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CORPORATE GOVERNANCE OVERVIEW AND GUIDELINES

1. Introduction

The Board of Directors (hereinafter referred to as the “Board”) of Seef Properties B.S.C. (hereinafter referred to as the “Company” or “Seef”) has adopted the Corporate Governance Guidelines to assist the Board in the exercise of its responsibilities. The Board may modify or make exceptions to the guidelines from time to time, consistent with the duties and responsibilities owed to the Company and its stakeholders. However, any such changes or exemptions will be in line with the statutory and regulatory responsibilities of the Company. The Corporate Governance Officer of the Company, who is the person appointed by the Board for this specific purpose, will monitor and report to the Ministry of Industry, Commerce and Tourism, as and where required, on the implementation of these guidelines by the Company.

2. Director Responsibilities

The directors of the Company, both individually and collectively, are responsible before the shareholders for the success of the Company. They are primarily concerned with the interests of the Company, which should take precedence over any other interests, including the personal interests and the interests of the shareholders represented by them on the Board. The Board represents all the shareholders and shall perform the duty of loyalty in managing the Company and will do everything that would safeguard and promote the interests of the Company and maximise its value.

The Board will take all the necessary measures to ensure that the key pillars of governance highlighted below are implemented in the framework of the Company at all times:

- a) 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 business properly, while the matters of interest to shareholders and various related parties are transparently disclosed by the Company and its Board;
- b) Accountability, meaning that the directors are aware that they are responsible before the shareholders for their decisions and actions in leading and supervising the Company, are held accountable to them and they shall subject themselves to evaluation in accordance with best practices;
- c) Justice, meaning that all the shareholders, employees and related parties shall enjoy fair and equitable treatment by the Board and the Executive Management, without prejudice or concealed interest; and
- d) Responsibility, meaning that the directors shall perform their duties with honour, integrity, impartiality and sincerity towards economy and society in general and the Company in particular, exercise caution, care and due diligence in the performance of their duties, put the best interests of the Company ahead of their own self-interests and take into account the corporate social responsibility.

The roles and responsibilities of the Board cover the following areas:

(A) Oversight of the Management of the Company. The principal responsibility of the Board is to oversee the management of the Company in the best interests of the Company and its stakeholders. This responsibility requires that the Board members attend to the following:

- Review and approve on a regular basis and as the need arises fundamental operating, financial and other strategic corporate plans, policies, strategies and key objectives, which take into account, among others, the opportunities and risks of the business
- Adopt commercial and financial policies associated with the Company’s business performance and achievement of its objectives
- Establish a corporate environment that promotes timely and effective disclosure (including appropriate controls), fiscal accountability, high ethical standards and compliance with applicable laws and industry and community standards
- Determine the Company’s optimal capital structure, strategies and financial objectives and approve annual budgets
- Monitor the Company’s major capital expenditures and possessing and disposal of assets
- Evaluate the performance of the Company, including the appropriate use of corporate resources
- Evaluate the performance of and oversee the performance and development of senior management and take appropriate action, such as promotion, change in responsibility and termination

- Set and implement senior management succession plans
 - Periodically evaluate the Company's compensation programs
 - Evaluate the Company's systems and business to identify and manage the risks faced by the Company and ensure the application of appropriate control and risk management systems
 - Evaluate insurance programs and approve insurance policy limits
 - Review and decide upon material transactions and commitments
 - Review and approve the quarterly and annual financial statements of the Company and present these to the General Assembly
 - Provide assistance to the Company's senior management, including guidance on those matters that require the involvement of the Board
 - Evaluate the overall effectiveness of the Board and its committees
- (B) Exercise Business Judgement.** In discharging their fiduciary duties of care, loyalty and transparency, the Board members exercise their business judgement to act in what they reasonably and honestly believe to be the best interests of the Company and its shareholders, free from personal interests. In discharging their duties, the Board members are entitled to rely on the Company's senior executives, other employees believed to be responsible and its outside advisors, auditors and legal counsels, but also should consider second opinions, where circumstances warrant.
- (C) Understand the Company and its Business.** With the assistance of the Company, the Board members are expected to become and remain informed about the Company and its business, properties, risks and prospects.
- (D) Establish Effective Systems.** The Board members are responsible for determining that effective systems are in place for the periodic and timely reporting to the Board on important matters concerning the Company. The Board members should also provide for periodic reviews of the integrity of the Company's internal controls and management information systems.
- (E) Protect Confidentiality and Proprietary Information.** The Board members are responsible for establishing policies that are intended to protect the Company's confidential and proprietary information from unauthorised or inappropriate disclosure. Likewise, all discussions and proceedings of the Board must be treated as strictly confidential and privileged to preserve open discussions between the Board members and to protect the confidentiality of the discussions of the Board.
- (F) Board, Committee and Shareholder Meetings.** The Board members are responsible for establishing, adequately preparing for and attending Board meetings and meetings of the committees on which they serve. They must devote the time needed and meet as frequently as necessary to properly discharge their responsibilities. The Board shall set controls on the use of modern means of communication in meetings and accept the remote participation of directors in the deliberations of the Board and committees' meetings. Such remote participations are accepted and the directors attending by telephone or visual communication (video-conferencing) will be deemed as present at the meeting, as long as they allocate sufficient time to the discussions and actively contribute to the deliberations on the margin of the majority of the agenda items. When the Company holds a shareholders' meeting, the Board members are expected to make reasonable effort to attend such meeting. As a general policy, directors that are not actively involved in the Board deliberations and are not able to attend the Board and/or committee meetings due to other commitments are expected to resign from their position.
- (G) Indemnification.** The Board members are entitled to Company-provided indemnification through corporate Articles of Association, corporate statutes, indemnity agreements etc., within the limits provided by the Bahrain Commercial Companies Law, Corporate Governance Code and the internal policies of the Company.

3. A Guide to Directors' Duties

The directors of the Company are individually and collectively responsible for discharging the duties outlined in these Corporate Governance Guidelines, the Articles of Association of the Company, all the internal statutory documents of the Company and the applicable regulatory and statutory provision, at any point of time. The fiduciary duty imposed on the Board by law, regulations and statutes, requires them to act in the best interest of the Company. The fiduciary duties of a board member involve three basic components: the duty of care, the duty of loyalty and the duty to act within the scope of its authority.

The following guideline is designed to assist the directors to discharge their ever increasing legal and ethical responsibilities.

A. Duty of Care

To meet his/her duty of care, a Board member of the Company must make informed decisions, which might require research before you act or vote on a matter submitted for the approval of the Board. The Board members must also act in a prudent and reasonable manner, basically using sound business judgment, and avoiding arbitrary actions.

In general, it is expected that a director must exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in similar circumstances. This means that the directors must be proactive in the performance of their duties by:

- Attending regularly the meetings of the Board and keeping themselves informed of the business of the Company and the regulatory and business environment within which the Company operates, outside the meetings
- Be vigilant to ensure that the Company is being properly managed and is complying with the law
- Independently assess and question (Review and Challenge) the policies, processes and procedures of the Company, with the intent to identify and initiate management action on issues requiring improvement
- Having a proper understanding of and competence to deal with the affairs and products of the Company and devote sufficient time to their responsibilities

B. Duty of Loyalty. Procedures for mitigating a Conflict of Interest

The duty of loyalty requires that the Board members act fairly, in good faith, in the interest of, and for the benefit of, the Company as a whole, rather than make decisions based on any personal interest or gain. The Board members should also avoid acting where there is a conflict of interest.

In the conduct of its business, the Company is committed to maintaining the highest ethical standards and recognises that, as a body in which public trust is placed, it must be seen at all times to be acting in accordance with best practices and highest standards of governance.

With this aim, the Company continuously extends its efforts to enable the members of its Board and officers to exercise their roles and observe their duties. Under the Bahrain Commercial Companies' Law, the directors and officers are personally accountable to the Company and the shareholders if they breach their legal duties, including the duty of loyalty to the Company.

The Company recognises that a conflict of interest policy is crucial to provide guidance to the directors and officers of the Company who may find themselves in a situation that could give rise to a conflict, whether actual or perceived, between their personal interests and the interests of the Company and assist the Company in identifying the conflicts of interest and managing them. Such policy is seen as a tool which will help the directors and officers of the Company to discharge their duties successfully, reduce their legal liability and the damage to the reputation and commercial interests of the Company, in order to maintain the integrity and reputation of the organisation.

For the purpose of this policy, a conflict of interest is a situation where the personal interest of a director or officer of the Company is likely to appear to influence the objective exercise of an aspect of his/her duties towards the Company and where an informed or reasonable observer would conclude that such situation exists. It should be noted that a conflict of interest may be perceived, potential or actual and that all such scenarios fall within the scope of the policy.

A perceived conflict of interest is a situation which a reasonable person would consider likely to compromise objectivity.

A potential conflict of interest is a situation which could develop into an actual or perceived conflict of interest.

The major areas where conflicts of interest may arise are:

- Client information and identity
- Inside information
- Other external directorships or appointments
- Personal account dealing and transactions with the Company
- Gifts and hospitality

The concept of “personal interest” will have the meaning given by the Corporate Governance Code of the Kingdom of Bahrain, as follows:

- When a director or officer of the Company, in person
- A direct member of a director or officer’s family, such as spouse, parents, children, brothers or sisters
- Another company where the director or officer has a controlling position, either as a director or controlling shareholder

is a party to a transaction with the Company or has a material financial interest in a transaction with the Company.

As a general principle, the directors and officers of the Company should make every practicable effort to arrange the personal and business affairs to avoid a conflict of interest with the Company. However, the Company encourages its directors and officers to have diverse interests and contacts at national and international level. The Company recognises that such links between its directors and officers and outside bodies are not only in the public interest but are often beneficial to the Company. While the directors and officers are encouraged to have a wide range of contacts and interests, they must ensure that their activities and interests do not conflict with their obligations towards the Company.

In order to maintain an efficient and accurate process, the directors and officers of the Company are expected to complete a Declaration of Interests on an annual basis. The Declaration of Interest will be submitted by the Board members to the Board Secretary. The Board Secretary will maintain the records of the Company in this respect.

In addition, it is the duty of the directors and officers of the Company to disclose to the Board any personal interest, including any facts which may be perceived as giving rise to a conflict of interest, as well as any gifts or hospitality received in connection with their role in the Company, as soon as these occur. The transactions, gifts or hospitality which are of a minimal value are not covered by this policy.

Whenever an event perceived to give rise to a conflict of interest occurs, the issue should be raised by the concerned individual to the Chairman of the Board, in writing. The Chairman will notify the Board members of the circumstances, based on the facts disclosed by the director or officer of the Company and any supporting documents available. The information circulated to the Board members should be complete, to enable these to assess the event.

Where based on the initial feed-back of the Board members it is clear that there is no conflict of interest, the director or officer may proceed with the activity or transaction proposed.

If there is no unanimous agreement on the existence of a conflict of interest, the Board members may request the input of the legal adviser, Board secretary or other internal function or external consultant competent in this field and shall discuss the matter at a Board meeting. The concerned person will not be present during deliberations and will not participate to the voting, if this is a Board member. Following the discussions of the directors, the Board may reach to a suitable course of action, which may be:

- The perceived conflict is minimal and does not pose a risk to the Company, so the individual will be allowed to proceed with the transaction or activity.
- The individual may proceed with the transaction or activity, but with certain modifications, to mitigate the conflict. The action will depend on the nature of the conflict.
- The individual should not proceed with the action or activity. The Board will lay down clearly the reason(s) for reaching this decision.

The minutes of the Board meeting will detail the discussions, voting, alternative strategies to mitigate the conflict identified by the Board and will state that all these took place in the absence of the concerned Board member or officer.

As a next step, the Board will make the facts available to the independent auditor of the Company, who will assess the circumstances and advise on disclosure from the perspective of International Financial Reporting Standards. The Board Secretary and/or Compliance Officer will advise on the public disclosure requirements, in accordance with the statutory requirements and the applicable rules of the relevant regulatory authorities.

The list of all conflicts and mitigating actions will be maintained by the Board Secretary.

Under the duty of loyalty, a Board member must protect the confidentiality of the Company, its business, shareholders and business partners and not divulge information provided to him/her during the course of business.

C. Duty to Act Within the Scope of Authority

This duty requires the Board members to perform the duties they must carry out but prohibits the Board from making decisions or acting on matters without the authority to do so. The authority of the Board comes from its obligations under state laws, regulations, as well as the authority granted to it in the governing documents of the Company.

To ensure they meet their obligations as Board members, the directors must have sufficient information about their duties. The Board encourages its members to keep themselves informed about the legal development affecting the Company and its business, the governing documents of the Company, specifically the Articles of Association, side agreements, Code of Conduct and Ethics, internal guidelines, policies and procedures to determine the obligations of the Board and the extent of its authority. The Board will organise periodically induction sessions, held by the legal adviser, Compliance Officer or external advisers, to ensure the Board members are continuously updated on their duties.

4. Director Qualification Standards

- (A) **Independence.** The Board will ensure that it has the minimum number of non-executive directors who meet applicable standards of director independence, at all times. The Board will, from time to time, establish independence standards that comply with applicable regulatory requirements and are designed to ensure that the director does not have, directly or indirectly, a financial, legal or other relationship that, in the judgement of the Board, would reasonably interfere with the exercise of independent judgement in carrying out the responsibilities of the respective Board member. In accordance with corporate governance best practices, any non-executive director serving on the Board beyond 2 terms will be deemed to lose his/her independence. Other standards for independence currently in effect are contained in Appendix 2.
- (B) **Size and Skills of Board.** The Board believes that it should generally be comprised of no fewer than 5 and no more than 13 directors. The Board believes that this size permits needed expertise, diversity of experience and independence, without hindering effective discussion or diminishing individual accountability. The Board will consider the competencies and skills that the Board as a whole needs to possess and the competencies and skills of each director. The Board revises its size and composition periodically, to ensure that these are aligned with the changing business requirements of the Company.
- (C) **Other Directorships.** The Board does not believe that its members should be prohibited or discouraged from serving on the boards of other organisations and it does not propose any specific policies limiting such activities, provided that they do not reduce a director's effectiveness or result in a continuing conflict of interest. However, in accordance with the present statutory requirements, one person should not hold more than 3 directorships in public companies in the Kingdom of Bahrain, with the provision that no conflict of interest may exist, and the Board should not propose the election or re-election of any director who does not comply with this principle. The Nomination, Remuneration and Governance Committee ("NRGC") will take into account the nature of and the time involved in a director's service on other boards in evaluating the suitability of individual directors and in making its recommendations.
- (D) **Tenure.** The Board does not believe that it should establish director term or age limits. Such limits could result in the loss of directors who have been able to develop over a period of time significant insight into the Company and its operations and an institutional memory that benefits the Board as well as the management. As an alternative to term and age limits, the NRGC reviews and assesses each director's continuation on the Board at the end of each term (every 3 years). This will allow each director the opportunity to confirm his/her desire to continue as a member of the Board and allow the Company to replace directors where, upon recommendation of the NRGC, the Board makes a determination in this regard. As a general policy, any Board member will be subject to a rigorous scrutiny at the end of two (2) terms, taking into consideration the need for refreshing the Board.

- (E) **Separation of the Offices of Chairman and CEO.** The Board will select a Chairman from among the non-executive independent directors, in a manner and upon the criteria that the Board deems appropriate at the time of selection. The offices of the Chairman of the Board and Chief Executive Officer (“CEO”) will not be held by the same persons.

The Chairman will be responsible for creating at Board level an environment that encourages constructive criticism on issues on which there is a divergence of views among directors and develop and promote constructive relationships between the Board and the executive management. Without prejudice to the role of the Board, the Chairman shall have the following duties and responsibilities:

- Represent the Company before third parties
- Ensure that the directors have access to complete and accurate information, in a timely manner
- Ensure that the Board discusses all the information and items stated in the agenda of each meeting
- Encourage the directors to effectively exercise their roles in the best interest of the Company
- Ensure effective communication between the shareholders of the Company and the Board
- Prepare the agenda for the Board and the General Assembly meetings, either ordinary or extraordinary meetings
- Hold meetings with the non-executive and independent directors, without the attendance of the executives, to take their views on matters related to the business of the Company

The CEO will be responsible for the management of the Company before the Board and he/she will carry out his/her duties within the limits of authorities set up by the Board.

- (F) **Vice-Chairman.** At any time, when the Chairman of the Board is not available, the Board will select a Vice-Chairman, preferably from among the independent directors, to carry out the functions of a lead director. This person will chair regular meetings of the Board and assume other responsibilities which the Board as a whole have designated, except signing the annual audited financial statements, which remains the responsibility of the Chairman of the Board.

- (G) **Selection of New Director Candidates.** Except where the Company is legally required by contract, law or otherwise to provide third parties with the right to nominate directors, NRGC will be responsible for (i) identifying individuals qualified to become Board members, consistent with criteria approved by the Board, (ii) recommending to the Board the persons to be nominated for election of directors at any meeting of the shareholders and (iii) recommending to the Board the persons to be elected by the Board to fill any vacancies on the Board. The recommendations of the NRGC will be considered by the plenary Board and are not binding.

NRGC shall identify and evaluate proposed candidates for addition to the Board and recommend director nominees for election by the Company’s shareholders to the Board or appointment by the Board, as the case may be, which recommendations shall be consistent with the Board’s criteria for selecting directors and these Corporate Governance Guidelines. NRGC will identify those individuals most qualified to serve as Board members and will consider many factors with regards to each candidate, including judgment, integrity, diversity, prior experience, the interplay of the candidate’s experience with the experience of other Board members, the extent to which the candidate would be desirable as a member of any committees of the Board, and the candidate’s willingness to devote substantial time and effort to the Board. The full Board shall consider the recommendations of the NRGC and shall annually nominate candidates for election by the Company’s shareholders.

Shareholders may recommend an individual to the Board for consideration as a director candidate by submitting the person’s name and biographical information to the Executive Office of the Company, located in Seef Mall, Seef District. The Board shall consider individuals recommended by shareholders in substantially the same manner as it considers other Board candidates it identifies.

- (H) **Appointment Agreement of New Directors.** The Board will ensure to have in place a written appointment agreement with each director, which outlines the directors’ powers and duties and other matters relating to

his/her appointment including the term, time commitment envisaged, committee assignment(s), if any, his/her remuneration, the expense reimbursement entitlement and the access to independent professional advice, when that is needed.

5. Board Meetings, Decisions and Recommendations

(A) Selection of Agenda Items. The Chairman of the Board shall propose an agenda for each Board meeting. Each Board member is free to request the inclusion of other agenda items and is generally free to request at any Board meeting the consideration of subjects that are not on the agenda of that meeting, although voting on matters so raised will preferably be deferred to another meeting to permit proper preparation for a vote on an unscheduled matter (emergencies excepted).

(B) Role and Responsibilities of the Board Secretary. The Board Secretary, who may be one of the Board members or a third party, is the point of contact between the Chairman and the Board members, for the purpose of convening the meetings. His role will include the following:

- Coordinating the meetings, records, books and documents of the Board
- Ensuring access to the minutes of the committees' meetings and including them within the meeting papers of the Board
- Coordinating among the directors regarding the attendance, circulation of documents and other matters
- Recording the minutes of the meetings, arranging the execution of these by the chairman of the meetings and circulating them to the Board members
- Facilitating the implementation of the activities and decisions of the Board

Outside the meetings, the competences of the Board Secretary will involve:

- Facilitating the implementation of the decisions of the Board
- Managing the corporate governance requirements related to the Board
- Coordinating the logistics related to the General Assembly meetings with the Chairman of the Board
- Keeping records and documents relevant to the activities of the Board, such as the Commercial Companies' Law, Memorandum and Articles of Association of the Company, commercial register and updated corporate governance policies and procedures of the Company
- Review of the policies and procedures of the Company and advising the Board in such matters
- Specific duties assigned to the Secretary by the Board or provided elsewhere in the Corporate Governance Code or other state laws

(C) Frequency and Length of Meetings. The Chairman of the Board, in consultation with the Board members, will normally determine the frequency and length of Board meetings. However, the ultimate power in this regard rests with the plenary Board. The Board shall meet at least once quarterly. Special meetings may be called from time to time, as and where required, to address the needs of the Company's business. Whenever possible, the independent directors will organise meetings, following the meetings of the Board.

(D) Advance Distribution of Materials. Information that is important to the Board's understanding of the business to be conducted at a Board or committee meeting will normally be distributed in writing to the directors, reasonably before the meeting and preferably at the same time with the agenda of the respective meeting. The agenda of the meeting is usually forwarded to the invitees at least 15 calendar days before the scheduled date of the meeting. In the event of a pressing need for the Board or committee to meet on short notice or if such materials would otherwise contain highly confidential or sensitive information, it is recognized that written materials may not be available in advance of the meeting.

(E) Attendance of Meetings by Non-Directors. The CEO may wish to have senior executives attending the Board meetings on a regular basis. In such circumstances, the CEO shall notify the Board and the Board shall assess whether such regular attendance is acceptable. The CEO shall bring from time to time members of senior management to Board meetings, who can provide additional insight into the items discussed at the meetings or are managers with future potential that the CEO believes should be given exposure to the Board.

- (F) **Approval of Decisions and Recommendations.** The decisions and recommendations require the approval of the majority of the Board members present at a physical meeting. The decisions and/or recommendations circulated for the approval of the Board members outside the boardroom require the approval of all the Board members, to be effective. The decisions related to the approval of the financial statements may not be approved by circulation.
- (G) **Executive Session of Independent Directors.** Whenever possible, an executive session of independent directors will be held following each meeting of the Board.

6. Board Committees

- (A) **Key Committees.** The Board will at all time have an Audit Committee, a Nomination Committee, a Remuneration Committee, a Governance Committee and an Executive Committee. In line with the present business requirements, the Nomination, the Remuneration and the Governance committees are merged under a single committee, set up to undertake the joint general duties and responsibilities of the said committees. The Board shall have the discretion to form, from time to time, one or more additional committees or to dissolve an existing optional committee. In addition, the Board may form ad hoc committees from time to time and determine the purpose, responsibilities and composition of such committees. The Board may delegate any of its powers to committees of the Board, except that it may not delegate the powers to fill Board vacancies, remove a director, change the membership or fill vacancies in a Board Committee, remove or appoint officers who are appointed by the Board or any authorities specified by the Bahrain Commercial Companies Law. The committees shall act only upon the authorisation granted to them by the Board and the Board shall not replace the plenary Board in the decision-making related responsibilities.
- (B) **Committee Charters.** Each committee will have a charter that has been approved by the Board. The committee charters will set forth the purposes, membership, goals and responsibilities of the committees. The Board will, from time to time, as it deems appropriate, but at least annually, review and reassess the adequacy of each charter and make appropriate changes. Each charter must address those matters required by applicable laws and regulations.
- (C) **Assignment of Committee Members.** NRGC will be responsible for recommending to the Board the persons to be appointed to each committee emerged from the Board. Each committee will have a minimum of 3 members. The minimum number of members of each committee may be amended by a decision of the Board from time to time, according to the business requirements and the Company's charter documents.
- (D) **Committee Secretary.** Each committee will appoint a secretary, from amongst the committee members or a third party.
- (E) **Selection of Agenda Items.** The chairman of each committee, in consultation with the other committee members, will develop the committee's agenda.
- (F) **Frequency of Committee Meetings.** The chairman of each committee, in consultation with the other committee members, will determine the frequency of the committee meetings consistent with any requirements set forth in the committee's charter. Special meetings may be called by any member from time to time, to address the needs of the Company's business and fulfil the responsibilities of the committees.

7. Directors' Access to Management and Independent Advisors

- (A) **Access to Officers and Employees.** All directors will have at all reasonable times and on reasonable notice full and free access to the officers and employees of the Company. Any meetings or contacts that a director wishes to initiate should normally be arranged through the CEO or the Chairman of the Audit Committee. The directors will use their judgement to ensure that any such contact is not disruptive to the business operations of the Company. The directors are normally expected to provide a copy or otherwise inform the CEO of any communication between a director and an officer or employee of the Company.
- (B) **Access to Independent Advisors.** The Board and the Board committees shall have the power to hire and consult with independent legal, financial or other advisors for the benefit of the Board or such committee, as they may deem necessary, without consulting or obtaining the approval of any officer of the Company. Such independent advisors may be the regular advisors to the Company. The Board or any such committee is empowered, without further action by the Company, to cause the Company to pay the appropriate compensation of such advisors as established by the

Board or any such committee. When implementing this policy, the Board and/or committee members will ensure that their actions will not conflict with the policies of the Company in the matter of conflict of interest.

8. Director Compensation

- (A) **Role of Board and Remuneration Committee.** The form and amount of director and senior officer compensation will be recommended by NRGC and approved by the Board in accordance with the general principles set forth herein and in the respective committee charter. The Remuneration Committee will also conduct an annual review of the compensation of the Company’s directors and senior officers and make recommendations to the Board.
- (B) **Form of Compensation.** The Board believes that the directors and senior officers should be provided with incentives to focus on long-term shareholder value. The Board believes that the compensation should be sufficient to attract, retain and motivate persons of the quality needed to run the Company successfully, but to avoid paying more than it is necessary for this purpose. As a principle, the remuneration of independent non-executive directors shall not include performance-related elements, such as grants of shares, share options or other deferred stock-related incentives schemes, bonuses or pension benefits.
- (C) **Amount of Compensation.** The Company seeks to attract exceptional talent to its Board and senior management. Therefore, the Company’s policy is to compensate directors and senior officers competitively relative to comparable companies. The Company’s management may, from time to time, present a report to NRGC, comparing the Company’s director and senior officers’ compensation with that of comparable companies. The Board believes that it is appropriate for the Chairman of the Board and the chairman of the committees to receive additional compensation for their additional duties in these positions. Directors who are also employees of the Company may receive additional compensation for Board or Committee service, if they are not already compensated at full industry rates in their capacities as employees.
- (D) **Compensation for Director Service by Company Employee While Serving on Other Board of Directors.** When any employee of the Company serves as a director of another company at the request of the Company or as a representative of the Company, that employee may not accept compensation from that other company for such service, unless after receiving the approval of the Board. If such compensation is received, it shall be deducted from the amount received as remuneration for the services provided to the Company.
- (E) **Performance-Based Incentive Regulation.** Any performance-based incentives shall be awarded under written objective performance criteria approved by the Board and designed to enhance the shareholders’ and Company’s value. Under the criteria, the shares can be held and the options exercisable only two years after the award date and only after the achievement of the results based on which such incentives are awarded. All the performance-based incentive schemes must be approved by the shareholders.

9. Director Orientation and Continuing Education

- (A) **Induction and Training of new and existing Directors.** The Company will set up a system for the induction of the new Board members and the continuing education of the existing directors, to address the program requirements highlighted in paragraphs (B) and (C) below.
- (B) **Director Orientation.** The Board in collaboration with the Company’s senior management will conduct orientation programs for new directors as soon as possible after their appointment, preferably within three months from the date of their appointment, to familiarise them with the organisation and the industry. At the time of appointment of a new director, the Chairman of the Board in collaboration with the legal counsel or the Corporate Governance Officer of the Company will provide the new director with an introduction to the Company’s business and the Board’s duties and responsibilities, particularly in the legal and regulatory aspects and the governance requirements, according to Bahrain’s Corporate Governance Code. Further orientation programs will include presentations organised by senior management to familiarise new directors with the Company’s projects and strategic plans, its significant financial, accounting and risk management issues, its compliance programs, its code of business conduct and ethics, its principal officers, its internal and independent auditors and its outside legal advisors. In addition, the orientation programs will include a review of the Company’s expectations of its directors in terms of time and effort, a review of the directors’ fiduciary duties and visits to Company headquarters and, to the extent practical, the Company’s principal properties.

(C) Continuing Education. To enable each director to better perform his/her duties and to recognise and deal appropriately with issues that arise, the Company will provide the directors with suggestions to undertake continuing director education, the cost of which will be borne by the Company. The executive management, in collaboration with the Chairman of the Board, will organise programs and presentations to the Board regarding the activities of the Company, which may include the attendance of specialised conferences and management meetings on a regular basis. NRGC will oversee the training activities of the Board members on corporate governance issues, commercial laws and relevant regulations.

When gaps in either skills or knowledge have been identified, the NRGC should ensure that directors individually or the Board collectively have access to necessary training programs or materials which are tailored to address these gaps, such as attending industry conferences on new products, inviting analysts or experts to discuss changing trends in the industry, running team-building workshops or inviting professional consultants to enhance the quality of board interaction. These programs will match with identified development areas based on the annual Board performance assessment process. In this respect, skills and capabilities of Directors can be upgraded through training and development programs sourced from appropriate providers.

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Special training will be provided to support the effective functioning of the Audit Committee on an ongoing and timely basis, which will include an understanding of the principles of and developments in financial reporting and Bahrain Commercial Companies' law. In appropriate cases, it may also include topics such as understanding the financial statements, applicable accounting standards and recommended practice, the regulatory framework of the business of the Company and the role of internal and external auditing.

Similarly, specific training may be appropriate for members of other committees of the Board.

The training requirements of specific Board members or committees will be continuously reviewed and updated in line with business, industry and regulatory changes affecting the Company.

10. Management Education and Succession and Executive Compensation

(A) Establishment of the Management Structure. The Board shall appoint and supervise the executives whose authorities shall include management and operations of the day-to-day activities of the Company, which shall be reported to the Board. These officers shall include at a minimum:

- Chief Executive Officer
- Chief Financial Officer
- Board Secretary
- Internal Auditor
- Corporate Governance Officer

(B) Job Titles, Authorities, Roles and Responsibilities. The Board, in consultation with NRGC and in coordination with the CEO, shall adopt internal regulations prescribing the job title, authorities, roles and internal reporting responsibilities of each senior officer.

(C) Selection of CEO. The Board, based on the recommendation of NRGC, selects the Company's CEO in the manner that it determines to be in the best interest of the Company. The Board and the CEO will develop together a clear job description for the CEO. The Board will also develop the corporate goals and objectives that the CEO is responsible for meeting.

(D) Succession of Senior Management. The Board shall review and approve the succession plan which involves the policies and principles for selecting the successor of the CEO, both in emergencies and in the ordinary course of business. The succession plan shall include an assessment of the experience, performance, skills and carrier paths of

potential candidates for the position of CEO. The NRGC will be responsible for overseeing an annual evaluation of senior management succession planning.

- (E) Evaluation of Senior Management.** NRGC will be responsible for overseeing the evaluation and performance of the CEO and other members of senior management, except the evaluation and performance of the internal audit function, which is performed by the Audit Committee. NRGC will determine the nature and frequency of the evaluation, supervise the conduct of the evaluation and prepare an assessment of the performance of the CEO, to be discussed with the Board. The Board will review the assessment to ensure that the CEO is providing the best leadership for the Company over the long and short term. NRGC will discuss with the Board the recommendations of the CEO with regards to the compensation of the other members of the senior management.
- (F) Expectations of Senior Management.** The Board will establish and review on annual basis its expectations for senior management, generally.
- (G) Executive Compensation.** The compensation of the CEO must be determined or recommended to the Board for determination by NRGC. The CEO must not be present during voting or deliberations of the committee regarding such matter. Remuneration of the CEO and other senior managers shall be structured so that a portion of the total is linked to the Company's and individual performance and aligns their interests with the interests of the shareholders of the Company. The compensation may include grants of shares, share options and other deferred stock-related incentive schemes, bonuses, and pension benefits which are not based on salary. If an officer is also a director, his remuneration as an officer will take into account the compensation received in his capacity as a director. All share incentive plans shall be approved by the shareholders at their General Assembly.

11. Code of Conduct and Ethics

The Board, on the recommendation of NRGC, will adopt and maintain a Code of Conduct and Ethics that will apply to the employees, officers and directors of the Company.

12. Annual Performance Evaluation of the Board

NRGC will oversee an annual evaluation of the Board to determine whether it, its individual members and its committees are functioning effectively. NRGC will determine the nature of the evaluation, supervise the conduct of the evaluation and prepare an assessment of the Board's performance. The evaluation will address the composition of the Board and its committees, responsibilities of the Board, individual directors and committees, structure of the Board and Board committees, processes and effectiveness in accomplishing their duties and responsibilities. This evaluation will be discussed by the plenary Board.

The evaluation shall include, without being limited, to the following:

- Assessment of the way the Board operates
- Evaluation of each committee performance against its specific responsibilities along with self-evaluation results of the performance conducted by each committee
- Reviewing the work and attendance at Board and committee meetings by each director, along with his/her involvement in the decision-making process
- Review of current composition of the Board and Board committees against the desired composition

The plenary Board, under the guidance of NRGS, will review the independence of each director at least annually, in the light of interests disclosed by them.

13. Board Interaction with Shareholders, Institutional Investors, Press, Customers etc.

The Board is committed to create an environment which encourages the participation and access of the shareholders to relevant information of the business of the Company and enable the communication with the shareholders, either at the General Assembly meetings held annually or outside the meetings. The Board shall observe the requirements of Bahrain Commercial Companies' Law, the applicable regulations of the Central Bank of Bahrain and the market. The Chairman of the Board will strive to establish the communication channels with the key shareholders and will ensure that the views and

concerns of these are communicated to the Board. However, the Board will ensure at all times that their actions and position towards the majority shareholders do not hinder the rights of the minority shareholders and do not affect negatively the balance of powers and control of the Company.

The Board will give appropriate attention to written communications that are submitted by shareholders and other interested parties and will respond if and as appropriate. Except in exceptional circumstances, the Chairman of the Board monitors communications from shareholders and other interested parties and will provide copies or summaries of such communications to the other directors as he/she considers appropriate.

To ensure the smooth operations of the Company, the Board believes that the CEO and his designees should normally speak for the Company. The Chairman of the Board and individual Board members may meet or otherwise communicate with various constituencies that are involved with the Company. However, it is expected that the Board members would do so with the knowledge of the CEO.

14. Corporate Social Responsibility

Seef recognises that the growth of a truly sustainable business demands from a company to give back to the market and the community in which it operates. For this reason, the corporate social responsibility ("CSR") programme is one of the main items of the agenda of the Board and management of the Company.

The approach of the Company towards social responsibility includes both a compliance and a proactive dimension. On one hand, the Company is committed to observe the community values and be fully integrated in its legal environment. This includes, among others, the respect for the law, honouring internal policies, ensuring that the business activities of the Company are legitimate and keeping the partnerships and collaborations of the Company open and transparent.

The Company is committed to conduct its business with integrity and respect to human rights, by treating its employees fairly and ethically and promoting safety and fair dealing, respect towards customers and anti-bribery and anti-corruption practices. Last, but not least, the Company is dedicated to the protection of people. To this end, the Company avoids any activities that may risk the health and safety of its employees and the community, promotes practices that ensure the health and safety of these, avoids harming the lives and rights of local population and supports diversity and inclusion.

However, the Company recognises that a compliant perspective is not sufficient and for this reason has taken a step forward, undertaking various initiatives to help the community and protect the natural environment. The Company is actively engaged in corporate philanthropy, community volunteering and cause promotions under its Seef Al Khair logo and allocates annually a percentage from its profit to the corporate social responsibility platform, which is used for donations and charitable activities.

As a part of its long-term CSR strategy, the Company recognises the importance of supporting charitable initiatives and to this end, it supports continuously the charity organisations who contribute to different initiatives and provide humanitarian aid with the aim to raise the standards of living in Bahrain and sustain various segments of the society.

Seef is active in supporting educational, social and environmental projects and partners with local organisations, both governmental and private, dedicated to similar causes. Among the causes the Company is committed to, it is worth noting the expansion of local cultural centers to enable these to respond to the growing demand for cultural activities, preservation of the Bahraini heritage, the social projects which aim to empower the young generation and help them achieve economic success or raise the awareness of the community towards various addictions, in order to help those affected, the protection and development of the wildlife and conservation of the natural habitat of the Kingdom.

In line with the CSR philosophy of the Company, the executive management of the Company shall develop the annual strategy to implement its general policies and principles towards the community. The annual strategy will target the following elements:

- Budget allocated to the CSR activities
- Available means for support and participation
- The values and principles that the Company seeks to bring to the attention of the community through the various social responsibility activities it adopts or supports
- The community segments or social areas targeted by the Company

At the end of each financial year, the Company shall provide in its annual report complete disclosure on the activities carried out under the CSR platform and the amounts spent for each of these during the year and measure their impact and sustainability.

15. Periodic Review of the Corporate Governance Guidelines

The Board will, from time to time, with or without recommendations of NRGC or the Corporate Governance Officer, review and reassess the adequacy of these guidelines and consider suitable changes.

The Company will ensure that the updated Governance Guidelines are posted on the Company's web site.

APPENDIX 1
MATTERS REQUIRING BOARD APPROVAL (NON-DELEGATION POLICY)

This policy identifies items which must be approved by the Board or a Committee of the Board and are not delegated to the management without the approval of the Board. A general overriding consideration is that the directors are required under the Bahrain's Commercial Companies Law to manage or supervise the management of the business and affairs of the Company. Accordingly, even if an action might fall outside these guidelines, management should consider whether the matter, nevertheless, should be referred to the Board for consideration.

Consistent with the authority of the Board to delegate part of its powers to enable a smooth management of the day-to-day operation of the Company's business, the Board shall exercise business judgment in establishing and revising the Discretionary Authority Limits (DAL) for the authorisation of expenditures and other corporate actions.

The purpose of DAL is to assist the Board with visibility into key areas, transactions and perceived risks. The thresholds for the identified areas will depend upon the operating requirements of the Company. This would typically include major capital expenditures, divestitures and acquisitions of investments and policy decisions.

The Board shall deliberate and approve expenditures and other corporate actions as defined in DAL.

As a general policy, the Board shall always exercise care in delegating its authorities to certain committees and/or individuals and shall avoid the issuance of general authorisations or authorisations with an unlimited duration. For this purpose, DAL will be reviewed and updated periodically.

The following is a list of items that the officers must refer to the Board for consideration. The list is not exhaustive and should be read in connection with the statutory documents of the Company, internal policies and procedures, legal or regulatory requirements and good governance practices.

1. The approval of annual corporate budgets.
2. Approval of the annual and long-term business plan, strategies, inherent level of acceptable risk, long-term objectives of the Company and any changes to these.
3. The approval of all the financial information and other disclosure documents that are required by law or sector regulation to be approved by the Board before they are released to the public.
4. Allotment of any securities. This includes shares, options, warrants or other convertible or debt securities and the payment of a commission to any party as consideration for purchasing securities of the Company or providing purchasers for any such securities. Securities may be issued by executive officers where previously allotted by the Board (e.g. exercise of previously allotted options and warrants).
5. Entering into transactions of a fundamental nature such as amalgamations, mergers and material acquisitions or dispositions and/or transactions with related parties.
6. Establishment of subsidiary companies or entering into joint-ventures.
7. Decision to cease to operate all or any material part of the business.
8. Changes to the Company's listing, license or business status.
9. Agreeing to redeem, purchase or otherwise acquire any of the Company's shares.
10. Entering into any agreement or commitment to acquire or dispose of assets that are material to the Company.
11. Entering into or making a material modification of any agreement or commitment to become liable for any indebtedness, including the granting of a guarantee or similar standby obligation.
12. Committing to making any capital expenditure above the general threshold set by the Board.

13. Entering into any contract, agreement or commitment out of the ordinary course of business, if such agreement involves a commitment of financial resources which exceeds the threshold set by the Board for the capital expenditure.
14. Approval of insurance policy limits.
15. Entering into any agreement with an officer, director or majority shareholder of the Company outside of the ordinary course of business.
16. Terminating, suspending or significantly modifying any material business activity or business strategy of the Company.
17. Undertaking a new business activity that requires an allocation of resources.
18. Making any material change to a business or strategic plan that has been approved by the Board.
19. Initiating or settling any legal proceeding involving a payment.
20. Employment or termination of Company's independent auditor.
21. Hiring or terminating the employment or determining the compensation of any person who is an executive officer of the Company.
22. Offering any material employment or consulting terms to any individual or entity which are not customary for the Company. This determination is to be made by reference to terms of employment or consultancy that have generally been offered to other employees or consultants in similar positions or with similar status.
23. The approval of a request by the CEO or other senior executive of the Company to serve on the board of another entity.
24. Any other matter specified by the Board as requiring its prior approval.

APPENDIX 2

DIRECTOR INDEPENDENCE STANDARDS

The following standards are used as guidance when assessing the independence of a Board member in terms of independence from management, including the independence of the members of the committees emerged from the Board. Notwithstanding the foregoing, no director qualifies as an independent director unless the Board affirmatively determines that the director does not have a relationship with the Company that would interfere with the exercise of independent judgement. The Board shall consider that, although a particular director meets the formal requirements, he may not be independent owing to specific circumstances of the person or the Company, ownership structure of the Company, or for any other situation listed below that may invalidate the independence. The Board's determination should be a good faith finding after full disclosure, diligent review and open discussion.

The directors' independence is assessed using the financial independence criteria, as detailed below, and the independence of judgement, supported by experience, competence or knowledge in the Company's business or industry or any industry associated therewith. The independence of judgement enables the independent directors to support the Board's decision-making process and manage the Company in a way that serves its purposes and objectives.

In order to qualify as an independent director, a Board member must be recognised for integrity and to have no physical, economic or financial relationship with the Company or any of its associates, subsidiaries or affiliates. For the purpose of the above definition, associates are business ventures in which the Company holds 20% equity interest, subsidiaries are entities where the Company holds minimum 50% equity interest and the affiliates are business ventures where the Company owns less than 50% of the share capital.

A directors' independence is invalidated in the following situations:

- If he/she holds in person or is a representative of a legal entity holding 10% or more of the shares of the Company, the parent company or any of its subsidiaries or associates;
- If he/she has served for the two years preceding his/her nomination in an executive position in the Company or the parent company or any of its subsidiaries or associates;
- If he/she is a first-degree relative of any director of the Company or any of the key executive management personnel of the Company, parent company, or any of its subsidiaries or associates;
- If he/she is a director of the parent company or any of its subsidiaries or any of the Company's associates in which he/she is a nominee for directorship;
- If in the two years preceding his/her nomination, he/she has been employed by any of the Company's contracting parties, including external auditor, major suppliers and community associations which have received substantial funding from the Company or its subsidiaries;
- If in the two years preceding his/her nomination, he/she has been employed by the parent company or any of its subsidiaries or associates;
- If he/she, during the year preceding the year in which his/her independence is reviewed, has paid to the Company or received therefrom over BD 50,000 or the equivalent thereof, not counting the remuneration for this purpose;
- If he/she or any of his/her relatives is a partner of the Company's auditor or an employee thereof, or if he/she during the two years preceding the date of his/her appointment to the Board has been a partner or an employee of the Company or the Company's auditor;
- If he/she is an employee or a partner in a company that provides consulting services to the Company or any of its parent, subsidiary or associate companies.

APPENDIX 3

CODE OF CONDUCT AND ETHICS

1. Introduction

The Company's policy is to conduct its business in accordance with the highest ethical and legal standards. To assist the Company in achieving this policy, the Board has adopted this Code of Conduct and Ethics (hereinafter referred to as the "Code"). The Code is designed to deter wrongdoing and to promote:

- (1) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest;
- (2) Full, fair, accurate, timely and understandable disclosure in reports and documents that the Company submits to regulatory authorities and communicates to the public;
- (3) Compliance with applicable governmental laws and regulations;
- (4) Prompt internal reporting of violations of the Code to appropriate persons identified in the Code; and
- (5) Accountability for adherence to the Code.

The Code applies to all employees and officers of the Company and its subsidiaries. The members of the Board will abide by the same policies, with a note that all the matters mentioned in the Code as being referred to the CEO, should be referred to the Chairman of the Board, at Board level. Depending on the circumstances, it may also apply to agents and other representatives of the Company. ("You" as used in this Code refers to all such persons, as appropriate). In addition to your complying with the Code, it is your responsibility to prevent others from violating these standards, if you are in a position to do so. If you are not in a position to do so, it is your responsibility to bring the matter to the attention of a member of senior management who is in a position to take appropriate action, or to the attention of an independent member of the Board.

2. Our Commitments

Human Resources

We are committed to having an employment environment that is supportive and that demonstrates the value that we place on teamwork and individual contributions. We expect all of our employees to treat their fellow employees with the courtesy, dignity and respect that they would like to receive. An integral part of that policy is that the Company does not practice or permit discrimination against any person because of race, colour, religion, national origin or sex. We are also committed to having a friendly workplace that is free of harassment, intimidation or hostility, in line with Bahrain Labour Law and good practices.

We are committed to treating all of our employees fairly. To that end, we encourage our employees to discuss with the appropriate person if they have employment related issues that they believe should be addressed.

In the spirit of justice and fairness, we will not reject a suitable job candidate on grounds of their relation to a current employee of the Company, our subsidiaries, associates or joint ventures. However, we recognise that encouraging the employment of relatives may have a negative impact on productivity and fuel accusations of nepotism and favouritism. This policy applies to all the employees, regardless of status, position or department.

We use the term "relatives" to refer to any person who has a relation by blood or marriage within the third degree with our employees. This includes parents, step-parents, grandparents, in-laws, spouses, children, step-children, grandchildren, siblings, aunts, nieces and nephews.

We aim to keep our hiring process free of discrimination. We may hire a person who is related to one of our current employees if we consider that person the best fit for a position. Such decision will be subject to the approval of the CEO, based on a report prepared by the Human Resources Manager, enclosing the complete profile/bio-data of the candidates interviewed for the job opening, the details and feedback of each separate interview, including the date of the interview and the management team who performed the interview and a recommendation of the Human Resources Department to select the candidate. We may also accept referrals from employees, officers or business partners. However, we avoid or take all necessary measures to

mitigate situations of favouritism or conflict of interest, which may occur when an officer is involved in a process with his/her relatives. Examples are when:

- Managers decide which team members to promote
- Managers decide which contracts to renew
- Managers complete performance reviews
- Managers discipline their relatives

To avoid such incidents or suspicions of favoritism and conflict of interest, we have established the following anti-nepotism policies:

- Employees who are related must not be involved in a supervisory/reporting relationship with one another
- Employees cannot be transferred, promoted or hired inside a reporting relationship with a relative
- Employees cannot be part of a hiring committee, when a relative is considered for the position

We expect our employees to report any relationship with a relative to the Human Resources Department, when they find themselves in a reporting relationship with a relative or in a hiring committee that considers that relative for employment. In case of non-compliance, the employees may face disciplinary action.

If two employees who are in a reporting relationship become relatives in the course of their employment, one of two must be transferred. We may give our employees time to discuss and choose which of them will be transferred, before making a final decision at management level. Transfers will be discrimination free.

We expect our employees to act professionally when working with a relative and seek counsel from the direct supervisor, manager or human Resources Department, if there are any problems.

If a previously unreported relative relationship is discovered between a manager and a team member, one of them will be transferred. If incidents of favouritism or conflict of interest have occurred, both employees will be subjected to disciplinary actions that range from reprimand to termination for cause.

Health and Safety

We are committed to having work sites that are healthy and safe. We expect all of our employees to comply with all applicable health and safety requirements and policies. The health and safety of all our employees and all who come in contact with our Company locations is paramount. In addition to following all applicable laws and regulations and Company safety policies, we expect all of our employees to use common sense in matters involving health and safety.

Community and other Stakeholders

We are committed to maintaining the best possible relationships with the communities in which we operate and to acting responsibly toward our neighbours and those who are impacted by our activities. The Company's policy is to make positive contributions to the communities in which we operate, including encouragement of local employment in our operations and financial contributions to an appropriate extent, so that the community is enriched by our presence. We also encourage all of our employees to participate in community activity.

Our suppliers and customers are critical to our success in many ways. We are committed to maintaining honest and mutually beneficial relationships with our suppliers and customers. We expect to be treated fairly by our suppliers and customers and our suppliers and customers are entitled to the same treatment from us. Our reputation for fair dealing will serve to benefit us whenever and wherever we engage in business.

Our relationships with the governmental entities can be especially important in our success as a company. While we exercise and protect our legal rights, we also cooperate with all governmental entities in recognition of our civic duties.

Our employees make our Company successful in many ways. We recognise their participation and importance through our commitment to human resources and health and safety.

Our shareholders are our most important stakeholders. As the owners of the Company, they have entrusted us with the care of their assets and they rely on us to manage those assets responsibly, with a view to providing them with a suitable return on their investment. We are committed to managing their assets responsibly and providing them with timely and complete disclosure.

Ethical Conduct and Compliance with Law

We are committed to conduct our business in an ethical way and in compliance with applicable laws and regulations. As a part of our commitment, we have established our Code of Conduct and Ethics. The Code of Conduct and Ethics contains some specific provisions dealing with such matters as corporate opportunity, conflicts of interest, related parties transactions and securities trading. It also deals with more general matters, such as compliance with law, honesty and fair dealing. The Company strives to operate in an ethical and legal way in all its activities and we expect our employees to do the same. A code of conduct cannot cover everything that may come up. For that reason, when one of our directors, officers or employees is confronted with a matter that is not covered by the Code of Ethics, we expect the person to ask himself/herself 2 questions, before proceeding: (1) does it feel right and (2) how would I feel if my actions were the subject of a front-page news report?

3. Avoiding Questionable and Illegal Practices

The Company's policy is to comply with all laws and regulations that apply to its business and to avoid any activity that may be regarded as questionable or unethical. Fraudulent, illegal or unethical acts will not be tolerated. No action that would otherwise be questionable is permissible simply because it is customary in a particular location or business.

If you are confronted with a situation that raises an issue under this policy, ask yourself these questions:

- Is the life, health or safety of anyone, or the environment, endangered by the action?
- Is it legal?
- Does it feel honest, fair and ethical?
- Does it compromise anyone's trust or integrity?
- Would the public disclosure of the activity in any way be embarrassing to you, the Company or any other affected employee?

You should be sufficiently familiar to any laws and regulations and Company policies and procedures that apply to your area of work and responsibility. That will permit you to recognise possible breaches and to know when to seek advice. If in doubt, you should discuss the matter with a member of senior management or, applicable to Board members, an outside professional.

To this end, the Company holds inductions sessions with all the employees at the time of their employment and continuous training, thereafter to ensure that you are being familiarised with the applicable rules and laws.

4. Honesty and Fair Dealing

When representing the Company, it is important that you deal honestly and fairly with the Company's joint venture partners, suppliers, customers, professional advisors, competitors, other employees and anyone else with whom you have contact in the course of performing your role. You should not take advantage of anyone through your actions, such as manipulation, concealment, misappropriation or abuse of confidential information, falsification, misrepresentation of material facts, undue influence or any other unfair dealing practice. You also should not give any advantage to anyone for reason of personal relationship, personal benefit or other reason not involving the best interest of the Company.

The Company is committed to pursue the maximum transparency and clarity in dealing with related parties. The related parties' transactions are the transactions intended to transfer resources, services or obligations between the Company and its related parties, whether or not for consideration.

A person is a related party if:

- He/she is a director of the Company, parent company, subsidiaries or associates during the last one year
- He/she has significant impact on the Company and its performance
- He/she is a member of the key management of the Company or parent company, including the CEO, general managers or any employee who reports directly to the Board of Directors
- He/she owns or controls 10% or more of the voting rights in the Company, parent company, subsidiaries or associates
- He/she is a first degree relative of the persons mentioned above
- He/she is affiliated with any of the entities listed below and any entity in which he/she solely holds at least 25% of the voting rights.

An entity is a related party if:

- It is a member of the same business group, that is, a parent company, subsidiary or associate
- It is a joint-venture of the Company or its associates
- It represents fund or post services benefits project for the employees of the Company or its associates
- The persons referred to above, individually or jointly, hold at least 25% of the voting rights or the right to direct or control its decisions

To maintain the transparency and avoid any suspicion of unfair treatment, all the related parties' transactions shall be reviewed by the Corporate Governance Officer of the Company and the Audit Committee, before being implemented. All the transactions which involve entering into an agreement with related parties shall be approved by the Board of Directors before implementation.

5. Corporate Opportunities and Duty of Loyalty

You have a duty of loyalty to the Company, which includes a duty to advance the Company's legitimate interests when the opportunity to do so arises. Accordingly, you may not use your position or the Company's name, property, information or good will for personal gain or for the gain of others. You are further prohibited from taking advantage of an opportunity that is discovered through the use of any corporate property, information, contacts or your position with the Company. All such opportunities, actual or perceived, should be reported to your immediate superior - Chairman to the Board, in case of Board members, subject to the following paragraph.

Independent non-executive directors of the Company may have a variety of other business relationships involving duties of loyalty. In addition, independent non-executive directors do not, as a general matter, have the same obligation as officers and employees to bring corporate opportunities to the Company. For these reasons, the Code does not apply to independent non-executive directors of the Company with respect to issues involving duties of loyalty or corporate opportunities and such issues, to the extent they arise, are to be resolved directly with the Board.

I. Avoiding Conflict of Interest

A conflict of interest occurs when your private interests or the private interests of your family interfere or appear to interfere in any way with the best interests of the Company. For these purposes, family would generally include the parents and grandparents, spouse, children and grandchildren, siblings, in-laws and other persons who share a residence with you or another member of your family. You must take care to avoid any direct or indirect involvement or understanding that may result in such a conflict or create the appearance of such a conflict. Whether a situation involves a conflict of interest depends on all of the circumstances. Generally, the Company would not consider it a conflict of interest if an employee's relatives were officer of a competitor. However, the Company would consider it a conflict of interest if a Company's employee in charge of procurement were to purchase products or services from a company owned by the employee's relatives or from a company owned by a close personal friend of the employee. The following are examples of conflict of interest situations which generally must be avoided or which may raise a question:

- Acting as an employee, officer or director of, or a consultant to, a competitor or potential competitor of the Company;
- Having a financial interest in or loan from a business which is a joint venture partner, competitor, customer or supplier of the Company or which otherwise does business with the Company; an investment in the securities of a publicly traded company normally would not be considered to present a conflict of interest unless it represented a material part of your savings;
- Entering into or managing business affairs of the Company with any other company that is directly or beneficially owned or controlled by you or by members of your family.

Some conflicts are clear-cut; others are less obvious. For this reason, you must fully disclose to your supervisor, CEO or Chairman of the Board, as applicable, all circumstances that could be perceived as involving a conflict of interest between the Company and you or members of your family. Full disclosure enables the Company to resolve unclear situations and to ethically handle conflicts of interest before any difficulty can arise. To the extent a conflict of interest cannot be avoided in a reasonable manner, appropriate procedures will be put in place to ensure that there is full disclosure and to minimise the involvement of the conflicted individuals in the relationship giving rise to the conflict.

Independent non-executive directors of the Company are not expected to devote their time and efforts solely to the Company and they may have a variety of other business relationships that could give rise to a conflict of interest. Any such potential conflicts of interest are to be resolved directly with the Board, in accordance with the guidelines provided by the Bahrain Commercial Companies' Law and other applicable regulation, internal or external.

II. Giving or Accepting Gifts

Giving or accepting gifts can adversely affect the Company's reputation for fair dealing and also might create conflicts of interest. You should avoid:

- Giving or offering to give any gift, favour, entertainment, reward or any other thing of value that might influence or appear to influence the judgement or conduct of the recipient in the performance of his/her job. This includes transactions with government personnel, customers and suppliers.
- Accepting or soliciting a gift, favour, or other thing of value that is intended to, or might appear to, influence your decision-making or professional conduct. In addition to damaging the Company's reputation for fair dealing, receipt of such gifts could interfere with your ability to make judgements solely in the best interest of the Company and thus create the appearance of a conflict of interest.

You may give or receive unsolicited gifts or entertainment only in cases where the gifts or entertainment are of nominal value, are customary to the industry, will not violate any laws and will not influence nor appear to influence the recipient's judgement of conduct.

III. Outside Activities

Outside activities must not conflict with the proper performance of your duties.

a) Other Business Activity. Full-time employees and officers are expected to devote substantial effort and attention to the furtherance of the Company's business. In the usual case, this would make it difficult for you to properly perform your duties while also being engaged in other business ventures. For this reason, you may not serve as the owner, general partner, officer or director of any other business without first obtaining the written consent of the CEO or the Chairman of the Board, as applicable. In the case of family owned business, the CEO or the Chairman of the Board will normally grant such consent if he/she is satisfied that the involvement in the family business will not be in conflict with your duties and will not involve any conflict with the interests of the Company. In addition, the CEO or the Chairman of the Board may grant consent to any officer or employee serving as a member of the Board of Directors of another company, in special circumstances. The Board of Directors will consider and approve the appointment of the CEO of the Company on the board of the subsidiaries of the Company. The Board members will declare upon their appointment and periodically, thereafter, their involvement in other business and the Board will evaluate such declarations, when received.

b) Professional Association and Charitable Organisations. The Company encourages employees and officers to participate in professional associations and activities that do not conflict with their duties towards the Company and do not involve conflicts of interest. The Company also encourages officers and employees to participate in charitable organisations and activities. However, you should consult with the CEO or the Chairman of the Board, as applicable, before you undertake any such outside activities requiring a substantial amount of time. In addition, you should not accept a position as an officer or director of a professional and charitable organisation without the prior consultation with the CEO or the Chairman of the Board, so that he/she can be satisfied that your activity on behalf of such organisation cannot be attributed to the Company.

c) Political and Governmental Affairs. No Company contributions may be made, directly or indirectly, to any election or issue campaign in any jurisdiction or circumstances, that would be unlawful. Corporate contributions may be made in appropriate cases, where and when permitted by applicable law, but only with the approval of the CEO. Use of Company's equipment, supplies or facilities to support any political party, candidate or campaign, as well as employee activity during normal business hours, may constitute a political contribution. You may not engage in any such activity where it involves Company's equipment, supplies or facilities or activity during normal business hours without the prior approval of the CEO or the Chairman of the Board, as applicable. In addition, no action which presents or may appear to present the position of the Company with respect to any political or governmental matter may be taken without the prior approval of the CEO.

The independent non-executive directors of the Company are not expected to devote their full time and effort solely to the Company and accordingly this policy does not apply to them. However, they should exercise care and judgement when undertaking the activities addressed by this paragraph.

6. Accounting and Recordkeeping, Internal Accounting Controls and Audit Matters

Certain employees of the Company, in addition to the accountants and controllers, participate in the financial control and reporting process of the Company. If you have any responsibility for any aspect of the Company's financial activities, such as processing or approval of payments, creation, processing or approval of invoices and credit memos, payroll and benefits decisions, approval of expense reports and other transactions, the estimation of financial reserves or other claims or the amount of any accrual or deferral, or the recording of any of the foregoing in the Company's records and/or the preparation of the Company's financial statements or other financial reports, you must ensure your involvement complies with complete and accurate procedures, in accordance with established Company practice.

(a) Accounting and Recordkeeping. You may not maintain funds or assets for any improper purposes or make false or misleading statements in any Company documents, reports or records. No undisclosed or unrecorded accounts may be established using the Company's funds or other assets. All accounting records and the financial reports produced from those records must be kept and presented in accordance with applicable law, must accurately and fairly reflect in reasonable detail the Company's assets, liabilities, revenue and expenses and, where applicable, must be in accordance with applicable accounting principles.

Transactions must be supported by accurate and reasonably detailed documentation and recorded in the proper accounts. Best efforts are to be made to record transactions in the proper accounting time period. To the extent that estimates are necessary, they must be based on your good faith judgement and be supported by appropriate documentation. No payment or the related accounting entry may be approved or made with the intention or understanding that any part of the payment will be used for any purpose other than that described by the document supporting the entry or payment.

(b) Internal Accounting Controls. Internal accounting controls have been established to provide reasonable assurance that (i) transactions are executed in accordance with management authorisation, (ii) transactions are properly recorded as needed to permit preparation of financial statements and to maintain accountability for assets, (iii) all assets are recorded on the books of the Company and access to assets is only permitted in accordance with management authorisation and (iv) periodic auditing is done at reasonable intervals and action is taken to resolve discrepancies. You must comply with all internal control requirements and ensure that no action is taken to avoid internal controls requirements.

(c) Auditing. The Company employs an independent audit firm licensed to operate in the Kingdom of Bahrain to audit the Company's annual financial statements. The annual audit has a number of purposes, including: (i) compliance with regulatory requirements, (ii) providing an independent assessment of whether the Company's financial statements

present fairly the financial condition, results of operations and cash flow of the Company, (iii) assessment of the accounting principles used and significant estimates made by the Company in preparing its financial statements and (iv) assessment of the Company's system of internal controls over financial reporting as required by applicable law and regulatory policies. Each employee is responsible for providing whatever assistance may be required by the auditors. If you receive enquiries from the Company's independent accountants, you must respond promptly, fully and accurately.

If you have any concerns as to weakness in the Company's accounting system or in the Company's internal controls, or if you believe that any instances of fraud or incorrect or questionable accounting practices may have occurred or if you believe that any instances of fraudulent, incorrect or questionable practices may have occurred in connection with the annual audit of the Company's financial statements, you should consult with your immediate supervisor, the Company's CEO or Manager of the Financial Control Department. Alternatively, as a last resort, you may contact the Audit Committee of the Board using the procedures outlined below under the heading "Reporting of Possible Violations or Other Questionable Practices-Procedures to Submit a Report". Those procedures include a procedure for confidential, anonymous submission of concerns.

7. Use of Company Property

You are entrusted with the care, management and cost-effective use of the Company's property and you are not to make use of these resources for your own personal benefit or for the personal benefit of anyone else. Passwords are to be kept confidential and use of the computer systems is limited to authorised business purposes, although occasional personal use of the internet, email and voice mail will normally be permitted, unless your superior believes that this privilege is being abused.

However, in order to protect the Company's interests, including, for example, to ensure that the Company's computers and voice mail are not being used for improper purpose, the Company reserves the right to review the contents of the Company's computers, email system and its voice mail system, when and where required. No employee has a right of personal privacy with respect to information that is placed in the Company's computers, email system, or the voice mail system.

You are responsible to ensure that all Company property assigned to you is maintained in good condition and you should be able to account for such equipment. Any disposition of Company property should be for the benefit of the Company and not for personal benefit.

Company letterhead stationary is to be used only for correspondence related to the Company's business. It should not be used for personal correspondence or charitable solicitation.

You are to return all documents and property in your possession upon termination of your employment for any reason.

8. Proprietary Information

We want our employees to be well informed about our business, our plans for the future and the successes and challenges we have along the way. In return for this openness, the Company places trust in its employees to maintain the confidentiality of our proprietary information without need for court orders or other legal requirement.

You are to take all reasonable measure to protect the confidentiality of proprietary information obtained or created by you, or otherwise made known to you, in connection with your activities on behalf of the Company. In addition, you must use proprietary information only for the Company's legitimate business purposes and not for your personal benefit or the benefit of anyone else.

To provide the Company with reasonable protection against unauthorised disclosure or unauthorised use of its proprietary information, all employees are required to sign an agreement prior to starting their service with the Company that includes provisions addressing confidentiality. These agreements state in part that the Company retains exclusive ownership of all project information and opportunities arising out of employment or consulting relationships and any information retraining to the exploration plans of the Company.

For these purposes, "proprietary information" means information developed or secured for use by the Company in its business, whether that information is not generally known to or otherwise readily available to the public and members of our industry. Proprietary information includes, without limitation:

- The Company's ideas, discoveries, projects, data, contact information and production processes.
- Information concerning actual or projected expenditures, corporate transactions, earnings or operating results or business transactions that has not been disclosed by the Company.
- Investor lists, relationships with consultants, contracts, business plans and strategies.
- Personnel information.

It is your responsibility to know what information is proprietary and ensure that you use and disclose it only in the performance of your duties with the Company. If you are unsure, consider the information to be confidential until you obtain clarification.

At the end of your service, you will continue to be bound to your obligations of confidentiality to the maximum extent permitted by law.

I. Outside Ideas

The purpose of this policy is to avoid the risk of allegation of unauthorised use or disclosure of another person's proprietary rights, ideas or information.

When an idea, prospect, opportunity or other confidential or proprietary information is submitted to the Company by a third party, care must be taken to ensure that the third party signs an agreement defining the Company's rights and obligations before the idea or prospect or information is disclosed to employees qualified to evaluate it or use it. Third parties who propose to submit the information should be advised to submit the information in writing. They should also be advised that any submission constitutes their agreement that the Company's brief review to determine possible interest will not create any non-use, confidentiality or area of interest agreement or obligation of the Company. If they do not so agree, they should be advised not to submit their information.

Upon receipt, such information should be forwarded to the CEO or persons authorised by them to evaluate outside submissions. No one other than the CEO and persons authorised by him is to evaluate any outside submission.

Each written submission will first be reviewed to see if it purports to impose non-use, confidentiality or area of interest obligations. If it does, no further review should be made and, unless the CEO upon being notified otherwise directs, the material should be returned without further review. If the material does not purport to impose such an obligation, it should be reviewed briefly to see if it might be of interest. If it is not of interest, it is to be returned with a written confirmation that the information was briefly reviewed to determine possible interest, the information is of no interest and that the Company has no non-use, confidentiality or area of interest agreement or obligation to the sender. If the material appears to be of interest, then the Company will need to enter into an appropriate confidentiality agreement setting out the parties' rights and obligations before any further review or use of the information.

Third party data subject to confidentiality obligations should be so marked, all confidentiality obligations should be noted on the relevant document or file and all such obligations must be strictly adhered to.

II. Disclosure Policy

The Company has both legal and ethical obligations to provide appropriate disclosure of material information and to ensure that employees and others do not benefit from having and using undisclosed material information. "Material information" is any information that reasonably could be expected to affect the Company's business or to influence an investor's or potential business partner decision to enter into an agreement with the Company. The wrongful use of undisclosed material information may make both the Company and the individual(s) involved liable for criminal and/or civil penalties and damage awards.

- a) Control of Confidential Information.** All the employees have the responsibility to inform senior management on a timely basis of events or developments that might have a material effect on the Company. Such information should be communicated to your superior or to members of senior management.

Strict confidentiality must be maintained with regards to disclosure of confidential information to persons within the Company who have no need to know and to anyone outside the Company. Care must be taken when handling confidential correspondence, assay results, reports, documents, memos and facsimiles. Documents containing

b) Public Disclosure Responsibilities. The Company has a variety of disclosure obligations under the laws and regulations of the Ministry of Industry, Commerce and Tourism, the Central Bank of Bahrain and Bahrain Bourse. The Company fulfils those obligations through regulatory filings, periodic reports to shareholders, press releases and web site disclosure. The Company also provides information to shareholders and others through communications with the media, analysts and others in the financial community, by way of industry presentations and in response to enquiries. In carrying out the Company's disclosure requirements:

- The CEO and other members of the senior management, as appropriate, have the sole responsibility to determine (i) whether a particular matter is sufficiently material to the Company to require disclosure and (ii) the content, time and manner of disclosure.
- Company Spokespersons have the exclusive authority to speak for the Company with respect to matters of public disclosure. The Company Spokespersons consist of the CEO and any other persons who are authorised by the CEO, generally or in a specific instance, to speak for the Company. No other persons are authorised to communicate as to matters of public disclosure on behalf of the Company.
- It is the responsibility of the Company to ensure that undisclosed material information is disseminated in such a way that all members of the public have equal access to relevant information, substantial security holders and analysts in particular must not receive preferential treatment in the matter of information disclosure. For example, previously undisclosed material information is not to be disseminated by way of communications with analysts, in earnings telephone conferences or in industry conference presentations. If material undisclosed information is to be communicated through such means, it must first be communicated to the public generally by way of a press release or regulatory filings such as a material change report.

c) External Communications and Enquiries from Analysts, Media and Other Outsiders. Communications intended for dissemination outside of the Company and concerning the Company's business must be referred to the CEO or to one of the designated Company Spokespersons prior to dissemination. This includes presentations to analysts and papers or presentations to professional groups and others.

All enquiries from the press, securities analysts, investors and other outsiders concerning the Company's business and affairs must be referred to one of the designated Company Spokespersons. This will ensure that information is disclosed consistently and equitably. Unless specifically authorised, no one is authorised to respond to such enquiries.

d) Comments on and Dissemination of Analysts' Reports and Other Media Stories. From time to time, the Company may be asked to review or comment on analysts' reports or other media stories about the Company. No employee, officer or director is to review or comment on analysts' reports or media stories, except an authorised Company Spokesperson and any such enquiry should be forwarded to such an authorised person without any comments. If a Company Spokesperson does review such report or story, the Company Spokesperson should review the report or story only for factual information and should limit his/her comments to discussion or correction of facts. Furthermore, no undisclosed material information is to be communicated in the course of such a review and comment. If factual correction would result in the disclosure of undisclosed material information, the Company Spokesperson must take the necessary steps to ensure that such information is communicated to the public generally before it is communicated to the particular analyst or other person making the enquiry.

e) Comments on Rumours and Correction of Selective Disclosure. Employees, officers and directors must not comment, whether positively or negatively, on rumours about the Company's business. Information about such rumours should be reported to the Company's Spokespersons. In general, the Company's policy is not to comment on rumours. If a regulatory authority requests the Company to make a definitive statement in response to rumours, a Company Spokesperson will consider the matter in consultation with the Compliance Officer and legal counsel.

9. Administration and Distribution of the Code of Conduct and Ethics

The Company's Board, Audit Committee and the NRCG have established standards of business ethics and conduct contained in the Code and it is their responsibility to oversee compliance with the Code. Any change in or waiver of any provision of the Code shall require the approval of the Audit Committee or the NRCG, as applicable, and shall be publicly disclosed in the time period and manner as required by law or regulation.

The Code is to be distributed to each employee, officer and director of the Company and will also be made available on the Company's web site.

Strict adherence to the Code is vital. Directors will confirm on an annual basis that they have read and understand the Code of Conduct and Ethics. Management will adopt appropriate policies to ensure that officers and employees are provided with and have read the Code of Conduct and Ethics. All managers are responsible for ensuring the employees under their supervision are aware of and understand the provisions of the Code. For clarification or guidance on any point in the Code, please consult the line manager.

10. Reporting of Possible Violations or Other Questionable Practices – Whistleblowing Policy and Procedures

The following procedures govern the reporting and treatment of reports of possible violations of the Code. The Company's Audit Committee Charter provides that the Audit Committee is to establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters. The Audit Committee has adopted these procedures as to complaints and submissions regarding accounting, internal accounting controls or auditing matters and the Nomination Remuneration and Governance Committee has adopted these procedures as to all other complaints and submissions regarding the Code.

(a) When to Make a Report. You should make a report if you believe that any employee, officer or director of the Company or any agent or representative of the Company may have or is about to engage in any conduct you believe may be:

- A violation of the Code or any internal policy or code of practice;
- A violation or questionable practices in connection with accounting, internal accounting controls or auditing matters;
- A violation of any law or regulation;
- Corruption, mismanagement or fraud; or
- A danger to the public or danger to worker health and safety or the environment.

If you are unsure about the matter but concerned about the possibility of a violation or questionable practice, you should nonetheless report the matter. Delays in bringing the information to the attention of senior management, the Audit Committee or NRCG may cause damage, complications and irreversible consequences for the Company. Following the steps outlined below will allow the Company to address the issues and ensure that timely remedial action is taken.

(b) Procedures to Submit a Report. You may make a report under this procedure in one of the following ways:

- Bring the matter to the attention of your immediate supervisor. Any supervisor receiving such a report is to immediately bring the matter to the attention of the CEO or other member of the senior management.
- Bring the matter to the attention of the CEO or any other member of senior management.
- Bring the matter to the attention of an independent director of the Company. Matters relating to accounting, internal accounting controls or audit matters should be reported to the Chairman of the Audit Committee. All other matters should be reported to the Chairman of NRCG. You may make the report orally, in writing or by email. All reports will be treated as confidential to the extent possible and only revealed on a need-to-know basis or as required by law or court order. Contact information for the Chairman of the Audit Committee and the NRCG may be obtained from the Board Secretary.

With respect to matters involving the possible violation of laws and regulations, you also may choose to bring such concerns to an outside regulatory authority. However, the Company is committed to taking internal action in response to employee concerns and would appreciate the opportunity to do so, if appropriate.

(c) Follow up and Outcome.

- (i) On receipt of a complaint, this will be reported promptly to the Chairman of the Audit Committee, if it related to accounting, internal accounting controls or auditing matters and to the Chairman of NRCG if it relates to other matters under the Code. In the case of an oral complaint, the party receiving the complaint is to report it orally and to prepare a written summary for the Chairman of the concerned committee.
- (ii) The chairman of the appropriate committee will promptly commission the conduct of an investigation. At the election of the chairman of the committee, the investigation may be conducted by the personnel of the Company or by outside counsel, accountants or other persons employed by the appropriate committee.
- (iii) The identity of a person filing a complaint will be treated as confidential to the maximum possible extent and only revealed on a need-to-know basis or as required by law or Court order.
- (iv) On completion of the investigation, an oral and/or written investigative report will be provided to management and the concerned committee. If any unlawful, violative or other questionable conduct is discovered, the appropriate committee will cause to be taken such remedial action as the committee deems appropriate under the circumstances to achieve compliance with the applicable law, regulation or policy and to otherwise remedy the unlawful, violative or other questionable conduct. The chairman of the appropriate committee will prepare, or cause to be prepared, a written summary of the remedial action taken.
- (v) In each case, the written investigative report or summary of any oral report and a written summary of the remedial action taken in response to the investigative report will be retained along with the original complaint/report by or under the authority of the chairman of the appropriate committee.

(d) Governmental or Company Enquiry. If you receive an enquiry from a governmental authority concerning unlawful conduct, you should immediately direct the enquiry to your immediate superior, the CEO or other member of senior management. In such circumstances, you should take measures to preserve documents and other items relevant to investigation. To conceal an offence or to alter or destroy evidence is illegal and may result in criminal prosecution. It also violates the commitment of the Company of conducting its business in a legal and ethical manner and it is strictly prohibited.

If you receive an enquiry from a representative of the Company or a Board committee in connection with an investigation under the Code, you are equally obligated to take measures to preserve documents and other items relevant to the investigation.

(e) Failure to Comply or File a Report. The Company is committed to complying with all applicable laws, regulations and policies. Such compliance is only possible if all employees, officers and directors ensure that they follow all applicable laws and Company policies and guidelines. When in doubt, ask the CEO or other members of the senior management. Personnel who violate the law or the Company's compliance policies or knowingly fail to report a violation of law or compliance policy may be subject to disciplinary action, up to and including dismissal. The nature and extent of the action will be determined on a case by case basis. In reviewing the situation, the following is a partial list of considerations:

- The nature and severity of the offence;
- Whether the persons involved acted reasonably;
- The efforts by the persons involved to obtain guidance before the offence occurred;
- Whether the persons involved reported themselves.

Personnel are encouraged to report their own wrongdoing or possible wrongdoing. This action will be taken into account when assessing the appropriate discipline, if any. The Company will also recognise where a person has made an honest mistake and will take into account in deciding the course of action to pursue.