CITI ISLAMIC INVESTMENT BANK E.C.

(“CIIB” or the “Company”)

CORPORATE GOVERNANCE GUIDANCE MEMORANDUM

Initially Drafted: August 2010

Last Reviewed/Approved by the Board: 12th day of August 2025.

GENERAL USER NOTE

This memorandum is intended to provide a basic guideline to the principal corporate governance requirements pertaining to CIIB. It is not a definitive guide to every law, provision, or regulation to which CIIB might be subject and is in no way a substitute for proper reference to the relevant laws, regulations, and the articles of association of CIIB.

1. BASIC REQUIREMENTS

1.1 Constitution of the Board:

(a) The Board of Directors of CIIB (the "**Board"**) must have a minimum of (5) and maximum of (9) members, including a chairman (the **Chairman**) and a deputy (the **Deputy**).

(b) No person shall be appointed or elected member of the Board unless he declares in writing his acceptance. The declaration shall also disclose any business he conducts that competes directly or indirectly with that of the CIIB and the names of the companies and the entities wherein he is a member of the board of directors.

(c) The Board may elect a managing director for one year renewable.

(d) All directors must be reappointed every (3) years. Internal as well as CBB's approval is required each time.

(e) All appointments and reappointments must be by secret ballot of the general meeting.

(f) Changes to the constitution of the Board require the submission of the last financials to the Ministry of Industry and Commerce ("**MoIC"**) along with the notification of the relevant appointment, reappointment, or resignation to both MOIC and the CBB.

(g) Directors lose their office if (*inter alia*) they fail to attend four meetings without excuse.

(h) If the Chief Executive Officer (the "**CEO**"), who is also a Board Member, no longer occupies the CEO position, whether due to resignation, retirement or termination, his/her Board Membership must also be immediately terminated.

1.2 Meetings of the Board:

(a) The Company must hold a minimum of four Board meetings per year. The last meeting of the year shall include a joint session with the Shari'ah Supervisory Board Members to discuss any topic of mutual interest, and / or any matter which any of the two board members wish to bring to the attention of the boards for discussion.

(b) The Articles of Association of the Company (the "**Articles**") may be amended by a resolution of the shareholders of the Company (the "**Shareholders**") (see section 1.3 below) to allow for 'written resolutions' and attendance by telephone (or video link or similar).

(c) Board meetings are convened at the summons of the Chairman or at the request of any two Directors.

(d) The quorum for all meetings of the Board is a majority of the Directors, provided that one of them is either the Chairman or the Deputy Chairman. The full Board should meet at least once every quarter.

(e) Resolutions of the Board are passed by majority vote of the directors counted in the quorum. In the event that a vote is tied, the Chairman may use a casting vote.

(f) Minutes must be formally recorded of each meeting and must be signed by all Directors present at the meeting. Resolutions of Board are not required to be reported unless the resolution is appointing a Chairman or authorized signatories where the resolution will be required to be filed with the MoIC for the appointment of the Chairman or the authorized signatories, as the case may be, in the commercial registry.

(g) If the Board composition has been changed then, a detailed list of Board members and appointments, accredited by the Chairman and the managing director, must be submitted to MOIC, highlighting any changes. This submission must be accompanied by the latest audited financials.

(h) A report on the activities of the Company (its financial position, balance sheet and the profit and loss account) must be prepared within three months of the financial year end to which they relate and must be filed with the MoIC annually.

(i) The Company is represented by its Chairman or the Deputy Chairman. The Board may also resolve to authorise one or more directors or others to represent the Company.

(j) All directors must declare their personal interests in any matter before the Board. A director with an interest in a matter shall count in the quorum but shall not be entitled to debate or vote such matter.

(k) The Board is responsible for appointing a Shari'a Supervisory Board.

(l) Remuneration of the members of the Board which are employed by any subsidiary, affiliate of a group of Citigroup ("Internal Members") shall be 'nil'. Remuneration of members of the Board who are inducted from outside of Citigroup ("External Members") shall be determined by the general meeting, provided that such remuneration is not exceeding 10% of the net profit after allowing for reserves and distribution of dividends to the shareholders of no less than 5% of the Company's paid-up capital. The General Assembly may resolve to determine the annual remuneration of the External Members of the Board in the years during which the Company does not make profits or in the years during which the Company does not distribute dividends to shareholders, provided that the approval of the Minister of Industry and Commerce is obtained.

(m) If the Board has appointed a Managing Director, such appointment must be renewed each year.

(n) The Board must carry out annual evaluation and assessments – alone or with the assistance of external experts – of the Board, and individual Board members. This must include:
i. Assessing how the Board operates in terms of the requirements of the CBB Rulebook and the Commercial Companies Law;

ii. Reviewing each director's work, their attendance at Board and their independence and constructive involvement in discussions and decision making; and

iii. Recommendations for new directors to replace long-standing members or those members whose contribution to the Board is not adequate.

(o) The Chairman of the Board must confirm to shareholders when proposing re-election of a director that, following a formal performance evaluation, the person's performance continues to be effective, and they continue to demonstrate commitment to the role.

(p) The Board must report to the shareholders, at each annual shareholder meeting, that evaluations have been done and report its findings.

1.3 Shareholder Meetings:

(a) The Company must hold a meeting of the Shareholders (the "**AGM**") at least once each financial year, within three months of the end of the previous financial year, to consider and approve the financials for the financial year just ended.

(b) Other general meetings (the "**GM**") may be convened by request of directors, the Company's auditors, MOIC or shareholders representing 25% of the share capital.

(c) The Shareholder meetings may not discuss topics not included in the agenda except in the following cases:

i. If it is urgent and they have occurred after the agenda has been prepared.
ii. If it is occurred during the meeting.
iii. if a written request for including such subjects to the agenda was submitted to the Board of Directors at least five working days before the date set for the AGM by the competent authority to supervise the activity of the company or the auditor or a number of shareholders holding at least 5% of the company's capital.

If in the course of discussion, it becomes clear that the information related to some agenda items is not adequate, the meeting shall be postponed to a maximum of ten working days if so requested by a number of shareholders representing one forth ¼ of the shares present in the meeting.

The Board of Directors shall submit the resolutions adopted by the AGM on the urgent matters for approval of the MoIC, or the Central Bank of Bahrain (the "**CBB"**) for companies licensed by it, as the case may be, within five working days from the day following the date of the meeting.

(d) The agenda and notice of a GM must be delivered to all Shareholders at least fifteen days prior to the scheduled date of the GM. The agenda, notice and, in the case of an AGM, the latest financials, must also be delivered to the CBB and MoIC at the same time. Any shareholder may request items be added to the agenda.

(e) MoIC and CBB should respond confirming that meeting may take place and stating an intention to attend (or not).

(f) All GMs must be held in Bahrain and are presided over by the Chairman, the Deputy or any person appointed by the Board.

(g) A quorum at an Ordinary General Meeting, including the AGM, is Shareholders holding more than 50% of the share capital. Resolutions are passed by the affirmative vote of a majority of shares represented.

(h) A quorum at an EGM is Shareholders holding 75% or more of the share capital. Resolutions are passed by the affirmative vote of 75% majority of shares represented.

(i) Shareholders may appoint, by written form of proxy, one or more named individuals to attend a GM in their place.

(j) Minutes of all GMs should be retained at the offices of the Company and submitted to CBB and MOICT.

(k) The AGM shall be competent to:

- electing and dismissing members of the Board of Directors (and determining their fees);
- discussing and ratifying the Board of Directors' report about the Company's business activities and its financial position during the financial year just ended;
- hearing and discussing the auditor's report about the Company's financial statements for the financial year just ended;
- ratification of the profit and loss statement, balance sheet, statement regarding the utilisation of the net profits and determining dividends;
- discussing proposals concerning the issue of bonds, borrowing, mortgage, granting guarantees and adopting decisions in this respect;
- appoint (and decide the remuneration) of the Company's auditor; and
- absolve directors from liability in respect of the financial year just ended.

(l) Amendments to the Memorandum and Articles require a resolution of the Shareholders at an EGM and the approval of MoIC. The following matters also require a resolution of the Shareholders at an EGM:

- extend the term of the Company;
- disposal of the entire business of the Company;
- dissolution/merger of the Company; and
- an increase or reduction of the share capital.

The EGM may not introduce amendments to the company's memorandum or articles of association that would change the company's nationality or transfer its Head Office outside Bahrain or increase the obligations of the shareholders other than increasing the capital. Any provision to the contrary shall be null and void.

(m) Minutes and copies of resolutions must be retained at the offices of the Company and submitted to MoIC and CBB and copies shall be made available by the Company to any shareholder who requests them.

1.4 Financial Year:

The financial year of the Company commences on 1 January and ends on 31 December of each year.

2. HOW TO DO A BOARD MEETING / GENERAL MEETING

2.1 Board Meeting (where 'B' is the proposed date of the Board meeting):

Action	Timing
(a) The Board discuss the proposed agenda and request the Corporate Secretary to draft an agenda. Legal input requested if necessary;	B - 30 days
(b) The agenda is distributed to all Directors stating the time and location of the Board meeting;	B - 14 days
(c) The meeting is convened;	B
(d) A final version of the minutes is printed and signed by all directors present at the meeting and retained in the Company's records.	B

2.2 Board can decide to hold any the Board Meetings in person, or hold via Citigroup approved electronic means, such as Zoom, and the Board Members may connect from their respective locations.

2.3 General Meeting (where 'G' is the proposed date of the general meeting):

Action	Timing
(a) The Board convenes a Board meeting to resolve to convene the AGM or an EGM and requests the Corporate Secretary to draft an agenda and notice. Legal input requested if necessary;	G - 30 days
(b) Notice and agenda is distributed to all Shareholders, Auditor, MoIC and CBB stating the time and location of the GM. In the case of an AGM, the latest financials are also enclosed with the notice;	G - 10 days
(c) The meeting is convened;	G
(d) The minutes are signed by the Shareholders;	G
(e) The Corporate Secretary delivers a copy of the minutes of the GM to MoIC and CBB and ensures that a copy is retained at the Company's offices.	G + 3 days