

Corporate Governance Charters

Version 1.1

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Definitions

In this manual, except where the context otherwise requires, the following words and expressions shall have the meanings hereby assigned to them:

Abbreviations	Explanation
BCPC	Bahrain Car Park Company
BOD	Board of Directors
Chairman	Chairman of the Board of Directors
CEO	Chief Executive Officer

The following terms are defined to give context to their use in the manual.

Abbreviations	Explanation
BCPC Board / BOD	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 BCPC's activities.
Chairman	Person who chairs the Board of Directors.
Director	Person who is formally appointed to sit on the Board of Directors of a company.
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 organizations operations, including shareholders, employees, creditors, investors, customers, suppliers and regulators.

1. BOARD OF DIRECTORS

1.1 Board Policy

- BoD shall make sure that BCPC adopts a set of policies detailing the Board's functions, roles and responsibilities as well as the duties of members of the Board which shall be fulfilled by all members. The said Board policy shall be prepared to comply with the provisions of Bahrain regulations, which may be amended from time to time.
- The Board shall develop and implement a 'Code of Business Conduct and Ethics' for its members detailing their roles, responsibilities and principles of honest behavior.
- The Board shall develop and implement a clear "whistleblowing policy" which safeguards the interests of whistleblowers.

1.2 Board of Directors

1.2.1 Role of the Board

- The primary role of the Board will be to provide entrepreneurial leadership to BCPC within a framework of prudent and effective controls enabling risk to be assessed and managed.
- The Board has the power and full authority to manage BCPC's business and to pursue the primary objective of creating value for shareholders, with consideration given to the continuity of BCPC's business and conducive to the achievement of the corporate objectives.
- The BoD shall report to the shareholders of BCPC through the Chairman of the Board.

1.2.2 Board Responsibilities and Duties

BCPC is managed by an effective BOD which will be individually and collectively responsible for its proper management. In addition to the Board functions and responsibilities as set out in the Board terms of reference in Articles of Association, the Board will be responsible for:

- **Vision and Strategy**
 - ✓ Determining and refining BCPC's vision and objectives which are the foundation for all the actions and decisions of the Board and Management.
 - ✓ Advancing BCPC's vision and strategy through corporate strategy and significant business decisions, monitoring developments and approving variations.
 - ✓ Identifying and reassessing the values to be promoted throughout BCPC.
 - ✓ Ensuring that BCPC organizational structures and resources are appropriate for implementing the Company's business, associated risks and chosen strategy.
 - ✓ Governing BCPC through policies and objectives, formulated with and agreed on by the CEO.
- **Management Oversight**
 - ✓ Appointing, establishing the duties and powers of, and assessing the performance of the CEO.
 - ✓ Appointing and establishing the duties and powers of a Chief Financial Officer ("CFO") and a corporate secretary.
 - ✓ Adopting by-laws prescribing each senior officer's title, authorities, duties and internal reporting responsibilities.
 - ✓ The by-laws will be established with the advice of the Nomination, Remuneration, and Corporate Governance Committee and in consultation with the CEO, and must include what is detailed in Chapter HC-6.3.2 of Volume 6 Part A of the CBB Rulebook.
 - ✓ Assigning and revoking the delegated powers of the CEO and management committees, where constituted, specifying the limits thereto, the manner of exercising them and

the frequency with which the delegates must report to the BOD on the activity performed in the exercise of the powers delegated to them.

- ✓ Overseeing the performance of executives and reviewing management succession plans and management remuneration arrangements.
 - ✓ Verifying the adequacy of the organizational, administrative and accounting structure of BCPC, with special reference to the internal control system.
 - ✓ Ensuring adequate succession planning for the management.
 - ✓ Appointing, reappointing or removing the external auditor following recommendation of the Audit Committee.
 - ✓ In specific, executive directors shall inform the Board of all business and financial information within their competence as officers.
 - ✓ Encouraging the participation by management on matters the Bod is considering.
- **Financial and Investment**
 - ✓ Reviewing and approving reports, accounts and overseeing BCPC financial positions.
 - ✓ Evaluating and approving financing programs and policies.
 - ✓ Analyzing and approving BCPC's annual budget.
 - ✓ Approving mergers, acquisitions, and other investment activity within BCPC.
 - ✓ Monitoring the integrity of BCPC's accounting and financial reporting.
 - ✓ Approving announcement of interim and final results.
 - ✓ Acquiring sufficient resources to adequately finance all of BCPC's operations.
 - **Governance, Risk and Compliance Management**
 - ✓ Preparing and adopting the corporate governance rules for BCPC.
 - ✓ Overseeing the review and update of corporate governance practices and policies in support of its commitment to best practices in corporate governance.
 - ✓ Monitoring the integrity of internal control and reporting systems and monitoring strategic risk management systems.
 - ✓ Ensuring that Anti-Money Laundering procedures are identified, and that the management has implemented appropriate systems to manage such risks and requirements.
 - ✓ Establishing and disseminating to its members and management, policies and procedures for the identification, reporting, disclosure, prevention, or strict limitation of potential conflicts of interest.
 - ✓ Reviewing and evaluating external political or regulatory developments that could affect BCPC's business and development.
 - ✓ Applying high ethical standards throughout BCPC.
 - ✓ Conducting an evaluation of the performance of all committees at least once a year.
 - ✓ Ensuring compliance with the CBB Rulebook and the rules contained therein, including the ongoing obligations of listed companies.
 - ✓ Continually educating themselves as to the company's business and corporate governance.
 - **Communication with Stakeholders**
 - ✓ Communicating with other stakeholders and informing them of important corporate developments.
 - **Delegation**
 - ✓ Where appropriate, the Board may delegate any of its authorities (for example to the Chairman or CEO) within limits imposed by BCPC Delegation of Authority, Articles of Association or applicable Bahrain law.
 - ✓ The persons acting pursuant to a delegation will inform the Board at regular intervals about decisions they take pursuant to such authority, and the Board can, at any time, amend such delegation.
 - ✓ The Board may not delegate its ultimate responsibility to ensure that an adequate, effective, comprehensive and transparent corporate governance framework is in place.
 - **Appointment and Selection of Chairman**

- ✓ The Board shall be chaired by a representative appointed by the members by way of secret ballot.
- ✓ In the absence of the Chairman during the Board meetings, the Vice Chairman shall act as the chairman for the Board.

1.3 Board Members' Fiduciary Duties

Each BoD member owes BCPC fiduciary duties of care, loyalty and compliance with the rules set out in related laws and regulations along with the Board policy, terms of reference and Code of Business Conduct and Ethics.

Board members shall have access to independent legal or other professional advice at the company's expense whenever they judge this necessary to discharge their responsibilities.

BCPC BOD members must at all-time act on an informed basis, in good faith, with due diligence and care, and in the best interests of BCPC and all shareholders.

Fulfilling their responsibilities towards BCPC, BOD members shall act effectively through:

- Conducting fair business transactions with BCPC and ensuring that personal interests do not bias decisions.
- Ensuring that no individual or group of directors dominate the Board's decision-making and no one individual should have unfettered powers of decision.
- Ensuring, that where there is a potential for conflict of interest, or there is a need for impartiality, the Board must assign a sufficient number of independent Board members capable of exercising independent judgement.
- Ensuring that each director represents all shareholders and acts accordingly.
- Possessing knowledge of the legal and regulatory frameworks within which BCPC operates and understanding that they are personally accountable to the company and shareholders in case of breach of duty or loyalty to BCPC.
- Exercising their duties with honesty and integrity towards the economy and society in general and BCPC in particular, putting BCPC'S interest ahead of their own self-interests, not using their positions to achieve personal interests, maintaining the confidentiality of information, not disclosing it to any person or party, and avoiding the use for personal gains.
- Disclosing to BCPC their directorship in any other company, any acts they perform directly or indirectly that compete with the company, names of the companies and entities in which they are engaged or exercise any other tasks, time allotted thereto, and any change as soon as it occurs.
- Devoting time and attention necessary to properly discharge his/her duties and responsibilities.
- Acting judiciously.
- Exercising independent prudent judgment.
- Having a working knowledge of the statutory and local regulatory requirements affecting BCPC, including the contents of its Articles of Association and where applicable, the requirements of other regulatory bodies.
- Maintaining confidentiality.

1.4 Chairman of the Board

1.4.1 The Chairman's Principal Responsibilities

The Chairman's principal responsibilities are to ensure that the Board fulfills its obligations as required under the relevant legislation and to provide appropriate leadership. The

duties and responsibilities of the Chairman of the BOD shall, in addition to the provisions of the Board policy, include but are not limited to the following:

- Ensuring proper functioning of the Board in an appropriate and effective manner, ensuring directors act in the best interest of BCPC and timely receipt by the Members of the Board of complete and accurate deliverables.
- Chairing the Board, selected committees, and shareholder meetings and facilitating them with the aim of ensuring that discussions are conducted in an open and professional manner where participants are encouraged to express their views.
- Working with the Board Secretary to coordinate the schedule of BoD, committees and other important meetings.
- Working with the management to ensure that management provides Board with the information it requires to contribute effectively to Board decision-making process and to monitor the effective implementation of Board decisions.
- Reviewing the adequacy and timing of documentary materials in support of management's proposals and ensuring the proper flow of information to Board.
- Guiding, promoting, and ensuring the effectiveness and development of policies and individual tasks and assigning specific tasks to responsible persons.
- Reviewing quarterly / monthly business results.
- Representing BCPC before the courts and third parties and maintaining appropriate ongoing contact.
- Ensuring that BCPC maintains a positive and productive relation with official and non-official organizations and the media.
- Issuing the agenda of every meeting of the Board taking into consideration any matter proposed by other members. The Chairman can delegate this responsibility to another director, or to the Secretary of the Board.
- Ensuring that each new director receives a formal and tailored induction to ensure his contribution to the BoD from the beginning of his term. The induction must include meetings with senior management, visits to company facilities, presentations regarding strategic plans, significant financial, accounting and risk management issues, compliance programmes, its internal and external auditors and legal counsel.
- Maintaining continued contact with major shareholders to solicit their views and understand their concerns, which must be communicated to the BoD.
- Discussing governance and strategy with major shareholders.

1.4.2 Level of Authority

The Board may delegate to the CEO and others the authority to sign on behalf of BCPC in certain matters that shall be determined by the Board or as per approved Delegation of Authority.

1.5 Board Composition

The BOD will be constituted as per BCPC's Articles of Association, Memorandum of Association and other pertinent regulatory directives.

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

BCPC shall have in place a written appointment agreement with each director to clarify the duties, powers, authorities and other matters of directorship terms, work time commitment, duties of the committees, remuneration and entitlement to expense reimbursement,

and accessibility to independent professional technical advices when necessary.

1.6 Secretary to Board

The Chairman shall appoint a Secretary (subject to approval of Board members) to assist the Board and the Chairman with carrying out their responsibilities and to undertake other duties essential to the proper functioning of the Board. The Secretary's duties will be performed in coordination with Corporate Governance and include:

- Facilitating the implementation of the BOD's activities and decisions.
 - Acting as secretary of all meetings of the Board of BCPC, recording the meeting minutes, including recording the absence of each Board member in the meeting.
 - Formulating Board and Committee agendas with the Chairman and CEO.
 - Drafting and distributing minutes of Board and Committee meetings.
 - Preparing for the Board meetings by giving members and other invitees sufficient notice of dates and location of meetings, distributing Board materials in a timely manner, and obtaining input from operational units as appropriate.
- Assisting the Chairman during the Board meetings by managing the timetable and ensuring that minutes are taken.
- Maintaining proper and complete records of the Board activities.
 - Advising Members on their statutory duties and responsibilities.
 - Ensuring that members' meetings are held on schedule.
 - Ensuring that important corporate records are retained in accordance with applicable law and sound business practices.
 - Reviewing and verifying official publications and press releases by the Chairman.
 - Coordinating with senior executives to ensure consistent adherence to governance policies.
 - Coordinating with legal consul to ensure compliance with general statutory and regulatory requirements.

In selecting a 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.
- Being able to work with multiple constituencies (such as board members and executive management, members, employees, and interest groups).

1.7 Board Meetings

1.7.1 Meetings

- The Board shall meet to review financial accounts and statements and other matters of importance as per the defined period in Articles of Association.
- There shall be no more than four months between each Board meeting.
- 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.
- In the event that a Board member has not attended at least 75% of Board meetings in any given financial year, the company must immediately notify the CBB of that Board

member's failure to attend the required number of meetings, and any mitigating circumstances affecting his non-attendance.

- The meeting of the Board shall be convened at the main office of BCPC 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.
- The CEO and the Secretary shall submit the agenda and a proposed date of the Board meeting to the Chairman for approval.
- The Secretary shall contact members to check their availability and then send each member an invitation to the Board meeting with a copy of the proposed agenda. Each BOD member may suggest the inclusion of item(s) on the agenda. The Secretary will, to the extent practical, send the agenda and the BOD book with the appropriate materials to members ten days in advance of meetings.
- Materials presented in the Board book should provide the information needed for members to make informed decisions. Draft decisions should be included whenever possible.
- The CEO, the Finance Manager, the Department Heads, and any employee from BCPC may, upon invitation by the Chairman, attend Board meetings. The Chairman may invite other observers to attend as well. The Chairman may exclude any observer from the meeting at any time.
- During the BOD meeting, every effort shall be made to agree on final wording of decisions.
- Following the meeting, the Chairman and Secretary may sign a list of all agreed BOD decisions.
- Shortly following the meeting, the Secretary shall prepare the minutes of the BOD meeting mentioning 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.
- The Secretary shall submit the draft minutes to the Chairman and after receiving his comments, shall send the minutes to members for their comments. No sooner than one week after the draft minutes have been sent to the members, the Chairman and Secretary shall finalize and sign the minutes, after having considered the comments, if any, received from other members.

1.7.2 Quorum and Proxies

- The Board meeting is not valid unless it is attended by at least half of the members, amongst them the Chairman.
- Voting and attendance proxies for Board meetings are prohibited at all times.
- If there is no quorum present, the members shall adjourn the Board meeting until such time as a quorum of members is available.
- If a shareholder cannot attend AGM/ EGM meeting, that shareholder may give his or her proxy to another shareholder. No shareholder can hold more than one proxy of another shareholder.

1.7.3 Resolution

The passage of a Board resolution requires a simple majority of votes of members present. In the event of a tie, the vote of the Chairman shall prevail. Except for decisions concerning the approval of BCPC's financial statements, the Board may adopt its decisions by circulation with the approval of all its directors and move forward with implementation.

1.8 General Assembly Meetings

- The invitations to shareholders' ordinary and extraordinary general assembly meetings shall be clear and not misleading, and shall include an explanation of the items to be discussed at these meetings.
- The BoD 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.
- The BoD shall encourage the greatest possible number of shareholders to attend general assembly meetings by choosing the appropriate place and time for holding such meetings.
- BCPC 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.
- BCPC 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.
- Prior to the general assembly meeting, shareholders shall have adequate access to information on agenda items, particularly the BOD's report, auditor's report, financial statements and corporate governance report, to enable them to make informed decisions thereof.
- 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.
- 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.
- 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.
- 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.
- 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.
- 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.
- The general assembly meeting shall appoint one or more auditors for the company and determine their fees upon the proposal of the BOD.
- BCPC 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. BCPC 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. BCPC shall notify the said ministry of any changes that may take place in the list during the year.

- During any general assembly meeting whereby a Board member stands for re-election, board attendance percentage must be reported during the meeting.

1.9 Committees

The Committees help the Board in the discharge of its responsibilities by advising and making recommendations to the Board and by exercising delegated authority.

BCPC's Board has established the following primary committees:

- Executive Committee
- Nomination, Remuneration and Corporate Governance Committee
- Audit Committee

Executive Committee: The role of the Executive Committee is to implement the Board's fiduciary, strategic, and generative plans, policies, and decisions consistent with the organization's Vision, Mission and Guiding Principles. The work of the committee focuses on supporting the BOD in:

- Planning and business development.
- Establishing corporate and department.
- Establishing process on business performance, operational management and decision making.
- Approving and recommending financial, strategic investment and treasury work.
- Effective discharge of its governance and oversight responsibilities relating to procurement decisions.
- 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.

Nomination, Remuneration and Corporate Governance Committee: The committee shall focus on and provide support to the Board in:

- Reviewing and recommending to the Board the size and composition of the Board, including review of BOD succession plans and the succession of the Chairman and CEO.
- Periodically evaluating the adequacy, overall consistency and actual application of the policy for the remuneration and other financial benefits (such as award of stock options or performance-based shares, pensions and termination benefits) for all staff, ensuring the organisation complies with corporate governance principles.
- Formulating proposals to the Board of Directors in respect of the remuneration policy for key management personnel.
- Submitting proposals or issuing opinions to the Board of Directors for the remuneration of executives as well as for the identification of performance objectives relating to the variable component of that remuneration; monitor the implementation of decisions adopted by the Board of Directors and verify, in particular, the actual achievement of performance objectives.
- Developing and recommending changes in BCPC's corporate governance policy framework.

Audit Committee: The committee shall focus and provide support to the Board in:

- Oversight of the integrity of the organizations financial statements and ensures compliance with the legal requirements and laws.
- Reviewing the work of the internal audit function of the organization.
- Consider and recommend to the Board, the appointment, resignation, or dismissal of the external and internal auditors.
- Review at least semi-annual and annual financial statements before submission to the BoD.
- Approve the annual budget, borrowing and finance plans and deal structures.

1.10 Board Members Appointment

Nominations and appointments of Board Members will be made according to formal, rigorous and transparent procedures and in line with BCPC's Articles of Association.

The minimum number of Directors shall be (10) ten at all times.

1.11 Directors Code of Conduct

Directors of the organization:

- Will act honestly, in good faith and in the best interests of the whole organization at all times.
- 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 BOD.
- 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 behavior and actively promote ethical behavior 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.

1.11.1 Conflicts of Interest

- Each Director shall inform the Board before he/she accepts any Board appointment in another organization.
- Directors shall make every practicable effort to arrange his/her business affairs to avoid a conflict with the interests of the organization.
- 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.
- Any such interests will be entered into BCPC's Register of Ongoing Conflicts of Interest maintained by the organization.
- Directors need to notify the Board in writing as soon as they become aware of any potential conflicts or changes in shareholdings.
- Should a transaction arise in which a Director has an interest, prior approval should be obtained from disinterested directors or shareholders.
- 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.
- The Board can request a Director to take reasonable steps to remove the conflict of interest.
- If a Director cannot, or is unwilling to remove a conflict of interest, then the Director must absent himself/herself from the room when discussion and voting occur on matters to which the conflict relates.
- The entry and exit of the Director concerned will be entered in meeting minutes by the Board Secretary.
- 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.

1.11.2 Related Party Transactions

Related party transactions include any financial transaction between a Director or officer and the organization and will be reported in writing to each Board meeting.

The Board should unanimously and formally approve related party transactions. An exemption to this requirement occurs where the financial benefit is given on arm's length terms.

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.

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 (a) or (b) has a substantial interest.

The Board Secretary will maintain a Register of Related Party Transactions.

The Chairman of BCPCP 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.

In BCPC'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.

1.12 Orientation and Continued Education

The Chairman of the Board shall be responsible for providing, an orientation and ongoing education program, under which all management shall periodically receive materials or briefing sessions on subjects that would assist them in discharging their duties as executives and ensure that their knowledge and understanding of the organizations business remains current.

The Board further expects all of its members to make meaningful commitments to BCPC. Members are expected to develop and expand broad, current knowledge of the nature and operation of BCPC's businesses. Similarly, all members are expected to commit the necessary time required to be an effective and fully contributing member of the Board and of each committee on which they serve.

To the extent appropriate, training will be conducted jointly with senior management on an annual basis.

2. NOMINATION, REMUNERATION AND CORPORATE GOVERNANCE COMMITTEE CHARTER

2.1 Purpose

- 2.1.1 The Board shall establish a Nomination, Remuneration and Corporate Governance Committee (“NRCG”) which shall:
- Review and recommend to the Board the size and composition of the Board, including review of Board succession plans and the succession of the Chairman and CEO.
 - Review the organization’s remuneration policies for the Board of Directors and senior management
 - Make recommendations regarding remuneration policies and amounts for specific persons to the Board, taking account of total remuneration including salaries, fees, expenses and employee benefits.
 - Ensure that the compensation offered is competitive, in line with the market/peer group and consistent with the responsibilities assigned.
 - Remunerate BOD members based on their attendance and performance.
 - Answer questions relating to the remuneration statement.
 - Develop and recommend changes from time to time in BCPC’s corporate governance policy framework.
- 2.1.2 The Committee leads the Board in its annual review of the Board’s performance and recommends to the BoD, candidates for each committee for appointment.
- 2.1.3 The Committee shall recommend to the Board for approval, the remuneration policy and special compensation plans, including annual bonus schemes, share option plans and staff savings schemes across the organization, which attract, retain and motivate high caliber employees and yet not be excessive to the extent that the shareholders’ interests are compromised.
- 2.1.4 The Committee shall appoint a secretary to the Committee.

2.2 Membership

- The Board shall appoint the Nomination, Remuneration and Corporate Governance Committee. The Committee shall consist of only independent directors or, alternatively, only non-executive directors of whom a majority shall be independent directors and the chairman shall be an independent director.
- Appointments to the Committee shall be for a period of up to three years, which may be extended for two further three-year periods, provided that the majority of the Committee members remain independent.
- The Board shall appoint the Committee Chairman who should be an independent non-executive director. In the absence of the Committee Chairman and/or appointed deputy, the remaining members present shall elect one of their members to chair the meeting. The Chairman of the Board shall not be the Chairman of this Committee.
- A member of the Committee should abstain from participating in discussions and decisions on matters involving him or herself to avoid any conflict of interest. Such matters will be referred to the full Board for decision and approval.

2.3 Responsibilities

The Nomination, Remuneration and Corporate Governance Committee shall carry out the duties listed below:

2.3.1 Nomination related responsibilities:

- Approve an organizational structure which is established by management, allocating duties, responsibilities, authorities and reporting lines for the operations of the business and avoiding conflicts of interest.
- Establish business unit succession planning.
- Establish business unit priorities.
- Review and recommend to the BOD the size and composition of the Board, including review of BOD succession plans and the succession of the Chairman and CEO.
- Review and recommend to the BoD, persons qualified to become the Corporate Secretary and any other officer of the company considered appropriate by the BoD, with the exception of the appointment of the internal auditor which shall be the responsibility of the Audit Committee.
- Review and recommend to the BOD the criteria for Board membership, including assessment of necessary and desirable competencies of Board members, and recommend board candidates (including renewals or reappointment) to be included by the BoD on the agenda for the next annual shareholders meeting.
- Assist the BoD as required to identify individuals who are qualified to become Board members (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 BoD.
- Review and recommend Board candidates proposed by those substantial shareholders eligible to propose a director to represent such shareholder on the BoD.
- 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.
- Review and make recommendations in relation to any corporate governance issues as requested by the Board from time to time.
- Review the Board Charter on an annual basis and recommend any amendments for Board consideration.
- Review the Remuneration, Nomination and Corporate Governance Charter on an annual basis and recommend any amendments for Board's consideration.
- Review the time expected to be devoted by non-executive directors in relation to the Company's affairs.
- 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.
- Ensure that each proposal by the board to the shareholders for election or re-election of a director must include:

- i. A recommendation from the BoD;
- ii. A summary of the advice of the Nomination, Remuneration and Corporate Governance Committee;
- iii. 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);
- iv. Biographical details and professional qualifications;
- v. In the case of an independent director, a statement that the board has determined that the criteria of independent director has been met;
- vi. Any other directorships held;
- vii. Particulars of other positions which involve significant time commitments; and
- viii. Details of relationships between (a) the candidate and the company (including nay ownership therein); and (b) the candidate and other directors of the company.

2.3.2 Remuneration related responsibilities:

- Determine, agree with and recommend to the Board the framework or broad policy for the remuneration of the directors, the executives and senior management, which must be approved by the shareholders and be consistent with the corporate values and strategy of the company.
- BCPC's articles of association shall specify the manner of determining the remuneration of the Chairman and members of the BoD, 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 BCPC's paid-up capital.
- In determining such policy, take into account 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.
- Review the remuneration and incentive packages of members of the BOD 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.
- 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.
- 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.
- Ensure that if an officer is also a director, his remuneration as an officer shall take into account compensation received in his capacity as a director.
- 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.
- 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, bonuses, or pension benefits.

- Review the design of all share incentive plans for approval by the BOD and shareholders.
- 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 other senior executives and performance targets to be used. Within the terms of the agreed policy and in consultation with the Chairman and/or CEO, as appropriate, determine the total individual remuneration package of each executive director.
- Determine the policy for, and scope of, pension arrangements for each executive director.
- Determine the policy for the disclosure of directors' remuneration.
- 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.
- Ensure remuneration policies do not result in failure or misconduct being rewarded.
- Within the terms of the agreed policy and in consultation with the Chairman 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.
- In determining such packages and arrangements, give due regard to any relevant legal requirements and base remuneration on directors' attendance and performance.
- Review and note annually the remuneration trends across the organization.
- Agree the policy for authorizing claims for expenses from the CEO, Chairman of the BoD.
- Be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee.

2.3.3 Corporate Governance Related responsibilities:

- Develop and Recommend changes from time to time in BCPC's corporate governance policy framework.
- Monitor and oversee the implementation of the corporate governance framework by working together with the executive management and Audit Committee.
- Provide the BoD with reports and recommendations based on its findings in the performance of its duties.

2.4 Meetings

- The Nomination, Remuneration and Corporate Governance Committee shall meet minimum of four (4) meeting and as many times as required and recommended by the members of the Committee. If required, Nomination, Remuneration and Corporate Governance Committee Chairman shall call for a NRCG Committee meeting

as and when required.

- The quorum shall be minimum two members including Chairman and/or Vice Chairman.
- Meetings shall be conducted by the Chairman of the Nomination, Remuneration and Corporate Governance Committee and in his/her absence by the Vice Chairman.
- Meeting minutes shall be promptly circulated to all members of the Nomination, Remuneration and Corporate Governance Committee. Once executed, the minutes of the Nomination, Remuneration and Corporate Governance Committee meetings shall be presented in the next BOD meeting.
- Members of the Nomination, Remuneration and Corporate Governance 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.

3. EXECUTIVE COMMITTEE CHARTER

3.1 Terms of the Executive Committee Charter

A. Membership

- It is the Board's responsibility to appoint members of the Executive Committee and Chairman of the Executive Committee.
- The Executive Committee shall comprise of not less than 3 non-executive members.
- Executive Committee meetings should be attended by members of the Committee only.
- However, upon Executive Committee invitation: staff, experts, consultants or even other directors may attend all or part of any meeting, as and when this is deemed appropriate.
- The Chairman has the power to nominate a member to chair meetings of the Executive Committee in his/her absence.

B. Secretary

- The secretary of the Executive Committee shall be the Board Secretary or their nominee.

C. Voting Rights

- 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 Chairman of the Executive Committee shall have the casting vote.
- 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.
- 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.
- In all cases, a decision through circulation will not be valid unless approved by more than half of the responding members, including the Chairman.

D. Meetings

- The Executive Committee shall meet a minimum of four (4) times a year. If required, Executive Committee Chairman shall call for an Executive Committee meeting as and when required.
- Members of the Executive 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.

E. Notice of Meetings

- The Secretary of the Executive Committee shall summon the meetings at the request of the Executive Committee Chairman.
- Unless otherwise agreed, the following shall be forwarded to each Executive Committee members, required attendees no later than 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.

F. Minutes of Meetings

- 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.
- Meeting minutes shall be promptly circulated to all members of the Executive Committee.
- Once agreed, the minutes of the Executive Committee meetings shall be circulated to all members of the Board and presented in the next BOD meeting.

G. Executive Related Responsibilities

- All members of the Executive Committee shall implement and execute the BOD approved strategy within BCPC.
- Executive Committee is responsible for the proper execution of the BCPC business operations. They are responsible for the relevance, integrity, completeness and timely submission of information regarding the performance of the business to the BOD.
- 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 BCPC Strategy;
 - ✓ Recommending to BOD a BCPC 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 BCPC by setting up corporate department.
- Executive Committee is responsible to the BOD in drafting the following items:
 - ✓ Annual budget and business plans;
 - ✓ Policy and procedures or all business and core-functions of BCPC.
- Executive Committee will ensure that required information on the operations of BCPC and financial instructions are furnished to all members of the BOD, in order to enable them discharge their functions effectively.
- 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 BoD;
 - ✓ Declare any dividend to shareholders of the organization; and
 - ✓ Appoint or dismiss any member of the any of the Board nominated committee.
- It is the responsibility of the CEO, under supervision by the Board, to run BCPC's business in an effective and ethical manner. The Executive Committee along with Audit Committee and the Nomination, Remuneration and Corporate Governance Committee have the most direct corporate governance responsibilities.
- The Executive Committee will ensure the following functions:

- ✓ Oversee the operative business of BCPC.
- ✓ Implement relevant regulation and instructions of the BOD to the best of its ability and best interest of BCPC.
- ✓ Provide appropriate procedures for identifying, measuring, evaluating and managing the risks faced by BCPC, 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 Committee).
- ✓ Provide appropriate procedures based on instructions of the BOD 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.

H. Procurement Related Responsibilities

- Review the Company's tendering and procurement policies and practices.
- Ensure that the operating policies and procedures relating to tendering and procurement are recognized as "best practice".
- Ensure that all tenders are conducted in a fair and ethical manner.
- To ensure that no conflict of interest exists with any Director or executive connected to the tendering and procurement process.
- 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
- 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.
- 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.
- To review and periodically test the policies and procedures relating to tendering and procurement.
- 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 wrong-doing in any tender or procurement.

I. Reporting Responsibilities

- Action taken by the Executive Committee shall be reported to the Board.
- The Executive Committee shall review, at least once a year, its own performance and Charter to ensure maximum operational efficiency. The Executive Committee shall also recommend to the Board for any changes it deems necessary.
- Once the performance review is finalized, the Executive Committee shall submit its findings to the NRCG Committee and finally, have them approved by the Annual General Meeting.

4. AUDIT COMMITTEE CHARTER

4.1 Terms of the Audit Committee Charter

A. Constitution and membership

- The BOD has resolved to establish an Audit Committee from amongst its Executive members for the same duration as the Board.
- The Committee shall consist of minimum three (3) members.
- The Chairman of the Audit Committee shall be appointed by the Board.
- The Vice Chairman shall be appointed by the Audit Committee.
- The external auditor, internal auditor, and Finance Manager shall normally attend meetings and may participate in the discussions. However, they will have no voting rights.
- The Secretary to the Audit Committee shall be appointed by the Audit Committee for purposes of all secretarial duties.
- The majority of the Audit Committee shall have financial literacy qualifications stated in Appendix A of Volume 6 of the CBB Rule Book.

B. Meetings

- Meetings shall be held at least four (4) times a year. The Chairman of the Audit Committee may call for a meeting whenever necessary. The external auditors and/or internal auditor may request a meeting if they consider it necessary.
- The quorum shall be minimum two (2) members including Chairman and/or Vice Chairman.
- Meetings shall be conducted by the Chairman of the Audit Committee and in his/her absence by the Vice Chairman.

C. Authority

- The Audit Committee shall at all times report to the BoD.
- The Audit Committee is authorized by the Board to monitor and control the risk management and audit functions of BCPC for which it may seek to investigate any activity or specific areas of operations and seek any information as it requires.
- The Audit 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.
- The Audit 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.

D. Responsibilities

- Consider and recommend to the Board, the appointment, resignation, or dismissal of the external and internal auditors and the audit fee.
- Approve the internal audit policies and any reports and plans made in terms of such policies.

- Recommend any additional or specific audit requirement in respect of the financial statements and other specific part of the business.
- Recommend and table for discussion a management letter to be provided to the external auditor.
- Discuss with the external auditors their work, findings and recommendations.
- Discuss significant accounting and reporting issues for the financial year.
- Review at least semi-annual and annual financial statements before submission to the Board.
- 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).
- Review the external auditor's management letter and management's response.
- Review any significant findings of internal investigations and management's response.
- Review 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 BCPC.
- Ensure existence of appropriate policies, procedures, systems, internal controls, guidelines and authorities at different levels of management.
- Consider other topics as defined by the Board.
- Approve the annual budget, borrowing and finance plans and deal structures.
- Inform the BOD and internal audit of any material findings from the internal controls.
- Draft the internal controls system.
- Draft the reporting, forms and reports.
- Regularly assess the risk function and controls of BCPC.
- Review BCPC's compliance with legal requirements.

E. Reporting Responsibilities

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

F. Review Systems

In the Committee's review of the systems and controls framework in paragraph D, it must:

- 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 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.

G. General

- Meeting minutes shall be promptly circulated to all members of the Audit Committee. The minutes should then be circulated to BCPC's BOD to keep the Board informed about the
- Committee's activities and recommendations.
- Organization management is directed to co-operate with the Audit Committee and provide all information requested by the Audit Committee.
- The company's CEO and CFO shall state in writing to the Audit Committee and the BoD 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.

H. Annual General Meeting

- The committee's Chairman shall attend the Annual General Meeting in order to respond to any shareholder enquiries on the committee's activities.