

- 10.4.19. reviewing and approving code of conduct for the board and senior management which at a minimum covers items listed under Annex II of these directives;
- 10.4.20. ensuring the establishment of code of conduct for the employees of the bank;
- 10.4.21. approving human development strategy and succession plan for chief executive officer and senior executive officers and effectively monitoring their implementation;
- 10.4.22. ensuring that the bank puts in place comprehensive risk management program;
- 10.4.23. ensuring an effective internal audit system, staffed with qualified personnel to perform internal audit functions (covering at least financial, operational, legal, technology and management audit) is put in place;
- 10.4.24. ensuring that appropriate management information system is established to produce accurate, complete, relevant and timely information on the performance of the bank;

10.5. Description of Authority

- 10.5.1. The board shall establish and document a formal description of matters specifically reserved for its decision as provided in the bank's articles and memorandum of association to ensure that the direction and control of the bank is firmly retained in its hands.
- 10.5.2. The description of matters referred to under sub-article 10.5.1 of this article shall at a minimum include the following matters:
 - a. acquisitions and disposals of equity investment, fixed assets and technology of material nature as may be defined by board of directors;
 - b. authority level for core functions of the bank; and
 - c. corporate policies on all matters, at a minimum as listed in Annex IV of these directives.

10.6. Exit Report

- 10.6.1. At the end of its office term, the outgoing board shall prepare a comprehensive exit report and submit to the National Bank and board secretary of the bank at the latest fifteen calendar days before conducting general meeting of shareholders. The exit report shall at a minimum cover the board's performance during its office term, challenges, issues to the attention of the National Bank and/or the incoming new board and the way forward.
- 10.6.2. The bank shall not pay board remuneration for final service year to outgoing board members if the board fails to comply with the requirement set under 10.6.1 herein above.

11. Responsibilities of Chief Executive Officer

Without prejudice to the duties and responsibilities stated in any applicable laws, regulations, National Bank directives, and articles and memorandum of association of the bank, a chief executive officer shall at least be responsible for:

- 11.1. developing corporate strategies, policies, business plans and budgets which are subject to approval by the board before implementation;
- 11.2. developing, approving and implementing procedure manuals, guidelines and controls to address compliance with laws and regulations applicable to the bank's business environment and risk profile;
- 11.3. ensuring documents indicated under article 11.2 of this article are communicated to all concerned staff;

