

BLME HOLDINGS PLC BOARD OF DIRECTORS

RESPONSIBILITIES AND TERMS OF REFERENCE (as at 11th December 2015)

1. Creation

The Board of Directors of BLME Holdings plc ('the Board') is established pursuant to the Articles of Association of BLME Holdings plc ("the Articles") and in accordance with the Companies Act 2006. These Articles were adopted by adopted by Special Resolution of the Board passed on 24th June 2013.

The adopted Articles of Association bind all aspects of BLME Holdings plc ("the Company"), its members and its business and impose membership criteria and establish proceedings protocol (unless varied by way of Board Resolution) on both the Board and its Committees.

The intention is that any such impositions and statutory requirements are reflected in these Responsibilities and Terms of Reference which are intended to be fully compliant but should any conflict arise between the wording of this document and the statutory documents mentioned above, then the requirements of the Articles of Association, as varied by Board resolution, will take precedence.

2. Purpose

The Board oversees development of the overall strategic direction and policy framework for the Company and discharges this responsibility through its stewardship of the Company by selection, monitoring and evaluation of the executive management and overseeing and guiding the ways in which the Company's business and affairs are managed.

These responsibilities are discharged with the assistance of a series of supporting Board Committees which, in limited and specific instances, have the authority to approve matters on behalf of the Board.

The Chief Executive Officer has responsibility for leading the development of plans for the Company including strategies and aims. The Board participates in discussions and provides professional and independent contributions to all aspects of business both directly and through its Committees

The Board maintains close liaison with the Sharia'a Supervisory Board (SSB), an independent body of scholars appointed by the Board, whose responsibilities are to ensure that the Company conducts its business in accordance with the principles of the Sharia'a.

3. Membership

The number of Directors, unless otherwise determined by the Company by ordinary resolution, is determined by Article 103 and shall be not less than 3 and no more than 10 in number.

The present membership of the Board is:

Members:			
Adel Abdul Wahab Al Majed	Chairman	1 Vote	Non Exec Director
Sheikh Abdullah Al – Sabah	Deputy Chairman	1 Vote	Non Exec Director
Michael Williams		1 Vote	Chief Executive Officer
Richard Williams		1 Vote	Executive Director
Neil Holden		1 Vote	Non Exec Director
Frank Vermeulen		1 Vote	Non Exec Director

Zeyad T. Al-Mukhaizeem	1 Vote	Non Exec Director
David Williams	1 Vote	Non Exec Director

Discussion papers issued by the Financial Services Authority (FSA), now the Prudential Regulatory Authority (PRA), emphasise the importance that is attached to the role of Non-Executive Directors of the Boards of regulated Banks.

In anticipation of future regulatory requirements, all appointees to the position of Non-Executive Director of the Board of the Company will be expected to demonstrate to the Board Nominations Committee and to the Board, their qualifications and the experience that makes them suitable for the Non-Executive Director role.

They will also be required to satisfy any regulatory requirements that the PRA/FCA/DFSA or other regulator may impose from time to time and adhering to the Individual Accountability policy as appropriate to the knowledge and experience of each member of the Board.

4. Quorum

Will consist of a majority of the Board members, currently 5 members.

5. Chair

The Board may appoint one of its members to be Chairman and one to be Deputy Chairman and decide the period for which they hold office.

In the absence of a Chairman or Deputy Chairman at any meeting of the Board, the Directors shall choose one of their members to be Chairman for that meeting.

The Chairman of a Board Meeting has a second or casting vote in the event of equality of votes.

6. Frequency of Meetings

Board meetings will be held 4 times per year and at any other time at the instigation of a Board member providing sufficient notice is deemed to have been given to members.

7. Secretary and Minutes

The nomination of a secretary will be the responsibility of the Chairman. Minutes of the proceedings and decisions of the Board will be agreed and circulated promptly to members and to other recipients identified by the Chairman. Action points will be assigned to named individuals for resolution and will be reviewed and updated on a regular basis.

8. Escalation

The Board is able to invoke whatever outside assistance and professional advisers it deems necessary to support its stewardship of the business under advice to and settlement by the Group Finance Director of the Company.

9. Responsibilities of the Board

The Board of Directors is responsible for the Company's system of corporate governance and the overall Company strategy, setting the risk appetite for the Company, approval of major capital expenditure projects and consideration of major financing matters.

The Directors discharge their duties within a framework of controls relating to the assessment and management of risk. The Board has delegated authority to a number of Board Committees to assist in key areas and provide support and recommendations to the full Board:

Board Audit Committee	Accounting, Audit, Controls and Compliance
Board Risk Committee *	Risk Policies and Monitoring
Board Remuneration Committee	Remuneration Policies and Compensation
Board Nominations Committee	Appointment of Board, Board Committees and Board Committee Chairmen.

Each of these Board Committees operates within agreed and clearly defined terms of reference with articulation of matters that require to be escalated to the Board of Directors. The Chairman of each of these committees will be available to answer questions at the Annual General Meeting. All Directors will be represented at the Company's Annual General Meeting.

The Board is responsible for establishing, and appointing scholars, to the Sharia'a Supervisory Board whose responsibility is to provide advice to the Board and the Company and monitor transactions to ensure that the Company's activities are in compliance with Sharia'a.

All the Directors have, at the Company's expense, access to the advice and services of any internal or independent professional advisers they deem necessary to ensure they comply with all statutory, legal and regulatory requirements in the discharge of their duties.

The Board will provide an induction programme to give Non-Executive Directors a detailed overview of the Company and the necessary regulatory training and ensure all Directors are kept abreast with regulatory changes and internal business developments.

In addition, the Board delegates authority, subject to monitoring and reporting controls, to the Executive Directors of the Bank together with an approved structure of executive committees, to enable the Chief Executive Officer to exercise day to day responsibilities for operating the business.

Such delegation, however, is on the basis that the Board of Directors and delegated Board Committees reserve to themselves responsibility for approving the following, on the basis that the Board will inform itself on an ongoing basis of all significant activities of the Company:

Strategic Planning and Budget Approval

- Long term objectives
- Changes to the overall business strategy, budget and plan to achieve objectives
- The establishment of all subsidiaries excluding those Special Purpose Vehicles (SPV) required to support the normal course of business
- Business acquisitions, disposals, investments or commitments outside the Business Plan

Audit and Finance

- Capital structure and allocation
- Any significant issues or implications related to tax and legal advice
- The annual report from the Money Laundering Reporting Officer
- Appointment of auditors on the recommendation of the Audit Committee
- All matters relating to the payment or non-payment of dividends and publication of statutory accounts
- Approval of the Annual Report & Accounts and Interim Report following recommendation from the Audit Committee.

Corporate Governance

- Significant changes to management control structures
- Matters that may materially affect the reputation or image of the Company and significant environmental and health and safety matters
- Risk policies and any proposed variations that are not specifically delegated
- All matters relating to the shares of the Company and any listing matters
- Regular contact with major shareholders to understand issues and concerns and ensure the view of shareholders is communicated to the Board
- The Chairman will ensure that Non-Executive Directors are available to meet with major shareholders, either at their or the shareholders request.
- To perform an evaluation of the Board.

Human Resources and Compensation

- Terms of service, remuneration and all other entitlements of Executive Directors including Board appointments
- All matters related to establishing the pension levels and entitlements across the Company and its subsidiaries using the Remuneration Committee to monitor and report on performance and market practice across the industry

Risk

- The manner in which the Board require Risk to be monitored, reported, handled and escalated under the responsibilities of Board Committees, the Executive Committee ("EXCO") of the Company's main subsidiary, Bank of London and The Middle East plc ("BLME" or "the Bank"), and any of EXCO's delegated committees and by the Head of Risk and Compliance, is as follows:

RISK	Board Committee	Executive Committee(s) Sub Committee(s)
Liquidity	Risk	ERC
Market	Risk	ERC
Credit	Risk and Board Credit Committee	CCRC
Operational	Risk	OPCO
Legal	Risk	EXCO
Investment (Bank)	Risk	ALCO
Investment (Asset Management)	Risk	AMIC/EXCO
Compliance	Audit	EXCO/ERC/OPCO/RCC
Management	Board	EXCO
Governance	Audit	EXCO
Reputation	Board	EXCO
ALCO	Assets & Liabilities Committee	
AMIC	Asset Management Investment Committee	
Board	Board of Directors of the Company	
CCRC	Counterparty Credit Risk Committee	
ERC	Executive Risk Committee	
EXCO	Executive Committee	
OPCO	Operations Committee	
RCC	Regulatory Change Committee	
SDC	Strategic Delivery Committee	

Any other and reportable risks are the responsibility of the Head of Risk and Compliance who shall discuss and agree with EXCO where responsibility shall lie until ratified by the Board at the next available meeting.

Ethics

Ensuring the Company and its employees operate at all times within applicable laws, regulations and religious requirements and with due regard to ethical standards. This will include laws relating to employee health and safety, human rights, environmental protection and standards relating to conflicts of interest.