

INVESTCORP BANK B.S.C.

INVESTCORP

FISCAL YEAR 2014
CORPORATE
GOVERNANCE REPORT

INFORMATION REGARDING THE BOARD OF DIRECTORS

At the Ordinary General Meeting of Shareholders ('OGM') of Investcorp Bank held on October 1, 2013, the shareholders elected 14 Directors for a three-year term that will expire at the 2016 OGM.

Investcorp Bank's long-serving Director Mr. Mustafa Jassim Boodai died late in October 2013.

At meetings held on April 22, 2014 and April 23, 2014, the Executive Committee for Administrative Policy approved the nomination, and the Board of Directors approved the appointment, of Dr. Yousef Hamad Al-Ebraheem to fill the vacancy arising from the death of Mr. Boodai until the 2014 OGM, subject to the approval of the Central Bank of Bahrain (the 'CBB'), which was obtained.

At the 2014 OGM to be held on September 22, 2014, the shareholders of Investcorp Bank will be requested to approve the election of Dr. Al-Ebraheem for the remainder of Mr. Boodai's term which will expire at the 2016 OGM, when the terms of all other Directors will also expire.

The table below provides information regarding the Directors, including their names, professions, years of service on the Board of Directors and other directorships held. As discussed below, the Board of Directors has determined that all of the Directors other than Mr. Kirdar, who is the Executive Chairman and Chief Executive Officer of Investcorp Bank, are independent Directors.

Name	Director since	Profession, directorships and affiliations
H.E. Abdul-Rahman Salim Al-Ateeqi (Chairman)	June 20, 1982	<ul style="list-style-type: none"> ■ Advisor to H.H. The Amir of the State of Kuwait
Abdul Aziz Jassim Kanoo (Vice Chairman)	June 20, 1982	<ul style="list-style-type: none"> ■ Deputy Group Chairman: Yusuf bin Ahmed Kanoo (Holdings) WLL ■ Chairman: Yusuf Bin Ahmed Kanoo Company Limited, Saudi Arabia; Baroid (Saudi Arabia) Ltd.; Saudi Arabian Industrial & Trading Co. Ltd.; Saudi Arabian Lube Additives Company ■ Deputy Chairman: Education Services Company (Taleem) (Prince Mohamed bin Fahd University) ■ Director: United Arab Shipping Agencies Co. (SAUDIA), Gulf Union Insurance Group
Nemir Amin Kirdar	June 20, 1982	<ul style="list-style-type: none"> ■ Executive Chairman & CEO, Investcorp ■ Honorary Fellow, St. Antony's College, Oxford University, UK ■ Member of the Board of Trustees, Brookings Institution, Washington, DC ■ Member of the Board of Trustees, Eisenhower Exchange Fellowships, Philadelphia, PA ■ Member of the United Nations Investments Committee, United Nations Pension Fund, New York, NY ■ Member of the Advisory Board, School of International & Public Affairs, Columbia University, New York, NY ■ Founding member of the International Business Council, World Economic Forum, Geneva, Switzerland ■ Member of the Chatham House Panel of Senior Advisers, London, UK ■ Member of the International Council of the Belfer Center for Science and International Affairs, John F Kennedy School of Government, Harvard University, Cambridge, MA ■ Member of the Council for Arab & International Relations, Kuwait ■ Member of the Board of Trustees of Silatech, Doha, Qatar

Name	Director since	Profession, directorships and affiliations
Abdullah Mohamed Alireza	February 23, 1998	<ul style="list-style-type: none"> ■ Chairman: Reza Investment Co., Jeddah; Reza Food Services Co., Jeddah; International Chemical Industries & Trading Co., Jeddah ■ Chairman and Owner: Alireza Investment Co., Jeddah ■ Member of the Board of Directors and Vice Chairman: Haji Abdullah Alireza & Co., Jeddah ■ President of the Board of Trustees: Mohamed & Ali Alireza Trust, Jeddah
Farouk Yousuf Khalil Almoayyed	July 31, 2004	<ul style="list-style-type: none"> ■ Chairman: Y.K. Almoayyed & Sons BSC ■ Chairman: Almoayyed Contracting Group, Almoayyed International Group, National Bank of Bahrain, Bahrain Duty Free Shop Complex BSC, Ashrafs, Gulf Hotels Group, Ahlia University, Bahrain National Holding BSC, National Finance House
H.E. Mohammed Bin Mahfoodh Bin Saad Al Ardhi	September 3, 2008	<ul style="list-style-type: none"> ■ Chairman: The National Bank of Oman ('NBO'); Rimal Investment Holdings Co. LLC ■ Director: The International Advisory Board of the Brookings Institution, Washington, DC ■ Member of the Eisenhower Fellowships Board of Trustees, Philadelphia, PA
Dr. Yousef Al-Ebraheem	May 25, 2014 – Election to term ending at the 2016 Ordinary General Meeting subject to the approval of the Shareholders at the 2014 Ordinary General Meeting	<ul style="list-style-type: none"> ■ Advisor of Economic Affairs to H.H. The Amir of the State of Kuwait ■ Board Member: American Kuwaiti Alliance, Washington, DC ■ Board Member: INJAZ, Kuwait ■ Member of the Board of Trustees and Executive Committee: The Arab Open University, Kuwait ■ Member: Board of Advisers of Center for Contemporary Arab Studies, Georgetown University, Washington, DC ■ Research Fellow: Economic Research Forum for the Arab Countries, Iran and Turkey, Cairo, Egypt ■ Member: Kuwait Economic Society; American Economic Association ■ Member of the Board of Trustees: Kuwait Institute for Medical Specializations ('KIMS')
Hussain Ibrahim Al-Fardan	June 20, 1982	<ul style="list-style-type: none"> ■ Chairman: Alfardan Group Holding Co. LLC and related companies ■ Chairman: QIC International, Qatar; CBO Finance Limited ■ Vice Chairman: Gulf Publishing and Printing Co., WLL, Qatar; Qatar Businessmen Association, Qatar ■ Vice Chairman and Managing Director: The Commercial Bank of Qatar ('QSC') ■ Board Member, Chairman of Investment Committee and Member of Audit Committee: Qatar Insurance Co., LLC, Qatar
Majid Saif Al Ghurair	September 3, 2008	<ul style="list-style-type: none"> ■ Chief Executive Officer: Al Ghurair Group of Companies, UAE ■ Chairman: Drake & Scull International, UAE ■ Board Director: National Cement Co., UAE; NASDAQ Dubai
Sh. Mohamed Bin Isa Al Khalifa	December 15, 2009	<ul style="list-style-type: none"> ■ Chairman: Oasis Capital Bank ■ Executive Chairman and CEO: Podium Co.

Name	Director since	Profession, directorships and affiliations
Abdullah Mohammed Mazrui	February 5, 2006	<ul style="list-style-type: none"> ■ Chairman: Emirates Insurance Company, The National Investor, UAE; International School of Choueifat, UAE; Depa United Group, UAE; Aramex, UAE; Jashanmal National Company, UAE; Chemanol, KSA; Modern Décor & Wood Products Manufacturing Co. Ltd, KSA ■ General Manager: Mazrui Holdings LLC, UAE; Mazrui International LLC, UAE; Mazrui Real Estate LLC, UAE; Mazrui Investments LLC, UAE; Education & Culture School LLC, UAE; Sigma Enterprises WLL; MENA Petro Services LLC ■ Director: National Investment Corporation, UAE; Emirates Specialties Company, UAE; Patchi LLC; Overseas AST LLC, UAE; Petrochem, Qatar; Mazrui Retail LLC, UAE; Transafe Logistics LLC, UAE; Novavita Specialised Paediatric Hospital LLC, UAE; Cakers Foods LLC, UAE ■ Member of Advisory Board: EDHEC Business School, France
Sh. Jassim Bin Abdulaziz Al Thani	September 3, 2008	<ul style="list-style-type: none"> ■ Chairman: Qatar Foundation Endowment Fund Executive Committee, Qatar Small and Medium Enterprise Authority ■ Deputy Chairman: Qatar National Bank, Qatar Financial Centre Authority, ictQatar (Supreme Council of Information Communication and Technology) ■ Chairman: Qatar National Broadband Company
Abdul Rahman Ali Al-Turki	June 18, 1986	<ul style="list-style-type: none"> ■ Chairman and CEO: A.A. Turki Group (ATCO Group), Saudi Arabia ■ Chairman: Al Sagr Company Co-operative Insurance Co., Saudi Arabia; Abraaj Capital Limited, Dubai, UAE; Dhahran International Exhibitions Co., Al-Khobar, Saudi Arabia; Bahrain Specialist Hospital, Bahrain; Honeywell-Turki Arabia, Saudi Arabia; Keller-Turki Co.Ltd., Saudi Arabia; Golden Coast for Hotels & Touristic Village & Entertainment, Egypt; Larsen & Tubro ATCO Saudi Limited, Saudi Arabia; ATCO Development Ltd., London, UK; ATCO Marine Services Limited, Bahrain; RISAL-Ramky Environmental Services Limited, Saudi Arabia; Arabian Equipment Rentals (Saudi Arabia) Limited; ATCO Kier Construction Ltd ■ Vice Chairman: Al-Arabia Real Estate & Development Co., Egypt ■ Chairman and Managing Director: Golden Pyramids Plaza Co., Egypt ■ Board Director: Saudi International Petrochemical Co. ('SIPCHEM'), Al-Khobar, Saudi Arabia; Arabian Real Estate Development Company, Egypt; Zara Investment (Holding) Co., Jordan ■ Member: Founders' Council of Prince Salman Center for Disability Research, Saudi Arabia; Founder's Council of Prince Sultan College for Sight Disabilities, Saudi Arabia; Arab Institute of Navigation, Alexandria, Egypt
Khalid Rashid Al Zayani	June 20, 1982	<ul style="list-style-type: none"> ■ Honorary Chairman: Al Zayani Investments BSC (Closed), Zayani Motors WLL, Euro Motors WLL, Zayani Properties WLL, Zayani Leasing WLL, Zayani Industries WLL, Orient Motors ■ Chairman: Midal Cables Ltd., Aluwheel WLL, Metal Form WLL, Intersteel WLL, Gulf Closures WLL, Treibacher Al Zayani Schleifmittel WLL, First Motors WLL, Rashid Al Zayani Foundation, Al Baraka Islamic Bank, Bahrain British Business Forum ■ Founder and Co-Chairman: Bahrain British Business Council, US-Bahrain Business Council ■ Board Member: Bahrain Chamber of Commerce and Industry, American-Bahraini Friendship Society, Bahraini-Moroccan Business Council, Bahrain India Society ■ President: CISI-Bahrain Advisory Council, Bahrain Technology Transfer Society

SHARE OWNERSHIP

As disclosed elsewhere in the Annual Report, members of Investcorp's senior management (Investcorp's Managing Directors) own beneficial interests in Investcorp Bank's Ordinary Shares through Investcorp Employee Share Ownership Plans ('ISOPs') and, with the exception of Mr. Kirdar, no member of senior management owns any Ordinary Shares.

The table below shows the number of Ordinary Shares held by Directors including Mr. Kirdar at June 30, 2014. There was no trading in Ordinary Shares by Directors in Fiscal Year 2014.

Shareholder name	Number of shares
Abdul Aziz Jassim Kanoo	364
Abdul Rahman Ali Al-Turki	2,158
Abdullah M. Alireza	107
H.E. Abdul-Rahman Salim Al-Ateeqi	147
Abdullah Mohammed Mazrui	229
Mazrui Investments LLC ^(a)	1,000
Khalid Rashid Al Zayani	199
Al Zayani Investments WLL ^(b)	2,282
Farouk Yousuf Khalil Almoayyed	334
Y K A Estates Corporation	405
Hussain Ibrahim Hasan Al-Fardan	107
Perlier Investment Company Ltd ^(c)	2,158
Nemir Amin Kirdar	107
Total	9,597

(a) Investment holding company of Mr. Mazrui

(b) Investment holding company of Mr. Al Zayani

(c) Investment holding company of Mr. Al-Fardan

In addition to the shares listed above, certain Directors own shares in holding companies that, in turn, hold indirect interests in an aggregate of 29,046 Ordinary Shares.

The table below shows the number of Preference Shares held by Directors and certain members of Investcorp's senior management at June 30, 2014, adjusted to reflect the June 30, 2014 redemption of a portion of the Series of Preference Shares held by Directors. There was no trading in the Preference Shares held by Directors or members of senior management in Fiscal Year 2014 other than one Director's acceptance of the offer to purchase Preference Shares made by Investcorp Bank in September 2013.

Shareholder name	Number of shares
Farouk Yousuf Khalil Almoayyed	815
Abdul Aziz Jassim Kanoo	1,630
Perlier Investment Company Ltd ^(a)	1,630
H.E. Mohammed Bin Mahfoodh Al Ardhi	815
Gulf Extrusions LLC ^(b)	2,445
Nemir Amin Kirdar	2,221
Al Zayani Investments WLL ^(c)	500
Al Sagr Company for Cooperative Insurance ^(d)	5,000
James Tanner	1,000
Stephanie Bess	100
Total	16,156

(a) Investment holding company of Mr. Al-Fardan

(b) Investment holding company of Mr. Al Ghurair

(c) Investment holding company of Mr. Al Zayani

(d) Investment holding company of Mr. Al-Turki

MEETINGS OF THE BOARD OF DIRECTORS DURING FISCAL YEAR 2014

The Board of Directors met four times during Fiscal Year 2014 on the dates listed below:

July 24, 2013: The meeting was attended by H.E. Al-Ateeqi, Mr. Kanoo, Mr. Kirdar, Mr. Alireza, H.E. Al Ardhi, Mr. Al-Fardan, Sh. Al Khalifa, Mr. Mazrui, Mr. Almoayyed, and Mr. Al Zayani.

October 2, 2013: The meeting was attended by H.E. Al-Ateeqi, Mr. Kanoo, Mr. Kirdar, H.E. Al Ardhi, Mr. Almoayyed, Mr. Boodai, Mr. Al Ghurair, Sh. Al Khalifa, Mr. Mazrui, Mr. Al-Turki and Mr. Al Zayani.

January 15, 2014: The meeting was attended by H.E. Al-Ateeqi, Mr. Kirdar, H.E. Al Ardhi, Mr. Alireza, Mr. Al-Fardan, Mr. Almoayyed, Mr. Al Ghurair, Sh. Al Khalifa, Mr. Mazrui, Mr. Al-Turki and Mr. Al Zayani.

April 23, 2014: The meeting was attended by H.E. Al-Ateeqi, Mr. Kirdar, Mr. Alireza, Mr. Almoayyed, Mr. Al-Fardan, H.E. Al Ardhi, Mr. Al Ghurair, Sh. Al Khalifa, Mr. Mazrui, Mr. Al-Turki and Mr. Al Zayani.

MEMBERS OF THE EXECUTIVE COMMITTEES OF THE BOARD OF DIRECTORS

There are four Executive Committees of the Board of Directors. Neither the Executive Chairman and Chief Executive Officer of Investcorp Bank nor the Chairman of the Board of Directors is a member of any of the Executive Committees.

Following Mr. Boodai's death in late October 2013, each of the Executive Committee for Investment Policy and the Executive Committee for Administrative Policy was comprised of three members for the remainder of Fiscal Year 2014.

The members of the Executive Committees during Fiscal Year 2014 were as follows:

Audit Committee: Mr. Al-Turki (Chairman), Mr. Alireza, Mr. Al Ghurair, Mr. Mazrui.

The High Level Controls Module (Module HC) of the Central Bank of Bahrain (CBB) requires that at least one member of the Audit Committee must be a qualified and appropriately experienced accountant. None of the members of the Audit Committee is a qualified accountant. However, at least a majority of the members of the Audit Committee has significant experience in reviewing the complex financial statements of a financial institution other than Investcorp Bank, and the Board of Directors believes that the members of the Audit Committee are qualified to discharge the mandate of the Audit Committee.

Corporate Governance Committee: Mr. Almoayyed (Chairman), H.E. Al Ardhi, Mr. Al Ghurair, Sh. Al Khalifa.

Executive Committee for Administrative Policy: Mr. Al-Fardan (Chairman), Mr. Kanoo and Mr. Al Zayani.

Executive Committee for Investment Policy: Mr. Al Zayani (Chairman Pro Tempore), H.E. Al Ardhi and Sh. Al Khalifa.

MEETINGS OF THE EXECUTIVE COMMITTEES DURING FISCAL YEAR 2014

AUDIT COMMITTEE

The Audit Committee met four times during Fiscal Year 2014 on the dates indicated below:

July 23, 2013: The meeting was attended by Mr. Alireza and Mr. Mazrui and by Mr. Merritt, Mr. Kapoor and Ms. Bess (all by invitation).

October 2, 2013: The meeting was attended by Mr. Al-Turki, Mr. Al Ghurair and Mr. Mazrui and by Mr. Merritt, Mr. Kapoor and Mr. Khan (all by invitation).

January 14, 2014: The meeting was attended by Mr. Al-Turki, Mr. Al Ghurair, Mr. Alireza and Mr. Mazrui and by Mr. Merritt, Mr. Kapoor and Ms. Bess (all by invitation).

April 22, 2014: The meeting was attended by Mr. Al-Turki, Mr. Al Ghurair, Mr. Alireza and Mr. Mazrui and by Mr. Merritt, Mr. Kapoor and Ms. Bess (all by invitation).

CORPORATE GOVERNANCE COMMITTEE

The Corporate Governance Committee met four times during Fiscal Year 2014 on the dates indicated below:

July 23, 2013: The meeting was attended by Mr. Almoayyed and Sh. Al Khalifa and by Ms. Bess (by invitation).

October 1, 2013: The meeting was attended by Mr. Almoayyed, H.E. Al Ardhi, Mr. Al Ghurair and Sh. Al Khalifa and by Mr. Merritt and Ms. Sabkar (both by invitation).

January 14, 2014: The meeting was attended by Mr. Almoayyed, H.E. Al Ardhi, Mr. Al Ghurair and Sh. Al Khalifa and by Ms. Bess (by invitation).

April 8, 2014: The meeting was attended by Mr. Almoayyed and Sh. Al Khalifa and by Ms. Bess (by invitation).

EXECUTIVE COMMITTEE FOR ADMINISTRATIVE POLICY

The Executive Committee for Administrative Policy met three times during Fiscal Year 2014 on the dates indicated below:

July 24, 2013: The meeting was attended by Mr. Al-Fardan, Mr. Kanoo and Mr. Al Zayani and by Mr. Kirdar, Ms. Bess and Mr. Elias (all by invitation).

October 1, 2013: The meeting was attended by Mr. Boodai, Mr. Kanoo and Mr. Al Zayani and by Mr. Kirdar, Mr. Merritt and Mr. Elias (all by invitation).

April 22, 2014: The meeting was attended by Mr. Al-Fardan and Mr. Al Zayani and by Mr. Kirdar, Mr. Merritt and Ms. Bess (all by invitation).

EXECUTIVE COMMITTEE FOR INVESTMENT POLICY

The Executive Committee for Investment Policy met four times during Fiscal Year 2014, on the dates indicated below:

July 23, 2013: The meeting was attended by Sh. Al Khalifa and Mr. Al Zayani and Ms. Bess (by invitation).

October 1, 2013: The meeting was attended by Mr. Boodai, H.E. Al Ardhi, Sh. Al Khalifa and Mr. Al Zayani and by Mr. Kapoor and Ms. Sabkar (both by invitation).

January 14, 2014: The meeting was attended by H.E. Al Ardhi, Sh. Al Khalifa and Mr. Al Zayani and by Ms. Bess (by invitation).

April 22, 2014: The meeting was attended by H.E. Al Ardhi, Sh. Al Khalifa and Mr. Al Zayani and by Mr. Kapoor and Ms. Bess (both by invitation).

DIRECTOR REMUNERATION IN RESPECT OF FISCAL YEAR 2014

At meetings held on October 1, 2013 and October 2, 2013, the Executive Committee for Administrative Policy (acting in its capacity as the remuneration committee) and the Board of Directors, respectively, approved the following policies for the remuneration of the Directors in respect of Fiscal Year 2014:

- Each Director will be remunerated for his service based upon the number of meetings of the Board of Directors that he attends and the number of meetings of any Executive Committee of which he is a member that he attends.
- Having regard to the extent of activities undertaken by the Chairman of the Board of Directors, he will be remunerated for each meeting of the Board of Directors that he attends at a rate equal to four times the rate of remuneration paid to all other Directors, but he will not be compensated for attending any Executive Committee meeting that he attends by invitation; and
- The Executive Chairman and Chief Executive Officer will be remunerated for each meeting of the Board of Directors that he attends, but he will not be remunerated for attending any meeting of an Executive Committee that he attends by invitation.

At a meeting held on July 22, 2014, the Executive Committee for Administrative Policy approved and recommended to the Board of Directors the payment of Director remuneration in the amount of US\$20,000 for each Board of Directors meeting that a Director attended, with four times that amount payable to the Chairman of the Board, and US\$10,000 for each meeting of an Executive Committee that a Committee member attended. At a meeting of the Board of Directors held on July 23, 2014, the Board of Directors approved this Director remuneration.

The aggregate amount of proposed Director remuneration, which is US\$1,540,000, will be subject to the approval of the shareholders at the 2014 OGM.

DETERMINATION OF DIRECTOR INDEPENDENCE

In accordance with the CBB's Module HC, the Board of Directors makes a determination each year regarding the independence of the Directors.

Under Module HC, an independent Director is a Director whom the Board of Directors has determined has no material relationship which could affect his independence of judgment, taking into account all known facts.

In order to be determined to be independent, a Director cannot be an employee of Investcorp Bank. A Director must also satisfy the following other objective criteria in the 12 months preceding the date of determination of independence:

- He or she must not make to or receive from Investcorp Bank more than 31,000 BD (excluding Directors' remuneration and earnings from investments or deposits) (the 'Payment Threshold');
- He or she must not own more than a 10% share in an entity that made to or received from Investcorp Bank an amount in excess of the Payment Threshold;
- He or she must not act as general partner, director, manager or officer of a partnership or company that made to or received from Investcorp Bank an amount in excess of the Payment Threshold;
- He or she must not have any significant contractual or business relationship with Investcorp Bank which could be seen to materially interfere with his or her capacity to act in an independent manner;
- He or she must not own directly or indirectly (including ownership by any family member or related person, which means spouse, father, mother, son(s) or daughter(s)) 5% or more of the shares of any class of Investcorp Bank;
- He or she must not be engaged directly or indirectly as an auditor or professional adviser for Investcorp Bank; and
- He or she must not be an associate of a Director or a member of senior management of Investcorp Bank.

The Corporate Governance Committee and the Board of Directors, have determined most recently at meetings held on April 8, 2014 and April 23, 2014, respectively, that each Director other than Mr. Kirdar is independent.

OTHER SIGNIFICANT CORPORATE GOVERNANCE MATTERS

The following additional significant corporate governance matters were addressed during Fiscal Year 2014:

- The Corporate Governance Committee led an evaluation of the performance of the Board of Directors as a whole, each individual Director and the Executive Committees. At the conclusion of the evaluation process, the Corporate Governance Committee reported to the Board of Directors that:
 - The Board of Directors is fully engaged in the oversight of the management of Investcorp Bank and it is fully discharging its responsibilities as set forth in the Charter of the Board of Directors.
 - The Directors are individually discharging their responsibilities as Directors of Investcorp Bank.
 - Each Executive Committee is acting in accordance with, and discharging its responsibilities pursuant to, its Terms of Reference.

The Board of Directors has approved and adopted the evaluation report of the Corporate Governance Committee.

- At a meeting held on July 23, 2013, the Audit Committee (i) determined that Ernst & Young, the Company's external auditor, is independent, (ii) made a recommendation to the Board of Directors regarding the remuneration payable to Ernst & Young for audit services rendered in Fiscal Year 2013 and (iii) recommended to the Board of Directors that Ernst & Young be engaged to serve as the auditor of Investcorp Bank for Fiscal Year 2014.

At its meeting held on July 24, 2013, the Board of Directors approved the remuneration to be paid to Ernst & Young for audit services in Fiscal Year 2013 and it approved the engagement of Ernst & Young to serve as the auditor of Investcorp Bank for Fiscal Year 2014, subject to the approval of the shareholders at the 2013 OGM. Information regarding the remuneration paid to Ernst & Young for audit services in Fiscal Year 2013 is available to shareholders at the offices of Investcorp Bank.

Similar determinations were made regarding Ernst & Young in respect of Fiscal Year 2014 at meetings of the Audit Committee and the Board of Directors held on July 22, 2014 and July 23, 2014, respectively. Information regarding the remuneration paid to Ernst & Young for audit services in Fiscal Year 2014 is available to shareholders at the offices of Investcorp Bank. The engagement of Ernst & Young as the auditor of Investcorp Bank for Fiscal Year 2015 is subject to the approval of the shareholders at the 2014 OGM.

COMPLIANCE WITH THE CORPORATE GOVERNANCE GUIDELINES AND MODULE HC

As reported in the Fiscal Year 2013 Corporate Governance Report, the Corporate Governance Committee and the Board of Directors have approved Corporate Governance Guidelines for Investcorp Bank. A copy of the Corporate Governance Guidelines is available on Investcorp's website (www.investcorp.com).

Investcorp Bank is fully in compliance with its Corporate Governance Guidelines. Investcorp Bank also is fully in compliance with Module HC except to the extent listed below:

- Module HC provides that no Director of a Bahrain bank should hold more than three directorships in Bahrain public companies. Mr. Almoayyed serves as a director of more than three Bahrain public companies. The Board of Directors does not believe there is any conflict of interest between service on the Board of Directors of Investcorp Bank by Mr. Almoayyed and his service on the other boards of directors. In addition, the Board of Directors believes that Mr. Almoayyed devotes the required time to his service on the Board of Directors of Investcorp Bank.
- Module HC requires that Directors and other approved persons declare their interests in all other enterprises or activities (whether as a shareholder of greater than 5% of the voting capital of a company, as a manager or other form of significant participation) to the Board of Directors or the Nominating or Audit Committee on an annual basis. These declarations are instead reviewed by the Corporate Governance Committee on the basis that this is consistent with the role played by the Corporate Governance Committee with respect to Investcorp Bank's corporate governance.
- Module HC provides that each Director and other approved person must make every practicable effort to arrange his personal and business affairs to avoid competing with Investcorp Bank. Two Directors of the Company, Mr. Mazrui and Mr. Al-Turki have affiliations with other financial institutions. These institutions are The National Investor and Abraaj Capital, respectively. Each of these financial institutions operates a business that could compete with Investcorp Bank. The Board of Directors is not aware of any instance in which there actually has been direct competition between Investcorp Bank and any of these financial institutions. However, consistent with its practice at previous OGMs, the Board of Directors will request shareholder approval of these affiliations at the 2014 OGM in accordance with Article 191 of the Commercial Companies Law.
- Module HC provides that the Nominating Committee should oversee directors' corporate governance education activities. Directors' corporate governance activities are instead overseen by the Corporate Governance Committee on the basis that this is consistent with the Corporate Governance Committee's role with respect to Investcorp Bank's corporate governance.
- The Central Bank has amended Module HC to provide that no 'approved person' may take benefits from any investment that is managed by a bank or promoted to its clients. An 'approved person' is a director of a bank or any senior executive officer who has been specifically approved by the Central Bank for that position.

Many of Investcorp's Directors invest in Investcorp's Corporate Investment, Real Estate Investment and Hedge Funds products alongside Investcorp's strategic shareholders and clients and Investcorp's senior executive officers co-invest in Investcorp's products pursuant to Investcorp executive compensation programs on the same terms as other Investcorp employees. These investments by Investcorp Directors and its senior executive officers are consistent with the principle of alignment of interests among shareholders, clients and employees that has been a cornerstone of Investcorp Bank's corporate governance since it was first established and Investcorp Bank does not believe that such alignment of interest is what this Module HC provision is attempting to prevent.

SIGNIFICANT ISSUES ARISING DURING FISCAL YEAR 2014

The Board of Directors did not consider any issues that were outside of the ordinary course of business during Fiscal Year 2014.

No Executive Committee considered any issues that were outside of the ordinary course of business during Fiscal Year 2014.

INVESTCORP GROUP CODE OF CONDUCT

Fourth Edition
March 2008, updated July 2014

Dear Colleague:

The mission of Investcorp Bank B.S.C. is to be the preferred global alternative asset manager for its clients based on attractive performance and distinguished customer service while generating superior returns to shareholders.

The strategy for achieving that mission is:

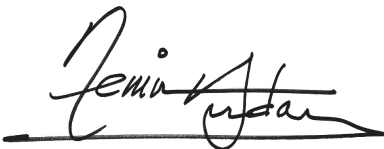
- To be global in our outlook, organization and operating structure;
- To create a working environment that demands integrity, stimulates an entrepreneurial spirit and encourages a deep sense of commitment to Investcorp Bank B.S.C. ('Investcorp Bank') and its consolidated subsidiaries (collectively, 'Investcorp'), Investcorp's shareholders, clients and employees, and the communities in which Investcorp conducts business;
- To be recognized for our transparency, professionalism and accountability; and
- To ensure Investcorp's long-term profitability through the careful, yet imaginative, management of risks and resources.

The fulfillment of this mission requires Investcorp to conduct its business activities and transactions with complete honesty and total integrity in accordance with the highest moral, ethical and legal standards.

This fourth edition of the Investcorp Code of Conduct was adopted by the Board of Directors with effect from July 23, 2014. It applies to Members of the Board of Directors of Investcorp Bank B.S.C. ('Directors'), senior management and all other employees of Investcorp. It demands that all Directors and all employees conduct their business activities with absolute propriety and integrity, and it affirms Investcorp's commitment to the highest moral, legal and ethical standards of conduct.

Investcorp prides itself on the recognition it has achieved both as a leader in the international business community and as an excellent corporate citizen.

I urge you to take the time to familiarize yourself with the contents of this Code of Conduct. I am confident that adherence to these policies underpinned with the sound commercial judgment and entrepreneurial spirit that characterize Investcorp will contribute to the continued long-term success of Investcorp.



Nemir A. Kirdar
Executive Chairman and CEO

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VALUES

Investcorp's operating philosophy is characterized by the following core values:

- **We strive for the highest ethical standards** in how we do our business and live our lives. Ethics drive how we interact with each other, our clients, our shareholders and other constituencies. By high ethical standards, we mean:
 - Being honest, direct and transparent.
 - Acting with openness and integrity.
 - Only making agreements we are committed to keeping.
 - What we do, say or commit to must not only be legal, but also appropriate and defensible.

We want our people always to think of themselves as ambassadors for Investcorp. We encourage constant debate about whether or not our actions are meeting these high standards. We encourage a deep sense of responsibility to Investcorp, its shareholders and its clients. We are blind when it comes to gender, race, religion or political affiliation.

- **We hold ourselves accountable for the highest levels of professionalism.** By professionalism we mean:
 - Building great teams, effective processes and high-quality products.
 - Using training to continuously upgrade talent and performance.
 - Encouraging individual perspectives and opinions.
 - Keeping personal relationships separate from business decisions.

This requires us to hold a worldwide perspective. We are global in our outlook, organization and operating structure. We want our clients to view us as their preferred alternative asset provider, who consistently offers them superior performance and reliable customer service.

- **We hold teamwork as critical** in how we deal with each other and achieve synergies and group results. By teamwork we mean:
 - Relating and working together as true partners.
 - Inclusive decision-making.
 - Offering and expecting straight talk with each other and promoting open debate.
 - Demonstrating respect for perspectives and opinions of others.
 - Active cross-leveraging of information and resources.
 - Appreciating the value of interdependence.

It also means that, once a decision has been made, the entire team accepts and supports it without reservation. Although we hold teamwork as paramount, we seek to stimulate a dynamic entrepreneurial spirit within Investcorp. As such, we have a bias against any bureaucracy, which hinders effective decision-making.

- **We reward results.** We hold people accountable and support them in setting, achieving and continuously improving their results. By results we mean:
 - Ambitious individual and team goals.
 - Positive quantitative and qualitative outcomes.

We are building a true meritocracy, but a compassionate one, centered on competing with the best in the industry but not with each other within Investcorp.

- **We seek to build and maintain a distinctive culture.** Our culture values teamwork along with entrepreneurship. It seeks to achieve a non-hierarchical work setting and places a premium on active and vigorous debate of issues and potential solutions to problems. In doing so, it promotes and values input and contribution from all. It believes in developing people through coaching, apprenticeship and mentoring. We seek to build and grow people through active development of their technical, managerial and leadership skills.

INTRODUCTION

This Code of Conduct summarizes legal and ethical policies that are set forth in the Employee Handbooks, the Investcorp Bank B.S.C. Group Compliance Manual (the 'Group Compliance Manual') and other Investcorp policies. Directors and employees are expected to comply with both the spirit and the letter of this Code of Conduct. This Code of Conduct does not address every potential legal or ethical dilemma that may arise. Rather, it summarizes, in plain English, the important concepts that should be followed.

PLACES TO GO FOR ASSISTANCE

You should always seek assistance in situations where you have any questions about a matter that may have legal or ethical consequences. As a general matter, if an employee has a question regarding any matter in this Code of Conduct, the first person he or she should contact is his or her local Administration Manager. If the employee feels that the local Administration Manager has not addressed his or her concerns appropriately, or if the circumstances make it inappropriate to discuss the matter with that person, the employee should contact Investcorp Bank's Chief Administrative Officer. Directors should contact Investcorp Bank's General Counsel.

ENFORCEMENT OF THE CODE

Our goal of maintaining the highest possible standards of conduct cannot be overemphasized. Every employee must be honest and candid in all activities, display integrity in the use of organizational resources, separate corporate and personal business and deal fairly with others. Failure of any Investcorp employee to comply with this Code of Conduct may result in disciplinary action which, depending on the circumstances of the matter, may include reprimand, probation, suspension, demotion, salary reduction, bonus elimination or reduction, dismissal, or other appropriate actions.

Every Director and every employee has an obligation to report any behavior which they know or suspect may be in violation of this Code of Conduct. Employees should report such concerns to their Supervisor (i.e., their Rating Official) or their local Administration Manager, who will be responsible for ensuring that the Chief Administrative Officer or the Chief Executive Officer, as appropriate, is made aware of the issue and takes the necessary action. If the circumstances render it appropriate, employees may report such issues directly to the Chief Administrative Officer. Directors should report concerns to the General Counsel. As far as is reasonably possible, Investcorp will maintain the confidentiality of persons who report possible misconduct.

Supervisors are expected to exercise reasonable oversight and take corrective action if they become aware that conduct prohibited by this Code of Conduct is being engaged in or contemplated.

If any Director or any employee has a concern regarding Investcorp's compliance with the laws and regulations applicable to it or the integrity of Investcorp's financial statements or its accounting, auditing, internal control and reporting practices, such concern should be reported to the Head of Internal Audit of Investcorp Bank (the 'Head of Internal Audit') in accordance with the Investcorp Group Whistleblowing Procedures (the 'Whistleblowing Procedures') which are maintained on the Investcorp Intranet.

PROTECTING CONFIDENTIAL INFORMATION

Confidentiality of Information

All information about clients, prospective or current investments, internal affairs, policies, financial matters, personnel and strategies of Investcorp is highly confidential. No information regarding Investcorp's clients can be released to a third party without the client's prior written permission, unless such information is requested by an authorized official of a governmental or regulatory body.

Any request from a third party to release confidential information of any kind must be referred to the General Counsel.

In addition, as a result of the changing regulatory environment, an increasing number of employees are required to disclose information regarding personal securities holdings and personal securities transactions to the Legal and Compliance Department. Subject to regulatory requirements, this information must be maintained in confidence by any employee who has access to it, including members of the Technology Department who have access to the electronic databases on which this information is maintained.

Public Disclosure of Confidential Information

Investcorp's shares are listed on the Bahrain Bourse. Under regulations in Bahrain, Investcorp is required to publicly disclose any information that will affect the price of its listed shares except under certain limited circumstances. Should any employee become aware of any event that may require public disclosure, the details should be reported to the General Counsel. Should any Director have a concern regarding the occurrence of an event that may require public disclosure, he or she should contact the General Counsel.

Use of Confidential Information

No Director or employee may use confidential information with respect to Investcorp for his or her personal or financial gain or for the gain of any other person, interest or entity other than Investcorp. All employees must sign a confidentiality agreement upon joining Investcorp.

Attorney-Client Privilege

Generally, the laws of the jurisdictions in which Investcorp operates recognize the concept of attorney-client privilege. This privilege protects the confidentiality of all forms of communication between Investcorp's employees and its legal advisers, including Investcorp's in-house counsel. To maintain attorney-client privilege, any communication to or from Investcorp's legal advisers, particularly for the purpose of seeking or giving legal advice, must not be disclosed to any person outside of Investcorp or to any unauthorized person within Investcorp.

CONFLICTS OF INTEREST

Both Directors and employees owe a duty of loyalty to Investcorp and its shareholders and are potentially personally accountable for a violation of that duty of loyalty.

In all business relationships with outside persons or organizations and in all personal business undertakings, employees are required to avoid transactions or situations in which their personal interests actually conflict with, or have the appearance of conflicting with, those of Investcorp, its shareholders and its clients. Employees are prohibited from undertaking the following activities:

- Participating in investment opportunities made available to them by virtue of their employment with Investcorp other than through the approved employee co-investment programs. Employees should refer to Investcorp's Conflict of Interest Policy for further guidance;
- Using information or property obtained through their employment with Investcorp in their personal business dealings;
- Borrowing money, or receiving a guarantee of an obligation, from Investcorp's clients and business contacts, except in the normal course of business from a bank or financial institution;
- Acquiring an interest in any transaction involving Investcorp other than through the approved employee co-investment programs;
- Competing with Investcorp in any aspect of its business interests;
- Acquiring a direct or indirect financial interest in the business of any supplier, competitor or client or accepting any salary, fee, commission or thing of value (other than gifts of nominal value, see the 'Anti-Bribery, Giving and Receiving Gifts' section of this Code of Conduct) from any supplier, competitor or client of Investcorp unless the employee receives prior written approval from the Chief Executive Officer or the Chief Administrative Officer. This rule does not prohibit employees at Investcorp from owning a less than 1% equity interest in a corporation or other business organization whose securities are widely held and actively traded; and
- Serving as a director to an outside organization whether paid or unpaid, without first obtaining the written approval of the Chief Executive Officer or the Chief Administrative Officer. If such written approval is granted, Investcorp nevertheless reserves the right to require an employee to resign from such directorship at any time if such directorship is believed to be contrary to Investcorp's interests. This requirement does not apply to serving as a director of a portfolio company, the procedures for which are separately addressed in the Corporate Investment – North America and Europe and Corporate Investment – MENA Policies and Guidelines.

Directors and designated members of senior management are subject to separate Conflict of Interest Rules and Procedures.

Corporate Governance Duties and Responsibilities to Portfolio Companies

Employees may be required to serve a number of roles in relation to the investment opportunities arranged by Investcorp. These roles may impose statutory and fiduciary obligations on employees to serve the interests of clients, third party investors and lenders to such investment opportunities. Should a conflict arise between the interests of these parties, employees should attempt to conduct themselves in the manner that most fairly reconciles those interests. Employees should refer the details of any such conflicts of interest to their Supervisor and the General Counsel.

EXTERNAL RELATIONS

Investcorp's policy is to be absolutely fair and co-operative in its dealings with third parties. Investcorp employees must treat with equal respect and unbiased objectivity their clients, potential clients and the various communities in which they work and serve. Employees shall be courteous to individuals contacted outside the organization at all times. Employees shall not denigrate any third parties, including competitors, in their business dealings.

Media, Speeches, Publishing, Surveys

Directors and employees may not communicate with the media regarding Investcorp without the express authority of the General Counsel or the Head of Corporate Communications.

All Investcorp-related speeches, publishing activity or survey responses should be pre-approved by the General Counsel or the Head of Corporate Communications. Active participation in public events that impact Investcorp by Directors or employees must also be notified in advance to the General Counsel or the Head of Corporate Communications.

All communications made by Investcorp to the various communities in which it serves shall be comprehensive, transparent, fair, accurate, timely, understandable and reflect the character of Investcorp and the nature, complexity and risks inherent in Investcorp's business activities.

Should any Director or employee become aware of any materially incorrect or misleading statement in any public disclosure made by Investcorp, they should report the details immediately to the General Counsel.

Financial Reporting

Investcorp complies with all applicable financial reporting standards. The financial statements of Investcorp are prepared in accordance with International Financial Reporting Standards.

Government Investigations

Investcorp's business activities subject it to legal and regulatory oversight in a number of different jurisdictions. Investcorp's policy is to deal with its regulators in an open and co-operative manner. Investcorp shall comply fully with any government/regulatory investigation, while at the same time protecting the legal rights of Investcorp and its employees. Accordingly, if a Director or an employee is contacted by a government investigator who asks for an interview, information or access to Investcorp files, or informs the Director or employee that either he or she or someone else within Investcorp is under investigation, he or she should contact the General Counsel immediately.

Client Relations

Investcorp recognizes the fundamental importance of serving the needs of its clients. All communications with clients shall be made in a manner that is clear, fair and not misleading. All employees shall ensure that advice provided to clients, and any discretionary decisions made on behalf of clients, shall be suitable, taking into account the specific circumstances and requirements of the client.

Disputes and Complaints

Investcorp's policy is to be absolutely fair in all of its business dealings. Directors and employees should refer any disputes with third parties or complaints received from third parties relating to Investcorp in accordance with the procedures specified in the Group Compliance Manual.

Charitable Contributions

Investcorp's philanthropic activities are selectively directed towards organizations that have objectives consistent with Investcorp's values. Investcorp does not support organizations that have political or religious affiliations

or that practice discrimination of any form. Further details are set forth in Investcorp's Charitable Contributions Policy Guidelines and Procedures which are maintained on the Investcorp Intranet.

Charitable fundraising by employees is commended and encouraged. However, to ensure that the interests of Investcorp and its employees are adequately protected, employees shall obtain the prior approval of the General Counsel before inviting other employees to contribute to such fundraising.

COMPLIANCE WITH LAWS AND REGULATIONS

It is Investcorp's policy to comply fully with all legal and regulatory obligations placed upon it by virtue of its business activities. Investcorp would regard any of the following failures as a serious breach of this policy:

- i. a criminal offence; or
- ii. a miscarriage of justice; or
- iii. the putting of the health and safety of any individual in danger; or
- iv. damage to the environment; or
- v. deliberate concealment relating to any of (i) to (iv).

If any Director or employee has a concern regarding Investcorp's compliance with any law or regulation that is applicable to it or a concern regarding the integrity of Investcorp's financial statements or its accounting, auditing, internal control and reporting practices, he or she should report that concern in accordance with the Whistleblowing Procedures.

On making a report, if a Director or employee has reasonable grounds to believe that Investcorp has not addressed the concern appropriately, he or she is entitled to report the matter to an external body.

It is impossible to summarize, in a code of conduct such as this, all of the laws and regulations that employees may need to consider as a result of their business dealings. It is the responsibility of every employee to ensure that they are aware of the laws and regulations relevant to their responsibilities and to comply with all such laws and regulations. Employees who are unsure about the legal or regulatory implications of a particular project should consult with the General Counsel.

The following paragraphs provide guidance in the major areas relevant to Investcorp's business activities:

Restriction on Investment/Insider Trading

As a condition of initial and continued employment with Investcorp, all employees are required to sign and abide by the provisions of an 'Agreement to Restrict Investments in Certain Securities when in possession of Material Non-Public Information.' This Agreement is strictly policed and enforced.

Both Directors and employees are subject to the restrictions and procedures set forth in Investcorp's Key Persons Dealing Policies and Procedures Manual.

Fraud and Theft

Investcorp will investigate promptly and discreetly suspected cases of fraud and theft. If an employee detects or suspects any fraudulent activity, the employee should inform the Head of Internal Audit in accordance with the Whistleblowing Procedures.

Anti-Bribery, Giving and Receiving Gifts

Investcorp takes a zero-tolerance approach to bribery and corruption.

A bribe is an inducement or reward offered, promised or provided in order to gain any commercial, contractual, regulatory or personal advantage. Investcorp does not permit any employee to receive, offer or pay bribes of any kind and it will not do business with any person who offers or requests a bribe.

Investcorp recognizes that in some circumstances individuals are left with no alternative but to make payments in order to protect their safety or liberty. Such situations should be avoided if possible. However, should they be

unavoidable the employee should report the payment and circumstance to the Chief Administrative Officer as soon as possible.

Investcorp recognizes that the giving and receiving of gifts and hospitality is part of building a legitimate business relationship. While small gifts may be presented and accepted at loan signings or other festive occasions, it is sometimes difficult to differentiate between mere courtesy and gifts intended to influence or induce inappropriate decision-making. For this reason and subject to any lower threshold specified by applicable regulations, Investcorp employees must declare any gifts with a value estimated to exceed US\$250 or otherwise as stipulated by the Chief Executive Officer or the Chief Administrative Officer from time to time. Employees who receive such gifts should submit a list to the Chief Administrative Officer, including the name and company of the donor, a brief description of the gift and its approximate value.

Gifts of cash or cash equivalents may not be accepted.

Money Laundering

Investcorp is proud of its clients, and Investcorp intends to conduct only legitimate business with reputable individuals and business entities. Investcorp will not establish a relationship with, or conduct a transaction for, a customer (i) whose funds appear to be the proceeds of or involved in an illegal activity, (ii) whose identity or legitimacy cannot be satisfactorily established, (iii) who fails to provide information which is necessary to comply with the Group Anti-Money Laundering and Combating Financing of Terrorism Manual (the 'AML-CFT Manual'), (iv) for whom there are inconsistencies or inaccuracies in the information provided which cannot be resolved after further investigation or (v) who insists on opening or maintaining a secret, numbered account or an account in a false name.

Employees should refer to the AML-CFT Manual for further guidance. The Manual is maintained on the Investcorp Intranet.

If an employee has any reason to question the propriety of any client relationship or transaction, the Bahrain Office Money Laundering Reporting Officer (or in his absence, the Deputy Money Laundering Reporting Officer) should be notified immediately.

Market Conduct

Investcorp observes proper standards of market conduct at all times. Investcorp strictly complies with antitrust laws in every jurisdiction where it does business. In general terms, this means that Investcorp refrains from any activity that restrains free and fair competition.

Antitrust laws are highly complex, and you should contact the General Counsel if you have any concerns about compliance with antitrust legislation.

EMPLOYEE RELATIONS

Investcorp's policy is to operate in a spirit of teamwork, professionalism and an absolute commitment to the highest ethical standards.

Management and Control

Investcorp's organizational reporting structures are designed to facilitate decision-making and the achievement of corporate objectives while operating within appropriate systems and controls. Management shall ensure that tasks are delegated only to employees with the appropriate skills and experience operating under proper supervision.

Employees may delegate authority for performing tasks. However, they cannot delegate responsibility for proper completion of the duties assigned to them. In allocating responsibilities, management shall have due regard for succession planning and avoid undue concentration of responsibilities on any one individual.

Any employee found to be negligently discharging his or her duties or exceeding the level of authority assigned to him or her shall be subject to disciplinary measures.

Training

Investcorp's policy is to provide employees with training and personal development opportunities to allow them to satisfactorily perform their duties and maximize their full potential. Personal development plans should

be discussed with each employee as an integral part of the annual appraisal process. Employees should refer training requests to their Rating Officials.

Health and Safety

Investcorp is committed to providing safe working conditions for its employees. No employee shall put the health and safety of any individual in danger. Further guidance on the health and safety procedures applicable to each office can be found in the Employee Handbooks. If any employee has any concerns regarding health and safety, they should consult the local Administration Manager.

Harassment

Investcorp will not tolerate harassment of any employee by another employee of any nature, including but not limited to, harassment that is sexual, racial, ethnic or religious in nature, nor will Investcorp tolerate retaliation against an individual for reporting alleged harassment.

Sexual harassment involves (i) making unwelcome sexual advances or requests for sexual favors, or other verbal or physical conduct of a sexual nature, a condition of employment, (ii) making submission to or rejection of such conduct the basis for employment decisions or (iii) creating an intimidating, offensive or hostile working environment by such conduct. Sexual harassment includes both verbal and non-verbal conduct.

Other forms of harassment include the use of inappropriate language to refer to persons of a particular race, ethnic or religious group and other conduct which is not conducive to a non-discriminatory work environment.

Any employee who has been subjected to harassment by another employee should immediately inform the harasser, regardless of his or her position in Investcorp, that the employee finds the behavior offensive and ask the person to stop. Investcorp recognizes, however, that complaining to the alleged harasser is not always possible or effective, and this is not required as a condition of making a complaint.

In order to make a complaint, the employee should bring the problem to the attention of Investcorp by contacting the Chief Administrative Officer. Please do not assume that Investcorp is aware of what is happening.

All complaints will be taken seriously, and an investigation will be undertaken, which may include appropriate interviews and review of relevant materials. Retaliation or discrimination against any complainant is prohibited.

Non-Fraternization Policy

From time to time, dating relationships may develop between employees. Investcorp discourages, but does not prohibit, consensual romantic/sexual relationships. Such relationships can present a number of difficulties, both for the employees involved and for the workplace as a whole, which should be carefully considered. For example, it is not always possible to tell when such a relationship is truly welcome. It may also prove uncomfortable if a relationship ends and both parties still work at Investcorp.

As a general rule, anyone involved in a romantic/sexual relationship should not normally supervise or evaluate the performance of the other person in the relationship. The existence of the relationship could potentially result in, or be perceived as resulting in, a more favorable or more negative evaluation than might otherwise have been given or resulting in more favorable or less favorable treatment with respect to other terms and conditions of employment. If a situation arises where a consensual relationship becomes a problem, the affected employee should bring the problem to the attention of Investcorp by contacting the Chief Administrative Officer. Investcorp reserves the right to transfer one of the employees to another department at any time or to take any other appropriate action in the best interests of Investcorp.

Investcorp recognizes that employees frequently eat lunch together, go out after work together or socialize after hours with friends from the office. Investcorp does not wish to interfere with this type of activity. Rather, the focus of this policy is co-employees who are in a romantic or sexual relationship.

Marriage and Common Law Marriages

Should an employee become engaged, marry or be known to be the common law spouse of another member of the same department or in another position that might cause a potential conflict of interest, Investcorp reserves the right to transfer either employee to another department at any time or to take any other appropriate action in the best interests of Investcorp.

INTERNAL ADMINISTRATION

Accuracy of Books and Records

Accuracy and truthfulness in our books and records are critical. Our shareholders and clients expect and deserve nothing less. Investcorp will not accept any inaccurate, false, misleading, incomplete or careless record keeping. Accounting records should record all properly authorized transactions. Any Director or any employee who has a concern regarding the accuracy of our books and records should report these concerns in accordance with the Accounting, Auditing and Legal Compliance Complaint Reporting Procedures.

Employees wishing to form legal entities to facilitate Investcorp business transactions must first inform the relevant Business Support unit to ensure the necessary books and records are established.

The making of a false statement in Investcorp records by an employee could lead to criminal prosecution of both Investcorp and the employee involved.

Financial Prudence

All employees shall have due regard to financial prudence in designing and executing Investcorp's business strategies and tactics. Adequate financial resources shall be maintained at all times.

Authorized Signatories

Only those employees who have been appointed as Authorized Signatories are permitted to sign confirmations, payments or any other documents requiring Authorized Signatures. A list of Authorized Signatories is available from your local Administration Manager.

Records Retention Policy

The Records Retention Policy is designed to ensure that records management practices throughout Investcorp adhere to business and legal requirements and are conducted in a consistent manner. The Records Retention Policy applies to all Investcorp records, whether they are in paper or electronic form and whether they are located at Investcorp offices or off-site storage facilities.

All employees should familiarize themselves with the Records Retention Policy and ensure that all documents in their care are retained or purged in accordance with the Records Retention Policy which is maintained on the Investcorp Intranet.

Use of Corporate Resources

Employees are permitted limited personal use of corporate resources in accordance with guidelines set forth in the Expense Management Guidelines and the Employee Handbooks. Employees are expected to devote their workdays to serving the needs of Investcorp rather than on personal matters.

Technology

Most of the computer programs that Investcorp uses to conduct its business are protected by copyright. Investcorp respects these copyrights. Accordingly, apart from authorized back-ups that are allowed by a license agreement, employees must not make copies of third party computer programs nor remove any copyrighted computer software from the premises, except as required to work remotely. Employees whose jobs involve writing computer programs must confirm that a valid license has been obtained before using or referring to lines of code written by third parties.

Investcorp provides its employees with electronic mail ('e-mail') service to be used for business purposes. Investcorp has issued policies on the use of e-mail, and each employee is responsible for knowing and complying with these policies. Employees should not have an expectation of privacy when using Investcorp e-mail facilities. Unlike oral conversations, e-mail can be permanently recorded. If an employee sends an e-mail message, the employee should understand that the recipient may print it or forward it to others. Also, Investcorp computers maintain back-up tapes of e-mail messages. In addition, Investcorp maintains all e-mail sent or received by employees of the Hedge Funds line of business, Corporate Investment – North America and Europe and Real Estate for several years to comply with certain US regulations applicable to these lines of business.

Accordingly, employees must exercise caution and discretion when sending e-mail. E-mail is like a business letter and should not include any objectionable statements or derogatory remarks. Sending e-mail that is in any way obscene or harassing is strictly prohibited. In addition, because Investcorp has provided its employees with an e-mail system for business use only, Investcorp reserves the right to continuously monitor and audit the e-mail communications of its employees.

Investcorp provides some of its employees with Internet access to assist them in conducting Investcorp's business. Although access to the Internet is provided primarily for business purposes, occasional personal usage is acceptable. Investcorp reserves the right to continuously monitor all access to the Internet as it deems appropriate and necessary. Employees found to be abusing Investcorp's Internet facilities will be subject to disciplinary action, which may lead to termination of employment.

Each technology user is responsible for all activity on the user's account. Passwords must be changed periodically and should not be divulged to any other person. Users should be aware that any operations on any of Investcorp's systems may be monitored without their knowledge.

Investcorp's Information Technology Security Policy, which is maintained on the Investcorp Intranet, contains further details on the use of computer programs, e-mail and the Internet. Further guidance may be obtained from the Bahrain Office Head of Technology.

Internal Audits

The Internal Audit Department periodically audits all corporate activities, including compliance with this Code of Conduct. All employees are required to co-operate fully with any such audits and provide complete, truthful and accurate information.

Employee Obligations Upon Termination

Upon termination, an employee shall return to Investcorp all property in the employee's possession and control that relates in any way to the business affairs of Investcorp (including, but not limited to, papers, statistics, accounts, records, models, equipment access cards, corporate credit cards, etc.), and no copies may be retained by the employee.

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