



# Corporate Governance Charters

January 2023



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## Version control

Version	Date released	Approved by	Summary of revision
1.0	November 2017	Board of Directors	
1.1	February 2020	Board of Directors	Updated to reflect the comments of the new board and legal advisor
2.0	August 2021	Board of Directors	Updated to reflect the result of independent review
3.0	January 2023	Board of Directors	Updated to reflect the result of Audit & Risk Committee review



## 1. Document administration

### 1.1. Acronyms

AGM	Annual General Meeting
CBB	Central Bank of Bahrain
CEO	Chief Executive Officer
EGM	Extraordinary General Meeting
KPIs	Key Performance Indicators

### 1.2. Document custodian and maintenance

These Charters shall be under the control of the Board Secretary who shall act as the document Custodian. The editable copy of the document shall not be made available.

These Charters shall be revised on a regular basis. Amendments shall occur as a result of changes to the laws, regulations, Articles of Association or Memorandum of Association of the company. Original and amendments to these Charters should be approved by the Board of Directors, and superseded versions shall be retained for future reference purposes.

### 1.3. Exception handling

Compliance to these Charters shall be mandatory. In exceptional cases, non-compliance may be allowed for a limited period, if approved by the Chairperson.

Violations shall be treated as exceptions and shall be reported to the Board Secretary.

### 1.4. Definitions

Company	Bahrain Car Parks Company (Amakin)
Board	Chief governing body of the firm that includes (Executive and Non-Executive Directors) who are accountable for its strategic direction and take ultimate responsibility for Amakin's activities
Chairperson	An executive elected by the shareholders who is responsible for presiding over assembly or committee meetings. The Chairperson of the Board.
Board Member / Director	Person who is formally appointed to sit on the Board of Directors of a firm.



Management	Team of senior executives of the firm including the CEO or equivalent, who have overall responsibility for the day-to-day management and implementation of the business strategy, policies and procedures approved by the Board.
Stakeholder	Any person (legal or natural) with an interest in the organization's operations, including shareholders, employees, clients, creditors, investors, customers, suppliers and regulators
Chief Executive Officer	A chief executive officer in a company has responsibilities that include developing and implementing high-level strategies, making major corporate decisions, managing the overall operations and resources of a company, and acting as the main point of communication between the board of directors and the corporate operations.
Department Head	An employee who has direct responsibility to run the activities of a specific function and manage a number of subordinates. The CEO delegates authority and responsibility to the Department Head.



## 2. Introduction and purpose

These Charters have been prepared in line with the company's Articles of Association and Memorandum of Association, and pursuant to the principles of the Bahrain Corporate Governance Code issued by the Ministry of Industry, Commerce and Tourism, and the rules and directives of the High-Level Controls Module of the Central Bank of Bahrain Rulebook on Capital Markets (Volume 6).

The purpose of the Corporate Governance Charters is to set out the role, responsibilities and powers of the Board of Directors, various Board committees and their roles, and to outline the structure of the system by which the company is governed. Additionally, these charters:

- Provide standard formal written policies when dealing with Corporate Governance matters.
- Provide appropriate documentation and control for Corporate Governance policies.
- Provide management with a reference in controlling and reviewing Corporate Governance processes.

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Amakin has proprietary rights over this document and its contents. No part of the document must be removed or relocated from the Amakin premises for any reason without the express written permission of the authorized personnel. The contents of these Charters are to be treated as confidential and are not to be disclosed or distributed to any unauthorized person.

## 3. Scope

These charters apply to all Board Members, senior management personnel invited to attend Board or committee meetings as well as any other invitees.



## 4. Corporate governance charter

### 4.1. Board Charter

#### Introduction

This charter sets the framework for the composition, duties and responsibilities and meetings of the Board of Directors. Under the relevant laws and regulations of the Kingdom of Bahrain, the Board has the primary responsibility for the governance over Amakin and is obliged to act in the best interest of shareholders, including minority shareholders.

#### Purpose

The Board shall ensure that Amakin adopts a set of policies detailing the functions of the Board, as well as the duties of the Board Members. These policies shall be prepared in compliance with the provisions of the regulations of the Kingdom of Bahrain, which may be amended from time to time.

#### 4.1.1. Board composition

4.1.1.1. The Board will be constituted as per Amakin's Articles of Association, Memorandum of Association and other pertinent regulatory directives.

4.1.1.2. The Board shall be comprised of ten members, at least three of which are independent.

4.1.1.3. Board Members shall have adequate expertise and knowledge to effectively perform their functions in the best interest of Amakin and they must give sufficient time and attention to their role as Board Members.

4.1.1.4. The size and composition of the Board shall be reviewed regularly to ensure efficient decision-making is achieved.

#### 4.1.2. Appointment, election and remuneration of Directors

4.1.2.1. Nominations, appointments, and election of Board Members shall be made following a formal, rigorous and transparent process and in line with Amakin's Articles of Association.

4.1.2.2. Shareholders reserve the right to appoint one director for every 10% of shareholding in the company.

4.1.2.3. Amakin shall have in place a written appointment agreement with each Director to clarify the duties, powers, authorities and other matters of directorship terms, time commitment, duties of the committees, remuneration and entitlement to expense reimbursement, and accessibility to independent professional technical advices when necessary.



4.1.2.4. The form and amount of Directors compensation shall be recommended and reviewed regularly by Nomination, Remuneration and Corporate Governance Committee.

#### **4.1.3. Board responsibilities**

4.1.3.1. Amakin is managed by an effective Board which is individually and collectively responsible for its proper management. The Board shall be responsible for:

##### Vision and Strategy

4.1.3.2. Determine and refine Amakin's vision and objectives which are the foundation for all the actions and decisions of the Board and Management.

4.1.3.3. Develop Amakin's corporate strategy in light of its vision and aspirations.

4.1.3.4. Identify and reassess the values to be promoted throughout Amakin.

4.1.3.5. Ensure that Amakin organizational structures and resources are appropriate for implementing the Company's business, associated risks and approved strategy.

4.1.3.6. Govern Amakin through policies and objectives, formulated and agreed upon with the CEO.

##### Management Oversight

4.1.3.7. Appoint, establish the duties and powers of, and assess the performance of the CEO.

4.1.3.8. Oversee the performance of executives and review management succession plans and management remuneration arrangements.

4.1.3.9. Verify the adequacy of the organizational, administrative and accounting structure of Amakin, with special attention to the internal control system.

##### Financial and Investment

4.1.3.10. Review and approve reports, interim financial results and annual results, annual report and related announcements.

4.1.3.11. Monitor the integrity of Amakin's accounting and financial reporting.

4.1.3.12. Evaluate and approve financing programs and policies.

4.1.3.13. Analyse and approve Amakin's annual budget.

4.1.3.14. Approve mergers and acquisitions, in line with the Articles of Association with respect to matters that require shareholders' approval.

##### Governance, Risk and Compliance Management

4.1.3.15. Develop and adopt the corporate governance policies of Amakin.

4.1.3.16. Oversee the review and update of corporate governance practices and policies in support of the Company's commitment to best practices in corporate governance.



- 4.1.3.17. Recommend to the shareholders the appointment, reappointment or replacement of the external auditor during the Annual General Assembly, following the recommendation of the Audit & Risk Committee.
- 4.1.3.18. Monitor the integrity of internal control and reporting systems and monitor strategic risk management systems.
- 4.1.3.19. Establish and disseminate to Board Members and Management, policies and procedures for the identification, reporting, disclosure, prevention, or strict limitation of potential conflict of interest.
- 4.1.3.20. Ensure compliance with the Central Bank of Bahrain Rulebook on Capital Markets (Volume 6), including the ongoing obligations of listed companies.
- 4.1.3.21. Ensure that Anti-Money Laundering procedures are identified, and that Management has implemented appropriate systems to manage such risks and requirements.
- 4.1.3.22. Adopt high ethical standards throughout Amakin.
- 4.1.3.23. Develop a Code of Conduct for Board Members detailing their roles, responsibilities and principles of honest behaviour.
- 4.1.3.24. Develop a clear Whistleblowing Policy which safeguards the interests of and protects whistleblowers.
- 4.1.3.25. Conduct an evaluation of the performance of the Board and all committees at least once a year.
- 4.1.3.26. Ensure continuous training on the Company's business and corporate governance.

#### Communication with Stakeholders

- 4.1.3.27. Communicate with other stakeholders and inform them of important corporate developments.

#### Delegation

- 4.1.3.28. Delegate any of its authorities, where appropriate, (for example to the Chairperson or CEO), in alignment with Amakin's Delegation of Authority, Articles of Association and applicable Bahrain laws.
- 4.1.3.29. The persons acting pursuant to a delegation shall inform the Board at regular intervals about decisions they take pursuant to such authority, and the Board can, at any time, amend such delegation.
- 4.1.3.30. The Board may not delegate its ultimate responsibility to ensure that an adequate, effective, comprehensive and transparent corporate governance framework is in place.

### **4.1.4. Chairperson**

- 4.1.4.1. The Board shall be chaired by a representative elected by the its members. At the first meeting of each Board term, the members shall elect a Chairperson and a Vice Chairperson for the term. In the absence of the Chairperson, the Vice Chairperson shall act as the Chairperson for the meeting. In the absence of both



the Chairperson and Vice Chairperson, the members shall nominate one of themselves to act as the Chairperson for the meeting.

- 4.1.4.2. The Chairperson's principal responsibilities are to ensure that the Board fulfils its obligations as required under the relevant legislation and to provide appropriate leadership. The duties and responsibilities of the Chairperson shall include, but are not limited to, the policies (4.1.4.3 to 4.1.4.15).
- 4.1.4.3. Ensure proper functioning of the Board in an appropriate and effective manner, so as to serve the best interest of Amakin.
- 4.1.4.4. Chair and facilitate the Board meetings and shareholder meetings with the aim of ensuring that discussions are conducted in an open and professional manner where participants are encouraged to express their views.
- 4.1.4.5. Work with the Board Secretary to coordinate the schedule of Board, committees and other important meetings.
- 4.1.4.6. Issue the agenda of every meeting of the Board taking into consideration any matters proposed by other members. The Chairperson can delegate this responsibility to another Director, or to the Board Secretary.
- 4.1.4.7. Ensure that each new Director receives a formal and tailored induction to ensure their contribution to the Board from the beginning of the term. The induction must include meetings with management, visits to company facilities, presentations about strategic plans, significant financial, accounting and risk management matters, compliance programmes, and introduction to the Company's internal and external auditors and legal counsel.
- 4.1.4.8. Work with Management to ensure that it provides the Board with the information it requires to contribute effectively to Board decision-making process and to monitor the implementation of Board decisions.
- 4.1.4.9. Review the adequacy and timing of supplementary documents in support of Management's proposals and ensure the proper flow of information to Board.
- 4.1.4.10. Ensure that Amakin maintains a positive and productive relation with official and non-official organizations and the media.
- 4.1.4.11. Discuss governance and strategy with shareholders.
- 4.1.4.12. Maintain continued contact with shareholders to solicit their views and understand their concerns, which must be communicated to the Board.

#### **4.1.5. Board Secretary**

- 4.1.5.1. The Board of Directors shall appoint a Board Secretary to assist the Board and the Chairperson with carrying out their responsibilities and to undertake other duties essential to the proper functioning of the Board. The Board Secretary shall be responsible to:
  - 4.1.5.2. Facilitate the implementation of the Board's activities and decisions.
  - 4.1.5.3. Act as a Secretary of all Board meetings, keep the attendance of Board Members and a record of meeting minutes.
  - 4.1.5.4. Prepare the Board agendas with the Chairperson and CEO.
  - 4.1.5.5. Provide Board Members and other invitees with sufficient notice of dates and location of meetings and distribute review materials in a timely manner.



- 4.1.5.6. Draft and circulate meeting minutes to the Board Members for review and approval.
- 4.1.5.7. Maintain a proper and complete record of the Board activities and ensure corporate records are retained in accordance with applicable law and sound business practices.
- 4.1.5.8. Advise Board Members on their statutory duties and responsibilities.
- 4.1.5.9. Assist the Chairperson in reviewing and verifying official publications and press releases.
- 4.1.5.10. Coordinate with senior executives to ensure consistent adherence to governance policies.
- 4.1.5.11. Coordinate with legal consul to ensure compliance with general statutory and regulatory requirements.
- 4.1.5.12. In selecting a Board Secretary, the Board shall choose a candidate who has sufficient knowledge of corporate law, governance and regulations, as well as strong administrative, company secretarial and communication skills, including:
  - Knowledge of the organization and its business.
  - Knowledge of corporate and Bahrain laws.
  - Ability to advise board members and management.
  - Ability to work with multiple constituencies (such as board members and executive management, members, employees, and interest groups).

#### **4.1.6. Board meetings**

##### Meetings

- 4.1.6.1. The Board shall meet to review financial statements and reports and other business matters as defined in the Articles of Association.
- 4.1.6.2. Board meetings shall be conducted on a quarterly basis, at least four times in the financial year. There shall be no more than four months between Board meetings.
- 4.1.6.3. Individual Board Members must attend at least 75% of all Board meetings in a given financial year to enable the Board to discharge its responsibilities effectively.
- 4.1.6.4. In the event that a Board member has not attended at least 75% of Board meetings in any given financial year, the company shall immediately notify the CBB of the attendance record and any mitigating circumstances behind the absence.
- 4.1.6.5. The meeting of the Board shall be convened at the main office of Amakin and it may be convened in any other place as the members may agree. If needed, Board meetings may be held by telephone or video conference.
- 4.1.6.6. The Board Secretary after consulting with the CEO shall submit the agenda and a proposed date of the Board meeting to the Chairperson for approval.
- 4.1.6.7. The Board Secretary shall check the availability of Board Members and circulate the invitation, agenda and the Board pack with the review materials seven days ahead of the meeting.
- 4.1.6.8. Materials presented in the Board pack should provide sufficient information needed for Board Members to make informed decisions. Draft decisions should be included whenever possible.



- 4.1.6.9. The CEO and Department Heads shall attend the Board meetings. The Chairperson may invite other employees and other observers to attend Board meetings when necessary. The Chairperson may exclude any invitee and observer from the meeting at any time.
- 4.1.6.10. During the Board meeting, every effort shall be made to agree on final wording of decisions.
- 4.1.6.11. Following the meeting, the Board Secretary shall prepare a task list of all agreed decisions and sign it off with the Chairperson.
- 4.1.6.12. The Board Secretary shall prepare the minutes of the Board meeting listing the subjects discussed, decisions reached, the names of the members present and where decisions were not reached by consensus, the vote cast by each member.
- 4.1.6.13. The Secretary shall submit the draft minutes to the Chairperson for review and shall send the minutes to the Board Members for their comments. The meeting minutes shall be finalized considering the comments, if any, received from other members, and circulated for sign off within ten days from the date of the meeting.

#### Quorum and proxies

- 4.1.6.14. A quorum of 50% is required for Board meetings to be valid.
- 4.1.6.15. If there is no quorum present, the members shall adjourn the Board meeting until such time as a quorum of members is available.
- 4.1.6.16. Voting and attendance proxies for Board meetings are prohibited at all times.

#### **4.1.7. Voting rights**

- 4.1.7.1. Approving a Board resolution requires a simple majority of votes of Board Members present. In the event of a tie, the vote of the Chairperson shall prevail. Except for decisions concerning the approval of Amakin's financial statements, the Board may adopt its decisions by circulation with the approval of all its Directors and move forward with implementation.

#### **4.1.8. Induction and training**

- 4.1.8.1. The Chairperson, with the assistance of the Board Secretary, shall conduct a formal induction to new Board Members upon appointment.
- 4.1.8.2. Board Members are required to be up to date with current business, industry, regulatory and legislative developments and trends that will affect the Company's business operations.
- 4.1.8.3. To the extent appropriate, training will be conducted jointly with senior management on an annual basis.

#### **4.1.9. Evaluation**

- 4.1.9.1. The Nomination, Remuneration and Corporate Governance Committee will oversee an annual evaluation of the Board to determine whether its individual members and its committees are functioning effectively.



- 4.1.9.2. The Corporate Governance Officer shall initiate and guide the evaluation of the Board, Board committees, individual Board Members through a self-assessment questionnaire to be distributed before the end of the year.
- 4.1.9.3. The Corporate Governance Officer shall collate the results, prepare a summary report and present it to the NRCG and the Board.
- 4.1.9.4. 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.
- 4.1.9.5. The Board, under the guidance of the NRCG, will review the independence of each Director at least annually, in the light of the interests disclosed.

#### **4.1.10. Board committees**

4.1.10.1. The following are the Board committees:

- Nomination, Remuneration and Corporate Governance Committee
- Executive Committee
- Audit & Risk Committee
- Digital Committee

#### **4.1.11. Board Code of Conduct**

4.1.11.1. Directors of the organization will act honestly, in good faith and in the best interests of the whole organization at all times, and:

- Owe a fiduciary duty to the organization as a whole.
- Have a duty to use due care and diligence in fulfilling the functions of office and exercising the powers attached to that office.
- Will undertake diligent analysis of all proposals placed before the Board.
- Will act with a level of skill expected from directors of the organization.
- Will use the powers of office for a proper purpose in the best interests of the organization as a whole.
- Will demonstrate commercial reasonableness, judiciousness, experience, objectivity and impartiality in decision making and looking at the company's affairs.
- Will not dominate the decision making and recommendation process in the Board by way of any small group, nor shall any director have absolute powers and authorities over the decision-making mechanism of the Board.
- Will not make improper use of information acquired as Directors.
- Will not disclose non-public information except where disclosure is authorized or legally mandated.
- Will keep confidential, information received in the course of the exercise of their duties and such information remains the property of the organization from which it was obtained and it is improper to disclose it, or allow it to be disclosed, unless that disclosure has been authorized by the person from whom the information is provided, or is required by law.
- Will not take improper advantage of the position of Director or use the position for personal gain or to compete with the organization.
- Will not take advantage of organization property or use such property for personal gain or to compete with the organization.



- Will protect and ensure the efficient use of the organization's assets for legitimate business purposes.
- Will not allow personal interests, or the interest of any associated person, to conflict with the interests of the organization.
- Have an obligation to be independent in judgment and actions, and Directors will take all reasonable steps to be satisfied as to the soundness of all decisions of the Board.
- Will make reasonable enquiries to ensure that the organization is operating efficiently, effectively and legally towards achieving its goals.
- Will not engage in conduct likely to bring discredit upon the organization.
- Will encourage fair dealing by all employees with the organization's customers, suppliers, competitors and other employees.
- Will encourage the reporting of unlawful/unethical behaviour and actively promote ethical behaviour and protection for those who report violations in good faith.
- Will give their specific expertise generously to the organization.
- Have an obligation, at all times, to comply with the spirit, as well as the letter of the law and with the principles of this Directors Code of Conduct at all times.

#### Conflicts of Interest

- 4.1.11.2. Each Director shall inform the Board before he/she accepts any Board appointment in another organization.
- 4.1.11.3. Each Director shall inform the Board of any other existing and potential directorships before accepting any Board appointment in another organization.
- 4.1.11.4. Directors shall make every practicable effort to arrange their business affairs to avoid a conflict with the interests of the organization.
- 4.1.11.5. Directors must disclose to the Board actual or potential conflicts that might reasonably be thought to exist between the interest of the Director and the interest of the organization.
- 4.1.11.6. Any such interests will be entered into Amakin's records maintained by the organization.
- 4.1.11.7. Should a transaction arise in which a Director has an interest, prior approval should be obtained from the Board or shareholders when necessary.
- 4.1.11.8. To ensure Directors have an opportunity to disclose new or amended conflicts of interest, the first agenda item for each Board meeting will be the disclosure of any conflicts of interest and also conflicts of interest in relation to agenda items.
- 4.1.11.9. The Board can request a Director to take reasonable steps to remove the conflict of interest.
- 4.1.11.10. If a Director cannot, or is unwilling to remove a conflict of interest, then the Director must leave the room when discussion and voting occur on matters to which the conflict relates.
- 4.1.11.11. Directors do not have to absent themselves when either (a) conflict of interest relates to an interest common to all members or (b) the Board passes a resolution that identifies the Director, the nature and extent of the Director's interest and clearly states that the other Directors are satisfied that the interest should not disqualify the Director concerned from discussion and/or voting on the matter.



### Related Party Transactions

- 4.1.11.12. Related party transactions include any financial transaction between a Director or officer and the organization and shall be reported by the Corporate Governance Officer and the Internal Audit & Risk Committee in writing to each Board meeting.
- 4.1.11.13. The Board should unanimously and formally approve related party transactions.
- 4.1.11.14. Where applications are made by a related party to a Director or officer of the organization, then the Director or officer shall exclude him/her from the approval process.
- 4.1.11.15. Related party for this process means:
- a spouse or de facto spouse of the Director or officer; or
  - a parent, son or daughter of the Director or officer or their spouse or de facto spouse; or
  - an entity over which the Director or officer or a related party defined in the above has a substantial interest
- 4.1.11.16. The Board Secretary will maintain a Register of Related Party Transactions.
- 4.1.11.17. The Chairperson shall report to the general assembly the results of any related-party transactions approved by the Board at the first meeting following the implementation of the transaction, and the reporting shall be on a case-by-case basis (i.e. according to the transaction and related parties) and accompanied by a report from the external auditor.
- 4.1.11.18. In Amakin's annual report, the details of any related-party transactions and the classification of the amounts due to these parties and the receivables therefrom shall be disclosed to the shareholders. The Company's auditors - in the following year - shall ensure that the related parties perform all their obligations relating to these transactions and any transactions to which they were a party. Reference shall be made to international standards and other laws relevant to financial reporting to calibrate and disclose such transactions.

### **4.1.12. Social Responsibility**

- 4.1.12.1. The approach of the Amakin towards corporate social responsibility includes both a compliance and a proactive dimension. On one hand, Amakin 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 Amakin are legitimate and keeping the partnerships and collaborations open and transparent.
- 4.1.12.2. In line with the CSR philosophy of Amakin, the executive management must 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



- The Social Responsibility policy must be referred to with regards to anything to do with implementation and practices of social responsibility policy mentioned in this policy

#### **4.1.13. General Assembly Meetings**

- 4.1.13.1. The invitations to shareholders' ordinary and extraordinary general assembly meetings shall be clear and shall include an explanation of the items to be discussed at these meetings.
- 4.1.13.2. The Board shall not vote on the general assembly's resolutions relating to the determination of their salaries and remuneration or to discharging them or exempting them from liability for their management.
- 4.1.13.3. The Board shall encourage the greatest possible number of shareholders to attend general assembly meetings by choosing the appropriate place and time for holding such meetings.
- 4.1.13.4. Amakin shall require all directors to attend the meetings of shareholders and answer all of their questions, in particular, ensure the attendance of the chairmen of the audit and Nomination, Remuneration and Corporate Governance Committees.
- 4.1.13.5. Amakin shall give the shareholders the opportunity to vote without discrimination, keep them informed of all the rules governing the voting procedures and the information relating to the voting rights on a regular basis, and avoid any action that hinders the use of this right.
- 4.1.13.6. Prior to the general assembly meeting, shareholders shall have adequate access to information on agenda items, particularly the Board's report, auditor's report, financial statements and corporate governance report, to enable them to make informed decisions thereof.
- 4.1.13.7. In meetings where directors are to be elected or removed, the board shall ensure that each person has been voted for separately, so that the shareholders can evaluate each person individually.
- 4.1.13.8. The shareholders shall have the right to discuss the issues on the agenda of the general assembly meeting, including corporate governance, and to ask questions thereon to the directors and external auditor. These questions shall be answered to the extent that they do not jeopardize the company's interest.
- 4.1.13.9. The minutes of the general assembly meeting shall be made available to shareholders. The company shall provide the competent authority with a copy thereof within fifteen days from the date of the meeting.
- 4.1.13.10. The external auditor shall attend the general assembly and express his opinion in all matters pertinent to his work and each shareholder shall have the right to discuss, the report of the auditor and seek clarifications on its contents.
- 4.1.13.11. The Ministry of Commerce Industry and Tourism ("MOICT") shall be given a copy of the decisions of electing the chairman, his deputy and the managing directors.
- 4.1.13.12. At each annual shareholders' meeting, the Board shall report on the company's governance according to the form prepared by the MOICT and available on its website, explaining the extent of its compliance with the guidelines and



instruction of the Corporate Governance Code 2018, and explaining the reasons for non-compliance, if any, and the CBB rulebook.

- 4.1.13.13. The general assembly meeting shall appoint one or more auditors for the company and determine their fees upon the proposal of the Board.
- 4.1.13.14. Amakin shall prepare, for each year, a detailed list approved by the Chairman of the board and the managing director – if any – of the names of the Chairman and members of the board and their designation and the names of the company’s managers. Amakin shall maintain a copy of this list and send the original to the MOICT attached with the annual report prepared by the board of directors and the company’s balance sheet and the profits and losses account. Amakin shall notify the said ministry of any changes that may take place in the list during the year.
- 4.1.13.15. During any general assembly meeting whereby a Board member stands for re-election, board attendance percentage must be reported during the meeting.



## 4.2. Nomination, Remuneration and Corporate Governance Charter

### Introduction

This charter defines the duties and responsibilities of the Nomination, Remuneration and Corporate Governance Committee in assisting the Board of Directors with the oversight over matters concerning remuneration, nomination and governance. The Committee serves as an efficient mechanism for focusing on issues relevant to the integrity of financial reporting. This Charter is the Committee's constitutional document.

### Purpose

The Nomination, Remuneration and Corporate Governance Committee assists the Board of Directors in to achieve its objectives of setting a robust remuneration policy and practice to attract and retain talent, monitor that remuneration policy and practice, fairly and responsibly rewards senior executives and other employees, assist in ensuring that the Board has an effective composition and ability to discharge its responsibilities.

#### 4.2.1. Committee composition and membership

- 4.2.1.1. The Board shall appoint the Nomination, Remuneration and Corporate Governance Committee for a period of up to three years. The Committee shall consist of only independent directors or, alternatively, only non-executive directors of whom a majority shall be independent directors.
- 4.2.1.2. The Board shall appoint the members of Nomination, Remuneration and Corporate Governance Committee.
- 4.2.1.3. The Nomination, Remuneration and Corporate Governance Committee shall comprise of not less than three members.
- 4.2.1.4. The CEO shall normally attend meetings and may participate in the discussions. However, the CEO will have no voting rights.

#### 4.2.2. Committee responsibilities

- 4.2.2.1. The Nomination, Remuneration and Corporate Governance Committee must carry out the duties listed in 4.2.3.2 to 4.2.3.35.
- 4.2.2.2. Approve the organizational structure, allocating duties, responsibilities, authorities and reporting lines.
- 4.2.2.3. Establish business unit succession planning.
- 4.2.2.4. Review and recommend to the Board the size and composition of the Board, including review of Board succession plans and the succession of the Chairperson and CEO.
- 4.2.2.5. Review and recommend to the Board, persons qualified to become the Board Secretary and any other officer of the company considered appropriate by the Board.
- 4.2.2.6. Review and recommend to the Board the criteria for Board membership, including assessment of necessary and desirable competencies of Directors, and



recommend board candidates (including renewals or reappointment) to be included by the Board on the agenda for the next annual shareholders meeting.

- 4.2.2.7. Assist the Board as required to identify individuals who are qualified to become Directors (including in respect of executive directors), and inform each non-executive director the necessity of notifying the Nomination, Remuneration and Corporate Governance Committee before accepting any directorship on any other company's directorship.
- 4.2.2.8. Review and recommend Board candidates proposed by those substantial shareholders eligible to propose a director to represent such shareholder on the Board.
- 4.2.2.9. Assist the Board as required in relation to the performance evaluation of the Board, its Committees and individual directors, and in developing and implementing plans for identifying, assessing and enhancing director competencies.
- 4.2.2.10. Review and make recommendations in relation to any corporate governance issues.
- 4.2.2.11. Review the Board Charter on an annual basis and recommend any amendments for Board consideration.
- 4.2.2.12. Review the Remuneration, Nomination and Corporate Governance Charter on an annual basis and recommend any amendments for Board's consideration.
- 4.2.2.13. Review the time expected to be devoted by non-executive directors in relation to the Company's affairs.
- 4.2.2.14. Ensure that an effective induction process is in place for any newly appointed director which reviews the Board's role and duties with that director (including legal and regulatory requirements) and regularly review its effectiveness
- 4.2.2.15. Ensure that each proposal by the board to the shareholders for election or re-election of a director must include:
- A recommendation from the Board;
  - A summary of the advice of the Nomination, Remuneration and Corporate Governance Committee;
  - The term to be served, which may not exceed three (3) years (but there need not be a limit on re-election for further terms);
  - Biographical details and professional qualifications;
  - In the case of an independent director, a statement that the board has determined that the criteria of independent director has been met;
  - Any other directorships held;
  - Particulars of other positions which involve significant time commitments; and
  - Details of relationships between (a) the candidate and the company (including any ownership therein); and (b) the candidate and other directors of the company.

#### Remuneration related responsibilities

- 4.2.2.16. Recommend to the Board the framework or broad policy for the remuneration of the directors and senior management, which must be approved by the shareholders and be consistent with the corporate values and strategy of the company.



- 4.2.2.17. Amakin's articles of association shall specify the manner of determining the remuneration of the Chairperson and members of the Board, the total of which shall not exceed 10% of the net profits after deducting the legal reserves and distributing a profit of not less than 5% of the Amakin's paid-up capital as per Article (188) of Bahrain commercial law.
- 4.2.2.18. In determining such policy, consider all factors which it deems necessary (such as salaries, fees, expenses and employee benefits). The policy shall be to ensure that directors and members of the executive management of the organization are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the organization, but the company shall avoid paying more than necessary for this purpose.
- 4.2.2.19. Review the remuneration and incentive packages of members of the Board and the executives to ensure that such packages are consistent with the corporate values and strategy of the organization. All share incentive packages shall be approved by the shareholders.
- 4.2.2.20. Ensure effective policies and processes are in place to review the remuneration and incentive packages of senior management to ensure that such packages are consistent with the corporate values and strategy of the organization.
- 4.2.2.21. Ensure effective remuneration of officers so that a portion of the total is linked to the company and individual performance and aligns their interests with the interests of shareholders.
- 4.2.2.22. Ensure that if an officer is also a director, their remuneration as an officer shall take into account compensation received in their capacity as a director.
- 4.2.2.23. Approve the design of, and determine targets for, any performance related pay schemes operated by the organization and approve the total annual payments made under such schemes.
- 4.2.2.24. Ensure that remuneration of non-executive directors does not include performance-related elements such as grants of shares, share options or other deferred stock related incentive schemes or pension benefits.
- 4.2.2.25. Review the design of all share incentive plans for approval by the Board and shareholders.
- 4.2.2.26. For any such plans, determine each year whether awards will be made, and if so, the overall amount of such awards, the individual awards to executive directors and senior management and performance targets to be used. Within the terms of the agreed policy and in consultation with the Chairperson and/or CEO, as appropriate, determine the total individual remuneration package of each executive director.
- 4.2.2.27. Ensure effective policies and processes are in place to ensure that contractual terms on termination, and any payments made, are fair to the individual and the organization.
- 4.2.2.28. Ensure remuneration policies do not result in failure or misconduct being rewarded.
- 4.2.2.29. Within the terms of the agreed policy and in consultation with the Chairperson and/or CEO as appropriate, determine the total individual remuneration package



of each executive director including bonuses, incentive payments and share options or other share awards.

- 4.2.2.30. In determining such packages and arrangements, give due regard to any relevant legal requirements and base remuneration on directors' attendance and performance.
- 4.2.2.31. Agree the policy for authorizing claims for expenses from the CEO, Chairperson of the Board.
- 4.2.2.32. Be responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee.

#### Corporate Governance Related responsibilities

- 4.2.2.33. Develop and recommend changes from time to time in Amakin's corporate governance policy framework.
- 4.2.2.34. Monitor and oversee the implementation of the corporate governance framework by working together with the executive management and Audit & Risk Committee.
- 4.2.2.35. Provide the Board with reports and recommendations based on its findings in the performance of its duties.

#### **4.2.3. Chairperson**

- 4.2.3.1. The Board shall appoint the Committee Chairperson who should be an independent non- executive director. In the absence of the Committee Chairperson, the remaining members present shall elect one of their members to chair the meeting. The Chairperson of the Board shall not be the Chairperson of this Committee.

#### **4.2.4. Committee Secretary**

- 4.2.4.1. The secretary of the Nomination, Remuneration and Corporate Governance Committee shall be appointed by the Committee Chairperson and can be any member of Amakin's senior management.

#### **4.2.5. Committee meetings**

- 4.2.5.1. Meetings shall be held at least four (4) times a year. The Chairperson of the Nomination, Remuneration and Corporate Governance Committee may call for a meeting whenever necessary.
- 4.2.5.2. The quorum shall be minimum two (2) members.
- 4.2.5.3. Meetings shall be conducted by the Chairperson of the Committee and in his/her absence by, the members shall nominate one of themselves to act as the Chairperson for the meeting.
- 4.2.5.4. Members of the Committee may participate in meetings via telephone, video link, or other instantaneous communications, on which they will be deemed present for the purpose of determining quorum of the meeting, provided that they have received the necessary documents for the meeting.



4.2.5.5. The Secretary of the Committee shall summon the meetings at the request of the Committee Chairperson.

4.2.5.6. Unless otherwise agreed, the following shall be forwarded to each Committee members, required attendees no later than five (5) working days before the date of a scheduled Committee meeting:

- Notice of each meeting, detailing the venue, time and date of the meeting;
- An agenda of items to be discussed at the meeting; and
- Supporting papers as appropriate

4.2.5.7. It is the secretary's responsibility to minute the proceedings and resolutions of all Committee meetings, as well as the names of all attendees.

4.2.5.8. Meeting minutes shall be promptly circulated to all members of the Committee.

4.2.5.9. Meeting minutes shall be promptly circulated to all members of the Committee. The minutes should then be circulated to Amakin's Board to keep the Board informed about the Committee's activities and recommendations.

#### **4.2.6. Voting rights**

4.2.6.1. The Committee's decisions shall be considered by a vote of the majority of the attending members. In the case of equality of votes, the Chairperson of the Committee shall have the casting vote.

4.2.6.2. Decisions of the Nomination, Remuneration and Corporate Governance Committee may be made through circulation. In all such cases, the secretary of the Nomination, Remuneration and Corporate Governance Committee shall ensure and confirm circulation of necessary information and documentation.

4.2.6.3. In the event that a member of the Nomination, Remuneration and Corporate Governance Committee rejects a decision or action put forward by the Committee, a new meeting (or circulation) shall take place in order for the descending member to be provided with an opportunity to voice his/her concerns in a fair and clear manner.

4.2.6.4. In all cases, a decision through circulation will not be valid unless approved by more than half of the responding members, including the Chairperson.

#### **4.2.7. Reporting**

4.2.7.1. Nomination, Remuneration and Corporate Governance Committee shall report for the approval of the Board on any matter that relates to its responsibilities.

4.2.7.2. Nomination, Remuneration and Corporate Governance Committee shall prepare for approval by the Board any report on executive remuneration that may include:

- required by the relevant laws and regulations
- proposed for inclusion in the annual report



#### **4.2.8. Evaluation**

4.2.8.1. The Nomination, Remuneration and Corporate Governance Committee will oversee an annual evaluation of the Board to determine whether its individual Directors and its committees are functioning effectively. The Committee 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.

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

- Assessing how 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 with a view towards maintaining an appropriate balance of skills and experience and to ensure that there is a planned and progressive refreshing to the Board

4.2.8.3. The evaluation process is conducted through a questionnaire before year end. The Board Secretary will collate the results. The Committee will review the presented findings and make recommendations and then present them to the board.

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

4.2.8.5. The Nomination, Remuneration and Corporate Governance Committee shall review, at least once a year, its own performance and Charter in order to ensure maximum operational efficiency.

#### **4.2.9. Conflicts of interest**

4.2.9.1. All members shall abide by the Board Conflicts of Interest policies. To ensure Directors have an opportunity to disclose new or amended conflicts of interest, the first agenda item for each Committee meeting will be the disclosure of any conflicts of interest and also conflicts of interest in relation to agenda items.

4.2.9.2. The Committee can request a member to take reasonable steps to remove the conflict of interest.

4.2.9.3. If a member cannot, or is unwilling to remove a conflict of interest, then they must absent himself/herself from the room when discussion and voting occur on matters to which the conflict relates.

4.2.9.4. The entry and exit of the Director concerned will be entered in meeting minutes by the Committee Secretary.



## 4.3. Executive Committee Charter

### Introduction

This charter defines the duties and responsibilities of the Executive Committee in assisting the Board of Directors with implementing the Board's fiduciary and strategic plans, policies, and decisions consistent with the Vision, Mission and Values. The work of the committee focuses on supporting the Board in the planning and business development, establishing the process on business performance, operational management and decision making and approving and recommending financial and strategic investment work. The Committee is also responsible for the effective discharge of its governance and oversight responsibilities relating to procurement decisions and ensuring strategic procurement objectives are developed and implemented through an annual procurement strategy to ensure that major investment decisions are procured strategically to enable prudent and efficient outcomes through market engagement.

### Purpose

The Executive Committee assists the Board in ensuring the following functions:

- Carry out the operative business of Amakin.
- Prepare an organizational structure which should be approved by the Board allocating duties, responsibilities, authorities and reporting lines for the operations of the business and avoiding conflicts of interest.
- Implement relevant regulation and instructions of the Board to the best of its ability and best interest of Amakin.
- Provide appropriate procedures for identifying, measuring, evaluating and managing the risks faced by Amakin.
- Provide appropriate procedures based on instructions of the Board in order to ensure that internal controls are complete and work efficiently and effectively, and review the adequacy of internal controls regularly.

#### 4.3.1. Committee composition and membership

4.3.1.1. The Board shall appoint the members of the Executive Committee of the Executive Committee for a period of up to three years.

4.3.1.2. The Executive Committee shall comprise of not less than three members.

4.3.1.3. Appointments to the Committee shall be for a period of up to three years, which may be extended for two further three-year periods.

4.3.1.4. The CEO and senior management shall normally attend meetings and may participate in the discussions. However, they will have no voting rights.

#### 4.3.2. Committee responsibilities

4.3.2.1. The Executive Committee must carry out the duties listed in 4.3.2.2 to 4.3.2.17.

4.3.2.2. All members of the Executive Committee shall implement and execute the Board approved strategy within Amakin.

4.3.2.3. Executive Committee is responsible for the proper execution of the Amakin business operations. They are responsible for the relevance, integrity, completeness and timely submission of information regarding the performance of the business to the Board.



4.3.2.4. The Executive Committee shall perform all such actions and activities as may be referred to it, from time to time by the Board. The Committee is hereby delegated with the following responsibilities:

- Overseeing management's implementation of Amakin Strategy;
- Recommending to Board a Amakin annual budget/ KPIs and business plans;
- Reviewing management's operational reports and regulatory and strategic developments;
- Reviewing and recommending investment proposals to the Board for approval;
- Evaluating investment performance against benchmarks set from time to time by the Board;
- Addressing investment decisions and urgent or important investment opportunities and reporting recommendations accordingly;
- Establishing vision, strategy formulation and business of Amakin by setting up corporate department

4.3.2.5. Executive Committee is responsible to the Board in drafting the following items:

- Annual budget and business plans;
- Policy and procedures or all business and core-functions of Amakin

4.3.2.6. Executive Committee will ensure that required information on the operations of Amakin and financial instructions are furnished to all members of the Board, in order to enable them to discharge their functions effectively.

4.3.2.7. It is the Executive Committee's duty to perform all actions and activities delegated to it by the Board. However, the Executive Committee shall not have the power to:

- Elect Board of Directors
- Alter, amend, or repeal the Articles or any resolutions of the Board;
- Declare any dividend to shareholders of the organization; and
- Appoint or dismiss any member of the any of the Board nominated committee

4.3.2.8. The Executive Committee will ensure the following functions:

- Oversee the operative business of Amakin.
- Implement relevant regulation and instructions of the Board to the best of its ability and best interest of Amakin.
- Provide appropriate procedures for identifying, measuring, evaluating and managing the risks faced by Amakin, wherein the risks under consideration are those not related to human resource and compensation risks (which are under the purview of NRCG) and financial and operational risks (which are under the purview of the Audit & Risk Committee).
- Provide appropriate procedures based on instructions of the Board in order to ensure that internal controls are complete and work efficiently and effectively, and review the adequacy of internal controls regularly.
- Keep proper records of all relevant procedures and decisions.
- Review management information system which comprises reporting on the business activities, implementation of the company strategy.
- Oversee the performance review of the CEO to the board on an annual basis.
- Act on behalf of the board in emergency situations.
- Balance the interests of various stakeholders



### Corporate Governance Related responsibilities

- 4.3.2.9. Review the Company's tendering and procurement policies and practices.
- 4.3.2.10. Ensure that the operating policies and procedures relating to tendering and procurement are recognized as "best practice".
- 4.3.2.11. Ensure that all tenders are conducted in a fair and ethical manner.
- 4.3.2.12. To ensure that no conflict of interest exists with any Director or executive connected to the tendering and procurement process.
- 4.3.2.13. To declare the tender or procurement process flawed if it subsequently discovers any undeclared conflict of interest and to ensure the process is repeated in a fair and ethical manner
- 4.3.2.14. To ensure that all companies who tender for Company business have the financial and operating capability to deliver under the terms of the tender or contract.
- 4.3.2.15. To review periodically the Delegation of Authority which govern the financial limits under which Management can commit the Company without the further approval of (a) the Chairperson (b) the Committee, and (c) the Board.
- 4.3.2.16. To review and periodically test the policies and procedures relating to tendering and procurement.
- 4.3.2.17. To liaise with the internal audit department and the independent auditors in the event that the Committee suspects or discovers evidence that there has been wrongdoing in any tender or procurement.

### **4.3.3. Chairperson**

- 4.3.3.1. The Board shall appoint the Committee Chairperson who should be a non-executive director. In the absence of the Committee Chairperson, the remaining members present shall elect one of their members to chair the meeting.

### **4.3.4. Committee Secretary**

- 4.3.4.1. The secretary of the Executive Committee shall be appointed by the Committee Chairperson and can be any member of Amakin's senior management.

### **4.3.5. Committee meetings**

- 4.3.6. The Executive Committee shall meet a minimum of four (4) times a year. If required, Executive Committee Chairperson shall call for an Executive Committee meeting as and when required.
- 4.3.7. The quorum shall be minimum two (2) members.
- 4.3.8. Meetings shall be conducted by the Chairperson of the Executive Committee and in his/her absence by, the members shall nominate one of themselves to act as the Chairperson for the meeting.
- 4.3.9. Members of the Committee may participate in meetings via telephone, video link, or other instantaneous communications, on which they will be deemed present for the purpose of determining quorum of the meeting, provided that they have received the necessary documents for the meeting.



4.3.10. The Secretary of the Committee shall summon the meetings at the request of the Executive Committee Chairperson.

4.3.10.1. Unless otherwise agreed, the following shall be forwarded to each Executive Committee members, required attendees no later than five (5) working days before the date of a scheduled Executive Committee meeting:

- Notice of each meeting, detailing the venue, time and date of the meeting;
- An agenda of items to be discussed at the meeting; and
- Supporting papers as appropriate

4.3.10.2. It is the secretary's responsibility to minute the proceedings and resolutions of all Executive Committee meetings, as well as the names of all attendees.

4.3.10.3. Meeting minutes shall be promptly circulated to all members of the Committee.

4.3.10.4. Meeting minutes shall be promptly circulated to all members of the Executive Committee. The minutes should then be circulated to Amakin's Board to keep the Board informed about the Committee's activities and recommendations.

#### **4.3.11. Voting rights**

4.3.11.1. The Executive Committee's decisions shall be considered by a vote of the majority of the attending members. In the case of equality of votes, the Chairperson of the Executive Committee shall have the casting vote.

4.3.11.2. Decisions of the Executive Committee may be made through circulation. In all such cases, the secretary of the Executive Committee shall ensure and confirm circulation of necessary information and documentation.

4.3.11.3. In the event that a member of the Executive Committee rejects a decision or action put forward by the Committee, a new meeting (or circulation) shall take place in order for the descending member to be provided with an opportunity to voice his/her concerns in a fair and clear manner.

4.3.11.4. In all cases, a decision through circulation will not be valid unless approved by more than half of the responding members, including the Chairperson.

#### **4.3.12. Reporting**

4.3.12.1. Action taken by the Executive Committee shall be reported to the Board.

#### **4.3.13. Evaluation**

4.3.13.1. The Executive Committee shall review, at least once a year, its own performance and Charter in order to ensure maximum operational efficiency. The Executive Committee shall also recommend to the Board for any changes it deems necessary.



#### **4.3.14. Conflict of interest**

- 4.3.14.1. All members shall abide by the Board Conflicts of Interest policies. To ensure Directors have an opportunity to disclose new or amended conflicts of interest, the first agenda item for each Committee meeting will be the disclosure of any conflicts of interest and also conflicts of interest in relation to agenda items.
- 4.3.14.2. The Committee can request a member to take reasonable steps to remove the conflict of interest.
- 4.3.14.3. If a member cannot, or is unwilling to remove a conflict of interest, then they must absent himself/herself from the room when discussion and voting occur on matters to which the conflict relates.
- 4.3.14.4. The entry and exit of the Director concerned will be entered in meeting minutes by the Committee Secretary.



## 4.4. Audit & Risk Committee Charter

### Introduction

This charter defines the duties and responsibilities of the Audit & Risk Committee in assisting the Board of Directors with the oversight over matters concerning audit and internal controls. The Committee serves as an efficient mechanism for focusing on issues relevant to the integrity of financial reporting. This Charter is the Committee's constitutional document.

### Purpose

The Audit & Risk Committee assists the Board of Directors in overseeing the responsibilities for the financial reporting process, the system of internal control, the audit process, monitoring compliances with the Company's policies and procedures and the process for monitoring compliance with applicable laws and regulations and the Company's code of conduct.

#### 4.4.1. Committee composition and membership

- 4.4.1.1. The Board shall appoint the members of the Audit & Risk Committee and Chairperson of the Audit & Risk Committee for a period of up to three years, which may be extended for two further three-year periods.
- 4.4.1.2. The Audit & Risk Committee shall comprise of not less than three members.
- 4.4.1.3. The majority of the Audit & Risk Committee shall have financial literacy qualifications stated in Appendix A of Volume 6 of the CBB Rule Book.
- 4.4.1.4. The CEO, external auditor, internal auditor, and Finance Director shall normally attend meetings and may participate in the discussions. However, they will have no voting rights.

#### 4.4.2. Committee responsibilities

- 4.4.2.1. The Audit & Risk Committee must carry out the duties listed in 4.4.2.2 to 4.4.2.24.
- 4.4.2.2. Consider and recommend to the Board, the appointment, resignation, or dismissal of the external and internal auditors and the audit fee.
- 4.4.2.3. Approve the internal audit policies and any reports and plans made in terms of such policies.
- 4.4.2.4. Recommend any additional or specific audit requirement in respect of the financial statements and other specific part of the business.
- 4.4.2.5. Recommend and table for discussion a management letter to be provided to the external auditor.
- 4.4.2.6. Discuss with the external auditors their work, findings and recommendations.
- 4.4.2.7. Discuss significant accounting and reporting issues for the financial year.
- 4.4.2.8. Review the quarterly and annual financial statements before recommending approval to the Board.



- 4.4.2.9. Discuss problems, notes, and reservations arising from the interim and final audits, and any matters the auditor may wish to raise (in the absence of management, if necessary).
- 4.4.2.10. Review the external auditor's management letter and management's response.
- 4.4.2.11. Review any significant findings of internal investigations and management's response.
- 4.4.2.12. Confirm the risk management and internal audit functions and evaluate the agreed action plans and ensure that it is adequately resourced and has appropriate standing within Amakin.
- 4.4.2.13. Inform the Board and internal audit of any material findings..
- 4.4.2.14. Design and approve the internal controls system as recommended by management
- 4.4.2.15. Regularly assess the risk function and controls of Amakin as recommended by internal audit
- 4.4.2.16. Review Amakin's compliance with legal and regulatory requirements based on internal audit recommendations.

#### Review Systems

- 4.4.2.17. In the Committee's review of the systems and controls framework, it shall:
- Make effective use of the work of external and internal auditors. It must ensure the integrity of the company's accounting and financial reporting systems through regular independent review (by internal and external audit). Audit findings must be used as independent check on the information received from management about the company's operations and performance and the effectiveness of internal controls;
  - Make use of self-assessments, stress/scenario tests, and/or independent judgements made by external advisors. The Board should appoint supporting committees, and engage senior management to assist the audit & risk committee in the oversight of risk management; and
  - Ensure that senior management have put in place appropriate systems of control for the business of the company and the information needs of the Board; in particular, there must be appropriate systems and functions for identifying as well as for monitoring risk, the financial position of the company, and compliance with applicable laws, regulations and best practice standards. The systems must produce information on a timely basis.

#### Powers and authorities

- 4.4.2.18. The Audit & Risk Committee shall at all times report to the Board.
- 4.4.2.19. The Audit & Risk Committee is authorized by the Board to monitor and control the risk management and audit functions of Amakin for which it may seek to investigate any activity or specific areas of operations and seek any information as it requires.
- 4.4.2.20. The Audit & Risk Committee is authorized by the Board to obtain outside professional advice and invite outsiders with relevant experience to attend meetings if necessary and decide their remuneration, fees and charges.



- 4.4.2.21. The Audit & Risk Committee is authorized by the Board to investigate any matters within its terms of reference, and be provided with the resources which it needs to do so and free access to information and employee.
- 4.4.2.22. Organization management is directed to co-operate with the Audit & Risk Committee and provide all information requested by the Audit & Risk Committee.
- 4.4.2.23. The company's CEO and Finance Director shall state in writing to the Audit & Risk Committee and the Board that the Company's interim and annual financial statements as prepared in accordance with IAS and IFRS present a true and fair view, in all material respects (including providing adequate provisions), of the company's financial condition and results of operations in accordance with applicable accounting standards.
- 4.4.2.24. The committee's Chairperson shall attend the Annual General Meeting in order to respond to any shareholder enquiries on the committee's activities

#### **4.4.3. Chairperson**

- 4.4.3.1. The Board shall appoint the Committee Chairperson who should be an independent non- executive director. In the absence of the Committee Chairperson, the remaining members present shall elect one of their members to chair the meeting. The Chairperson of the Board shall not be the Chairperson of this Committee.

#### **4.4.4. Committee Secretary**

- 4.4.4.1. The secretary of the Audit & Risk Committee shall be appointed by the Committee Chairperson and can be any member of Amakin's senior management.

#### **4.4.5. Committee meetings**

- 4.4.5.1. Meetings shall be held at least four (4) times a year. The Chairperson of the Audit & Risk Committee may call for a meeting whenever necessary. The external auditors and/or internal auditor may request a meeting if they consider it necessary.
- 4.4.5.2. Meetings shall be conducted by the Chairperson of the Audit & Risk Committee and in his/her absence by, the members shall nominate one of themselves to act as the Chairperson for the meeting.
- 4.4.5.3. Meetings shall be conducted by the Chairperson of the Audit & Risk Committee and in his/her absence by the Vice Chairperson.
- 4.4.5.4. Members of the Committee may participate in meetings via telephone, video link, or other instantaneous communications, on which they will be deemed present for the purpose of determining quorum of the meeting, provided that they have received the necessary documents for the meeting.
- 4.4.5.5. The Secretary of the Committee shall summon the meetings at the request of the Audit & Risk Committee Chairperson.
- 4.4.5.6. Unless otherwise agreed, the following shall be forwarded to each Audit & Risk Committee members, required attendees no later than five (5) working days before the date of a scheduled Audit & Risk Committee meeting:
- Notice of each meeting, detailing the venue, time and date of the meeting;
  - An agenda of items to be discussed at the meeting; and
  - Supporting papers as appropriate



4.4.5.7. It is the secretary's responsibility to minute the proceedings and resolutions of all Audit & Risk Committee meetings, as well as the names of all attendees.

4.4.5.8. Meeting minutes shall be promptly circulated to all members of the Committee.

4.4.5.9. Meeting minutes shall be promptly circulated to all members of the Audit & Risk Committee. The minutes should then be circulated to Amakin's Board to keep the Board informed about the Committee's activities and recommendations.

#### **4.4.6. Voting rights**

4.4.6.1. The Committee's decisions shall be considered by a vote of the majority of the attending members. In the case of equality of votes, the Chairperson of the Audit & Risk Committee shall have the casting vote.

4.4.6.2. Decisions of the Audit & Risk Committee may be made through circulation. In all such cases, the secretary of the Audit & Risk Committee shall ensure and confirm circulation of necessary information and documentation.

4.4.6.3. In the event that a member of the Audit & Risk Committee rejects a decision or action put forward by the Committee, a new meeting (or circulation) shall take place in order for the dissenting member to be provided with an opportunity to voice his/her concerns in a fair and clear manner.

4.4.6.4. In all cases, a decision through circulation will not be valid unless approved by more than half of the responding members, including the Chairperson.

#### **4.4.7. Reporting**

4.4.7.1. Actions taken by the Audit & Risk Committee shall be reported to the Board.

#### **4.4.8. Evaluation**

4.4.8.1. The Audit & Risk Committee shall review, at least once a year, its own performance and Charter in order to ensure maximum operational efficiency. The Audit & Risk Committee shall also recommend to the Board for any changes it deems necessary.

#### **4.4.9. Conflict of interest**

4.4.9.1. All members shall abide by the Board Conflicts of Interest policies. To ensure Directors have an opportunity to disclose new or amended conflicts of interest, the first agenda item for each Committee meeting will be the disclosure of any conflicts of interest and also conflicts of interest in relation to agenda items.

4.4.9.2. The Committee can request a member to take reasonable steps to remove the conflict of interest.

4.4.9.3. If a member cannot, or is unwilling to remove a conflict of interest, then they must absent himself/herself from the room when discussion and voting occur on matters to which the conflict relates.

4.4.9.4. The entry and exit of the Director concerned will be entered in meeting minutes by the Committee Secretary.



## 4.5. Digital Committee Charter

### Introduction

This charter defines the duties and responsibilities of the Digital Committee in assisting the Board of Directors with the good practices, and insights on Digital and Technology. The Committee shall function as an efficient mechanism for monitoring the execution of digital projects while ensuring alignment with the corporate strategy. The Committee will be providing oversight to Amakin's IT function including IT strategy, the alignment of IT functions with the company's business, system stability, information security and related operations.

### Purpose

The purpose of the Committee is:

- To advise the board on the development of a digital strategy that support the business objectives of the company.
- To identify and execute digital opportunities to help grow the business.

### 4.5.1. Committee composition and membership

4.5.1.1. The Board, based on the NRCG recommendation, shall appoint the members of the Digital Committee and Chairperson of the Digital Committee for a period of up to three years, which may be extended for two further three-year periods.

4.5.1.2. The appointment of the members and Chairperson of the Digital Committee shall be made by a resolution of the Board and shall be documented in the minutes of meeting.

4.5.1.3. The Digital Committee shall comprise of not less than five members, one of whom shall be a Board member, in addition to the Chief Executive Officer and Director of IT. Other Committee members may be external members. External members shall be experts/consultants and they must be approved by the Board.

4.5.1.4. External members assigned to the Committee shall satisfy the following qualifications, knowledge competency and or relevant skill or experience:

- Demonstrate digital strategic competency, including recognizing the impact of their technology and digital decisions on the overall performance of Amakin.
- Demonstrate knowledge competency, including understanding of responsibilities as a Committee member, awareness of latest emerging digital technologies relevant to mobility sector and also sound awareness of Amakin's business model and understanding of the roles, processes and relationships of the Board, its Committees and members.
- Demonstrate character competency, including willingness to act on and remain accountable for Board decisions.
- At least one member of the Committee shall have digital transformation experience.

4.5.1.5. The Committee may invite external experts in the field for certain meetings where relevant knowledge is required.



#### **4.5.2. Committee responsibilities**

- 4.5.2.1. Develop and execute the Digital Strategy and monitor in line with the Corporate Strategy and risk appetite of the company and building the digital culture within Amakin.
- 4.5.2.2. Review and discuss digital project plans, specifically covering the customer experience, sales through digital channels and additional services.
- 4.5.2.3. Building digital capabilities and investing in technologies that enable the digital strategy and ultimately meeting customers' expectations and needs.
- 4.5.2.4. Appointing qualified personnel to key roles to support the digital strategy.
- 4.5.2.5. Overseeing the digital initiatives on the Roadmap.
- 4.5.2.6. Ensuring the Customer experience is improved, and customer needs are identified and addressed.

#### Powers and authorities

- 4.5.2.7. The Committee receives its authority from the Board, which has Terms of Reference.
- 4.5.2.8. The Committee has the power to access to all members of Senior Management.
- 4.5.2.9. The Committee has the power to ask for detailed reports and updates from management on the implementation of the digital strategy.
- 4.5.2.10. The Digital Committee is authorized by the Board to obtain outside professional advice and invite outsiders with relevant experience.
- 4.5.2.11. The Committee is authorized to spend on the execution of the digital strategy within the digital budget approved by the Board.

#### **4.5.3. Chairperson**

- 4.5.3.1. The Board shall appoint the Committee Chairperson who should be an independent non- executive director. In the absence of the Committee Chairperson, the remaining members present shall elect one of their members to chair the meeting. The Chairperson of the Board shall not be the Chairperson of this Committee.
- 4.5.3.2. Chairperson's duties and responsibilities include the following:
  - Serve as the coordinator between the Committee, the Board and management.
  - Call the meetings and preside over them, organizing discussions, as well as coordinate with the Committee and Board Secretariat as necessary.
  - Ensure Committee meetings has quorum present when required and the Committee meets the minimum amount per year.
  - Work with executive management and the Board Secretariat on the development of agendas and related materials for the Committee meetings.
  - Ensure the Committee has sufficient information to permit it to properly make decisions when required.
  - Provide leadership to the Committee and assist it in reviewing and monitoring its responsibilities.
  - Report to the Board regularly on the deliberations and recommendations of the Committee.



#### **4.5.4. Committee Secretary**

4.5.4.1. The secretary of the Digital Committee shall be appointed by the Committee Chairperson and can be any member of Amakin's senior management.

#### **4.5.5. Committee meetings**

4.5.5.1. Meetings shall be held at least four (4) times a year. The Chairperson of the Committee may call for a meeting whenever necessary.

4.5.5.2. The quorum shall consist of a simple majority of Committee members.

4.5.5.3. Meetings shall be conducted by the Chairperson of the Committee and in his/her absence by, the members shall nominate one of themselves to act as the Chairperson for the meeting.

4.5.5.4. Members of the Committee may participate in meetings via telephone, video link, or other instantaneous communications, on which they will be deemed present for the purpose of determining quorum of the meeting, provided that they have received the necessary documents for the meeting.

4.5.5.5. The Secretary of the Committee shall summon the meetings at the request of the Committee Chairperson.

4.5.5.6. Unless otherwise agreed, the following shall be forwarded to each Committee members, required attendees no later than five (5) working days before the date of a scheduled Committee meeting:

- Notice of each meeting, detailing the venue, time and date of the meeting;
- An agenda of items to be discussed at the meeting; and
- Supporting papers as appropriate

4.5.5.7. It is the secretary's responsibility to minute the proceedings and resolutions of all Committee meetings, as well as the names of all attendees.

4.5.5.8. Meeting minutes shall be promptly circulated to all members of the Committee. The minutes should then be circulated to Amakin's Board to keep the Board informed about the Committee's activities and recommendations

#### **4.5.6. Voting rights**

4.5.6.1. The Committee's decisions shall be considered by a vote of the majority of the attending members. In the case of equality of votes, the Chairperson of the Digital Committee shall have the casting vote.

4.5.6.2. Decisions of the Digital Committee may be made through circulation. In all such cases, the secretary of the Digital Committee shall ensure and confirm circulation of necessary information and documentation.

4.5.6.3. In the event that a member of the Digital Committee rejects a decision or action put forward by the Committee, a new meeting (or circulation) shall take place in order for the descending member to be provided with an opportunity to voice his/her concerns in a fair and clear manner.

4.5.6.4. In all cases, a decision through circulation will not be valid unless approved by more than half of the responding members, including the Chairperson.



#### **4.5.7. Reporting**

- 4.5.7.1. Actions taken by the Digital Committee shall be reported to the Board.
- 4.5.7.2. The Chairperson shall report to the Chairperson of any other Board committee, at the earliest possible time, when any matters that in the opinion of the Committee should be brought to the attention of that other Board committee, particularly in respect of any risk management related matters.

#### **4.5.8. Evaluation**

- 4.5.8.1. The Digital Committee shall review, at least once a year, its own performance and Charter in order to ensure maximum operational efficiency. The Digital Committee shall also recommend to the Board for any changes it deems necessary.

#### **4.5.9. Conflict of interest**

- 4.5.9.1. All members shall abide by the Board Conflicts of Interest policies. To ensure Directors have an opportunity to disclose new or amended conflicts of interest, the first agenda item for each Committee meeting will be the disclosure of any conflicts of interest and also conflicts of interest in relation to agenda items.
- 4.5.9.2. The Committee can request a member to take reasonable steps to remove the conflict of interest.
- 4.5.9.3. If a member cannot, or is unwilling to remove a conflict of interest, then they must absent himself/herself from the room when discussion and voting occur on matters to which the conflict relates.
- 4.5.9.4. The entry and exit of the Director concerned will be entered in meeting minutes by the Committee Secretary.