

Arab Academy for Research & Studies (Ahlia University)

Corporate Governance Guidelines

	Author	Approved by	Approved by
Name	Eshraq H. Al Rahma		
Position	Corporate Governance Officer		
Signature			
Date	28 December 2023		

Revisions:

Version	Date	Pages	Revised By	Description
Version 3	28/12/2023	47	Eshraq Al Rahma	-

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❖ 1.0 Definitions

Company	Arab Academy for Research & Studies (Ahlia University)
BoD	The board of directors of the Company.
Chairman	The Chairman of the BoD.
Secretary	The Secretary of the BoD.
Executive Management	The executive management of the Company.
Code	The Corporate Governance Code of 2018
Corporate Governance	A methodology to lead, guide and control the Company's business. It includes mechanisms to regulate the various relationships between the BoD, executives, shareholders, and stakeholders by establishing special rules and procedures to facilitate decision making as well as follow-up foundations to evaluate and monitor performance and to ensure transparency and credibility, for the purpose of protecting the rights of shareholders and stakeholders and achieving justice, competitiveness and transparency.
Shareholder	Any individual or Company, which holds shares in the Company.
Controlling Shareholder	Any shareholder, which holds 10% or more of the share capital or is able to exercise or control the exercise of 10% or more of the voting power of the Company.
Stakeholder	Individuals and groups affected by the Company's business, such as workers, employees, suppliers, customers, banks, society and government.
Chief Executive Officer	The highest authority in the executive management of the Company who is responsible for management of the Company before the BoD. The Board shall determine the job title of such person, who may be called "Chief Executive Officer" or "General Manager" or any other name. The Chief Executive Officer of the Company is referred to as "Managing Director".
Non-Executive Director	A member of the BoD who is not fully involved in the management of the Company (i.e. not an employee therein) or does not receive a monthly or annual salary, except for the remuneration for the directorship on the board of directors and committees.

Independent Director	A non-executive director who is fully independent in his position and decisions, and none of the independence invalidity cases mentioned in paragraph (3) of Annex 1 of the Code apply to him.
Remuneration	Amounts, allowances, profits, and equivalents, performance-related periodic or annual bonuses, short or long-term incentive schemes, and any other in-kind benefits. The reasonable expenses incurred by the Company for a director for the purpose of performing his work duties shall not be considered as remuneration
Comply or Explain Principle:	The principle stated in paragraph 7 of Section Two of this chapter, which means that the Company shall comply with the provisions of the Code or explain why it does not.
Parent Company	An entity that holds more than 50% of the Company's share capital.
Subsidiary	An entity in which the Company holds more than 50% of the share capital.
Associate	An entity in which the Company holds 20% of the share capital.
Relatives	Father, mother, brother, sister, sons, spouse, father-in-law, mother-in-law and spouse's sons.
Commercial Companies Law	The Commercial Companies Law promulgated by Legislative Decree No. 21 of 2001.

❖ 2.0 Introduction

This document contains policies and guidelines formulated and implemented by the Arab Academy for Research and Studies (Ahlia University) in order to regulate its internal governance.

Corporate Governance is a methodology to lead, guide and control the Company's business. It includes mechanisms to regulate the various relationships between the BoD, executives, shareholders and stakeholders by establishing special rules and procedures to facilitate decision making as well as follow-up foundations to evaluate and monitor performance and to ensure transparency and credibility, for the purpose of protecting the

rights of shareholders and stakeholders and achieving justice, competitiveness, and transparency.

This document aims at supporting all stakeholders to understand and apply governance as an integrated approach towards growth and sustainability of the Company which would contribute to building a strong, competitive and transparent national economy. The Company is committed to ensuring the periodic review of this document for any amendments and updates, as well as ensuring that all employees are aware of the Company's corporate governance.

This document is subject to approval of the Board and the General Assembly.

❖ 3.0 Key Pillars of Governance

The key pillars of corporate governance as indicated in the Corporate Governance Code of 2018 are as follows:

1) Information

Ensuring that the information required by regulators, shareholders, and investors, as well as related parties is provided in a timely and appropriate manner to enable these parties to take decisions and run their businesses property, while the matters of interest to shareholders and various related parties are transparently disclosed by the Company and its BoD, which would help attract more businesses to the Company, including various investors from within the Kingdom of Bahrain.

2) Accountability

The directors are aware that they are responsible for their decisions and actions in managing and leading the Company before the shareholders and are held accountable to them, and they shall subject themselves to evaluation in accordance with best practices.

3) Justice

All shareholders, employees and related parties shall enjoy fair and equitable treatment by the directors and Executive Management, without bias or any concealed interests.

4) Responsibility

The directors shall perform their duties with honor, integrity, impartiality and sincerity towards the economy and society in general, and the Company in particular, exercise caution, care and due diligence in the performance of their duties, put the Company's best interest ahead of their own self-interests and take into account the corporate social responsibility.

❖ 4.0 Corporate Governance Code of 2018

On 19th of March, 2018, the Ministry of Industry, Commerce and Tourism issued the Corporate Governance Code. The purpose of the Code is to provide guidance to companies on the best ways to manage, lead, organize and monitor their businesses through a series of transparent, clearly defined policies, processes and procedures.

The Company declared its compliance with the provisions of the Code.

4.1 Structure of the Code:

The Code contains eleven fundamental principles of corporate governance, each of which contains several guidelines and directives to be applied and considered by every Company when declaring its compliance with the provisions of the Code pursuant to the Comply or Explain Principle. The eleven principles are as follows:

4.1.1 Principle One: The Company shall be headed by an effective, qualified and expert Board.

Key areas:

- 1- The BoD's Composition, Responsibilities and Duties
- 2- The Secretary
- 3- The BoD's Meetings, Decisions and Recommendations
- 4- Directors' Independence
- 5- The Board's Representation of all Shareholders
- 6- Directors' Accessibility to External Consulting Opinions
- 7- Communications between Directors and Executive Management
- 8- Committees of the Board
- 9- Evaluation of the Board and its Committees

4.1.2 Principle Two: The board and the executive management shall have the full loyalty to the Company.

Key Areas:

- 1- Personal Accountability
- 2- Dealing with Related Parties
- 3- Avoidance of Conflict of Interest
- 4- Disclosure of Conflict of Interest
- 5- Criteria and Determinants of Professional Conduct and Ethical Values

4.1.3 Principle Three: The board shall have rigorous control for financial audit and reporting, internal control and compliance with the law.

Key areas:

- 1- Audit Committee
- 2- Whistleblowing Program
- 3- Chief Executive Officer's, Chief Financial Officer's or Financial Controller's Certification of the Financial Statements

4.1.4 Principle Four: The Company shall have effective procedures for the appointment, training and evaluation of Board members.

Key areas:

- 1- Nomination Committee
- 2- BoD Nominations to Shareholders
- 3- Induction and Training of Directors

4.1.5 Principle Five: The Company shall remunerate directors and officers fairly and responsibly.

Key areas:

- 1- Remuneration Committee
- 2- Common Standards for all Remunerations
- 3- Non-Executive Directors' Remuneration
- 4- Senior Officer's Remuneration
- 5- Performance-Based Incentive Regulations

4.1.6 Principle Six: The board shall establish a clear and effective management structure for the Company, and define job titles, powers, roles and responsibilities.

Key areas:

- 1- Establishment of Management Structure
- 2- Job Titles, Authorities, Roles and Responsibilities
- 3- BoD's Additional Authorities and Duties

4.1.7 Principle Seven: The Company should communicate with shareholders, encourage them to participate and respect their rights.

Key areas:

- 1- Shareholder Empowerment
- 2- Conduct of Shareholders' Meetings
- 3- Direct Shareholders' Communication
- 4- Controlling Shareholders

4.1.8 Principle Eight: The Company shall disclose its corporate governance.

Key areas:

- 1- Adoption of Corporate Governance Guidelines
- 2- Reporting the Company's Governance at Each Annual Shareholders' Meeting
- 3- Establishment of Corporate Governance Committee
- 4- The Appointment of a Corporate Governance Officer

4.1.9 Principle Nine: Companies which offer Islamic services shall adhere to the principles of Islamic shari'a.

Key areas:

- 1- Establishment of Shari'a Supervisory Board
- 2- Establishment of Corporate Governance Committee

4.1.10 Principle Ten: The board shall ensure the integrity of the financial statements submitted to shareholders, through the use of external auditors.

Key areas:

- 1- Selection of External Auditor
- 2- External Auditor's Obligations

4.1.11 Principle Eleven: The Company must seek social responsibility to exercise its role as a good citizen.

Key areas:

- 1- Formulation of Social Responsibility Policy
- 2- Disclosure of Social Responsibility
- 3- An Annual Plan to Implement the Social Responsibility Philosophy

❖ 5.0 Board of Directors

The Company shall have a BoD consisting of at least three directors. The directors shall include persons with experience so that the rest of the directors can benefit from their expertise and experience. In all cases, the BoD shall have no more than fifteen (15) members.

The directors shall be responsible, both individually and collectively, before the shareholders for achieving the Company's objectives and purposes. They shall be primarily concerned with the interests of the Company, which shall take precedence over any other interests, including the interests of the shareholders represented by them. The Board shall represent all shareholders, and shall perform the duty of devotion and loyalty in managing the Company and everything that would safeguard and promote the interests of the Company and maximize its value.

The BoD's roles and responsibilities shall include, but not be limited to, the following:

- 1- Adopting the commercial and financial policies associated with the Company's business performance and achievement of its objectives.
- 2- Drawing, overseeing and periodically reviewing the Company's plans, policies, strategies and key objectives.
- 3- Setting and generally supervising the regulations and systems of the Company's internal control.
- 4- Determining the Company's optimal capital structure, strategies and financial objectives and approving annual budgets.
- 5- Monitoring the Company's major capital expenditures, and possessing and disposing assets.
- 6- Approving the Company's quarterly and annual financial statements and presenting them to the General Assembly.
- 7- Monitoring the executive management's activities, and ensuring that the operations run smoothly to achieve the Company's objectives and that they do not conflict with the applicable Laws and Regulations.
- 8- Forming specialized committees emerging from the BoD as required by the nature of the Company's activity as provided in the regulatory requirements, and issuing the regulations of these committees.
- 9- Determining the types of remunerations for senior executives and directors, subject to the approval of the shareholders' general assembly, taking into consideration the provision of Article (188) of the Commercial Companies Law.
- 10- Setting a mechanism to regulate transactions with related parties to minimize conflicts of interest.
- 11- Setting standards and values governing the Company's business.
- 12- Ensuring the application of an appropriate control and risk management systems by setting framework of the risks that the Company might face, creating an environment that is aware of risk management knowledge at the Company level, and transparently presenting it to Company's related parties and stakeholders.

- 13- Assuring equitable treatment of shareholders, including the minority shareholders.
- 14- Setting internal regulations which determine the Board's duties and responsibilities, including the obligations and responsibilities of the directors, which the Board shall not be exempt therefrom even if it forms committees or delegates certain duties to other bodies or individuals. The BoD shall avoid issuance of general authorizations or authorizations with an unlimited duration.

❖ 5.1 Chairman of the Board

The Chairman's responsibilities and duties include but are not limited to the following:

- 1- Represent the Company before others.
- 2- Ensure that the directors have access to the complete and accurate information in a timely manner.
- 3- Ensure that the Board discusses all information and items stated in the agendas for each meeting.
- 4- Encourage the directors to effectively exercise their roles in the best interest of the Company.
- 5- Ensure effective communication between the Company's shareholders and BoD.
- 6- Prepare agendas for the Board meetings and general assembly meetings (annual general meetings / extraordinary general meetings).
- 7- Hold meetings with non-executive and independent directors, without the attendance of the executives, to take their views on matters related to the Company's activity.

❖ 5.2 Chief Executive Officer (CEO)

The Chief Executive Officer shall have authority to act generally in the Company's name, representing the Company's interests in concluding transactions on the Company's behalf and giving instructions to other Company's officers and employees.

❖ 5.3 Board Secretary

The Board Secretary is responsible for:

- a- Facilitating the implementation of the BoD's activities and decisions.
- b- Coordinating the BoD's meetings, records, books and documents.
- c- Recording minutes of meetings and sending them to the BoD.
- d- Managing the corporate governance requirements related to the BoD.
- e- Coordinating among the directors regarding attendance, documents circulation, and other matters.
- f- Ensuring access to the committees' minutes of meetings and including them within the Board's meeting papers.
- g- Coordinating all logistics related to shareholders' meetings (General Assembly Meeting / Extraordinary General Meeting) with the Chairman.
- h- Keeping records and documents relevant to the Board's activities, such as the Commercial Companies Law, articles of association, memorandum of association, commercial register and updated corporate governance rules.
- i- The duties assigned to the secretary by the Board, or provided for elsewhere in the Code.

❖ 5.4 Agreement with Directors

The Company signs a written appointment agreement with each director to clarify the duties, powers, authorities and other matters of directorship, including the directorship term, work time commitment, duties of the committees, remuneration and entitlement to expense reimbursement, and accessibility to independent professional technical advices when necessary.

Potential non-executive directors will be made aware of their duties and responsibilities prior to their nomination, in particular with regard to work time commitment required for them. The Nomination, Remuneration and Governance Committee shall regularly review the required obligations of each non-executive director, and shall inform each of them about the necessity of notifying the committee before accepting any directorship on any other Company's BoD.

When a new director is inducted, the Company with the assistance of the legal counsel or the Company's Corporate Governance Officer will follow a system to provide the new director with an introduction to the Company's business and BoD's duties and responsibilities, particularly in the legal as well as regulatory aspects and the Code requirements.

❖ 5.5 Board Committees

5.5.1 Audit Committee

The Audit Committee shall exercise functions and responsibilities, including but not limited to the following:

- 1- Review the Company's accounting and financial practices.
- 2- Review the credibility of the Company's financial control, internal control and financial statements.
- 3- Review the Company's compliance with legal requirements.
- 4- Recommend the appointment of an external auditor, determine the audit fees and compensations and oversee the auditor's work.

5.5.2 Nomination, Remuneration and Governance Committee

The Nomination, Remuneration and Governance Committee shall exercise functions and responsibilities, including but not limited to the following:

- 1- Nominate the persons eligible for directorship or Chief Executive Officer (CEO) position, Chief Financial Officer (CFO) position or Secretary position, except for the Internal Auditor position who is nominated by the Audit Committee pursuant to Paragraph (f) of Appendix (2) to the Code.
- 2- Make recommendations to all directors, including recommendations for potential directorship candidates to be included in the shareholders' next meeting agenda.
- 3- Review the structure of the Board, periodically evaluate the directors' performance and make recommendations to the Board on the necessary changes that should be made to address weaknesses to achieve the Company's interests.
- 4- Ensure, on an annual basis, the independence of the independent directors.
- 5- Review the Company's policies relating to the remuneration of directors and senior executives, which shall be approved by the shareholders.
- 6- Make recommendations to the Board on remuneration policies and amounts allocated to each person, taking into consideration the total remuneration, including salaries, fees, expenses and employee benefits, subject to the rules and provisions of the Commercial Companies Law concerning the payment of remunerations and other benefits as well as the Company's Articles of Association.
- 7- Remunerate directors based on their attendance and performance.
- 8- Developing and making recommendations on the changes required under the Company's Corporate Governance policy from time to time.
- 9- Monitoring and overseeing the implementation of the Corporate Governance framework in collaboration with the executive management and Audit Committee
- 10- Providing the Board with reports and recommendations based on its findings in the performance of its duties.

6.0 Succession Planning Process

6.1 Identifying key positions in the Company:

Positions in upper management are the main focus of the succession planning process. Once key positions are identified, each position in upper management will be evaluated based on the urgency of replacement, readiness of internal candidates, availability of external candidates, the skillset of the incumbent and the potential impact on the Company's performance.

6.2 Assessing the skills and competencies required for each position in line with the Company's needs:

This step includes defining the current and future needs of the tasks and activities of each position, as well as the knowledge, skill and experience required to complete each task. Job Descriptions may be used as the basis of this stage.

6.3 Nominating succession candidates for each key position:

Candidates are normally nominated through surveys conducted by the Nomination, Remuneration and Governance Committee. The Committee assesses the readiness of each candidate by evaluating the job performance of each candidate, as well as gathering information about the candidate from the current role incumbent, the candidate's peers and supervisors. The Nomination, Remuneration and Governance Committee makes a recommendation to the Board about the short-listed candidate(s).

6.4 Assessing the profile of each succession candidate in terms of development needs, and creating a knowledge transfer plan:

The purpose of this stage is to identify gaps between the candidate's profile and the requirements of the position. The gap analysis aims at identifying growth opportunities and creating a knowledge transfer plan. The knowledge transfer

plan evaluates the importance of each task of the position, the availability of the skills needed to perform the task in the candidate's profile, the impact of the task on the Company's performance, the available resources to learn this task and the learning strategy required to provide the candidate with the available resources.

6.5 Tracking and monitoring the knowledge transfer plan of each succession candidate

The purpose of this stage is to ensure smooth transition which is fit for the position. Depending on the requirements of the position, the Board monitors the development progress of the candidate on short-medium and long-term basis. The Board supports the candidate by providing the necessary training based on the candidate's needs for development opportunities.

❖ 7.0 Shareholder Empowerment and Communication

The Company is committed to creating an appropriate environment for shareholders to participate effectively in the Company's General Assemblies, access to the information that allows them to exercise their rights and respond to inquiries, and enable them to contribute to the election of the appropriate directors.

The Chairman and other directors shall maintain ongoing personal contact with key shareholders to solicit their views and understand their concerns. The Chairman shall ensure that the views of shareholders are communicated to the Board as a whole. The Chairman shall discuss governance and strategy with key shareholders. Given the importance of market monitoring to enforce the "Comply or Explain" Principle, the Board shall encourage shareholders, particularly institutional investors, to help in evaluating the Company's corporate governance.

❖ 8.0 Corporate Social Responsibility Policy

I. Corporate Social Responsibility

The Company is committed to conducting business in a socially responsible and ethical manner; supporting environment health, safety and rights of all individuals affected by our activities. The Company stresses the value of community engagement and stakeholder relations in its decision making and business practices. The policy applies to all activities undertaken by the Company, its subsidiaries, employees, contractors and suppliers in their day-to-day work activities. The Company is committed to embracing the aspects of Corporate Social Responsibility within its Corporate Governance framework by complying with all applicable laws and regulations. The Board of Directors of the Company is to ensure effective reviewing, monitoring and management of Corporate Social Responsibility matters and incorporating its considerations into decision making in all business activities.

II. Transparency & Business Ethics

The Company will conduct its business in an honest and ethical manner by maintaining the highest standards of integrity in its governance systems. The Company will periodically measure the effectiveness of its Corporate Social Responsibility programs and will work closely with its stakeholders to achieve the highest standards of Corporate Responsibility.

III. Community Engagement

The Company is committed to integrating community values in its decision making. The Company will provide opportunities to the community by contributing time and resources to support educational, economic, cultural and social programs.

IV. Environment Health & Safety

The Company is committed to protecting environment by recognizing pollution prevention, biodiversity and resource conservation in its decision making. The Company will provide a healthy working environment, and will foster safe working attitudes for working in an environmentally responsible manner.

V. Stakeholder Relations

The Company is committed to informing all stakeholders about the effects of their decisions on non-renewable resources. The Company will communicate information to its stakeholders in a timely, clear, honest, respectful and meaningful manner.

❖ 9.0 WHISTLEBLOWING POLICY

I. PURPOSE

This policy establishes the standards and procedures to ensure that accounting and audit related complaints are handled in compliance with management's and the Audit Committee's objectives.

II. PROCEDURES

A. Responsibilities of Audit Committee with respect to Specified Complaints

1. The Audit Committee shall receive, retain, investigate and act on complaints and concerns of employees regarding questionable accounting, internal accounting controls and auditing matters, including those regarding the circumvention of internal accounting controls or that would otherwise constitute a violation of the Company's accounting policies (an "Accounting Allegation").
2. At the discretion of the Audit Committee, responsibilities of the Audit Committee created by these procedures may be delegated to any member of the Audit Committee or to a subcommittee of the Audit Committee.

B. Procedures for Receiving Accounting Allegations

1. Any Accounting Allegation that is made directly to management, whether openly, confidentially or anonymously, shall be promptly reported to the Audit Committee.
2. Each Accounting Allegation forwarded to the Audit Committee by management and each accounting allegation that is made directly to the Audit Committee, whether openly, confidentially or anonymously, shall be reviewed by the Audit Committee, who may, in their discretion, consult with any member of

3. management or employee whom they believe would have appropriate expertise or information to assist the Audit Committee. The Audit Committee shall determine whether the Audit Committee or management should investigate the Accounting Allegation, taking into account the considerations set forth in Section C below.
 - a. If the Audit Committee determines that management should investigate the Accounting Allegation, the Audit Committee will notify the Management in writing of that conclusion. Management shall thereafter promptly investigate the Accounting Allegation and shall report the results of its investigation, in writing, to the Audit Committee. Management shall be free in its discretion to engage outside auditors, counsel or other experts to assist in the investigation and in the analysis of results.
 - b. If the Audit Committee determines that it should investigate the Accounting Allegation, the Audit Committee shall promptly determine what professional assistance, if any, it needs in order to conduct the investigation. The Audit Committee shall be free in its discretion to engage outside auditors, counsel or other experts to assist in the investigation and in the analysis of results.

C. Consideration Relative to Whether the Audit Committee or Management should Investigate an Accounting Allegation

In determining whether management or the Audit Committee should investigate an Accounting Allegation, the Audit Committee shall consider, among any other factors that are appropriate under the circumstances, the following:

1. Who is the alleged wrongdoer? If an executive officer, senior financial officer or other high management official is alleged to have engaged in wrongdoing, that factor alone may militate in favor of the Audit Committee conducting the investigation.
2. How serious is the alleged wrongdoing? The more serious the alleged wrongdoing, the more appropriate that the Audit Committee should undertake the investigation. If the alleged wrongdoing would constitute a crime involving

the integrity of the financial statements of the Company, that factor alone may militate in favor of the Audit Committee conducting the investigation.

3. How credible is the allegation of wrongdoing? The more credible the allegation, the more appropriate that the Audit Committee should undertake the investigation. In assessing credibility, the Audit Committee should consider all facts surrounding the allegation, including but not limited to whether similar allegations have been made in the press or by analysts.

III. PROTECTION OF WHISTLEBLOWERS

Consistent with the policies of the Company, the Audit Committee shall not retaliate, and shall not tolerate any retaliation by management or any other person or group, directly or indirectly, against anyone who, in good faith, makes an Accounting Allegation or provides assistance to the Audit Committee, management or any other person or group, including any governmental, regulatory or law enforcement body, investigating an Accounting Allegation. The Audit Committee shall not reveal the identity of any person who makes a good faith Accounting Allegation and who asks that his or her identity as the person who made such Accounting Allegation remains confidential and shall not make any effort, or tolerate any effort made by any other person or group, to ascertain the identity of any person who makes a good faith Accounting Allegation anonymously.

IV. Records

The Audit Committee shall retain for a period of seven years all records relating to any Accounting Allegation and to the investigation of any such Accounting Allegation.

V. Procedures for Making Complaints

In addition to any other avenue available to an employee, any employee may report to the Audit Committee openly, confidentially or anonymously any Accounting Allegation. Accounting Allegations can be made orally or in writing. Such reports can also be made anonymously and allows anyone to make an Accounting Allegation without divulging his/her name. It is required to give the information

provided in the Accounting Allegation to management or, if requested by the individual making the Accounting Allegation, the Audit Committee as promptly as practicable

❖ 10.0 STATEMENT OF ETHICS

DEFINITION

Unethical practice means a situation where a “member of the Board of Directors commits deliberate acts, practices or undertakes certain activities that incur potential harm to the Company or puts himself/herself in a position of advantage in neglecting the Company’s interest due to his/her personal interest”.

POLICY

The Company’s Chairman being fully confident of the loyalty and sense of integrity of each of the members of the Board of Directors, advises that in the interest of good governance, such practices which are in conflict with the Company’s interest shall not be practiced by any member of the Board, which are more specifically mentioned hereunder:

- a. Using office work materials and the Company’s staff and/or facilities such as machines, equipment and communication media in pursuit of personal business.
- b. Using official capacity in achieving a financial and/or other gain or interest outside the Company which could not be achieved otherwise.
- c. Participating in conducting a study for granting credit facilities to one of the Company’s customers having an interest or tie of kin or extended family up to 2nd degree with the member of the board.
- d. Member using his/her influence, authority or contacts in the Company, for granting credit facilities to a customer in conflict with the practiced rules and principles in order to accomplish a financial and/or other gain for him/her or for anyone of his/her relatives due to tie of kin or relationship up to the 2nd degree or to give benefit to any business colleague/associate existing or potential or awarding a contract to them of any form.

- e. Disclosing data or decisions or negotiations being made in the process of taking decisions, to anyone for use in achieving self-interest inside or outside the Company, whether this act has been done with or without payment (in cash or in kind).
- f. Practicing business, other than business of the Company, whether this business is full or part time, with or without payment (in cash or in kind) without prior notification of the Company.
- g. Being a partner in existing/potential business and using his/her influence or authority in the Company to further the interest of such business or indeed the business of personal/professional associates.

❖ 11.0 CONFLICT OF INTEREST POLICY

DEFINITIONS

- a. Conflict of interest means “a staff member who commits deliberate acts or practices or certain activities that incur potential harm to the Company or puts himself/herself in a position of advantage/gain or being exposed to negligence against the Company’s interest versus his/her personal interests.
- b. Connected Person means “employee’s spouse, child, blood relation, or member of spouse’s family and any Company, partnership or family trust (where a member of the family is an executor) in which any of these “persons” may have a direct or indirect interest.
- c. Direct and indirect interest means “any directorship or equity interest (5% or more) in a Company, partnership or business undertaking which is held by the employee (direct) or a connected person (indirect)

CONFLICT OF INTEREST

The situations where conflicts of interest may occur include:

- A. Facilities are granted or contemplated by the Company to a connected person in which the employee has a direct or indirect interest.

- B. Facilities are granted by another organization to an employee or connected person in which the employee has a direct or indirect interest.
- C. Direct or indirect interests of the employee in connected persons, which provide goods or services to the Company.
- D. Gifts to employees by clients of the Company.
- E. Confidential information relating to the clients of the Company which is available to an employee of the Company.

POLICY

The Management being fully confident of loyalties and sense of integrity of all of their staff, advises that such practices which are in conflict with the Company's interest, shall not be practiced by any staff member, which are more specifically mentioned hereunder:

- a) Exploiting official working hours in handling and following up their own personal business or any other business irrelevant to the Company.
- b) Using office work materials and the Company's facilities such as machines, equipment and communication media in pursuit of personal business.
- c) Using official capacity in achieving a financial/other gain or interest outside the Company which could not be achieved otherwise.
- d) Preferring one supplier to another due to tie of kin or common business linking between the supplier and the concerned employee or one of his/her relatives or extended family up to 2nd generation.
- e) Accepting gifts in kind or cash amounts or benefits from suppliers or customers or brokers against service offered to the supplier or customer, whether offered by the employee himself/herself or through another middleman employee.
- f) Participating in conducting a study for granting credit facilities to one of the Company's customers having an interest or tie of kin or extended family up to 2nd degree with the employee.
- g) Staff using his influence, authority or relations in the Company for granting credit facilities to a customer in conflict with the practiced rules and principles in order

to accomplish a financial/other gain for him or for anyone, of his relatives due to tie of kin or relationship up to the 2nd generation.

- h) Disclosing data or decisions or negotiations while the process of taking decisions is being made to anyone for use in achieving self-interest inside or outside the Company, whether this act has been done with or without payment (in cash or in kind).
- i) Participating in business, whether this practice is full or part time, with or without payment (i.e. cash or in kind).
- j) Being a partner in business using his/her influence or authority in achieving interest for such business that may incur potential harm to the Company.
- k) Concealing of facts, evidence of such actions or breaches of rules shall expose the employee to disciplinary action or termination of service.

PROCEDURE

- a. Each employee is required to complete the declaration in the form copied below.
- b. Notwithstanding the initial declaration made by the employee, the employee is required to inform the Company where any changes in his/her circumstances would require an amendment to the declaration or could be considered to be in conflict with the spirit of the Company's policy.

ACKNOWLEDGMENT

I, _____ a staff of _____, have read and fully understood the above stated requirements concerning conflict of interest rules by the Company and confirm to abide by all the rules and regulations of the Company including such amendments as may be in effect from time to time.

Signature: _____

Date: _____

❖ 11.1 DECLARATION OF CONFLICT OF INTEREST

I,_____ confirm that I have read the Company's policy of Conflicts of Interest and have understood the contents thereof and DECLARE that:

1. I am not aware of any facility granted or contemplated by the Company to a connected person in which I have a direct or indirect interest except as listed below:

a. _____

b. _____

c. _____

I agree to declare to the Company any such interest of which I may become aware after the date of this declaration.

2. I, or any connected person, have not entered into any commitment which could be considered incompatible with my employment with or could impair the reputation of the Company.

3. I do not hold any directorship or any appointment in any capacity in any Company, business organization or engage in any business enterprise through a connected person other than in the following charities, clubs or associations:

a. _____

b. _____

c. _____

4. I am aware of the Company's policy regarding gifts.

5. I or any connected person do not hold any securities issued by clients of the organizations which provide services to the Company other than listed below:

a. _____

b. _____

c. _____

6. I agree to inform the Company in writing of any changes in my circumstances or the circumstances of a connected person which may require an amendment to this declaration and to inform the Company of any interest whether potential or otherwise which could be in conflict with the spirit of the Company's policy.

Signed_____

Date_____

❖ 12.0 CODE OF CONDUCT

i. STATEMENT OF POLICY

It is a fundamental policy of the Company to conduct its operations with honesty and integrity and in accordance with the highest legal and ethical standards.

The Code of Conduct set forth in this statement provides general guidance. Since it is not possible to provide guidance for all situations that may arise; it is, therefore, the individual employee's responsibility to exercise good judgment to act in a manner that will favorably reflect upon the Company's values.

Employees shall comply with the spirit as well as the letter of this Code. Employees shall not attempt to achieve indirectly, through the use of agents or other intermediaries, what is forbidden directly.

ii. APPLICABILITY

The Policy applies to all employees of the Company.

iii. IMPLEMENTATION

All managers of the Company will be required to ensure that:

- They have personally read and understand the Code of Conduct.
- They have taken appropriate steps to bring the Code of Conduct to the attention of each employee under their supervision.
- All employees under their supervision are in adherence to this Code of Conduct, and know of no violations by employees under their supervision except violations that have been reported.

The internal audit department will determine compliance with the Policies as part of its standard auditing procedures. Compliance with the Policy is essential. Violations will result in disciplinary action, including dismissal where warranted.

iv. QUESTIONABLE OR IMPROPER PAYMENTS OR USE OF THE COMPANY'S ASSETS

The use of any fund or assets of the Company for any unlawful or improper purpose is strictly prohibited.

Employees of the Company shall not accept any bribes, kickbacks or any other form of financial or in-kind benefit for taking any action in their role as the Company's employee.

Commercial business entertainment, which is reasonable in nature, frequency and cost, is permitted within approved budget.

v. BOOKS AND RECORDS OF THE COMPANY

The Company takes very seriously its obligation to comply with the highest standards of financial accounting and reporting. Staff members, in addition to complying with all applicable laws, rules and regulations, to the extent applicable to their duties must:

- Endeavor to ensure full, fair, timely, accurate and understandable disclosure in the Company's filings;
- Record or participate in the recording of entries in the Company's books and records that are accurate to the best of their knowledge;
- Comply with the Company's disclosure controls and procedures and internal controls and procedures for financial reporting; and
- Provide information that is accurate, complete, objective, relevant, timely and understandable.

vi. PAYMENT OF AMOUNTS DUE TO CUSTOMERS, AGENTS, OR DISTRIBUTORS

All commission, distributor or agency arrangements must be made in writing, and must provide for services to be performed and must be based on a fee that reflects reasonable and fair value for the services involved.

All payments for commissions, discounts or rebates must be made by check, draft or transfer and shall be fully disclosed in the accounting records maintained by the controller's offices. Proper documentation of contracts and agreements shall be maintained.

vii. RESPECT FOR ALL INDIVIDUALS

At the Company, we respect the mix of employees from around the world. Employment decisions are based on factors such as qualification, experience and achievements and always in accordance with the laws and regulations of the Kingdom of Bahrain and the laws of any jurisdiction in which the employees operate. All employees must always behave appropriately and professionally with their colleagues, inside and outside the office.

Abusive or offensive conduct is unacceptable at all levels. The Company has no tolerance for any personal insult or derogatory comments based on racial, ethnic characteristics or religious beliefs.

Offensive remarks concerning a person are not acceptable in our work environment. Threats or acts of violence or physical intimidation are strictly forbidden. The management encourages employees to speak out if a co-worker's conduct makes for an uncomfortable environment or affects daily work.

viii. CONFLICTS OF INTEREST

Employees of the Company have a full-time responsibility to the Company. A potential or actual conflict of interest occurs whenever an employee is in a position to influence a decision that may result in a personal gain for him or herself, any other employee or an immediate family member. (For the purposes of this policy "immediate family" means a staff member's spouse parents, siblings, children and in-laws). An employee may not engage in activities that create a conflict between the interests of the Company and those of the employee. The Company may also be concerned about the appearance of a conflict of interest, even if no actual conflict has occurred.

Staff members with responsibility for issuing or approving orders for the purchase of supplies, equipment, or transportation, or for contracts for employment or services for the Company, may not have a significant interest in any supplier of supplies or services for the Company. Neither may staff members' immediate family have such interest. ("Significant interest" means any financial interest that may influence the judgment of the staff member in conducting the work of the Company).

ix. ACCEPTANCE OF GIFTS

Except for business and social invitations that are in keeping with good business ethics all Company's staff may not accept commissions, gifts, payments, entertainment, services, loans, or promises of future benefits from any person or entity relating to his or her assignment as directed by the Company.

All gifts must be reported to the direct supervisor of such person receiving the gift who will decide on an appropriate disposition of the gift. The report should be in writing and should provide the name of the giver, the name of the recipient, description of the gift item and its estimated market value. A copy of the report should be filed with the CEO and Head of Internal Audit.

This procedure shall be applied so as to minimize its effect on the personal affairs of employees consistent with the protection of the Company's interests.

No employee should place him or herself in a position that gives rise to even the appearance of a conflict of interest.

x. SAFETY, HEALTH AND ENVIRONMENT

All employees are expected to comply in a responsible way with all care, safety, health and environment and security policies established by the Company for maintaining a safe workplace within the Company. Everyone without exception is responsible for reporting immediately to the management any accident, injury or unsafe working condition. The Company strongly believes that safety, health and welfare of its employees is a priority and part of its ethical commitment towards them, the protection of environment within which the Company operates its important commitment too.

xi. MISUSE OF COMMUNICATIONS SYSTEMS

The Company's communication systems, including telephones, mobile phones, peripherals, internet and email systems, are provided to employees for professional purposes to help them do their job. They are not to be used for viewing, receiving or transmitting any material or information which violates the laws, regulations, customs and traditions of the Country or other relevant jurisdictions including, without limitation, "Pornographic", "political", "harmful" material. This, of course, also applies to any client or vendor communications system to which the employee maybe granted access as a representative of the Company. No pirated or counterfeited electronic software is allowed for use at offices of the Company.

While it is understood that there could be a need for limited and occasional use of communication systems for personal purposes, employees must be aware that all messages sent and received on their communication systems may be monitored, reviewed and stored. They should not have any expectation of privacy with respect to these communications.

Employees are responsible for familiarizing themselves with the more detailed policies that are separate from this Code, regarding the use of the Company's information systems, software, and Internet access that are made available in order for them to carry out their tasks and activities.

xii. CONFIDENTIALITY-DISCLOSURE OF INFORMATION

Staff members are expected to exercise the utmost discretion in regard to all matters of the Company. They may not communicate any information known to them by reason of their position that has not been made public, except as may be necessary in the course of their duties or by written authorization of the Board. Nor shall they at any time use such information for private advantage. These obligations are not modified by participation in any activities described above and do not cease upon separation from the Company.

xiii. COMPLAINTS WITH LAWS AND REGULATIONS

A variety of laws and regulations apply to the Company, the violation of which may carry civil or criminal penalties for the Company and/or the individual. It is the responsibility of each staff member to comply with all such laws and regulations. Staff members are also required to observe the laws and regulations of countries in which they travel to for Company's business.

xiv. REPORTING A VIOLATION TO THE CODE

In the event that an employee has been involved in possible violation of the Code, or if he/she witnesses or learns of a potential violation of the Code, he/she must report this immediately to his/her direct manager or the HR department who in turn will take appropriate action(s). The employee must also fully and truthfully cooperate in any investigation the Company conducts. Failure to do so could be cause for a disciplinary action, including termination of employment.

xv. OUTSIDE EMPLOYMENT

It is the policy of the Company to prohibit its employees from accepting a salaried/non salaried employment with any other Company. The employment contracts of the employee specifically document this prohibition and any violation to it will subject the concerned member of staff for strict disciplinary action, including termination of employment.

xvi. EMPLOYMENT / FAVORITISM OF RELATIVES

The Company does not ban the employment of relatives. On the other hand, it does not wish to be party to the relations linking work colleagues. However, precautions should be taken to ensure that individuals are not affected or appear to be affected by close personal relations.

The Company defines the term "close personal relations" the relatives to the fourth level which includes spouses, children, grandchildren, siblings, parents, grandfathers and grandmothers, aunts, uncles, nephews, nieces and their spouses and any other relations

which would affect the employee's ability to take unbiased and independent decisions on the Company's behalf.

The Company's employees may not directly oversee or take part in the decisions related to the appointment, retention, promotion or remuneration of any of the other employees who are linked to them through close and strong relationship. In addition, the Company's employees who have strong personal relationship may not work in the same department, section or work group without obtaining the explicit and written approval of the Human Resources Department in respect of the suitable work unit and the approval of a senior executive officer in respect of the employee of higher rank in the relationship.

ACKNOWLEDGMENT AND DECLARATION

I acknowledge that I received a copy of {Arab Academy for Research & Studies (Ahlia University) B.S.C.} Code of Business Conduct, that I have read the Code and that I understand it. I will comply with the Code. If I learn that there has been a violation of the Code, I will contact my direct manager or Human Resources department.

Dated: _____

Employee's Name: _____

Employee's Signature: _____

❖ 13.0 Evaluation of the Board and Committees

The BoD shall conduct an evaluation of its performance and the performance of all committees and directors at least once a year. The evaluation process shall include:

- a- Evaluating the Board's method of operation, especially in light of Principle 1 of the Code
- b- Evaluating the performance of each committee, in light of its specific objectives and responsibilities, which shall include the self-evaluation conducted by each committee.

- c- Reviewing each director's performance, attendance at the Board's and committees' meetings, and the effectiveness of the director's participation in the discussions and decision-making process.
- d- Reviewing the current composition of the Board in comparison with the required composition, taking into consideration maintaining an appropriate balance of skills and experiences related to the activities of the Company, and moving forward towards gradual change and continuous updating of the Board and its directors.
- e- Evaluations shall be organized and carried out with the assistance of an internal committee under the Board and, where necessary, external experts. The BoD shall be responsible for the evaluation.
- f- The BoD shall report to the shareholders participating in the General Assembly meetings that the required performance evaluation has been conducted.

❖ 13.1 PERFORMANCE EVALUATION FORM-Board Members

PERFORMANCE EVALUATION Form – BOARD MEMBERS		استمارة تقييم الأداء – أعضاء مجلس الإدارة					
<p>This performance evaluation form is designed to assist the evaluation process.</p> <p>This sheet is to be completed on a confidential basis based on the following ratings:</p> <p>1= Weak 2= Needs Improvement 3= Adequate 4= Consistently good 5= Strong</p>		<p>تم تصميم استمارة تقييم الأداء هذا لغرض المساعدة في عملية التقييم، على تتم تعبئة هذه الاستمارة على أساس خاص وسري وفقاً للتقييمات التالية:</p> <p>1- ضعيف 2- يحتاج إلى تحسين 3- ملائم 4- جيد 5- قوي</p>					
Individual Directors (Self or Peer Evaluation)		Rating التقييم					أعضاء المجلس كأفراد (التقييم الذاتي أو التقييم من قبل الأقران)
Contribution to Interaction		1	2	3	4	5	المشاركة والتفاعل
1.	Shares information or insights						1. يشارك بالمعلومات أو الأفكار.
2.	Regular and timely attendance of board meetings						2. يحضر اجتماعات مجلس الإدارة بانتظام وفي الوقت المحدد.
3.	Participates actively in board activities, work constructively with peers						3. يشارك بنشاط في أنشطة مجلس الإدارة، ويعمل بشكل بناء مع زملائه في المجلس.
4.	Takes strong constructive stands at board or committee meetings, where necessary						4. يتخذ مواقف بناءة وفعالة في اجتماعات مجلس الإدارة أو اللجان، عند الحاجة إلى ذلك.
5.	Encourages feedback from board						5. يتقبل ردود فعل وإبداء ملاحظات مجلس الإدارة.

6.	Encourages meetings to focus on agenda						يساهم بفعالية الاجتماعات ومناقشات جدول الأعمال.	6.
7.	Confronts conflicts and participates in finding a resolution						يساهم بشكل فعال في التصدي للخلافات وإيجاد الحلول.	7.
8.	Provides logical honest options on issues presented						يقدم رأيه بصدق في القضايا المطروحة.	8.
9.	Provides unique insight to issues presented – has skills						يقدم آراء متميزة في القضايا المطروحة ولديه المهارات.	9.
10.	Prioritizes context of issues to be in line with objectives						قادر على ترتيب الأولويات والتركيز على تحقيق الأهداف.	10.
11.	Motivates others to get things done, is decisive and action-oriented						يحفز الآخرين من أجل تحقيق الانجازات.	11.
12.	Provides realism and practical advice to board deliberations						يقدم المشورة البناءة في مناقشات ومداولات المجلس.	12.
13.	Applies analytical and conceptual skills to the decision-making process						يملك مهارات تحليلية تساهم في عملية صنع القرار.	13.
14.	Communicates persuasively in a clear and non-confrontational manner						يتجنب الاصطدام بالآخرين.	14.
15.	Adds value to board meetings-attends meetings well prepared						يساهم بإضافات جديدة في اجتماعات مجلس الإدارة ويحضر الاجتماعات ويعد لها إعداداً جيداً.	15.
16.	Takes initiative to request for more information						يبادر في طلب المعلومات لاكتساب المعرفة.	16.
17.	Ensures that individual contribution irrelevant-						يحفز الأعضاء على المشاركة بفعالية في المواضيع المطروحة.	17.

	up-to-date with developments							
18.	Focuses on accomplishing the objectives						يركز على تحقيق الأهداف.	18.
19.	Assesses and links short-term issues to the long term strategy						يعمل على ربط الأهداف باستراتيجيات الشركة.	19.
20.	Ensures performance of financial and human capital, keeping in mind the strategic plan when making investment decisions						يعمل على الاستغلال الأمثل للموارد البشرية والمالية لتخطيط الخطط الإستراتيجية للشركة.	20.
21.	Chairman is able to lead the board effectively – encouraging contribution from all members						رئيس المجلس قادر على قيادة المجلس بشكل فعال ويشجع على مشاركة جميع الأعضاء.	21.
22.	Chairman and CEO have a good working relationship						علاقة العمل بين رئيس مجلس الإدارة والرئيس التنفيذي جيدة.	22.
23.	Chairman and CEO understand the irrespctive roles						يعي كل من رئيس مجلس الإدارة والرئيس التنفيذي المهام الموكلة له.	23.

❖ 13.2 PERFORMANCE EVALUATION FORM –BOARD COMMITTEES

PERFORMANCE EVALUATION Form – BOARD COMMITTEES	استمارة تقييم أداء - لجان مجلس الإدارة
<p>This performance evaluation form is designed to assist the evaluation process.</p> <p>This form is to be completed on a confidential basis based on the following ratings:</p> <p>1= Weak 2= Needs Improvement 3= Adequate 4= Consistently good 5= Strong</p>	<p>تم تصميم استمارة تقييم الأداء هذه لغرض المساعدة في عملية التقييم.</p> <p>على أن تتم تعبئة هذا النموذج على أساس خاص وسري وفقاً للتقييمات التالية:</p> <p>1. ضعيف 2. يحتاج إلى تحسين 3. ملائم 4. جيد 5. قوي</p>

Evaluation of Board Committees		Rating التقييم					تقييم لجان مجلس الإدارة
		1	2	3	4	5	
1.	Does each committee have the right composition? I) Auditing committee						1. هل تتمتع كل لجنة بتركيبه من الأعضاء المستقلين وغير التنفيذيين؟ 1- لجنة التدقيق
	II) Nomination, Remuneration and Governance Committee						2- لجنة الترشيح والمكافآت والحوكمة

2.	Is the committee providing useful recommendations in assisting the board for better decision-making, and does it consequently make board meetings more efficient and effective? I) Auditing committee					هل تقوم اللجنة بتقديم توصيات تساعد مجلس الإدارة في عملية صنع القرار لجعل اجتماعات المجلس أكثر كفاءة وفاعلية؟ 1- لجنة التدقيق	2.
	II) Nomination, Remuneration and Governance Committee					2- لجنة الترشيح والمكافآت والحوكمة	
3.	Do the members of the committees have sufficient, recent and relevant expertise in fulfilling their roles?					هل يتمتع أعضاء اللجان بالخبرات التي تساعد على أداء دورهم بشكل فعال؟	3.
4.	I) Audit committee: Director A _____ Director B _____ Director C _____ Director D _____					1) لجنة التدقيق: العضو الأول: _____ العضو الثاني: _____ العضو الثالث: _____ العضو الرابع: _____	4.
5.	II) Nomination, Remuneration and Governance Committee: Director A _____ Director B _____ Director C _____ Director D _____					2) لجنة الترشيح والمكافآت والحوكمة: العضو الأول: _____ العضو الثاني: _____ العضو الثالث: _____ العضو الرابع: _____	5.

6.	Are committee chairs properly discharging their responsibilities, deploying resources and expertise, and providing appropriate reporting and recommendations to the board? I) Auditing committee						7. هل يقوم رؤساء اللجان بأداء مسؤولياتهم بشكل فعال؟ وهل يقومون بالاستخدام الأمثل للموارد والخبرات، وتقديم التقارير والتوصيات المناسبة إلى مجلس الإدارة؟ 1- لجنة التدقيق
	II) Nomination, Remuneration and Governance Committee						2- لجنة الترشيح والمكافآت والحوكمة
7.	Whether the appointment of board and committee chairman based on appropriate criteria? Are we properly considering the responsibilities of the position, including the ability, experience and expected performance of the candidate? I) Auditing committee						7. هل تم تعيين رئيس مجلس الإدارة ورؤساء اللجان وفقاً للمعايير المناسبة؟ هل تم الأخذ بالاعتبار مسؤوليات المنصب وقدرة وخبرة المرشح والأداء المتوقع منه؟ 1- لجنة التدقيق
	II) Nomination, Remuneration and Governance Committee						2- لجنة الترشيح والمكافآت والحوكمة

8.	Is the quality of the board committee's communications to the board assessed regularly? I) Auditing committee					هل يتم تقييم جودة عملية الاتصال بين اللجان والمجلس بشكل منتظم؟ 1- لجنة التدقيق	8.
	II) Nomination, Remuneration and Governance Committee					2- لجنة الترشيح والمكافآت والحوكمة	
9.	Is there an assessment by the board of the quality of the minutes of the board committee's meetings? I) Auditing committee					هل يقيم مجلس الإدارة جودة محاضر اجتماع اللجان؟ 1 - لجنة التدقيق	9.
	II) Nomination, Remuneration and Governance Committee					2- لجنة الترشيح والمكافآت والحوكمة	
10.	Is the board well informed on a sufficiently timely basis regarding the committee's deliberations? I) Auditing committee					هل يتم إبلاغ مجلس الإدارة في الوقت المناسب بمداومات ونقاشات اللجان؟ 1- لجنة التدقيق	10.
	II) Nomination, Remuneration and Governance Committee					2- لجنة الترشيح والمكافآت والحوكمة	

❖ 13.3 PERFORMANCE EVALUATION Form – BOARD

PERFORMANCE EVALUATION Form – BOARD	استمارة تقييم الأداء – مجلس الإدارة
<p>This performance evaluation form is designed to assist the evaluation process.</p> <p>This form is to be completed on a confidential basis based on the following ratings:</p> <p>1= Weak 2= Needs Improvement 3= Adequate 4= Consistently good 5= Strong</p>	<p>تم تصميم استمارة تقييم الأداء هذه لغرض المساعدة في عملية التقييم.</p> <p>على أن تتم تعبئة هذا النموذج على أساس خاص وسري وفقاً للتقييمات التالية:</p> <p>1. ضعيف 2. يحتاج إلى تحسين 3. ملائم 4. جيد 5. قوي</p>

A. Board Structure		Rating التقييم					أ- هيكل مجلس الإدارة
		1	2	3	4	5	
1.	Does the board have the appropriate composition (i.e. size) and committees corresponding to its oversight duties and the development of the Company's strategy?						1. هل تعتبر تشكيلة مجلس الإدارة مناسبة (من حيث الحجم)؟ وهل تتناسب المهام الإشرافية للجان مع استراتيجية الشركة؟
2.	Does it have the right mix of skills and experience to optimize performance?						2. هل يوجد لدى المجلس المزيج المناسب من الخبرات والمهارات اللازمة لتحسين الأداء؟
3.	Are roles and responsibilities of the board and individual directors clearly defined in the board charter?						3. هل أدوار ومسؤوليات مجلس الإدارة وأعضاء مجلس الإدارة محددة بوضوح في اللائحة الداخلية لمجلس الإدارة؟

4.	Are matters reserved for the board clearly defined?					هل يوجد تحديد واضح لمسؤوليات مجلس الإدارة؟	4.
5.	Does the board work constructively as a team through collegial, productive working relationships that foster trust and respect?					هل يعمل المجلس كفريق واحد بشكل بناء من خلال تعزيز سياسات العمل الجماعي والثقة والاحترام؟	5.
6.	Do the board discussions enhance the quality of management decision-making? Does the board engage constructively with management to stimulate performance?					هل تعتبر المناقشات في المجلس إيجابية عملية صنع القرار؟ هل يعمل المجلس بشكل بناء مع الإدارة التنفيذية لتحفيز أدائها؟	6.
7.	Is the Company's orientation program effective in supplying useful information to new directors about the board and Company?					هل يعتبر البرنامج التعريفي للأعضاء الجدد فعالاً في تقديم المعلومات عن مجلس الإدارة والشركة؟	7.
8.	Is the board given continuing programs to keep all directors up to date with the latest developments in the market industry and regulatory environment?					هل يتم تقديم برامج تدريبية بشكل مستمر لمجلس الإدارة لجعل جميع أعضاء المجلس على علم لمواكبة التطورات الخاصة بالسوق والمتطلبات الرقابية؟	8.
9.	Whether the board consists of a good balance of independent directors?					هل يوجد عدد مناسب من الأعضاء المستقلين بمجلس الإدارة؟	9.
10.	Have potential areas of conflicts that may impair independence of the directors been resolved?					هل تم حل جميع حالات تضارب المصالح المحتملة التي قد تؤثر على استقلالية الأعضاء؟	10.

B. Board Operations		Rating التقييم					ب-عمليات مجلس الإدارة
		1	2	3	4	5	
1.	Are board meetings held with appropriate frequency?						1. هل يتم عقد اجتماعات مجلس الإدارة بشكل منتظم مناسب؟
2.	Is information on the agenda items provided well in advance of board meetings, with sufficient time for preparation?						2. هل يتم توفير المعلومات الكافية وبشكل مسبق عن بنود جدول الأعمال؟ وهل يتم توفيرها في وقت مبكر قبل اجتماعات مجلس الإدارة بما يكفي من الوقت للإعداد لها؟
3.	Is financial information adequately provided prior to board meetings?						3. هل يتم تقديم المعلومات المالية اللازمة قبل اجتماعات مجلس الإدارة؟
4.	Is information on subject matter adequately and sufficiently supplied for good decision-making, i.e. is the information presented in a concise manner and risk areas with relevant details for further analysis, allowing directors to understand and evaluate agenda items of the board meetings and to take effective decisions?						4. هل تعتبر المعلومات التي يتم توفيرها عن موضوع هام أو خطير كافية لتمكين العضو من اتخاذ القرار السليم؟ بمعنى، أن تكون المعلومات المقدمة موجزة، وتسلط الضوء على القضايا الرئيسية ومناطق المخاطر بما يمكن أعضاء مجلس الإدارة من فهم وتقييم بنود جدول أعمال اجتماعات المجلس واتخاذ قرارات فعالة بشأنها.
5.	Is there adequate time allocated between board discussions and management presentations?						5. هل الوقت المخصص لمناقشات المجلس والعروض التقديمية للإدارة التنفيذية كافٍ؟
6.	Are board meetings carried out in an open						6. هل تتم اجتماعات مجلس الإدارة في بيئة صحية تمكنهم من التواصل المفتوح

	communication environment with meaningful participation and timely and constructive resolution of issues?					والمشاركة الفعالة في اتخاذ القرارات في الوقت المناسب؟	
7.	Do directors have sufficient access to management or the board chairman?					هل لدى أعضاء المجلس إمكانية الوصول أو التواصل مع الإدارة التنفيذية ورئيس مجلس الإدارة؟	7.

C. Board's Roles and Responsibilities		Rating التقييم					ج- دور ومسؤوليات مجلس الإدارة
		1	2	3	4	5	
1.	Do you feel that the board understands its role, authority, and priorities?						1. هل تعتقد بأن المجلس يفهم دوره وسلطاته وأولوياته؟
2.	Does the board understand the Company's values, mission, and strategic and business plans to handle on key issues regarding the Company?						2. هل مجلس الإدارة على علم تام بقيم الشركة، ورسالتها واستراتيجيتها وخطط عملها بحيث يمكنه معالجته القضايا الرئيسية للشركة؟
3.	How effective is the board in setting and reviewing the Company's strategic plan?						3. ما مدى فعالية المجلس في وضع ومراجعة الخطة الاستراتيجية للشركة؟
4.	Has the board identified the key performance indicators, to monitor executive and senior management's performance?						4. هل قام المجلس بتحديد مؤشرات الأداء تمكنه من قياس أداء الإدارة الرئيسية التنفيذية والمسؤولين فيها؟

5.	Has the board adequately identified and managed risks that could have a significant impact on the Company?					هل يقوم المجلس برصد وإدارة المخاطر التي تؤثر على أعمال الشركة؟	5.
6.	Has the board established a succession plan that considers the appointment, training and fixing of the CEO's and senior management's remuneration?					هل قام المجلس بوضع خطة إحلال لكبار المسؤولين في الشركة، والتي تشمل تعيين وتدريب الخلف للرئيس التنفيذي للشركة أو كبار موظفي الإدارة التنفيذية؟	6.
7.	Has the board considered its role in protecting shareholders' interests?					هل قام المجلس بمراعاة دوره في المحافظة على مصالح المساهمين؟	7.
8.	How would you rate the board's deliberation of the Company's investor relations program?					كيف تقيم برنامج مجلس الإدارة للخاص لعلاقات الشركة مع المستثمرين؟	8.
9.	Has the board reviewed the Company's system of internal control and considered its adequacy and integrity?					هل قام مجلس الإدارة بمراجعة نظام الرقابة الداخلية في الشركة والنظر في مدى ملائمته وسلامته؟	9.
D. Board Chairman's Roles and Responsibilities		Rating					د- دور ومسؤوليات رئيس مجلس الإدارة
		1	2	3	4	5	
1.	Is the chairman building healthy boardroom dynamics and dealing effectively with dissent and working constructively towards consensus?					هل يعمل رئيس مجلس الإدارة على خلق بيئة للنقد والإدلاء بالأراء داخل مجلس الإدارة؟ هل يعمل رئيس مجلس الإدارة على تشجيع التباين في وجهات النظر حتى الوصول إلى توافق؟	1.

2.	Does the chairman oversee an effective decision-making process?						هل يشرف رئيس مجلس الإدارة على عملية فعالة لصنع القرار؟	2.
3.	Does the chairman aim to ensure the board's workload is properly managed and, where appropriate, allocated to delegated committees with specific terms of reference approved by the board?						هل يسعى رئيس مجلس الإدارة إلى ضمان إدارة حجم العمل في داخل مجلس الإدارة بشكل سليم؟ هل تؤكد رئيس مجلس الإدارة من الحصول على الموافقة المسبقة من قبل المجلس على تفويض المهام والمسؤوليات لبعض اللجان؟	3.

❖ 14.0 Independent Director's Acknowledgement Form

I, the undersigned, hereby acknowledge that neither I nor my spouse nor any of my first-degree relatives was a member of the Company's Executive Management in the last two years, and neither of us had any relationship resulting in financial transactions with the Company, Parent Company or any of its subsidiaries or associates. During the last year, these transactions totaled over BD 50,000 (not counting directors' remuneration for this purpose) or equivalent in foreign currencies. I further acknowledge that:

- I was not employed by any of the Company's associated parties in the last two years.
- I am not directly associated with a Company that performs and provides consulting services to the Company or any of its associated parties.
- I do not have any personal service contracts with the Company, any of its associated parties or executive management personnel.
- I am not directly associated with a non-profit organization that receives significant funding from the Company or any of its associated parties.
- I am not associated with, or an employee of, an external or previous auditor of the Company or any of its associated parties during the last two years.
- I, my minor children, or all of us do not hold 10% or more of the Company's share capital.

I also hereby undertake to disclose any change that may affect my subsequent independence as soon as it occurs.

Name

**Capacity/Position (Chairman, Deputy Chairman,
Director):.....**

Representative of:

Signature:

Date:/...../20.....

Official Seal of the Company

❖ 15.0 Conclusion

The Company aspires to keeping the highest levels of compliance with the provisions of the Code in order to ensure growth, sustainability and transparency. In order to ensure the effectiveness of the policies and guidelines contained within this document, the Company will implement several measures including the periodic review of this document to enhance its compliance with the Code and to better serve the interests of all stakeholders.

For any questions or queries related to this document and/or Corporate Governance, you can reach us at:

Email: ealrahma@ahlia.edu.bh

Tel: +97317298997