

# **SOLIDARITY GROUP HOLDING BSC (c)**

## CORPORATE GOVERNANCE GUIDELINES

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## **1. INTRODUCTION**

The Board of Directors (the “Board”) of Solidarity Group Holding B.S.C. (closed) (the “Company”) has approved the following corporate governance guidelines as a framework for the governance of the Company (the “Guidelines”). These guidelines developed to cover matters specifically stated in the Bahrain Commercial Companies Law, Corporate Governance Code issued by Ministry of Industry and Commerce (the “MOIC CGC”), the Company’s Articles and Memorandum of Association, and other corporate governance matters deemed appropriate by the Board. The Board will review these guidelines on an annual basis or more frequently if necessary. The respective committee vested with Corporate Governance shall recommend for Board approval any amendments to this framework.

## **2. GENERAL PROVISIONS**

### **2.1 Purpose of the Guidelines**

The Guidelines aim to establish a system that governs and controls the Company’s businesses and practices in order to comply with the provisions and requirements of MOIC CGC and create a corporate governance culture in line with the best practices.

### **2.2 Corporate Governance Officer**

The Company shall adhere to appoint one of its employees as the Company's corporate governance officer to carry out the tasks of verifying the Company's compliance with the Guidelines, the applicable laws, regulations and resolutions issued to implement them. The Company shall also provide the MOIC with the name, contact and address details of the Company's corporate governance officer and inform the MOIC in case of replacement.

The corporate governance officer shall have the authority to contact or request information from the Board, its committees or the executive management.

The corporate governance officer shall:

1. Coordinate and follow up with the MOIC on the regulatory requirements for Corporate Governance.
2. Ensure that the policies and implementation of the Company’s Corporate Governance are consonant with the regulatory and legal requirements to which the Company is pursuant.
3. Ensure the availability of internal control systems which guarantees the implementation of the principles stated in the Guidelines.
4. Work and coordinate with the Board and the corporate governance committee on a permanent basis to improve the implementation performance in the Company.
5. Review the annual report of governance, which is part of the Company’s annual financial report, to assure its contents and conformity with the company’s internal and control requirements.

### **3. THE BOARD OF DIRECTORS**

#### **3.1 Composition and Appointment**

The Board of the Company consists of a minimum of five members and a maximum of ten members.

At least half of the Company's Board should be non-executive directors and at least three of those persons should be independent directors. The chairman of the Board should be a non-executive director and, in any event shall not be the same person as the CEO.

The Board should regularly review its size and composition to assure that it is small enough for efficient decision making yet large enough to have members who can contribute from different specialties and viewpoints. The Board should also recommend changes in Board size to the shareholders when needed. The change requires amendment of the Company's Memorandum of Association.

All members of the Board are elected by the Ordinary General Assembly from among candidates proposed by the Board on the recommendation of the Nomination and Corporate Governance Committee.

The Company shall have a written appointment agreement with each director which recites the directors' powers and duties and other matters relating to his appointment including his term, the time commitment envisaged, the committee assignment if any, his remuneration and expense reimbursement entitlement and his access to independent professional advice when that is needed. The Board of Directors may appoint advisors to the Board and relevant committee's where deemed necessary.

#### **3.2 Meetings and Attendance**

The Board shall meet at least four times in a financial year. At least half the Board meetings in any twelve-month period must be held in the Kingdom of Bahrain.

Board members must attend at least three-quarters of all Board meetings held during any twelve-month period in person or through virtual channels. The Board member can attend the meeting via telephone/video conference calls or any other similar communication tools or virtual channels. The Board Charter of the Company which is approved by the Board indicates that any Board member who does not satisfy this requirement may be required to step down.

#### **3.3 The Board's Role and Responsibilities**

The Board's role and responsibilities include but are not limited to the overall business performance and strategy for the Group; causing financial statements to be prepared which accurately disclose the Group's financial position; monitoring management performance; convening and preparing the agenda for shareholder meetings; monitoring conflicts of interest and preventing improper related party transactions; and assuring equitable treatment of shareholders including minority shareholders. The directors are responsible both individually and collectively for performing these responsibilities.

### **3.4 The Board Secretary's Role and Responsibilities**

The Board Secretary appointment or removal is a decision made by the Board as a whole in the form of a resolution. The role and responsibilities include but are not limited to:

- Coordinate and manage board and committee meetings, including scheduling, preparing agendas and materials, attending meetings, and recording detailed minutes.
- Coordinate and arrange for Annual General Assembly and Extra-ordinary General Assembly meetings in line with the regulatory requirements including preparing agendas and materials, attending meetings, and recording detailed minutes.
- Seek required regulatory approvals for Annual General Assembly and Extra-ordinary General Assembly meetings.
- Maintain proper records of the minutes of all AGM, EGM, Board and Board Committees meetings.
- Review and update annually the charters of the Board and Board Committees in line with the regulatory requirements.
- Advise the board on corporate governance best practices, ensure compliance with bylaws and regulations, and assist with the development and review of governance documents.
- Support board members by onboarding new members, maintaining records, facilitating communication, and coordinating the election or re-election process.
- Manage the organization's official corporate records and documents, ensuring secure storage and retrieval.
- Identify opportunities for improving the board's governance practices, facilitate board development, and monitor industry trends to ensure the board's practices remain current.
- Provide legal advisory and consulting services to the management and the board, including guidance on best practices, policy development, legal and regulatory compliance, vetting and drafting legal documents, legal opinions, coordination with external law firms as and when required and strategic recommendations.
- Provide training on legal, board secretarial, governance, regulatory and other subjects to Solidarity staff.
- Facilitate implementation of the Board's activities and decisions.
- Keep records and documents relevant to the Board's activities, such as the Commercial Companies Law, articles of association, memorandum of association, commercial register, updated corporate governance rules and others.
- Any other tasks assigned by the Board or Board Committees or Group Chief Executive with the consent of the Consultant.

### **3.5 Independent and Non-Executive Directors**

Each year the Board will affirmatively determine that each such independent director has no material relationship with the Company. When evaluating the independence of each of the Company's directors, the Board will broadly consider all relevant facts and circumstances that may bear on that director's independence. The Board has adopted the following categorical standards to assist it in determining the independence of Board members, which include those standards established by the CGC and other corporate governance best practices.

In assessing independence, the Board shall consider whether the person concerned

during at least the 12 months period preceding the time in question met all the following conditions:

- a) Was not:
  - i. An employee of the Company;
  - ii. Engaged directly or indirectly as an auditor or professional advisor for the Company; and
  - iii. An associate of a director or a member of senior management of the Company.
  
- b) Did not:
  - i. Make to, or receive from, the Company payments of more than BD31,000 or equivalent (not counting director's remuneration);
  - ii. Own more than a 10% share or other ownership interest, directly or indirectly, in an entity that made to or received from the Company payments of more than such amount;
  - iii. Act as a general partner, manager, director or officer of a partnership or company that made to or received from the Company payments of more than such amount;
  - iv. Have any significant contractual or business relationship with the Company which could be seen to materially interfere with the person's capacity to act in an independent manner; and
  - v. Own directly or indirectly (including for this purpose ownership by any family member or related person) 5% or more of the shares of any type or class of the Company;

In assessing independence, if the member in question has served (6) six years or more (two terms or more), the Board must review and satisfy itself to the continued "independence" of such member.

The independent Board members must have an affirmative outright obligation to inform the Board of any circumstances or relationships that may impact their designation as "independent", including any material changes in such circumstances or relationships with the Company, any member of the Group of which the Company is a member, or a related party, or any such circumstance as indicated above.

To facilitate free and open communication among independent directors, each Board meeting may be preceded or followed with a session at which only independent directors are present, except as may otherwise be determined by the independent directors themselves.

### **3.6 Term of Directorship**

Without prejudice to the terms of Article 2.5 above, the members of the Board shall be appointed for a period of three years, which may be renewable.

### **3.7 Committees of the Board**

The Board shall establish such committees as it shall determine to be appropriate from time to time, but shall at all times have a standing Audit & Risk Committee, Nomination and Corporate Governance Committee, Remuneration Committee and Executive Committee. Each committee shall have such duties and responsibilities as are assigned to it from time to time by the Board and, with respect to standing committees, as are set forth in their respective charters.

#### **3.7.1 Audit & Risk Committee**

The Audit & Risk Committee shall consist of at least three members. The majority of the members of the committee including the Chairman shall be independent and/or non-executive directors. Such members must have no conflict of interest with any other duties they have for the Company. The committee shall meet at least four times a year.

The Company has established a “whistleblower” program under which employees can confidentially raise concerns about improprieties in financial and legal matters to the Chairman of the Audit & Risk Committee..

The committee shall:

1. Review the Company’s accounting and financial practices;
2. Review the integrity of the Company’s financial and internal controls and financial statements;
3. Review the Company’s compliance with legal requirements;
4. Review and monitor the Company’s Risk Management Framework;
5. Recommend the appointment of the internal auditor; and
6. Communicate and co-ordinate with the Corporate Governance Committee and the Shari’a Supervisory Board (“SSB”) to ensure that information on compliance with Islamic Sharia’a rules and principles are reported in a timely manner.

As part of encouraging management accountability for the financial statements required by the Board, the CEO and CFO shall state in writing to the committee and the Board as whole that the Company’s interim and annual financial statements present a true and fair view, in all material respects, of the Company’s financial condition and results of operations in accordance with applicable accounting standards.

#### **3.7.2 Remuneration Committee**

The Remuneration Committee shall consist of at least three members. The majority of the committee members including the Chairman shall be independent and/or non- executive directors. The Remuneration committee shall meet at least twice a year.



The committee shall:

1. Review the Company's remuneration policies for the Board which should be approved by the shareholders;
2. Review and recommend for approval Director's fees, per diem and other compensation or remuneration.
3. The Committee shall annually review and recommend to the Board the remuneration based on the performance of the Company for the concerned financial year. The remuneration proposed is subject to approval of regulatory authority and the shareholders in the General Assembly meeting.
4. Review and recommend to the broad package and remuneration for the Group Chief Executive and senior officers including the broad terms of employment contracts.
5. Review and recommend any changes to the Employees Bonus Plan (EBP").
6. The Committee should ensure that remuneration for both directors and officers be sufficient enough to attract, retain and motivate persons of the quality needed to run the Company successfully.
7. Provide the Board with reports and recommendations based on its findings in the exercise of its functions.

### **3.7.3 Nomination and Corporate Governance Committee**

The Nomination and Corporate Governance Committee shall consist of at least three members. The majority of the committee members including the Chairman shall be independent and/or non- executive directors. The Nomination and Corporate Governance committee shall meet at least twice a year.

The committee shall:

1. Consider all candidates eligible for board membership proposed by the Board/shareholders and any candidates proposed by management as company board representatives on subsidiaries/associates.
2. Recommend required board competencies and number and profiles of board members; this includes subsidiaries, as applicable.
3. Shall identify board members qualified to fill vacancies on any committee of the Board and recommend to the Board to appoint the identified person(s) to such committee.
4. Conduct searches for all new board members including independent members and recommend preferred candidates to the Board.
5. Assess from time to time the extent to which the required competencies are represented on the Board.
6. Ensure that succession plans are in place to maintain the required competencies, number and profiles of the Board members.
7. Ensure the independence of the independent directors on an annual basis
8. Assist the Chairman to evaluate the Board's performance annually.
9. Conduct the search for the Group Chief Executive (GCE) and recommend preferred candidates to the Board.

10. Assist the Chairman in reviewing the Group Chief Executive's performance evaluation and provide counseling and mentoring as and when required.
11. Ensure that succession and replacement plans are in place for senior management and key officers including emergency or other unforeseeable vacancy.
12. Recommend changes in the structure and job description of key officers of the company including the GCE, and prepare terms of reference for each vacancy stating the job responsibilities, qualifications needed and other relevant matters.
13. Ratify appointments relating to critical and controlled functions.
14. Review and approve all GCE direct reporting line appointments (viz COO/CFO, DGM/AGM and Board Secretary and put forward for Board endorsement.
15. Review the structure of the Board and its committees from time to time, summarize and present for Board review the performance evaluation of all Board standing committees periodically and make recommendations to the Board on the necessary changes that should be made to address weaknesses to achieve the company's interests.
16. Provide the Board with reports and recommendations based on its findings in the performance of its duties
17. To approve corporate gifts received by Executive management with an estimated retail price exceeding BD 300, as per company's gifts & entertainment rules under the company's code of conduct.
18. Oversee and monitor the implementation of the Corporate Governance Guidelines by coordinating with the management, the Audit & Risk Committee, and the Shari'a Supervisory Board.
19. Provide the Board with reports and recommendations based on its findings in the exercise of its functions.
20. On any report to the Board in accordance with item 7.1.2 above, the Committee should include the following: where the Company's system of Corporate Governance complies with corporate governance requirements of MOIC, describe the manner in which it complies and, where the Company's system of Corporate Governance differs from such applicable regulatory requirements and describe such differences and the reasons, therefore.
21. Oversee the implementation and operation of processes, structures and effective systems of governance as approved by the Board or as required by applicable regulators and industry specific standards and practices.
22. Review the Company's annual disclosure of its Corporate Governance practices pursuant to applicable regulatory requirements and industry specific standards and practices.
23. Keep records of its activities, meetings, etc., at the office of the Corporate Governance Officer, and report periodically to the Board on its activities and make recommendations as deemed appropriate.
24. Oversee compliance of all Board standing committees with the Company's Corporate Governance policies and mandates and make recommendations on the changes required under the company's corporate governance policy from time to time
25. Oversee the training activities of directors on corporate governance issues, commercial laws and relevant regulations.

26. Perform any other activities consistent with its responsibilities and duties and the Company's by-laws and governing law as the Committee or the Board deems necessary or appropriate.
27. Make recommendations to all directors, including recommendations for potential directorship candidates to be included in the shareholders' next meeting agenda.

#### **3.7.4 Executive Committee**

The Executive Committee shall consist of at least three Board members; in addition to the Chief Executive Officer. The committee shall meet at least four times a year.

The committee shall:

1. Monitor and ensure the implementation of all decisions taken by the Board relating to strategy, business plan, investments and related activities;
2. Review corporate strategies, business plans and budgets, and recommend the same for approval by the Board;
3. Monitor the operating performance of the Company against strategies, business plans and budgets and initiate corrective action, as and when required;
4. Assess periodically the asset management and investment performance of the Company and initiate corrective action, as and when required;
5. Review and recommend all investments exceeding USD 1 million for approval by the Board; within Board approved Investment Policy & Guidelines;
6. Recommend for the Board approval of all matters relating to strategic investments, mergers and acquisitions, and joint ventures;
7. Review proposals to borrow/leverage submitted by the management and recommend the same to the Board for consideration on a case by case basis;
8. Review and approve currency hedging transactions instituted at the Company level; and
9. Review and deliberate any other matters referred to it by the Board.

### **3.8 Board and Committees Charters**

The Board and each Committee shall adopt a formal written charter specifying matters which are reserved to them, which include but need not be limited to the specific requirements and responsibilities of directors.

### **3.9 Director Orientation and Continuing Education**

The Board and management have an established orientation process for new directors. With the assistance of the corporate secretary, the Chairman of the Board reviews the Board's role and duties with the new directors upon becoming a member, including information from internal and external sources. The Company may schedule on-site one-on-one meetings between the new director and executive officers of the Company.

In addition, each year various executive officers meet with the Board to review the previous year's results and the focus goals and challenges of the coming year. Management also periodically updates the Board on progress towards business unit focus goals.

From time to time throughout the year, the Board invites members of management to address particular subjects of interest to the Board to assist Board members in remaining aware of current issues, trends and concerns.

The Nomination and Corporate Governance Committee oversees directors' corporate governance educational activities.

### **3.10 Access to Management and Independent Advisors**

The Board has full access to members of management. Key members of management report at Board and committee meetings on a regular basis, providing directors with additional insight to matters being discussed. Additionally, the Board encourages the involvement of managers who have senior management potential, enabling the Board to have a greater familiarity with individuals for succession planning purposes.

Non-executive directors may have further access to the Company's management beyond that provided in Board meetings. Such access is facilitated through the Chairman of the Audit & Risk Committee or the CEO.

Any serious concerns raised by a Board member concerning the running of the Company or a proposed action should ensure that the concerns are recorded in the Board minutes. Each Board member with the consent of the Board has the authority, at the Company's expense, to engage independent legal counsel, consultants or other external expert advisors whenever they judge this necessary to discharge their responsibilities as directors. Upon resignation, the non-executive director should provide written statement to the Chairman of the Board, for circulation to the Board, if he/she has any such concerns.

### **3.11 Limit to Board Service**

Directors must be willing to devote sufficient time to carrying out their duties and responsibilities effectively, and should be committed to serve on the Board for an extended period of time.

In determining whether directors have and are devoting sufficient time to their duties and responsibilities, consideration shall be given to the number of companies on whose boards of directors such directors are serving. Accordingly, an individual director is required to inform the Nomination and Corporate Governance Committee before he/she accepts any board appointments to another company. A Board member should not serve on more than three boards of public companies in Bahrain without prejudice to the provisions of conflict of interest and the Board should not propose the election or reelection of any director who does.

### **3.12 Annual Performance Evaluation of the Board and its Committees**

The Board and each of its standing committees will perform an annual self-evaluation. The Nomination and Corporate Governance Committee is responsible for initiating and reporting to the Board on the results of the evaluation process.

The Board shall report to the shareholders, at each annual shareholders meeting, that Board and standing committees evaluations have been done and shall highlight any material issues that arise therefrom.

### **3.13 Directors Compensation**

The Nomination and Corporate Governance Committee of the Board is responsible for evaluating and recommending to the Board appropriate compensation for members of the Board and its committees.

In establishing and evaluating compensation levels, the committee may consider the relative responsibilities of directors serving on the Board and its committees. The committee may also consider levels of compensation and perquisites in relation to other companies, the effectiveness of the Board as determined through the annual self-assessment process, the number of meetings held, the demands and responsibilities of Board members and other factors it deems appropriate.

Remuneration of non-executive directors shall not include performance-related elements such as grants of shares, share options or other deferred stock related incentive schemes, bonuses, or pension benefits.

### **3.14 Code of Conduct**

To the extent appropriate, the Company's Code of Conduct and other corporate policies shall be applicable to each director of the Company. In the unusual circumstances where a waiver for a director of the Code of Conduct or other policies may be appropriate, such waivers require approval of the Corporate Governance Committee.

## **4. MANAGEMENT**

### **4.1 Appointment of Officers**

The Board shall be responsible for the appointment of key officers under the recommendation of the Nomination and Corporate Governance Committee. Such officers shall report (directly or indirectly) to the Board or a standing committee which include at a minimum:

1. Chief Executive Officer
2. Chief Financial Officer
4. Corporate Secretary
5. Internal Auditor; under the recommendation of the Audit & Risk Committee.

The Board shall also include other officers as and when deemed appropriate.

## **4.2 Annual Performance Evaluation of the CEO and Officers, Compensation, and Management Succession**

The Board of Directors shall annually review the evaluation of the Chief Executive Officer of the Company. This process shall be initiated and conducted by the Chairman in conjunction with the Nomination and Corporate Governance Committee. The Chief Executive Officer's compensation shall be determined by the Board in consideration of the recommendation of the Nomination and Corporate Governance Committee.

The Nomination and Corporate Governance Committee is required to ensure that the CEO conducts a periodic review with the committee of the succession plans relating to positions held by executive officers of the Company. The Board will work with this committee to evaluate potential successors to the CEO, including in the event of an emergency or retirement.

The Company has adopted a performance-linked incentive scheme that is linked with both the individual's performance and with Company's performance. Key officers and key executive management are offered to participate with the medium-term incentive plan in which is basically in addition to the above, virtual stock-options are provided to the participants. This motivates individuals for a better performance and helps retain key executives needed to run the company successfully.

## **5. SHARI'A SUPERVISORY BOARD**

The Company is guided by the principles of the Islamic Shari'a. In ensuring compliance with the Shari'a principles in the Company's operations and activities, the Company has established a Shari'a Supervisory Board which shall at minimum consist of three members whom are all Shari'a scholars. The SSB shall meet at least once a year.

## **6. COMMUNICATION WITH SHAREHOLDERS**

### **6.1 Annual Ordinary General Meeting**

The Annual Ordinary General Meeting ("AGM") shall be convened at least once a year within six months following the end of the financial year of the Company. All invitation notices to the shareholders for the AGM shall be made not less than 21 days prior to the date of the meeting.

The quorum of AGM shall not be valid unless shareholders representing more than half of the Company's shares are present. If the quorum is not attained, the meeting shall be valid by the number of shareholders present after half an hour from the time fixed for the first meeting. Resolutions are passed by absolute majority (>50%) of the shares present in the meeting.

The AGM have the authority, in particular, with regard to the appointment of directors, the appointment of external auditors and fixing their remuneration, approving the financial statements, approving the directors' report, distribution of profits per share, and absolving the directors from liability or the refusal thereof. The AGM shall not consider any issue not included in its agenda, however, the AGM may

consider serious issues revealed during the meeting and requested by shareholders representing not less than 10% of the share capital.

The chairs of Audit & Risk Committee, Remuneration Committee and Nomination and Corporate Governance Committee are required to attend the AGM to answer appropriate question related to their committees taken into consideration that confidential and proprietary business information may be kept confidential.

In addition, External Auditors are required to attend the AGM to be available to answer shareholders questions concerning the conduct and conclusions of the audit.

Minutes of the AGM are required to be uploaded within 10 days on the Ministry of Industry & Commerce MOIC platform “Sijilat” and on the Company’s official website within 15 days from the date of the meeting upon receiving MOIC’s approval.

## **6.2 Extra-Ordinary General Meeting**

The Extra-Ordinary General Meeting (“EGM”) shall be held by the invitation from the Board or on a written requisition addressed to the Board by shareholders representing not less than 1/4<sup>th</sup> of the shares of the Company. The Board in the latter event shall call an EGM within one month of the date on which the said requisition was received by the Board. Otherwise, the invitation notices to the shareholders for the EGM shall be made not less than 15 days prior to the date of the meeting.

The quorum of EGM shall not be valid unless shareholders representing more than two-third (2/3) of the Company’s shares are present. If the quorum is not attained, notice shall be sent for a second meeting, which shall be held within 10 days following the date of the first meeting. The quorum for the second meeting shall be valid if attended by shareholders representing more than one-third (1/3) of the Company’s shares. All resolutions passed in either of the meetings shall be by two-thirds (2/3) of the shares present in the meeting.

If a quorum is not attained for the second meeting, a notice shall be sent out for a third meeting, which shall be held within 10 days following the second meeting. The third meeting shall be valid if attended by 1/4<sup>th</sup> of the share capital. The resolutions passed in this meeting shall require a majority of the votes of those present. All resolutions passed in the EGM shall not be binding except after the approval of the Ministry of Industry and Commerce.

Minutes of the EGM are required to be uploaded within 10 days on the Ministry of Industry & Commerce MOIC platform “Sijilat” and on the Company’s official website within 15 days from the date of the meeting upon receiving MOIC’s approval.

The following shall be within the purview of the EGM:

1. To amend the Memorandum of Association and Articles of Association.
2. To extend the duration of the Company.
3. To increase or reduce the capital.
4. To dispose the entire business the Company undertakes and to deal with it in any manner.
5. To dissolve the Company or to merge it with another.
6. To change the Company's name.

### **6.3 Election and Reelection of Board Members**

The Board should present each proposal to shareholders for election and reelection by a recommendation, a summary of the advice of the Nomination and Corporate Governance Committee and the following specific information:

1. The term to be served, which may not exceed three years (but there need not be limit on reelection for further terms).
2. Biographical details and professional qualifications.
3. In the case of independent director, a statement that the Board has determined that the criteria in Section 2.4 of these guidelines have been met.
4. Any other directorship held.
5. Particulars of other positions which involve significant time commitments.
6. Details of relationship between:
  - a. The candidate and the Company.
  - b. The candidate and other directors of the Company.

When proposing reelection of a director, the chairman of the Board should confirm to the shareholders that the person's performance continued to be effective and continues to demonstrate commitment to the role by following a formal performance evaluation.

### **6.4 Disclosure of Corporate Governance**

At each AGM the Board shall report on the Company's compliance with these guidelines and the CGC and explain the extent of variation and the justification of the variation or noncompliance, if any. The CGC should be uploaded onto the Company's website.

## **7. CONFLICT OF INTEREST**

All directors and officers of the Company should not violate their legal duty of loyalty to the Company which may arise from using property of the Company for their personal use, disclosing confidential information of the Company or using it for their personal benefit, seizing business opportunity for themselves, competing with the Company's business and serving the Company's interest in any transactions with a company in which they have personal interest in.



Personal interest is considered if (he himself) or (member of his family i.e. spouse, father, mother, sons, daughter, brothers and sisters) or (another company which he is a director or controlling shareholder) is a party to the transaction or has material financial interest in the transaction.

**7.1 Avoidance of Conflict of Interest**

Each director or officer should make every practicable effort to arrange his personal and business affairs to avoid conflict of interest with the Company.

**7.2 Disclosure of Conflicts of Interests**

Each director or officer shall complete an Annual Declaration Form to confirm no of Conflict of Interests form on an annual basis or and inform the Board of such conflict as and when they arise. The disclosure should include all directorships held in other companies, all share details held in other companies, any related party transactions, the director’s independence, and all material facts in case the transaction of the contract involves the director or the officer. All approval of a conflict transaction is effective only if all material facts are known to the authorizing person (disinterested directors or shareholders) and the interested person shall not participate on the decision

The Board shall disclose to the shareholders, at each annual shareholders meeting, any authorization of a conflict-of-interest contract or transaction.

**8. CORPORATE SOCIAL RESPONSIBILITY**

The Corporate Social Responsibility (CSR) activities are held towards the surrounding society and environment. The main aim of these activities is to generate a community goodwill for the Company and help reinforce a positive and socially responsible image of the Company and its subsidiaries.

As part of CSR activities, the Company should check allocation of yearly budget for the CSR activities at the level of its operating subsidiaries with policies and procedures in place related to Marketing materials and branding collaterals related to the CSR activities.

