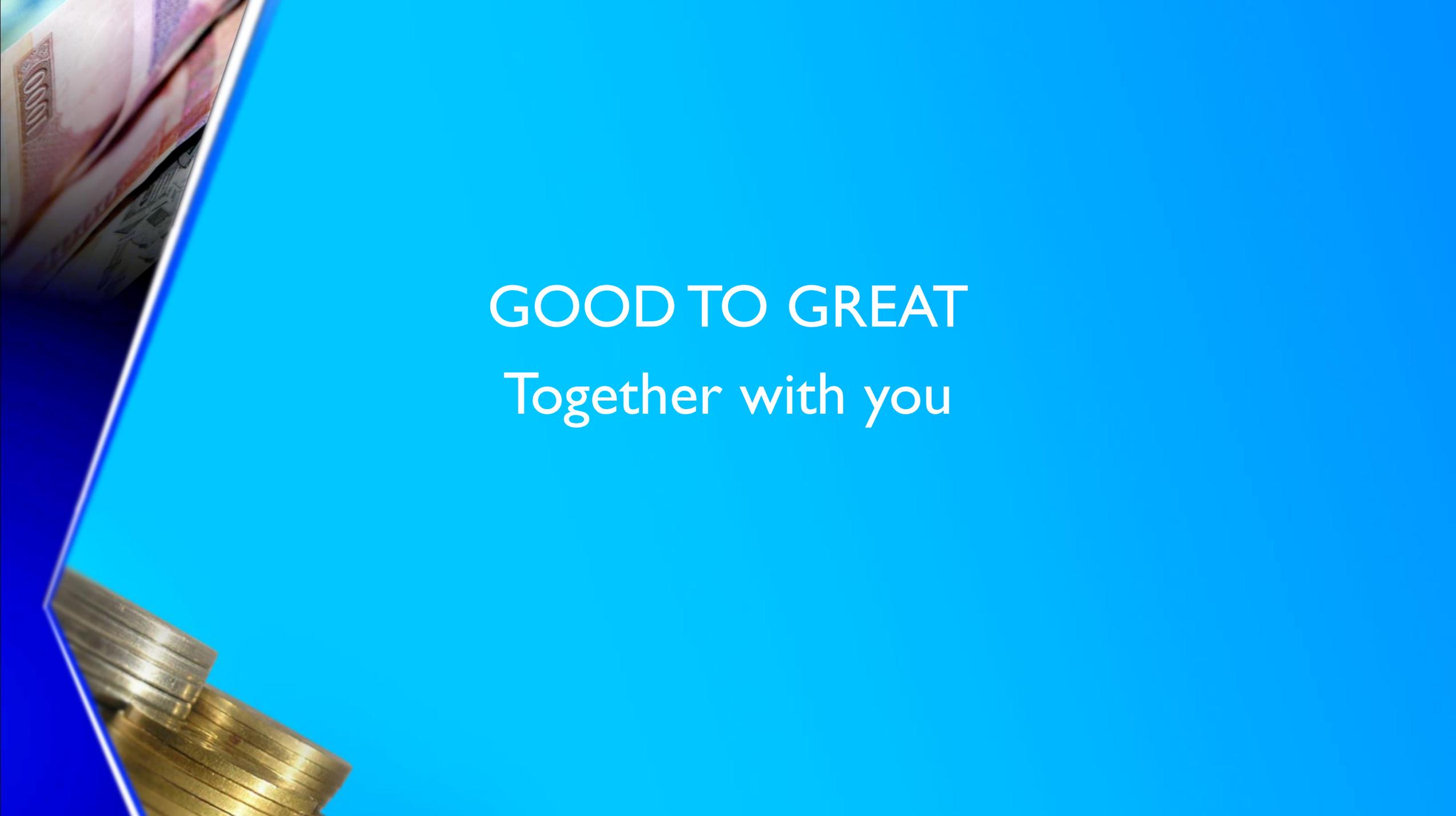


Under the Board of Management

- ❖ Asset/Liability Committee (ALCO)
- ❖ Credit Committee
- ❖ Investment Committee
- ❖ IT Steering Committee
- ❖ HR Committee
- ❖ Training Committee
- ❖ Procurement Committee

ORGANISATION CHART





GOOD TO GREAT
Together with you