

# CORPORATE GOVERNANCE



مستشفى ابن النفيس ش.م.ب (مقفلة)  
IBN AL-NAFEES HOSPITAL CO. B.S.C (C)

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# **Section 1**

## **Policies & Procedures**

# IBN AL-NAFEES HOSPITAL POLICIES & PROCEDURES

<b>Policy Title / Subject:</b> Corporate Governance Policies & Guidelines		
<b>Applicability:</b> Shareholders/Board of Directors and its committees/all doctors and employees.	<b>Revision No:</b> 0	<b>Issue Date:</b> 27 April 2019
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## Section 1

### 1. Definition

Term	Definition
Hospital or Company	Ibn Al-Nafees Hospital Co. B.S.C. (c)
BoD	The Board of Directors of the Hospital.
Chairman	The Chairman of the BoD.
Executive Management	The executive management of the Hospital as represented by the Management Committee.
Corporate Governance	A methodology to lead, guide and control the Hospital's Governance 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 Hospital.
Stakeholder	Individuals and groups affected by the Hospital's business, such as workers, employees, suppliers, customers, banks, society and government.
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.

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Term	Definition
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 Hospital 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.
Relatives	Father, mother, brother, sister, sons, spouse, father-in-law, mother-in-law and spouse's sons.
Doctors	A physician or surgeon who practices in one of the medical specialties in the Hospital that is either hired by the Hospital as an employee or engaged with the Hospital through a tenancy or share-of-income arrangement.

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## 2. Introduction

This document contains policies and guidelines formulated and implemented by the Hospital in order to regulate its internal governance. 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.

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## 3. 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 Hospital and its BoD, which would help attract more businesses to the Hospital , including various investors from within the Kingdom of Bahrain.

### 2) Accountability

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

### 3) Justice

Which means that 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

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

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## 4. 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 Hospital 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:

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

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

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

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

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

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

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

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

**Principle Nine:** \*Deleted

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

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

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<sup>1</sup> Principle Nine of the corporate governance code issued by the MOICT is applicable only to Companies which offer Islamic services such as Islamic banks and Takaful companies. This principle has been deleted from the Hospital's does not offer such services.



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## 5. Whistle blowing 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 & Risk committee's objectives.

### II. PROCEDURES

#### A. Responsibilities of Audit & Risk Committee with respect to Specified Complaints:

- 1) The 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 Hospital's accounting policies (an "Accounting Allegation").
- 2) At the discretion of the Audit & Risk Committee, responsibilities of the Audit & Risk Committee created by these procedures may be delegated to any member of the Audit & Risk Committee or to a subcommittee of the Audit & Risk 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 & Risk Committee.
- 2) Each Accounting Allegation forwarded to the Audit & Risk Committee by management and each accounting allegation that is made directly to the Audit & Risk Committee, whether openly, confidentially or anonymously, shall be reviewed by the Audit & Risk Committee, who may, in their discretion, consult with any member of management or employee whom they believe would have appropriate expertise or information to assist the Audit & Risk Committee. The Audit & Risk Committee shall determine whether the Audit & Risk Committee or management should investigate the Accounting Allegation, taking into account the considerations set forth in Section C below.

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2.1. If the Audit & Risk Committee determines that management should investigate the Accounting Allegation, the Audit & Risk 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 & Risk Committee. Management shall be free in its discretion to engage outside auditors, counsel or other experts to assist in the investigation and in the séntincte of results.

2.2. If the Audit & Risk 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 & Risk 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.

## 5. Whistle blowing policy (continued)

### 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 favour of the Audit & Risk Committee conducting the investigation.
- 2) How serious is the alleged wrongdoing? The more serious the alleged wrongdoing, the more appropriate that the Audit & Risk 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 favour of the Audit & Risk Committee conducting the investigation.
- 3) How credible is the allegation of wrongdoing? The more credible the allegation, the more appropriate that the Audit & Risk Committee should undertake the investigation. In assessing credibility,

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the Audit & Risk 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 Hospital, the Audit & Risk 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 & Risk 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 & Risk 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 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.

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## 6. Statement of Ethics

### 6.1 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 Hospital or puts him/her in a position of advantage in neglecting the Hospital’s interest due to his/her personal interest”.

### 6.2 Policy

The Hospital’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 Hospital’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 Hospital which could not be achieved otherwise.
- c. 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).
- d. Practicing business, other than business of the Hospital, whether this business is full or part time, with or without payment (in cash or in kind) without prior notification of the Hospital.
- e. Being a partner in existing/potential business and using his/her influence or authority in the Hospital to further the interest of such business or indeed the business of personal/professional associates.

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## 7. Conflict of Interest Policy

### DEFINITIONS

**Conflict of interest** means “a staff member or doctor who commits deliberate acts or practices or certain activities that incur potential harm to the Hospital or puts himself/herself in a position of advantage/gain or being exposed to negligence against the Hospital’s interest versus his/her personal interests”.

**Connected Person** means “A doctor’s or 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”.

**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. Business is granted or contemplated by the Hospital to a connected person in which the employee has a direct or indirect interest.

B. Medical or investigation that could have been performed by the Hospital are referred to outside medical or diagnostic centres in which the doctor or 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 Hospital.

D. Specific Gifts to employees or doctors by Suppliers of the Hospital exceeding BHD 100 in value.

### 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 Hospital’s interest, shall not be practiced by any staff member, which are more specifically mentioned hereunder:

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- i. Exploiting official working hours in handling and following up their own personal business or any other business irrelevant to the Hospital.
- ii. Using office work materials and the Hospital’s facilities such as machines, equipment and communication media in pursuit of personal business.
- iii. Using official capacity in achieving a financial/other gain or interest outside the Hospital which could not be achieved otherwise.
- iv. 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.
- v. 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.

## 7. Conflict of Interest Policy

- vi. 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 Hospital, whether this act has been done with or without payment (in cash or in kind).
- vii. Being a partner in business using his influence or authority in achieving interest for such business that may incur potential harm to the Hospital.
- viii. Concealing of facts, evidence of such actions or breaches of rules shall expose the employee to disciplinary action or lead the Hospital to termination of service.
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## PROCEDURE

- a. Each employee and doctor 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 Hospital where any changes in his circumstances would require an amendment to the declaration or could be considered to be in conflict with the spirit of the Hospital’s policy.

### ACKNOWLEDGMENT

I.....holding CPR#..... is staff/doctor working in Ibn Al-Nafees Hospital Co. B.S.C. (c) , have read and fully understood the above stated requirements concerning conflict of interest rules by the Hospital and confirm to abide by all the rules and regulations of the Hospital including such amendments as may be in effect from time to time.

Signature.....  
Date.....

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### Declaration of conflict of interest

I.....holding CPR#..... confirm that I have read the Hospital'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 Hospital.

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 Hospital's policy regarding gifts.

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

- a. ....
- b. ....
- c. ....



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5) 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.

Signature..... Date.....

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## 8. Code of Conduct Policy

### i. STATEMENT OF POLICY

It is a fundamental policy of the Hospital to conduct its operations with honesty and integrity and in accordance with the highest legal and ethical standards. The Code of Conduct Policy 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 doctor's and employee's responsibility to exercise good judgment to act in a manner that will favourably reflect upon the Hospital's values.

Employees shall comply with the spirit as well as the letter of this Policy. 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 and doctors of the Hospital.

### iii. IMPLEMENTATION

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

- They have personally read and understand the Policies.
- They have taken appropriate steps to bring the Policies to the attention of each employee under their supervision.
- All are under their area of responsibility are in adherence to these policies and know of no violations by employees under their supervision except violations that have been reported.
- The Audit & Risk committee through the outsourced internal auditors or 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 HOSPITAL'S ASSETS

The use of any fund or assets of the Hospital for any unlawful or improper purpose is strictly prohibited. Employees or doctors of the Hospital shall not accept any bribes, kickbacks or any other form of financial or inkind benefit for taking any action in their role as the Hospital's employee or doctors.

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

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## vy. BOOKS AND RECORDS OF THE HOSPITAL

The Hospital 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 Hospital's filings;
- Record or participate in the recording of entries in the Hospital's books and records that are accurate to the best of their knowledge;
- Comply with the Hospital'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 Hospital, 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 Hospital 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

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environment or affects daily work.

### viii. CONFLICTS OF INTEREST

Employees and doctors of the Hospital have a full-time responsibility to the Hospital. A potential or actual conflict of interest occurs whenever an employee and doctors 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 or doctors may not engage in activities that create a conflict between the interests of the Hospital and those of the employee.

The Hospital 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 Hospital, may not have a significant interest in any supplier of supplies or services for the Hospital. 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 Hospital).

### ix. ACCEPTANCE OF GIFTS

Except for business and social invitations that are in keeping with good business ethics all Hospital’s staff and doctors 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 Hospital.

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 Hospital’s interests.

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

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## 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 Hospital for maintaining a safe work-place within the Hospital. Everyone without exception is responsible for reporting immediately to the management any accident, injury or unsafe working condition. The Hospital 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 Hospital operates its important commitment too.

## xi MISUSE OF COMMUNICATIONS SYSTEMS

The Hospital’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”. 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 Hospital.

While it is understood that there could be 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 Hospital’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 Hospital. 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 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 Hospital.

## IBN AL-NAFEES HOSPITAL POLICIES & PROCEDURES

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### **xiii. COMPLAINT WITH LAWS AND REGULATIONS**

A variety of laws and regulations apply to the Hospital, the violation of which may carry civil or criminal penalties for the Hospital 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 Hospitals' 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 witnesses or learns of a potential violation of the Code, he must report this immediately to his direct manager or the HR department who in turn will take appropriate. 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 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 Hospital does not to 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 Hospital 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 Hospital's behalf.

The Hospital'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 Hospital's employees who have strong personal relationship may not work in the same department, section or work group without obtaining

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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 Ibn Al-Nafees Hospital Co. B.S.C. (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**

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## 9. Performance evaluation sheet – Board Members

This performance evaluation sheet is designed to assist the evaluation process. This sheet is to be completed by the remuneration and nominating committee on a confidential basis based on the following ratings:

**1= Weak 2= Needs Improvement 3= Adequate 4= consistently good 5= Strong**

Individual Directors (Self or Peer Evaluation)		Rating				
		1	2	3	4	5
<b>Contribution to Interaction</b>						
1	Shares information or insights					
2	Regular and timely attendance of board meetings					
3	Participates actively in board activities, work constructively with peers					
4	Takes strong constructive stands at board or committee meetings, where necessary					
5	Encourages feedback from board					
6	Encourages meetings to focus on agenda					
7	Confronts conflicts and participates in finding a resolution					
8	Provides logical honest options on issues presented					
9	Provides unique insight to issues presented – has skills					
10	Prioritizes context of issues to be in line with objectives					
11	Motivates others to get things done, is decisive and action-oriented					



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12	Provides realism and practical advice to board deliberations					
13	Applies analytical and conceptual skills to the decision-making process					
14	Communicates persuasively in a clear and non-confrontational manner					
15	Adds value to board meetings-attends meetings well prepared					
16	Takes initiative to request for more information					
17	Ensures that individual contribution irrelevant-up-to-date with developments					
18	Focuses on accomplishing the objectives					
19	Assesses and links short-term issues to the long term strategy					
20	Ensures performance of financial and human capital, keeping in mind the strategic plan when making investment decisions					
21	Chairman is able to lead the board effectively – encouraging contribution from all members					
22	Chairman and CEO have a good working relationship					
23	Chairman and CEO understand the irrespective roles					

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## 10. Performance evaluation sheet – Board Committees

This performance evaluation sheet is designed to assist the evaluation process. This sheet is to be completed by the nomination and remuneration and nominating committee on a confidential basis based on the following ratings:

**1= Weak 2= Needs Improvement 3= Adequate 4= consistently good 5= Strong**

Evaluation of Board Committees		Rating				
		1	2	3	4	5
1	Does each committee have the right composition? I) Auditing committee II) Nomination and remuneration committee					
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 II) Nomination and remuneration committee					
3	Do the members of the committees have sufficient, recent and relevant expertise in fulfilling their roles?					
4	I) Audit committee: Director A _____ Director B _____ Director C _____					

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5	II) Nomination and remuneration committee: Director A _____ Director B _____ Director C _____					
6	Are committee chairs properly discharging their responsibilities, deploying resources and expertise, and providing appropriate reporting and recommendations to the board? I) Auditing committee II) Nomination and remuneration committee					
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 II) Nomination and remuneration committee					
8	Is the quality of the board committee’s communications to the board assessed regularly? I) Auditing committee II) Nomination and remuneration committee					
9	Is there an assessment by the board of the quality of the minutes of the board committee’s meetings? I) Auditing committee II) Nomination and remuneration committee					

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10	Is the board well informed on a sufficiently timely basis regarding the committee's deliberations? I) Auditing committee II) Nomination and remuneration committee					
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## 11. Performance evaluation sheet – Board

This performance evaluation sheet is designed to assist the evaluation process. This sheet is to be completed by the nomination and remuneration and nominating committee on a confidential basis based on the following ratings:

**1 = Weak 2 = Needs Improvement 3 = Adequate 4 = consistently good 5 = Strong**

A. Board Structure		Rating				
		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?					
2	Does it have the right mix of skills and experience to optimize performance?					
3	Are roles and responsibilities of the board and individual directors clearly defined in the board charter?					
4	Are matters reserved for the board clearly defined?					
5	Does the board work constructively as a team through collegial, productive working relationships that foster trust and respect?					

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6	Do the board discussions enhance the quality of management decision making? Does the board engage constructively with management to stimulate performance?					
7	Is the company's orientation program effective in supplying useful information to new directors about the board and company?					
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?					
9	Whether the board consists of a good balance of independent directors?					
10	Have potential areas of conflicts that may impair independence of the directors been resolved?					

<b>B. Board Operations</b>		<b>Rating</b>				
		1	2	3	4	5
1	Are board meetings held with appropriate frequency?					
2	Is information on the agenda items provided well in advance of board meetings, with sufficient time for preparation?					
3	Is financial information adequately provided prior to board meetings?					

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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?				
5	Is there adequate time allocated between board discussions and management presentations?				
6	Are board meetings carried out in an open communication environment with meaningful participation and timely and constructive resolution of issues?				
7	Do directors have sufficient access to management or the board chairman?				

<b>C. Board's Roles and Responsibilities</b>		<b>Rating</b>				
		1	2	3	4	5
1	Do you feel that the board understands its role, authority, and priorities?					
2	Does the board understand the company's values, mission, and strategic and business plans to handle on key issues regarding the company?					
3	How effective is the board in setting and reviewing the company's strategic plan?					

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C. Board’s Roles and Responsibilities		Rating				
		1	2	3	4	5
4	Has the board identified the key performance indicators, to monitor executive and senior management’s performance?					
5	Has the board adequately identified and managed risks that could have a significant impact on the company?					
6	Has the board established a succession plan that considers the appointment, training and fixing of the CEO’s and senior management’s remuneration?					
7	Has the board considered its role in protecting shareholders’ interests?					
8	How would you rate the board’s deliberation of the company’s investor relations program?					
9	Has the board reviewed the company’s system of internal control and considered its adequacy and integrity?					

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<b>D. Board Chairman's Roles and Responsibilities</b>		<b>Rating</b>				
		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
1	Is the chairman building healthy boardroom dynamics and dealing effectively with dissent and working constructively towards consensus?					
2	Does the chairman oversee an effective decision-making process?					
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?					



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### 12. Conclusion

The Hospital 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 Hospital 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, you can reach the Hospital's Corporate Governance Officer.

# **Section 2**

## Charters & Board Committees

# CHARTER OF THE BOARD

## OBJECTIVE

The Board oversees the conduct of the corporation's business by management and review of the corporation's financial objectives and major corporate plans, strategies and actions. The Board of Directors exercise leadership, enterprise, integrity and judgment in directing the corporation, so as to promote the best interests of shareholders in terms of corporate governance, fiduciary responsibilities, compliance with applicable laws and regulations, and maintenance of accounting, financial or other controls.

## AUTHORITY

The Board of Directors is the ultimate decision making body of the corporation except for matters reserved for the stockholders of the corporation. Consistent with the Board's power to delegate management of the day-to-day operation of the corporation's business, the Board shall exercise business judgment in establishing and revising guidelines for authorization of expenditures or other corporate actions. In addition, directors shall have complete access to the corporation's senior management.

## COMMUNICATIONS/REPORTING

The Board will establish appropriate committees such as an Audit, Finance and Compensation Committees. These committees will report directly to the Board of Directors regarding committee activities, issues and related recommendations. The charters of each committee will be reviewed periodically with a view to delegating committees with the authority of the board. Such authority will be set forth in board resolutions or by laws pertaining to the charters of the board committees.

## RESPONSIBILITIES

The Board's specific responsibilities in carrying out its oversight role are delineated in the Board Authorization Charter Checklist. The responsibilities checklist will be updated annually to reflect changes in regulatory requirements, authoritative guidance, and evolving oversight practices. The most recently updated responsibilities checklist will be considered to be an addendum to this charter.

The Board of Directors will provide continuity for the organization by setting up a corporation, and to represent the organization's point of view through interpretation of its products and services, and advocacy for them. The Board will govern the organization by board policies and objectives, formulated and agreed upon by the chief executive and employees. The Board will acquire sufficient resources for the organization's operations and to finance the products and services adequately. The Board will account to the public for the products and services of the organization and expenditures of its funds, including: (1) To provide for fiscal accountability, approve the budget, and formulate policies related to contracts from public or private resources, and (2) to accept responsibility for all conditions and policies attached to new, innovative, or experimental programs.

## BOARD OF DIRECTORS AUTHORIZATION CHARTER CHECKLIST

		First Quarter	Second Quarter	Third Quarter	Fourth Quarter	A/N*
1	Determine/update the corporation's mission and purpose. The Board will determine the corporation's purpose and values, determine the strategy to achieve its purpose and to implement values.					x
2	Ensure effective organizational planning. The Board should exercise leadership, enterprise, integrity and judgment in directing the corporation so as to achieve continuing prosperity for the corporation.					x
3	Determine and monitor the corporation's programs and services. The Board will monitor and evaluate the implementation of strategies, policies, management performance criteria and business plans.	x	x	x	x	
4	Approve annual objectives. The Board is responsible for approving the annual objectives of the corporation.				x	
5	Ensure that the management has identified and prioritized the principal risks the company faces, indicate the likelihood that they will actually occur, and estimate their potential cost versus the cost of preventing them. The Board should meet with management on a regular basis to discuss and evaluate such risks.					x

6	Ensure that the management has developed processes to identify major risks and has developed plans to deal with such risks. Such processes should be reviewed and approved by the Board. The Board should monitor the implementation of the risk reducing processes and evaluate them on a regular basis.					X
7	Select the chief executive of the corporation. The Board is responsible for the selection and where appropriate replacement of the Chief Executive Officer.					X
8	Support the executive and review his or her performance. The Board is responsible for evaluating the Chief Executive Officer and Chief Financial Officer on his or her performance.	X	X	X	X	
9	Review and approve key executives compensation plan, including salary, bonuses, stock compensation and fringe benefits. Additionally, review key executives travel and entertainment expenses.					X
10	Approve 1,3 & 5 year budgets.					X
11	Periodically review actual results vs. budget and investigate unusual items.					X
12	Approve guidelines for authorization of expenditures established by management.					X
13	Approve major expenditures outside authorized budget. The board shall exercise business judgment in establishing and revising guidelines for authorization of expenditures or other corporate actions, and management will periodically review this.					X

14	Review results of audit committee, compensation committee, and disclosure committee periodically concerning matters specific to each committee.	x		x		
15	In preparation for meetings of the board and its committees, the Chairman will consult with the CEO regarding the agenda and content.	x	x	x	x	
16	Directors will be alert to potential board candidates with appropriate skills and characteristics and communicate information regarding board selection matters to the appropriate committee.					x
17	Directors will be alert to potential board candidates with appropriate skills and characteristics and communicate information regarding board selection matters to the appropriate committee.				x	
18	Review policies and procedures with respect to transactions between the company and officers and directors, or affiliates of officers of directors, or transactions that are not a normal part of the corporation's business.					x

# CODE OF CONDUCT POLICY

## 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 Policy 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 Policy. 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 Policies.
- They have taken appropriate steps to bring the Policies to the attention of each employee under their supervision.
- All are under their area of responsibility are in adherence to these policies 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.

At the company, we respect the mix of its 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 \_\_\_\_or the laws of any jurisdiction in which the employees operate. Everyone must always behave appropriately and professionally with his 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 himself 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.

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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 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 to 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 {Company-Name} Code of Business Conduct dated \_\_\_\_\_ (“the Code”), 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 immediate manager or Human Resources department.

**Dated:** \_\_\_\_\_  
**Employee’s Signature:** \_\_\_\_\_  
**Employee’s Name:** \_\_\_\_\_

## 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 generation 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 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 lead the company to 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 changed in his circumstances would require an amendment to the declaration or could be considered to be in conflict with the spirit of the company's policy.

# 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 him/her in a position of advantage/gain or neglects 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 member 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 facilities such as machines, equipment and communication media in pursuit of personal business.
- b. Using official capacity in achieving a financial/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 generation 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/other gain for him/her or for anyone of his/her relatives due to tie of kin or relationship up to the 2nd generation 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 same to 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.

**Name:** \_\_\_\_\_

**Signature:** \_\_\_\_\_

**Dated:** \_\_\_\_\_

# WHISTLEBLOWING POLICY

Prepared By: \_\_\_\_\_

Approved By: \_\_\_\_\_

Revision Date: \_\_\_\_\_

Effective Date: \_\_\_\_\_

## I. PURPOSE

This policy establishes the standards and procedures to ensure that accounting and audit related complaints handling complies with management's and the audit committee's objectives.

## II. SCOPE

The policy applies to all domestic and international offices and subsidiaries of the Company.

## III. 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 sub-committee 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 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 General Counsel 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.

### **IV. 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 remain 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.

### **V. 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.

### **VI. 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 to \_\_\_\_\_. Such reports can also be made anonymously and allows anyone to make an Accounting Allegation without divulging his 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.

# CHARACTER OF NOMINATING COMMITTEE

## **I.Purpose:**

**The purpose of the Nominating Committee (the “Board”) of the Company is:**

1. To identify individuals qualified to become Board members, consistent with criteria approved by the Board;
2. To oversee the organization of the Board to discharge the Board’s duties and responsibilities properly and effectively;
3. To ensure that proper attention is given, and effective responses are made, to shareowner concerns regarding corporate governance; and
4. To perform such other duties and responsibilities which are mentioned in this charter.

## **II. Membership and Procedures:**

1. **Membership and Appointment:** The Committee shall consist of such number of members of the Board as shall be determined from time to time by the Board based on recommendations from the Committee, if any. The Board upon the recommendation of the Committee shall appoint the members of the Committee.

2. **Removal:** The entire Committee or any individual Committee member may be removed from office with or without cause by the affirmative vote of the majority of the board. Any Committee member may resign upon giving oral or written notice to the Chairman of the Board, the Corporate Secretary of the Board, which resignation shall be effective at the time such notice is given (unless the notice specifies a later time for the effectiveness of such resignation).

If the resignation of a Committee member is effective at a future time, the Board may elect a successor to take office when the resignation becomes effective.

3. **Chairperson:** A chairperson of the Committee (the “Chairperson”) may be designated by the Board based upon recommendations by the Committee, if any. In the absence of such designation, the members of the Committee may designate the Chairperson by majority vote of the full Committee membership. The Chairperson shall determine the agenda, the frequency and the number of meetings shall have unlimited access to management and information. Such Chairperson shall establish such other rules, as may from time to time be necessary and proper for the conduct of the business of the Committee. The Chairperson shall preside over any executive sessions of non-management or independent directors.

4. **Secretary:** The Committee may appoint a Secretary whose duties and responsibilities shall be to keep full and complete records of the proceedings of the Committee for the purposes of reporting Committee activities to the Board and to perform all other duties as may from time to time be assigned to him or her by the Committee, or otherwise at the direction of a Committee member. The Secretary need not be a director.

5. **Independence:** Each member shall be independent within the meaning of any applicable law or stock exchange listing standard or rule, as determined by the Board.



6. Delegation: The Committee may, by resolution passed by a majority of the Committee, designate one or more subcommittees, each subcommittee to consist of one or more members of the Committee. Each subcommittee shall have such name as may be determined from time to time by resolution adopted by the Committee. Each subcommittee shall keep regular minutes of its meetings and report the same to the Committee or the Board when required.

7. Authority to Retain Advisers: The Committee shall undertake an annual evaluation assessing its performance with respect to its purpose and its duties and tasks set forth in the charter, which evaluation shall be reported to the Board. In addition, the Committee shall lead the Board in an annual self-evaluation process, including the self-evaluation of each Board Committee, and report its conclusions and any further recommendations to the Board.

### **III. Meeting and Procedures:**

The Committee shall convene at least four times a year. A majority of the Committee members shall be present to constitute a quorum for the transaction of the Committee's business. The Committee shall report regularly to the full Board with respect to its activities.

# CHARACTER OF REMUNERATION COMMITTEE

## I. Purpose

The purpose of the Compensation Committee (the "Committee") of the Board of Directors (the "Board") is to discharge the responsibilities of the Board relating to compensation of executives and directors, to produce an annual report on executive compensation for inclusion in the company (in accordance with applicable rules and regulations), to provide general oversight in the company's compensation structure including equity compensation plans and benefits programs, to review and provide guidance on the company's HR programs, talent review and leadership development and to classify the company as the best place to work, and to perform the specific duties and responsibilities set forth herein.

## II. Membership

The Committee shall consist of at least three members, consisting entirely of independent directors and shall designate one member as chairperson. Committee members shall be appointed and may be removed by the Board of Directors upon the recommendation of the Nominating and Governance Committee.

## III. Meetings and Procedures

The committee will meet as often as may be deemed necessary or appropriate in its judgment, but in no event shall the Committee convene fewer than four times per year. The Committee may meet either in person or telephonically, and at such times and places as the Committee determines. The majority of the members of the Committee shall be present to constitute a quorum. The Committee shall report regularly to the Board with respect to its activities.

## IV. Outside Advisors

The Committee will have the authority to retain at the expense of the company such counsel, and other experts and advisors as it determines is appropriate to assist it in the full performance of its functions, including sole authority to retain and terminate any compensation consultant used to assist the Committee in the evaluation of director, CEO or senior executive compensation, and to approve the consultant's fees and other retention terms.

## V. Duties and Responsibilities

1. Evaluate Human Resource and Compensation Strategies: The Committee will oversee and evaluate the company's overall human resources and compensation structure, policies and programs, and assess whether the company will provide appropriate incentives for management and the employees. The Committee will oversee the Company's rewards program in order to attract and retain key talent to specify the company as the best place to work.

2. Monitor Leadership Development: The Committee will review the leadership development process for senior management positions and ensure that appropriate compensation, incentive and other programs are in place in order to promote such development.

3. Set Executive Compensation: The Committee will review and approve corporate goals and objectives relevant to the compensation of the Chief Executive Officer (the "CEO") and other executive officers of the company, evaluate the performance of the CEO and other executive officers in light of those goals and objectives and approve their annual compensation levels including salaries, bonuses, stock options, other stock incentive awards and long-term cash incentive awards based on this evaluation. In addition, the Committee may, in its discretion,

- review and act upon management proposals to designate key employees to receive stock options and stock or other bonuses,
4. Approve Employment Agreements: The Committee will review and approve employment agreements and severance for the CEO and other executive officers, including change-in-control provisions, plans or agreements.
  5. External Reporting of Compensation Matters: The Committee will make an annual report on executive compensation in the company.
  6. Oversight of Equity-Related and Incentive Compensation Plans: The Committee will supervise and administer incentive compensation, stock option, stock appreciation rights, and service award programs and may approve, amend, modify, interpret or ratify the terms of, or terminate, any such plan to the extent that such action does not require stockholder approval; make recommendations to the Board with respect to incentive-compensation plans and equity-related plans as appropriate.
  7. Oversight of Employee Benefit Plans: The Committee will monitor the effectiveness of non-equity based benefit plan offerings, in particular benefit offerings and perquisites pertaining to executives, and will review and approve any new material employee benefit plan or change to an existing plan that creates a material financial commitment by the company. In its discretion, the Committee may otherwise approve, amend, modify, ratify or interpret the terms of, or terminate, any non-equity base benefit plan or delegate such authority to the extent set forth in Section VI below.
  8. Monitor Workforce Management Programs: The Committee will monitor the effectiveness of workforce management programs that are global in scope, including global restructuring programs.
  9. Set Director Compensation: The Committee will review the compensation of directors for service on the Board and its committees and recommend to the Board the annual retainer and Chair fees and Board and Committee meeting fees.
  10. Monitor Director and Executive Stock Ownership: The Committee will monitor compliance by executive officers and directors with the company's stock ownership guidelines and periodically review such guidelines.
  11. Perform Annual Evaluation: The Committee will annually evaluate the performance of the Committee and the adequacy of the Committee's charter.
  12. Generally: The Committee will perform such other duties and responsibilities as are consistent with the purpose of the Committee and as the Board or the Committee deems appropriate.

## **VI. Delegations**

The Committee may delegate any of the foregoing duties and responsibilities to a subcommittee of the Committee consisting of not less than two members of the Committee. In addition, the Committee may delegate to one or more individuals the administration of equity incentive or employee benefit plans, unless otherwise prohibited by law. Any such delegation may be revoked by the Committee at any time.

# CHARTER OF AUDIT COMMITTEE

## **I. Purpose:**

**The Audit Committee of the board of directors is instrumental in the boards fulfillment of its oversight responsibilities relating to:**

- (1) the integrity of the company's financial statement.
- (2) the company's compliance with legal and regulatory requirement.
- (3) The qualification independence and performance of the company's external auditor.
- (4) Monitoring the performance of company's internal audit function.
- (5) The business practices and ethical standards of the company. The Audit committee shall also fulfill the other responsibilities set forth in this charter.

## **II. Committee Membership:**

**The Audit Committee shall be formed according to the following rules:**

1-The committee shall be composed of at least three members, all of whom are designated by the board as independent. To be considered independent, each committee member must meet the independence, Financial, and expertise requirement of (Bahrain Bourse), And other applicable laws and regulation.

2- The Nominating and corporate Governance Committee shall recommend nominees for appointment to the audit committee annually and as vacancies or newly created position occur.

3- Audit committee members shall be appointed by the board and may be removed by the board at any time.

4- At the time of appointment, all Audit committee members must be able to read and understand financial statement. The board must appoint one member to be a financial expert, based on documented experience and qualification.

5- If a regular member is unable to act due to absence, illness or any other cause, the committee chairperson, or in his absence by the board, may appoint another independent director of the board to serve as an alternate member.

6- The nomination and corporate governance committee shall recommend to the board, And the board shall designate, the chair of audit committee. The chairperson shall not serve as the committee (.....) years , though he/ she may remain a member of the committee and may serve as the committee chairperson again in a future term.

## **III. Meeting:**

The Audit committee may meet as frequently as required, with a minimum of quarterly. The meeting may be conducted through in person, conference call, or any other means permissible by law. Only the audit committee chairperson and members shall be entitled to participate in committee meeting. At the invitation of the committee, other members or individuals

may attend as deemed necessary.

#### **IV. Audit Committee Secretary:**

**The Audit committee will be responsible for electing a secretary annually to perform the following duties:**

- Provide notification of meeting to other committee members.
- Draft minutes of the proceedings and resolution of all meeting of the of the committee, including the recording the names of those present and attendance. the minutes should be forwarded to the committee chairperson for review subsequently to all members of the committee.
- Provide detailed documentation and minute's regarding any discussion of the criteria set forth in the committee responsibilities. in the event of a concern of accounting irregularities, fraud, or a significant violation of senior management is established, careful attention must be given to the level of detail in regards to the completeness and accuracy of the minutes.

#### **V. Quorum:**

The quorum necessary for the transaction of business shall be a majority of the audit committee members. Per the guidelines set forth in the committee membership, an alternate independent member may be appointed by the board to serve in the interim due to absence, illness or any other cause.

#### **VI. Authority:**

The Audit committee has the sole authority to seek information it requires from employees, company officers, company documents, and external parties; and to investigate, engage advisors or otherwise obtain independent legal m accounting or other professional services it requires at the expense of the company.

#### **VII. Committee responsibilities:**

A. Financial statement and disclosure matters

**The audit committee will review and discuss with management, senior internal auditor(s), and the external auditor, and others as the audit committee deems appropriate:**

- The integrity of annual audited financial statement and the company's disclosures under "management's discussion and analysis of financial condition and results of operations ", and recommend inclusion of the financial statement in the annual report to the board.
- The quarterly financial statement m and the company's disclosures under "Management's discussion and analysis of financial condition and results of operation ", prior to submission to regulatory authorities.
- Any significant financial report issues, judgment, and use of estimates made in connection with the preparation of the company's financial statement, including any significant changes in the company's selection or application of accounting principles.
- The critical accounting policies and practices of the company;
- Regulatory and accounting initiatives or actions applicable to the company

The audit committee shall review, in conjunction with management, the company's policies generally with respect to the company's earnings press releases and with respect to financial information and earnings guidance provided to financial analysts, rating agencies or others.

The audit committee shall review in conjunction with the CEO and CFO of the company, the company's internal and disclosure controls and procedures over financial reporting, including whether there are deficiencies or material weaknesses, potential fraud opportunities, or any other corrective action to be taken with regard to controls and procedures.

The audit committee shall have sole over the resolution of any disagreements between management and the independent auditor regarding the company's financial report.

The audit committee shall review and discuss with the independent auditors any significant audit problems or difficulties and managements response thereto or other resolution thereof, including response matters required to be discussed with the audit committee by the auditors pursuant to statement on auditing standard NO. 61 (Communication with audit committee).

The audit committee shall prepare the audit committee report that the regulatory authorities require in the company's annual proxy statement.

## **B. External Audit**

The Audit Committee shall make recommendations to the board regarding the appointment re-appointment, or removal of the external auditors resign, the committee shall investigate the issues giving rise to such resignation and consider whether any action is required.

The audit committee shall review the scope and staffing of the external auditor shall report directly to the resignation and consider whether any action is required.

**The audit committee shall evaluate the external auditor's qualification, performance, and independent, and shall present its assessment to the full board on at least an annual basis. as part of the evaluation, at least annually, the audit committee shall consider the following by obtained and reviewing a report or report or report from the company's external auditors:**

- Describing the external auditor's internal quality-control procedures;
- Describing any material issues raised by:
  - (1) The most recent internal quality-control review or peer review of the auditing firm.
  - (2) Any inquiry or investigation by governmental or professional authorities, within the preceding five years, regarding one or more independent audits carried out by the auditing firm; and any steps to deal with any such issues.
- Describing all relationships between the external auditors and the Company, consistent with applicable standards.

The Audit Committee shall obtain the opinion of management and the internal auditors of the independent auditors' qualifications, performance and independence.

The Audit Committee shall assist in establishing policies regarding the Company's hiring practices of current or former employees of the independent auditors.

### **C. Internal Audit**

At least annually, the Audit Committee shall evaluate the performance, responsibilities, budget and staffing of the Company's internal audit function. Such evaluation shall include, but not be limited to a review of the responsibilities, budget, and staffing of the Company's internal audit function with the External Auditors.

### **D. Other Risk Management Matters**

The Audit Committee shall review the Company's policies and practices with respect to risk assessment and risk management, including discussing with management the Company's major financial risk exposures and the steps that have been taken to monitor and control such exposures.

### **E. Other Duties**

#### **The Audit Committee shall also:**

- Annually review the absence of any conflicts or related party transactions with respect to the CFO and his/her significant business and investment transactions. The CFO shall be prohibited from any profit-making business activities outside of the Company that relate to activities of the Company and shall not have been employed by the Company's external auditor firm(s) during the prior (.....) years or, if involved in the firm's audit of the Company, during the prior (.....) years.

- Obtain reports from management on the Company's conformity with the Company's Code of Business Conduct and Ethics. Review disclosures required to be made under the securities laws of insider and affiliated party transactions. Advise the Board with respect to the Company's policies and procedures regarding compliance with applicable laws and regulations and with the Company's Code of Business Conduct and Ethics. Review the procedures that the Company has implemented regarding compliance with the Company's Code of Business Conduct and Ethics.

- Monitor the implementation of procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls, auditing or other matters, including, mechanism for anonymous submission of related concerns by Company employees;

Review with the Company's General Counsel, legal matters regarding financial transactions, fraud, or any other issue that could have significant impact on the annual reports

### **VIII. Reporting**

#### **The Audit Committee shall provide an update to the Board about Committee activities:**

- After each meeting, identifying matters in respect of which it considers that action or improvement is needed, including where the Committee is not satisfied with any aspect of risk management and internal control, financial reporting or audit related activities; including the independence and performance of the External Auditors, or any other matters the Committee deems appropriate while making recommendations as to steps to be taken.

-Bring to attention of the Board material issues, as well as complaints or concerns regarding accounting, internal accounting controls, auditing or other matters, and, at least annually, review with the Board the Company's report regarding compliance with internal controls (including with respect to insider trading compliance).

- Provide at least annually to the Board, a report regarding the Audit Committee's discharge of responsibilities, overall performance, and recommendations for improvement in the design and effectiveness of the Audit Committee.
- Provide a report annually to shareholders regarding how the Audit Committee has discharged its responsibilities, and how auditor objectivity and independence has been safeguarded.

### **IX. Limitations of the Audit Committee's Role:**

It is not the duty of the Audit Committee to plan or conduct audits to determine that the Company's financial statements are complete, accurate, and in accordance with GAAP. This is the responsibility of management and the external auditors. Furthermore, while the Audit Committee is responsible for reviewing the Company's policies and practices with respect to risk assessment and management, it is the responsibility of the CEO and senior management to determine the appropriate level of the Company's exposure to risk. It is the duty of the Audit Committee to report regularly to the Board with respect to any issues that arise concerning the quality or integrity of the Company's financial statements, the Company's compliance with legal or regulatory requirements, the performance and independence of the Company's external auditors, the performance of the internal audit function, or any other matter within the scope of the Committee's functions.



# CHARTER OF CORPORATE GOVERNANCE COMMITTEE

## I. PURPOSE:

The Primary purpose of the corporate Governance responsibilities is to assist the Board in shaping and monitoring the Corporate Governance policies and practices of the Company and evaluating compliance therewith.

## II. RESPONSIBILITIES:

**The responsibilities of Corporate Governance committee shall include the following:**

a. Review and access the adequacy of the Company's policies and practices on corporate governance, including the corporate governance guidelines of the company and any Board meetings policies, and recommend any proposed changes to the Board for approval.

b. Review the Company's business practices, particularly as they relate to preserving the good reputation of the Company.

c. Review the appropriateness of the size of the Board relative to its various responsibilities and make recommendations to the Board as proper or necessary.

d. Develop appropriate criteria and make recommendations to the Board regarding the independence of Directors and nominees as may be necessary or proper.

e. Recommend to the Board the number, identity and responsibilities of Board Committees and the Chairman and members of each committee. This shall include advising the Board on Committee appointments and removal from Committees and rotation of Committee members and chairs.

f. Review the adequacy of the charters adopted by each committee of the Board, and recommended changes as necessary.

g. Assist the Board in developing criteria for identifying and selecting qualified individuals who may be nominated for election to serve on board of directors of subsidiaries of the Company.

h. Evaluate and recommend to the Board any changes or updates to the Board policy on nomination of directors to boards of directors of subsidiaries of the Company.

i. Periodically review and recommend to the Board the compensation structure for Board or committee services and other applicable Directors related policies, including retirement and indemnification issues.

j. Periodically assess the effectiveness of the Board of Directors in meeting its responsibilities, representing the long-term interests of stockholders.

k. Report annually to the Board with an assessment of the Board's performance.

l. To review management succession plans.

m. Conduct an annual review of the Corporate Governance Committee's performance and report the results to the Board. Periodically assess the adequacy of its charter and recommend

changes to the Board as needed.

n. Perform any other duties and responsibilities expressly delegated to the Corporate Governance Committee by the Board from time to time.

o. Receive notification by directors of intention to serve on additional duties outside the board.

### **III. COMPOSITION:**

The Corporate Governance Committee shall be comprised of three (3) independent directors. The members are appointed by the Board of Directors. (The Corporate Governance committee in Islamic Companies should comprise at a minimum of an independent director to the chair the committee; a Shari'a scholar who should also be a member of Shari'a Supervisory Board; an independent director who can provide his experience.

### **IV. MEETINGS:**

The Corporate Governance Committee shall meet as circumstances dictate. The Committee may ask members of management or others to attend the meeting and provide pertinent information as required. Quorum will consist of two (2) members.



**Prepared by:**  
**Ali Fardan**  
Chief Operating Officer