



بنك الشارقة
Bank of Sharjah

Bank of Sharjah

Corporate Governance Report 2022

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Opening Statement

While we are proudly stepping into the year that marks Bank of Sharjah 50th anniversary, I am pleased to state that the Bank has a strong and effective governance framework based on global best practice, as set out by the Central Bank of the United Arab Emirate (CBUAE), the Securities and Commodities Authorities (SCA) as well as international bodies.

Our five decades track of quality in performance, commitment, integrity and transparency and continuous efforts we deploy to ensure regulatory compliance provide the foundation for the Bank's long-term success and are to the level of satisfaction of all stakeholders.

The Board and its various committees provided appropriate direction and guidance to the Bank in 2022 duly supported by various Charters, Terms of Reference and Policies.

Bank of Sharjah is committed to full compliance with these regulations, in line with our long-standing approach to fair treatment of customers and transparency. Additionally, while Bank of Sharjah has accelerated its efforts and initiatives towards digital transformation, the Bank is continuously striving to present the most secure and enhanced platforms by ensuring data privacy and cybersecurity management as a main priority to guarantee consumer protection.

I am pleased to announce that In line with the targets set by the CBUAE and MOHRE, Bank of Sharjah has successfully fulfilled in 2022 its commitment to Emiratization as part of its ongoing drive for greater diversity across the organization.

The Board and Senior Management fully support the development of a robust and relevant ESG framework which, going forward will be imbedded within the Bank's strategy. The Bank has highlighted in its ESG Report 2022 the alignment of its efforts in both Governance and Sustainability, and will ensure that this will remain an institutional priority going forward.

Last, I would like to thank all Board Members, the Management and staff of the Bank, our valued employees and all stakeholders for their continuous efforts and contribution into maintaining the highest standards and instilling a culture of responsibility and commitment.

On behalf of the Board of Directors, I am honored to present Bank of Sharjah Corporate Governance Report for 2022.

Sh. Mohammed Bin Saud Al Qasimi
Chairman

Corporate Governance Framework

Bank of Sharjah's approach to Corporate Governance

Bank of Sharjah believes Corporate Governance to be the guiding force that determines how the organization is directed and controlled. Effective Corporate Governance, that is appropriately aligned with relevant regulations and international best practices, is the basic tenet of Bank of Sharjah's business philosophy.

As a Bank whose fundamental value is to maintain the highest ethical standards, Bank of Sharjah strives to compete only on the basis of quality of services we provide to our customers. The success of the Bank's business is dependent on the trust and confidence it earns from our shareholders, customers, and employees.

The Corporate Governance function in the Bank is mandated to stipulate, institute and monitor a group-wide corporate governance framework and to act as its guardian.

Corporate Governance is the core foundation of any business activity and without it, the business would begin to suffer. Governance is a holistic approach to the management and organization within a firm which, if directed in a comprehensive manner can make a substantial difference to the business's success and its long-term sustainability; it feeds into all areas of the business.

It establishes and preserves management accountability to shareholders by appropriately allocating rights and responsibilities among Board members and managers. It provides a structure for management and the Board to set objectives and monitor performance.

Corporate Governance strengthens and safeguards the Bank's culture of business integrity and responsible business practices. It encourages the efficient use of resources and establishes accountability for stewardship of those resources.

Ethical and responsible business practices have been embedded in the Bank's culture since its inception in 1973. The Bank focuses on transparency and disclosure to ensure it is in line with the best international standards and practices. The Bank continuously strives to enhance the level of trust amongst its stakeholders. The Corporate Governance framework within the Bank is governed by the model set by the UAE Central Bank and the regulations of the Securities & Commodities Authority (SCA), the Federal and local legislations such as the National Electronic Security Authority (NESA) as well as Basel III Corporate Governance updates and CBUAE Corporate Governance Regulations and Standards of 2019 and the Bank's Articles of Association.

Bank of Sharjah has remained sustainable despite the numerous financial crises over the years. This is a strong reflection of the underlying good governance by the Board of Directors and the Management.

The Board of Directors

The Board of Directors of Bank of Sharjah consists of 11 members, it has met (6) times in 2022, in line with the best practices, the Board exclusively comprises non-executive directors with at least a third of its members who are Independent. Throughout the year, the Directors received detailed information on a regular basis regarding the activities of the Board Committees, Management Committees as well as major developments at the level of the Bank's operations.

The various Board Committees met 20 times throughout 2022, the Board of Directors heads the governance structure of the bank. The Board created seven Board Committees, with specific roles and responsibilities delegated to each. In addition, in order to ensure effective achievement of the Bank's goals, the Bank's management created ten management committees, devoted to the day-to-day management of the business. This structure aims to ensure effective achievement of the Bank's goals, promote transparency, accountability, and ethical behavior, and comply with regulatory requirements.

BOD Committees

1. Board Executive Committee
2. Board Credit Committee
3. Board Audit Committee
4. Board Risk Committee
5. Board Corporate Governance and Compliance, AML, CFT Committee
6. Board Remuneration, Nomination & Compensation Committee
7. Board Central Bank Affairs Committee

Management Committees

1. Management Executive Committee
2. Internal Control Committee
3. Credit Committee
4. Asset and Liability Committee
5. IT Steering Committee
6. Information Security Committee
7. Human Resources Committee
8. Regulatory Reporting Committee
9. Treasury Committee and
10. IFRS 9 Committee

The Board of Directors

Bank of Sharjah has a very experienced, highly skilled and well-respected Board of Directors from a variety of professional and business backgrounds. The Directors are fully engaged with the Corporate Governance and business practice, they know the Bank's business structure and its operational procedures, which enables them to keep abreast of significant changes and to act promptly to protect the Bank's long-term interests, when necessary.

The Directors are committed to achieving the Bank's objectives while ensuring shareholders' interests are always considered. In line with the Central Bank of UAE's Corporate Governance Regulations and Standards for Banks, the Board approves and follows the implementation of the Bank's overall strategy, and periodically reviews the Bank's Corporate Governance framework to ensure its appropriateness with respect to changes in the Bank's business strategy, scope of activities and regulatory requirements. The Board is also responsible for establishing the Bank's risk appetite along with the Senior Management, taking into consideration the Bank's risk exposure and long-term objectives.

The Board of Directors must act with integrity, exercising their duty of care, duty of confidentiality and duty of loyalty. They are responsible for ensuring effective control over the Company's entire business. The Board of Directors must ensure that the Company and, if applicable, the Group has robust corporate governance policies and processes commensurate with its risk profile and systemic importance.

The Board of Directors



Sheikh Mohammed Bin Saud Al Qasimi - Chairman (Non-Executive Director)

Elected Chairman of the Board of Directors with effect from 25 July 2019. Board Member since 2004 and Vice Chairman from 2008 until July 2019. He is a member of the Sharjah Ruling Family, the Chairman of the Finance Department at the Government of Sharjah and a prominent businessman.



H.E. Humaid Nasir Al Owais (Non-Executive Director)

Board Member since 1973 and one of the Founding members. A former Federal Minister of Electricity and Water and a prominent businessman who maintains private businesses.



Mr. Abdulaziz Mubarak Al Hasawi (Non-Executive Director)

Member of the Board since 2005. He is a well-known Kuwaiti businessman, Chairman, and a Senior Executive in several leading institutions across Kuwait. He also owns and manages companies across the region including the UAE, Saudi Arabia, Lebanon, Bahrain and Europe.



Mr. Salem Humaid Al Ghammai (Independent Non-Executive Director)

Board Member since 2017. Worked extensively in the Ministry of Education, having been the Under-Secretary for several years. Throughout his career, he was Member of the Advisory Board of Sharjah, Member of the UNESCO Executive Council and Chairman of the Executive Council of the Arab Organisation for Education, Culture and Science.



Mr. Abdulla Mohammed Sharif Al Fahim (Independent Non-Executive Director)

Board member since 2018, a prominent businessman in Sharjah, owns several businesses in leading sectors of the economy.



MR. Waleed Al Sayegh (Independent Non-Executive Director)

UAE national, appointed Board Member in August 2022. The Director General of Finance Department – Government of Sharjah, and the CEO of Sharjah Asset Management which is the investment arm of Government of Sharjah. Mr. Walid Al Sayegh was appointed as Member of the Board of Directors in August 2022.



Sheikh Saif Bin Mohammed Bin Butti Al Hamed - Deputy Chairman

UAE national, Board Member since 1999, member of the Abu Dhabi Ruling Family, a prominent businessman, and sits on many company Boards. Chairman of Al Wathba National Insurance Company, Chairman of Abu Dhabi National Hotels Co. until 31 December 2022.



Mr. Abdulaziz Hassan Al Midfa (Non-Executive Director)

Board Member since 1973. Former Director of the Finance Department in Sharjah.



Mr. Saud Abdul Aziz Al Besharah (Non-Executive Director)

Board member since 1985. A prominent businessman in Kuwait and a Director in various companies.



Mr. Salah Ahmed Abdalla Al Noman Al Shamsi (Independent Non-Executive Director)

Board member since July 2019, prominent businessman in the Emirate of Sharjah and owner of a number of successful companies that contributed to the growth and development of the Emirate.



Mr. Amer Abdulaziz Khansaheb (Independent Non-Executive Director)

Mr. Amer Abdulaziz Khansaheb is the Managing Director of Khansaheb Investment. He also sits on the Board of Khansaheb Civil Engineering. Mr. Amer is a Chartered Financial Analyst (CFA) charter holder since 2010. He was the president of CFA Society Emirates from 2013 to 2019. He is a Board Member and Managing Director of Union Properties PJSC.



Mr. François Dauge (Non- Executive Director)

Board Member since 1995. Former Head of MENA Region at BNP Paribas. Mr. François Dauge resigned from the Board of Directors in July 2022.

The Board of Directors

The Board has all the powers to manage the Bank and carry out all transactions required by its objectives. Nothing shall act to limit these powers except as provided for in the Companies' Law and the amendments thereto the regulations or in these Articles or by resolutions of the Ordinary General Assembly. The Board also ensures that Bank of Sharjah is effectively managing its role as the Parent Company of Emirates Lebanon Bank S.A.L. Emirates Lebanon Bank S.A.L has a separate Board of Directors; Bank of Sharjah holds the majority Board positions in Emirates Lebanon Bank S.A.L.

Board of Directors - Emirates Lebanon Bank S.A.L. (Fully owned by Bank of Sharjah P.J.S.C)

Mr. Varouj Nerguizian	(Chairman)
Mr. Saud Abdul Aziz Al Besharah	(Vice-Chairman)
Sheikh Mohammed Bin Saud Al Qasimi	(On behalf of Bank of Sharjah)
Mr. Karim Souaid	(Independent Non-Executive Director)
Dr. Bassel Salloukh	(Independent Non-Executive Director)
Mr. Fadi Ghosn	(Non-Executive Director)
Mr. Mario Tohme	(Non-Executive Director)
Mr. Aram Nerguizian	(Independent Non-Executive Director)

General Responsibilities of the Board

- To set down the Bank's general policy and supervise its implementation.
- To appoint a General Manager or a Chief Executive Officer for the Bank and define his powers in the light of management agreements concluded between the Bank and third parties.
- To authorize borrowing by the Bank in the short, medium or long term and authorize the members of the Senior Management or their delegates to sign the relevant agreements.
- To draft regulations relative to loans and other matters covered under the corporate objectives.
- To issue resolutions, rules and internal regulations relative to corporate financial and administrative affairs.
- To set the controls and rules for accepting cash term deposits from customers, banks and financial institutions.
- To set a system for investing corporate funds.
- To prepare the annual report on corporate affairs.
- To approve participation in companies and banking and financial institutions with objects similar to those of the Bank.
- To purchase, sell and mortgage real estate as may be required for the Bank's affairs, to let the same etc.
- To recommend the dividends available for distribution and submit such recommendation to the Annual General Meeting.
- To set a specific set of regulations for the business of the Board and its meetings and the distribution of assignments and responsibilities amongst the Directors.

Director's Duties

Director's duties include ensuring conformity with the rules of governance and the organizational discipline standards issued by the CBUAE for Corporate Governance and Securities and Commodities Authority (SCA) and standards issued should be taken into consideration.

Conflict of interests:

If any Director has an interest which conflicts with those of the Company's in any transaction submitted to the Board for approval, he shall be required to make his interest known to the Board and have his declaration registered in the minutes provided he does not take part in the vote relative to such transaction.

Responsibilities of Directors shall include but are not limited to:

- Attending Board Meetings where he can offer independent views on strategic matters, policy, performance, accountability, resources, senior appointments and labor standards.
- Giving priority to the interests of the Bank and its shareholders whenever there is a situation of conflict of interest.
- Participating in the Board Audit Committee, as well as in other Board Committees.
- Supervising the Company's performance with the view of fulfilling its agreed purposes and objects and reviewing the performance reports.
- Setting procedural rules of governance and controlling and supervising implementation in accordance with the Articles of Association.
- Enabling the Directors and the various committees to offer their capabilities, experience and varied specialties and qualifications for the Bank's well-being by attending regularly and participating proactively in General Meetings and forming a balanced comprehension of the Shareholders' views.
- The Board of Directors must act with integrity, exercising their duty of care, duty of confidentiality and duty of loyalty. They are responsible for ensuring effective control over the Bank's entire business.
- The Board of Directors must ensure that the Bank and, if applicable, the Group has robust corporate governance policies and processes commensurate with its risk profile and systemic importance.
- The Board of Directors are responsible for the organizational structure of the Bank and the Group, if applicable, including executing the key responsibilities of the Board of Directors specifying the key responsibilities and authorities of its committees and Senior Management.
- The Board of Directors are responsible for overseeing Senior Management, ensuring that the Bank's activities are carried out in a manner consistent with the business strategy, risk governance framework, compensation and other policies approved by the Board of Directors.
- The Board of Directors are responsible for establishing a fit and proper process for the selection of Senior Management including the heads of the risk management, compliance and internal audit functions, and maintenance of succession plan for Senior Management.

Board Meeting Attendance During 2022

SI #	Meeting Date	TOTAL	23/1/2022	24/8/2022	20/10/2022	27/10/2022	24/11/2022	15/12/2022	Total 2022
	Meeting No.	2021	243	244	245	246	247	248	6
1	Sh. Mohammed Bin Saud Al Qasimi (Chairman)	5	1	1	1	1	0	1	5
2	Sh. Saif Bin Mohammed Bin Butti Al Hamed (Vice Chairman)	3	0	0	0	1	1	0	2
3	HE. Humaid Nasir Al Owais	4	1	0	0	1	0	1	3
4	Mr. Abdul Aziz Al Midfa	5	1	1	1	1	1	1	6
5	Mr. Abdul Aziz Al Hasawi	5	0	1	1	1	1	0	4
6	Mr. Saud Al Besharah	4	1	0	1	1	0	1	4
7	Mr. Salem Al Ghammai	5	1	1	1	1	1	1	6
8	Mr. Salah Ahmed Abdalla Al Noman	5	1	1	1	1	1	1	6
9	Mr. Abdulla Sherif Al Fahim	5	1	0	1	1	1	0	4
10	Mr. Amer Khansaheb	5	1	1	1	1	0	1	5
11*	Mr. François Dauge	5	1	N/A	N/A	N/A	N/A	N/A	1
11**	Mr. Waleed AL Sayegh	N/A	N/A	1	1	1	0	1	4
	Time of Meeting (hours/duration)	13.10	4.00	4.00	1.00	3.50	4.00	2.00	18.50

* Mr. François Dauge resigned from the Board of Directors effective 31 July, 2022

** Mr. Waleed Al Sayegh was appointed new Board Member effective 8 August, 2022

Competencies & Board Training

The Bank's nomination and selection processes prioritize inclusivity and diversity by ensuring that no candidate faces discouragement based on their gender or nationality; There are no female members on the Board as of March 2023 because there were no female applicants for candidacy to apply when the Board was last reconstituted. However, this will be addressed during the election of the new Board in 2023.

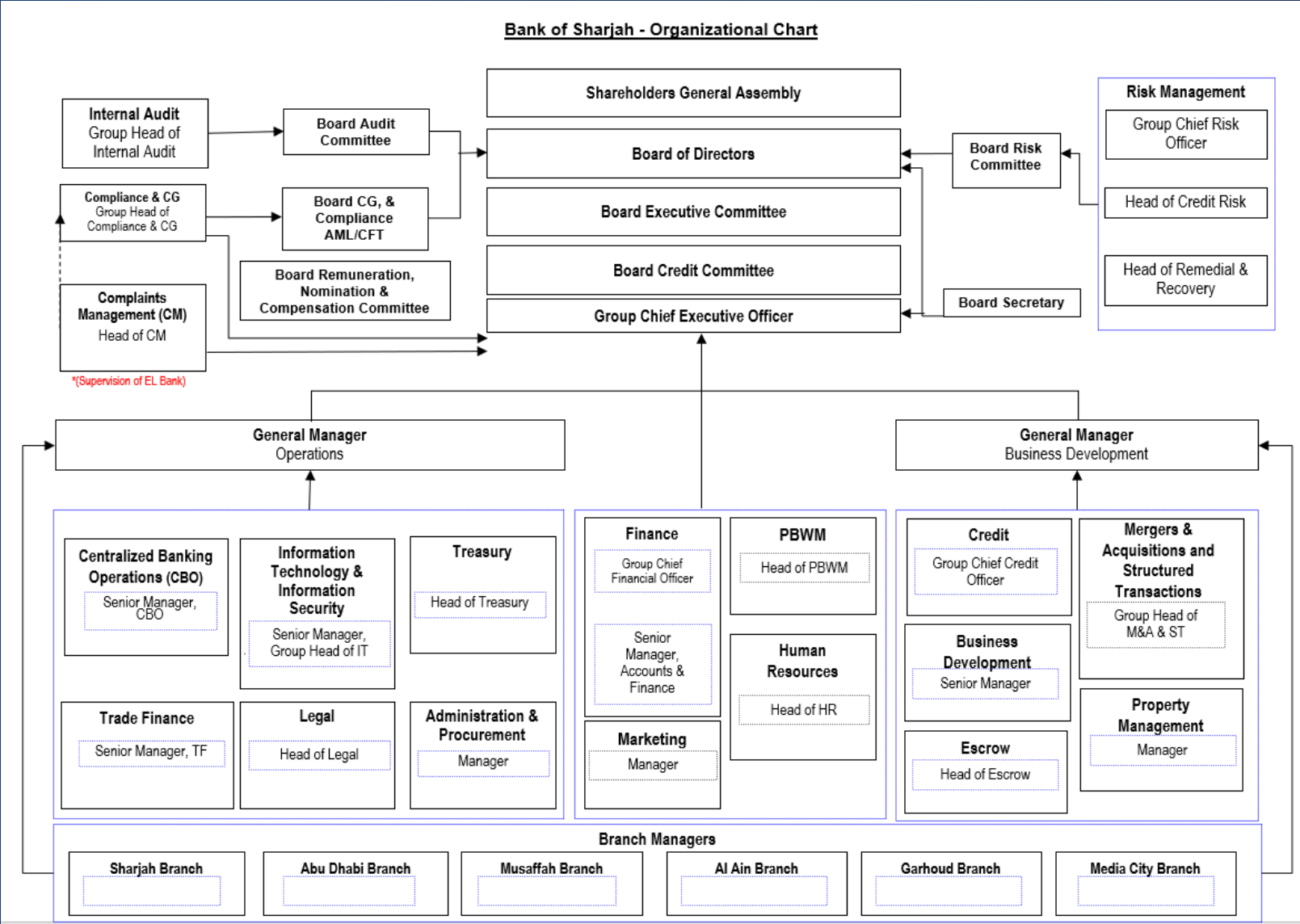
The Bank organized trainings for its Board members covering a range of relevant topics in 2022 as a demonstration of commitment towards continuous learning and development. There was no training conducted specifically on the topic of sustainable development in 2022. However, there were three trainings given to Board members, each in respect of a specific and relevant topic such as Anti Money Laundering and Combatting of Financing Terrorism training, Anti Bribery and Corruption Policy training and Sanctions Compliance training.

Board Evaluation

Bank of Sharjah has a longstanding partnership with Hawkamah, an organization that is renowned for its commitment to promoting corporate governance in the region. The partnership has been in place since Hawkamah's inception, indicating a strong commitment from Bank of Sharjah to supporting corporate governance initiatives in the region. Hawkamah is well regarded for its core values of reliability, objectivity, professionalism, respect, and honesty. These values are central to its mission of promoting good corporate governance practices in the region.

The Bank had an independent Board Assessment performed and the report was issued by Hawkamah in October 2022. The Bank of Sharjah Board Evaluation process covered both the Board and its Committees. The assessment was based on a confidential questionnaire that was sent to each Board Member from Hawkamah. We are happy to disclose that the Board Evaluation Report from Hawkamah concluded that the Board and its committees are considered “Very Good”.

Organizational Chart



Branches & Subsidiaries

Bank of Sharjah PJSC was the first commercial bank in Sharjah and is headquartered in Sharjah’s Al Khan area while having branches throughout the UAE.



Related Party Transaction

Related party account	Nature of transaction	Transaction type	Balance
Government of Sharjah	Regular banking transactions	Depositor (Deposits)	4,568,079
		Borrower (Loans and advances, letters of credit, guarantees, and acceptances)	-
		Interest Income	1,031
		Interest Expense	53,767
Abdul Aziz Al Hasawi Group	Regular banking transactions	Depositor (Deposits)	-
		Borrower (Loans and advances, letters of credit, guarantees, and acceptances)	98,261
		Interest Income	8,534
		Interest Expense	-
Sheikh Saif Bin Mohammed Bin Butti Al Hamed Group	Regular banking transactions	Depositor (Deposits)	29,770
		Borrower (Loans and advances, letters of credit, guarantees, and acceptances)	33,170
		Interest Income	1,861
		Interest Expense	756
Lycee Francophone Prive Group	Regular banking transactions	Depositor (Deposits)	51,886
		Borrower (Loans and advances, letters of credit, guarantees, and acceptances)	201,562
		Interest Income	5,890
		Interest Expense	457
Sheikh Mohammed Al Qasimi Group	Regular banking transactions	Depositor (Deposits)	5,595
		Borrower (Loans and advances, letters of credit, guarantees, and acceptances)	406,660
		Interest Income	31,154
		Interest Expense	5,470
Humaid Nasir Al Owais Group	Regular banking transactions	Depositor (Deposits)	7,030
		Borrower (Loans and advances, letters of credit, guarantees, and acceptances)	28,944
		Interest Income	3,209
		Interest Expense	35
Saud Abdul Aziz Al Besharah	Regular banking transactions	Depositor (Deposits)	9
		Borrower (Loans and advances, letters of credit, guarantees, and acceptances)	1,464
		Interest Income	170
		Interest Expense	-
Salem Humaid Salem Al Ghammai	Regular banking transactions	Depositor (Deposits)	2,014
		Borrower (Loans and advances, letters of credit, guarantees, and acceptances)	-
		Interest Income	-
		Interest Expense	-
Varouj Nerguizian	Regular banking transactions	Depositor (Deposits)	211
		Borrower (Loans and advances, letters of credit, guarantees, and acceptances)	-
		Interest Income	-
		Interest Expense	-
Mario Tohme	Regular banking transactions	Depositor (Deposits)	619
		Borrower (Loans and advances, letters of credit, guarantees, and acceptances)	-
		Interest Income	-
		Interest Expense	-
Fadi Ghosn	Regular banking transactions	Depositor (Deposits)	103
		Borrower (Loans and advances, letters of credit, guarantees, and acceptances)	458
		Interest Income	-
		Interest Expense	-

Remuneration Policy

The Bank has established remuneration policies for its Board and senior executives with the goal of attracting and retaining top talent while aligning their interests with those of the Bank's stakeholders. The Board Remuneration, Nomination Compensation Committee oversees these policies to ensure they are fair, transparent, and comply with regulations.

The Group CEO makes decisions on the remuneration for the Senior Management Team, including compensation and performance-based incentives; The Board Remuneration, Nomination Compensation Committee works with other relevant Committees to ensure accurate and regulatory compliant disclosures of remuneration in financial statements and reports.

BOS Director's Shareholding

Names	As at 31 December 2022	Increase/Decrease
1. Sheikh Mohammed Bin Saud Al Qasimi (Chairman)	101,379,603	N/A
2. Sh. Saif Bin Mohammed Bin Butti Al Hamed (Vice Chairman)	506,148	N/A
3. H.E. Humaid Nasir Al Owais	4,665,101	N/A
4. Mr. Abdul Aziz Al Midfa	27,447,618	N/A
5. Mr. Abdul Aziz Al Hasawi	105,377,384	N/A
6. Mr. Saud Al Besharah	6,517,503	N/A
7. Mr. Salem Al Ghammai	1,471,490	N/A
8. Salah Ahmed Abdalla Al Noman	137,085,425	N/A
9. Mr. Abdulla Sherif Al Fahim	7,761,880	N/A
10. Mr. Amer Khansaheb	13,266,331	N/A
11. Mr. Waleed Al Sayegh	-	N/A

Board Executive Committee

Composition & Membership

The Board appoints the members of the Committee based on them having the appropriate skills and ensuring that there is no conflict of interest. The Board Executive Committee (BEC) comprises of five non-executive Directors, with the majority of Board Members being Independent. The Board Executive Committee could invite any other Board Member or any Bank official if it deems it necessary. The Board appoints the members of the Committee as per the recommendations of the Board Remuneration, Nomination and Compensation Committee. Nomination to the BEC is based on the members having the appropriate skills and ensuring that there is no conflict of interest. The Board sets the remuneration of the Committee members. The CEO is appointed as Secretary.

Authority & Accountability

Any decisions made should be taken unanimously and shall be binding upon the Board as if adopted by the Board.

The Board Executive Committee shall perform its duties under the supervision of the Board of Directors and under its full responsibility.

Each member of the Board Executive Committee shall acquire, by virtue of his membership, a category “A” signing authority on behalf of the Bank, save the Chairman, the Vice Chairman and the Group CEO who are empowered to sign solely.

Role & Responsibilities

The Board Executive Committee is empowered to carry out, without referring to the Board, all or any of the acts and matters set forth below, which are hereby delegated to it by the Board from amongst the Board’s powers enumerated in the Article of Association, save for the matters related to Credit.

Board Executive Committee	22 January 2022	27 June 2022
Meeting Number	28	29
Sh. Mohammed Bin Saud Al Qasimi	P	P
HE. Humaid Nasir Al Owais	P	P
Mr. Saud Al Besharah	P	P
Mr. Salem Al Ghammai	P	P
***Mr. François Dauge	P	P

***Mr. François Dauge effective resignation July 2022.

Board Credit Committee

Composition & Membership

The Board appoints the members of the Committee based on having the appropriate skills and ensuring that there is no conflict of interest.

The Board Credit Committee comprises of five non-executive Directors, with the majority also being Independent. The Board Credit Committee can invite any other Board Member or any Bank official if it deems it necessary. The Board, and as per the recommendations of the Board Compensation & Remuneration and Nomination Committee, sets the remuneration of the Committee members. The Group CEO is appointed as Secretary.

Role & Responsibilities

The Board Credit Committee is empowered to carry out, without referring to the Board, all or any of the acts and matters set forth below, which are hereby delegated to it by the Board from amongst the Board's powers as detailed in the Articles of Association.

- To approve Bank's Credit Policy. Periodically reviews the Bank's Credit Policy to align it with the banks risk appetite, regulatory and other changes, regulatory and other changes, as well as with changes in the Bank's business strategy.
- To delegate authority, in matters related to Credit Risk Management, to various members of the Bank's Management team.
- To approve Credit proposals submitted to it.
- To oversee senior management's efforts in directing and controlling the Credit Risk of the Bank.
- To oversee the implementation of the credit policy and lending strategies of the Bank.
- To review and ratify decisions of the Management Credit Committee.
- To devise the general policy for the investment of funds, acquisition of the loans and other rights and their transfer with or without security.
- To record notations of law suits in the real estate register and to delete such notations with or without consideration.
- To extend banking facilities to individuals, corporations, and banks, funded or unfunded, in local currency or any foreign currency against any currency it deems appropriate.

Board Credit Committee	22-Jan-22	12-Apr-22	13-May-22	27-Jun-22	13-Sep-22	27-Oct-22	24-Nov-22	15-Dec-22
Meeting Number	303	304	305	306	307	308	309	310
Sh. Mohammed Bin Saud Al Qasimi	P	P	P	P	P	P	P	P
HE. Humaid Nasir Al Owais	P	P	P	P	P	P	P	P
Mr. Saud Al Besharah	P	P	P	P	P	P	P	P
Mr. Salem Al Ghammai	P	P	P	P	P	P	P	P
***Mr. François Dauge	P	P	P	P	N/A	N/A	N/A	N/A

Board Risk Committee

Composition and Membership

The Board Risk Committee is supervised by and reports to the Board of Directors. The Committee is established under the Bank of Sharjah Articles of Association, and in accordance with the UAE Central Bank guidelines. The Board Risk Committee must not be merged with any other Board committees. The Board appoints the members of the Committee based on having the appropriate skills and ensuring that there is no conflict of interest. The Board sets the remuneration of the Committee members. The Committee is composed of a minimum of three non-executive Directors with the majority also being Independent and includes members who collectively have experience in risk management issues and practices. The Chairperson of the Committee is an Independent Director and is selected by the Board. The Chairman of the Board cannot be a member of the Board Risk Committee.

Role

To assist the Board in ensuring that the Bank has implemented an effective policy and plan for Risk Management that will enhance the Bank's ability to achieve its strategic objectives; The Bank has implemented an effective Risk Governance framework that provides a Group – wide view of all material risks, consistent with the board approved risk appetite framework. This includes policies, processes, procedures, systems and controls to identify, measure evaluate, monitor, report and control or mitigate material sources of risk on a timely basis. It must also ensure that the Bank's risk management function is independent of the management and decision-making of the Bank's risk-taking functions and have a direct reporting line to the committee. The disclosures regarding Risk are comprehensive, timely and relevant.

Board Risk Committee	21 June 2022	14 December 2022
Meeting Number	43	44
Mr. Abdulla Sherif Al Fahim (chair)	P	A
Sh. Saif Bin Butti Al Hamid	P	P
H.E. Humaid Nasir AlOwais	P	P
Mr. Abdul Aziz Al Midfa	P	P
Mr.Amer Abdulaziz Khansaheb	P	P

Board Audit Committee

Composition and Membership

The Board appoints the members of the Committee based on them having the appropriate skills and ensuring that there is no conflict of interest. Any member of the Committee may be removed or replaced at any time by the Board. The Board sets the remuneration of the Committee members. The Committee shall comprise at least three and no more than five members of which two shall be non-executive members of the Board and one independent member. The Chairman of the Board cannot be a member of the Audit Committee.

The Chairperson of the Committee is an Independent Director and is selected by the Board. In the absence of the Committee Chair, one of the Committee members nominated by the Chair or elected by the Committee shall act as Chairperson. It must include members who collectively have experience in audit practices, financial reporting and accounting. At least one of the Committee members should also be a member of the Board Risk and Executive Committee to ensure a good flow of information between them and effective coverage of all risks, including emerging risks, and any needed adjustments to the Bank's Risk Governance Framework. The members of the Committee appoint a Secretary. In 2022 Internal Audit presented 13 reports to the Board of Directors.

Role

- Ensure appropriate oversight of and monitor the Bank's external auditors with regards to their qualifications, independence, objectivity and performance.
- Assess the integrity of the Bank's financial statements and disclosures.
- Ensure the Bank has an effective and efficient internal auditing process.
- Bank's Internal Audit function reports to the Board Audit Committee.

Board Audit Committee	21 June 2022	14 December 2022	21 December 2022
Meeting Number	56	57	58
Mr. Amer Abdulaziz Khansaheb (chair)	P	P	P
Sh. Saif Bin Butti Al Hamed	P	A	A
Mr.Saud Al Besharah	P	P	P
Mr.Abdulla Sharif Al Fahim	P	A	P

Board Corporate Governance, Compliance AML/CFT Committee

Composition and Membership

The Board Corporate Governance and Compliance, Anti-Money Laundering (AML), Combating the Financing of Terrorism (CFT) Committee is supervised by and reports to the Board of Directors. This Committee was formed to highlight the importance attached by the Board of Directors of Bank of Sharjah (BOS) to the Corporate Governance and Compliance functions, and their activities. It is established as per the Bank of Sharjah Articles of Association, and in accordance with CBUAE (primary regulator) and SCA guidelines.

The Board appoints the members of the Committee based on them having the appropriate skills and ensuring that there is no conflict of interest. The Board sets the remuneration of the Committee members. The Committee is composed of a minimum of three non-executive Directors with the majority also being Independent Directors. The Chairperson of the Committee is an Independent Director and is selected by the Board.

Role

- Oversee the implementation of the Bank's Compliance Policies and Procedures and ensure that the Bank is in compliance with all CBUAE regulatory requirements, as well as in compliance with the following BOS Policies:
 - ✓ Compliance Policy
 - ✓ Anti-Money Laundering (AML) and Combating Financing of Terrorism (CFT) Policy
 - ✓ Sanctions Policy
 - ✓ Anti-Bribery and Corruption (ABC) Policy
- Similarly, oversee the implementation of the Compliance aspects with regard to the Bank's subsidiaries, after taking into account relevant regulations, statutes etc.
- Oversee the Bank's Corporate Governance Policies and Procedures and ensure that the Bank is in compliance with CBUAE and SCA regulatory requirements. In the event of a difference or contradiction between the CBUAE and SCA regulations, on any particular aspect of governance, the CBUAE regulations will apply.
- Oversee the alignment of Compliance and Corporate Governance Policies and Procedures at the Group level, after taking into consideration the different regulatory and legal requirements applicable to the different Group entities.

Board Corporate Governance & Compliance AML/CFT	20 June 2022	13 December 2022
Meeting Number	56	57
Mr. Salem Al Ghammai (chair)	P	P
Mr. Abdul Aziz Al Hasawi	P	P
Mr. Abdul Aziz Al Midfa	P	P
Mr. Saud Al Besharah	P	P

Board Remuneration, Nomination & Compensation Committee

Composition and Membership

The Board appoints the members of the Committee, based on having the appropriate skills and ensuring that there is no conflict of interest. The Board sets the remuneration of the Committee members. The Committee is composed of a minimum of three non-executive Directors or Independent Directors. The Chairperson of the Board cannot be a member of the Remuneration, Nomination & Compensation Committee.

The Chairperson of the Committee is an Independent Director and is selected by the Board. The term of the Committee shall be similar to that of the Board.

Role & Responsibilities Remuneration & Compensation

- To recommend Board remuneration, including fees to be paid to the Chairman and Non-Executive Directors and members of the Board Committees, within the limits set out in the Bank's Articles of Association and to review them annually.
- Identify the company's needs of competencies at the level of senior executive management and employees including the heads of the Risk Management, Compliance and Internal Audit functions and the bases of their selection including the Fit and Proper processes.
- To review and approve the Human Resources and Training Policy (including Emiratization) in the company and monitors its application and reviews it annually.
- To assess remuneration and compensation packages vis a vis best practice.
- To review Bank's policies on recruitment, retention, termination, bonuses, privileges, incentives and salaries.
- To note the decisions made by the Group CEO regarding remuneration to be paid to members of the Senior Management Team, including compensation and performance-based incentives.
- Together with the Board Risk and Executive Committee, regularly monitor and review compensation plans, outcomes and processes to assess whether the Group's compensation system creates the desired incentives for managing risk, capital and liquidity and does not incentivize excessive risk taking.
- To liaise with the relevant committees of the Board in relation to remuneration related disclosures in the financial statements and other regulatory reports.
- To consider and carefully review matters related to the structure and composition of the Board; to set appropriate criteria for nominating chairpersons and members of Board Committees.

Board Remuneration, Nomination & Compensation Committee

Role & Responsibilities Remuneration & Compensation (Continued)

- To review the composition and diversity of the Board, its mix of skills, knowledge and experience and the relative proportion of Independent Directors.
- Assist the Board in maintaining a Board and Board Committees that have an appropriate mix of skills and experience to be effective decision-making bodies.
- To review succession plans for the Chairman of the Board and Senior Management, taking into consideration the expertise needed for dealing with the various challenges that the Bank might face.
- To oversee the design and assessment of the performance evaluation of the Board, its Committees and individual Directors.
- The Board, or the Board nomination committee, carries out at least annually an assessment of the Board as a whole, its committees, and individual members. This must include an independent assessment by an external third party at least once every five (5) years.
- The compensation committee is responsible for the overall oversight of management's implementation of the compensation system for the entire Bank.
- In addition, the Compensation Committee regularly monitors and reviews outcomes to assess whether the Bank-wide compensation system is creating the desired incentives for managing risk, capital and liquidity.

Board Remuneration, Nomination & Compensation Committee	20 June 2022	13 December 2022
Meeting Number	46	47
Mr. Salah Abdalla Al Noman (chair)	P	P
H.E Humaid Nasir AlOwais	P	P
Mr. Salem Al Ghammai	P	P
Mr. Abdul Aziz Al Hasawi	P	P

Central Bank Affairs Committee

Composition & Membership

The Board of Directors of Bank of Sharjah in order to improve the communication and coordination with Central Bank of UAE in all regulatory, compliance and governance matters has decided to create a special committee - Central Bank Affairs Committee. The Central Bank Affairs Committee (CBAC) meets as required or whenever needed. The Board appoints the members of the Committee, based on them having appropriate skills and ensuring that there is no conflict of interest. The Central Bank Affairs Committee (CBAC) comprises of 3 or 4 non-executive members of the Board of Directors, with the majority of Board Members being independent. The Central Bank Affairs Committee (CBAC) could invite any other Board Member or any Bank official to its meetings if it deems it necessary. The new Board elected in 2023 will appoint new or additional members of the CBAC committee and in line with best practices for the validity of the mandate period of the Board. The CFO is appointed as Secretary.

Role & Responsibilities

- Enhance the relationship between the Board and the Board members of Bank of Sharjah and the Governor and Board members of CBUAE.
- Support the Management in its relationship with CBUAE.
- Communicate with CBUAE for matters related to difficult accounts.
- Facilitate approval of interim and annual financials.
- Facilitate approval of cash dividends.
- Any other matter that needs a special support from the Board.

Central Bank Affairs Committee

Authority and Accountability - Central Bank Affairs Committee (Continued)

- Any decisions made should be taken unanimously and shall be binding on the Board as if adopted by the Board.
- The Central Bank Affairs Committee shall perform its duties under the supervision of the Board of Directors and under its full responsibility.
- The Central Bank Affairs Committee will have the authority to access any documents and request information from any department or any member of staff or management, as needed. To ensure good order any request should be issued in writing.
- The Management is required to provide the Board and its Committees with adequate and fully supported information in a timely manner so as to enable them to reach proper resolutions and fully discharge their duties and responsibilities. However, the Board may, if necessary, conduct additional investigations that enable it to base its resolutions on a valid ground.

Central Bank Affairs Committee	12 August 2022	14 September 2022	5 December 2022
Meeting Number	1	2	3
Mr. Abdullah Sharif Al Fahim	P	P	P
Mr. Waleed Al Sayegh	P	P	P
Mr. Amer Khansaheb	P	P	P

Executive Management

Mr. Varouj Nerguizian - Group CEO

Joined Bank of Sharjah in 1977 and has, as a member of the staff of BNP Paribas, held the position of General Manager since 1992; he was an Executive Board Member in 2008 till 2016 and was designated Group CEO in 2020. He also holds the position of Chairman and General Manager of Emirates Lebanon Bank S.A.L. and a Board Member of several other entities.

Mr. Mario Tohme

General Manager/ Chief Operating Officer, joined Bank of Sharjah in 1987.

Mr. Fadi Ghosn

General Manager/Head of Business Development joined Bank of Sharjah in 1990.

Management Executive Committee

- Group CEO (Chairman)
- General Managers (2)
- Group Chief Financial Officer
- Group Chief Risk Officer
- Group Head of Internal Audit
- Group Head of Information Technology
- Senior Manager, Centralized Banking Operations
- Group Head of Mergers and Acquisitions & Structured Transactions
- Head of Credit Risk
- Group Head of Compliance and Corporate Governance
- Senior Manager Business Development
- Head of Legal
- Senior Manager, Accounts and Finance
- Head of Treasury
- Branch Managers (6)
- Senior Manager, Trade Finance
- Head of PBWM
- Head of Human Resources Department
- Group Chief Credit Officer (Vacant)

External Auditors

Audit Office Name is Grant Thornton / Name of the Audit Partner is Osama El Bakry	
The number of years spent as an external auditor for the company	One year
The number of years spent by the audit partner in auditing the company's accounts	One year
Total audit fees for the year 2022 (AED)	1,708,000
Details and nature of other services performed by the company's auditor. If performed and in the absence of other services, this should be stated explicitly	Card Fraud Review
The value of fees and costs of other special services other than auditing the financial statements for the year 2022 (AED) If any and in the absence of other fees, this should be stated explicitly	91,933

Statement of other services performed by an external auditor other than the company's auditor during 2022	
PricewaterhouseCoopers	Internal Audit Review
Bazaar Accounting and Management Advisors	VAT Assistance
Deloitte & Touche MEA	Review of RA Framework

Emiratization

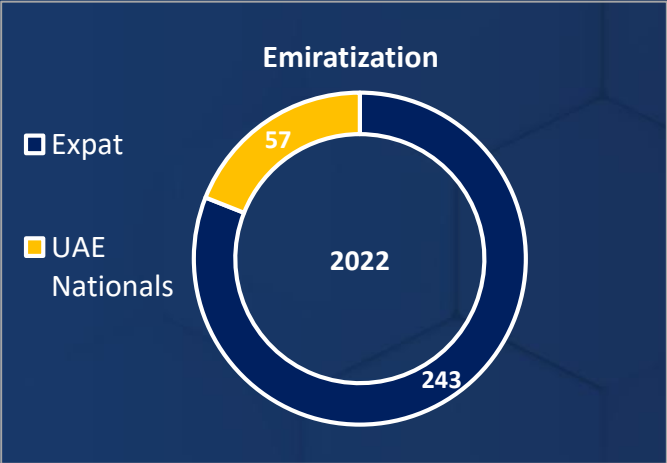
In 2022, Bank of Sharjah has proudly exceeded the assigned target by both Authorities, UAECB and MOHRE.

Bank of Sharjah is fully committed to supporting the Emiratization strategy despite various challenges and is always highlighting Emiratization as a high priority item on its strategic agenda.

The Bank has a clear plan to support local talents and to create a stable platform for Emiratis to grow for prolonged time with the Bank.

Main pillars of the plan include creating attractive career opportunities, designing focused training & development programs, supporting a culture of continuous learning & education, increasing level of engagement and introducing various initiatives to help Emiratis with special needs succeed in the office environment.

2022	2021	2020
19%	15%	14%



Shareholding



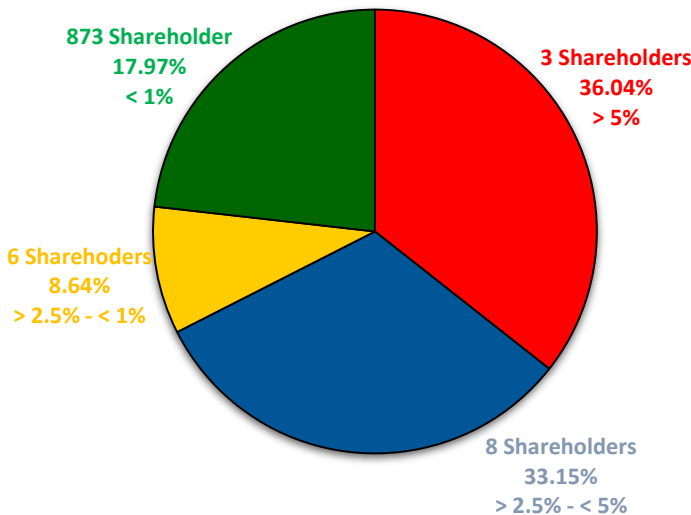
The General Assembly usually meets once a year in Sharjah, Shareholders attending should represent not less than half of the capital. The Bank ensures all shareholder rights, as per the UAE law, the guidelines of the UAE Central Bank and the Securities and Commodities Authority are upheld.

Bank of Sharjah		
Major Shareholders as at 31/12/2022 2,200,000,000		
Name of Shareholder	%	No. of Shares
Sharjah Asset Management	17.16%	377,479,947
Al Saqr United Group	12.65%	278,231,909
Ahmed Abdalla Al Noman	6.23%	137,085,425

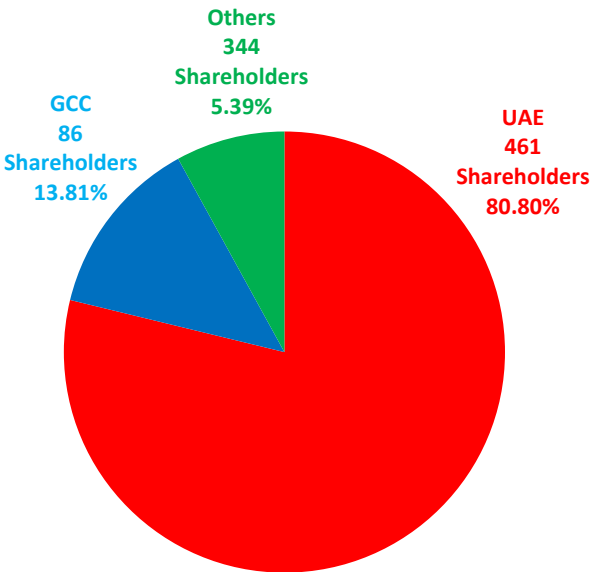
Composition of Shareholders as at 31/12/2022

Of the 891 shareholders, 17 shareholders own 82.03 %, the remaining 873 shareholders own 17.97%.
461 shareholders holding 80.80 % are of United Arab Emirates Nationality, 86 shareholders holding 13.81 % are GCC Nationals, the remaining 344 shareholders holding 5.39 % are of other nationalities.

Ownership by Percentage As at 31 December 2022



Shareholders By Nationality & % of Holding As at 31 December 2022



Dividends

Bank of Sharjah has increased its capital since inception from AED. 15 Million to AED. 2.2 Billion. Shareholders were paid cash dividends for a total amount of AED. 2.4 billion, and bonus issue shares of 940.5 Million Shares, Treasury shares distributed as bonus of 269.5 million shares.

Bank of Sharjah shares are listed on the Abu Dhabi Securities Exchange (ADX). Below is a summary of the trading activity of Bank of Sharjah Share during year 2022.

Year 2022	OPEN	CLOSE	HIGH	LOW	Value	Volume	TRADES
January	0.569	0.565	0.569	0.550	88,235.00	159,000	12
February	0.565	0.549	0.566	0.525	5,908,329.54	10,982,725	275
March	0.531	0.530	0.560	0.490	2,184,491.10	4,080,301	150
April*							
May*							
June*							
July*							
August*							
September*							
October	0.515	0.546	0.548	0.453	1,032,239.45	2,030,791	85
November	0.577	0.497	0.580	0.450	5,321,387.63	11,192,355	296
December	0.499	0.480	0.500	0.464	2,305,231.12	4,737,121	242

*Share suspended due to delay in publishing end of 2021 financials.

Code of Ethics & Conduct

The Bank's reputation for ethical behavior is one of its most valuable assets; it has been successfully built by the Bank's continued dedication and commitment to the highest standards in conducting business.

All employees are expected to ensure that their behaviour preserves this reputation and that their actions are in line with the applicable Laws and regulations and the Bank's Code of Ethics & Conduct.

The Code of Ethics and Conduct serves as a set of guiding principles intended to inform all employees of their professional obligations; it is based on the core values of the Bank and is designed to help in making decisions and handling work situations professionally and fairly.

Core Values

As a Bank whose fundamental value is to maintain the highest ethical standards, we strive to compete only on the basis of the quality of the services we provide to our customers.

The success of the Bank's business is dependent on the trust and confidence it earns from our shareholders, customers and employees. It gains credibility by displaying excellence in its performance, reaching goals through ethical conduct, adhering to its commitments and high-quality standards, acting with honesty and transparency and always encouraging employees to take initiative and have a proactive approach to overcome difficulties that arise in their daily operations.

Therefore, Bank of Sharjah has defined its core values as P-E-T-I-C-Q:

Performance - Ethics – Transparency – Initiative - Commitment - Quality

All employees are expected to be aware of and implement these values and to support the Bank's commitment by conducting their daily activities in an ethical and legal manner and by exercising good judgment and common sense in decision making and dealing with others.

Conflict of Interest Policy

In line with the CBUAE circular 83/2019 on Corporate Governance Regulations dated 18/7/2019 and the Bank's Code of Conduct and the Code of and Ethics, the Bank of Sharjah Group, has a strict policy to ensure that any conflict of interest in any area of the business is avoided. This policy is applicable to any business decision, transaction, strategic discussion, and planning or client relationship by members of the Board or employees of the bank.

When a private interest interferes, or appears to interfere, in any way with the interests of the Bank of Sharjah Group, then there is a clear conflict of interest. In which case, it must be reported as soon as it arises in order to protect the Group and prevent any reputational risk.

If there is ever a situation where a person could be seen to personally gain, financially or otherwise, either through a decision or by a transaction they are dealing with then they must report the conflict immediately. To continue to deal with a client or other party with knowledge that there might be a conflict of interest will be seen as a clear breach of this policy.

“All employees of BOS, as well as of BOS Group, must submit an Annual Declaration stating the full details of their Outside business activities”.

Anti-Bribery & Whistleblowing

We also have an Anti-Bribery and Corruption policy, where no payments or gifts should be received or given, in order to attract or influence any business decision or transaction with regulators and third parties. Moreover, employees should not accept or offer gifts or anything of value from current or potential customers or undertake inappropriate activities to facilitate any business transactions. Accepting gifts or benefits in cases where the interests of the Bank are affected, or employee's independence is compromised, is prohibited. In addition, entertainment provided for employees or customers that is excessive or inappropriate in nature is also not permitted. All relevant policies concerning these circumstances are signed and accepted by employees, customers and third parties for Acknowledgement.

Our Whistleblowing policy enables employees to speak up and report actual or potential suspicious and dishonest activities directly to the Management either by meeting them personally or by email phone. Those who report such illegal and suspicious activities will be appropriately protected, and their identity will remain anonymous. They can raise their concern in full confidentiality and their name will not be revealed without their full consent. The Bank will not tolerate any act of retaliation that is intended to harm the whistleblower.

Bank of Sharjah Group is focused on timely and factual disclosure in line with legal and regulatory requirements. The disclosure policy covers all documents released to shareholders or other stakeholder groups. It covers all material including annual reports, quarterly reports, management reports, information to be published on websites and press releases as well as oral statements, interviews and speeches.

Diversity & Inclusion

The Bank's nomination and selection processes prioritize inclusivity and diversity by ensuring that no candidate faces discouragement based on their gender or nationality. However, the Bank acknowledges that there is a lack of female candidates for Board membership. To address this issue, the Bank is taking steps to encourage existing female shareholders to apply for Board membership. The Bank is highlighting the open culture and receptiveness of the Board as a means of promoting diversity and gender equality within the highest governance body.

Innovative Projects & Initiatives Completed in 2022

Core Banking Application - Host to Host Remittance Request Service

Bank of Sharjah's (BOS) Host to Host Web Service Interface (HHRWSI) is a service offered by BOS that allows its corporate Participating Clients who are registered for this service to place outward remittance requests through host-to-host communication (client-to-bank) over a secured channel.

Payment Cards - E-Commerce & 3D Secure Enablement for Debit MasterCard

To protect customers' online purchases using Bank of Sharjah Debit MasterCard, we have enabled e-Commerce transactions and introduced 3D Secure authentication as an extra verification layer in partnership with Mastercard.

eBOS Internet Banking - Bulk Transfers

The Bulk Payments Request feature, available in eBOS Internet Banking, allows corporate users to upload and submit a comma-separated file containing multiple transfers to different beneficiaries in a single request instead of lodging multiple transfers.

Further Enquiries

For more information and enquiries regarding this report, please reach out to:

Elissa El Hachem (Head of Investor Relations & Board Liaison)

Elissa.ElHachem@Bankofsharjah.com

For detailed information on policies and procedures, please refer to the following documents available on the website of the Bank:

Annual Report 2022

Corporate Social Responsibility Report 2022

Sustainability Report 2022

Financial Report 2022

www.bankofsharjah.com

This document has been signed by the Chairman of the Board, Board Audit Committee Vice Chair, Chair of the Nomination, Compensation & Remuneration Committee and the Group Head of Internal Audit.