



CORPORATE GOVERNANCE CODE
KINGDOM OF BAHRAIN



KINGDOM OF BAHRAIN
MINISTRY OF INDUSTRY & COMMERCE



مصرف البحرين المركزي
Central Bank of Bahrain

جمعية المحاسبين البحرينيين
Bahrain Accountants Association



CLDP
COMMERCIAL LAW DEVELOPMENT PROGRAM



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FOREWORD

The Government of the Kingdom of Bahrain is keen to promote good corporate governance principles in Bahrain in order to enhance investor confidence and foster economic development. Over the past several years, the Ministry of Industry and Commerce, in cooperation with the Central Bank of Bahrain, has worked with the National Corporate Governance Committee to develop a Corporate Governance Code through a consultative process. Recognizing the great effort of many stakeholders, the Ministry is pleased to issue the Bahrain Corporate Governance Code.

The Bahrain Corporate Governance Code is based upon nine core Principles of corporate governance that adhere to international best practices. The Code includes recommendations to apply the Principles, as well as recommendations which support the implementation of good corporate governance. The Code is issued in a “comply or explain” framework, which means companies should comply with the recommendations, or give an explanation in the case of non-compliance.

The Code is a dynamic document that will evolve and require modifications over time in response to changing domestic and global circumstances. Such changes will be made based on consultation with various stakeholders in an open and transparent manner. Comments and feedback on the Code are always welcome.

We believe that the Code represents the highest standard in current practice, which has been modified to suit Bahrain’s unique economic and social climate as a developing country with a strong regulatory infrastructure. The Code supplements the existing corporate governance provisions contained in the Company Law, and provides detail and flexibility that will enable the Code to be adapted by all companies, public and private, large and small.

The Ministry of Industry and Commerce takes this opportunity to thank all those parties who supported and participated in the process that has led to the issuance of this Code.

Dr. Hassan Abdulla Fakhro
Minister of Industry and Commerce

**THE CORPORATE GOVERNANCE CODE
OF THE KINGDOM OF BAHRAIN**

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INTRODUCTION

Background

National Steering Committee on Corporate Governance: In response to the need to improve corporate governance practices, the National Steering Committee on Corporate Governance was created under the auspices of the Ministry of Industry and Commerce and the Central Bank of Bahrain to move Bahrain forward in reaching its objectives. The Steering Committee is a representative body of stakeholders that includes government agencies, academics, the banking and accounting sectors, business associations, and other members of the business community. For the past three years, the Steering Committee has worked to create a corporate governance framework that would assist the public and private sector implement international best practices in this field through legislative and regulatory reform, research, and awareness-raising activities. Most importantly, the Steering Committee developed a Code of Corporate Governance, issued by the Ministry of Industry and Commerce, which will now form the definitive frame of reference for corporate governance in Bahrain. Members of the Committee are:

- Mr. Abdul Razak Al Qassim, Steering Committee Chair, CEO and Board Member, National Bank of Bahrain and Board Member, Batelco.
- Dr. Farid Al Mulla, CEO, Oasis Bank.
- Mr. Hameed Yousif Rahma, Asst Undersecretary for Domestic Trade, Ministry of Industry and Commerce, Board member GCC Accounting & Auditing Organization.
- Mr. Abbas A. Muhsin Al-Radhi, Chairman, Bahrain Accountants Association, Partner BDO Jawad Habib, Board member GCC Accounting & Auditing Organization.
- Mr. Ebrahim Zainal, Chairman, International Chamber of Commerce Bahrain and Vice Chairman, Bahrain Chamber of Commerce & Industry.

- Mr. Ahmed Noaimi, Former General Manager, Alba.
- Dr. Hassan Al Ali, Former Manager, Economics & Research Department, Bahrain Chamber of Commerce and Industry.
- Dr. Jasim Alajmi, Professor of Accounting and Finance, University of Bahrain, Deputy Chairman, Bahrain, Competitiveness Council and Board Member, Eskan Bank.
- Mr. Saleh Hussain, Former General Manager Ahli Saudi Bank, Vice Chairman, Bahrain Association of Banks and President of Saleh Hussain Consultancy.
- Mr. Yousif Hassan Yaqoob, Director of Retail Banking Supervision Directorate, Central Bank of Bahrain.
- Ms. Muna Ahmed Al-Mannai, Head of Issuance, Corporate Restructure and Investor Protection, Capital Markets Supervision, Directorate, Central Bank of Bahrain.
- KPMG Bahrain, KPMG Fakhro, a Bahrain partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative “KPMG International”, a Swiss entity.

Supporting Team: The Steering Committee would like to acknowledge the dedicated efforts of the following members of the supporting team for developing the Code, who will be assisting in the implementation of the Code: Bob Hughes – Advisor to the Ministry of Commerce & Industry, Khalid Hamad A. Rahman – Executive Director of Banking Supervision, Central Bank of Bahrain, Ali Makki - Director of Company Affairs, Ministry of Commerce & Industry (MOIC) and Hassan Al Ghannami - Chief Financial Control and Analysis at MOIC.

The U.S. Department of State, through the Middle East Partnership Initiative, has contributed to these efforts as well. MEPI has supported the Commercial Law Development Program (CLDP) at the U.S. Department of Commerce, and a non-governmental organization, the Center for International Private Enterprise (CIPE) to provide technical assistance over the past three years. CLDP and CIPE have played a key role in helping the Committee develop the

Code of corporate governance and prepare the private and public sector to implement the Code to improve corporate governance standards in the Kingdom of Bahrain.

The National Committee is particularly grateful to Hameed Rahma, Asst. Undersecretary for Domestic Trade and National Committee member for his initiative to develop unified corporate governance code for the Kingdom of Bahrain and his continuous dedication, effort and support to the National Committee and Thomas Jersild, Advisor to the US Department of Commerce Commercial Law Development Program (CLDP) and Senior Counsel to Mayer Brown LLP, who was instrumental in the drafting and revising of the Code. In addition, the Code was reviewed by many international bodies that volunteered their assistance to evaluate the Code and offer feedback to align the Code with international best practices. The Code was reviewed by the International Finance Corporation (IFC) and the Global Corporate Governance Forum (GCGF), in addition to internationally-recognized experts including Ken Rushton, partner at Nestor Investors, Chris Pierce, CEO of Global Governance Services and John Stout, CIPE Board Member and Vice Chair, American Bar Association, Committee on Corporate Governance.

To provide further information and ongoing updates about corporate governance in Bahrain, a website dedicated to this initiative has been created: <http://www.moic.gov.bh/Bahraincg>. This website provides international and Bahrain-specific resources, in addition to an electronic version of the Corporate Governance Code that can be downloaded by the public.

Purpose of this Code: The purpose of this Code is to establish best-practice corporate governance principles in Bahrain, and to provide protection for investors and other company stakeholders through compliance with those principles. International experience has proven that good corporate governance attracts investment, protects investors and other stakeholders, and enhances companies’ value.

The Code is being issued by the Ministry of Industry and Commerce following a deliberative process extending over more than a year. The process included a review of more than 25 national and company Codes from other countries, drafting by a steering committee whose members included officials of the Ministry, the Central Bank of Bahrain, Bahraini companies and representatives of the accounting and legal professions, and, following that, revision based on comments received from a number of Bahraini companies and international experts to whom it was circulated for their suggestions.

Whilst this Code follows best-practice, it is nevertheless considered as the minimum standard to be applied. Companies may adopt higher standards of corporate governance, and industry regulators, in particular the Central Bank of Bahrain (CBB) may issue additional directives or guidance as appropriate.

Companies to which this Code Applies: This Code is intended to apply to all operating Joint Stock companies, which are incorporated under the Bahrain Commercial Companies Law (the “Company Law”). In its initial form it will apply to public companies but it should be used as a model by all other companies to the extent that it applies to their circumstances. It is expected that the Ministry will issue revisions to apply the Code directly to other types of companies.

This Code and the Company Law: This Code supplements the Company Law. It does not replace the Company Law but is intended to further that Law’s objectives and to provide a help in understanding, complying with, monitoring performance under, and ensuring fair disclosure under that Law.

The Company Law already mandates many corporate governance best practices. Examples are found in the Law’s rules for board and shareholder meetings, its statement of directors’ and officers’ fiduciary duties, and its rules for company shares. This Code refers to many of those principles, but it does not repeat or incorporate

them all; that would not be practicable. Thus a company should be familiar with the both the Company Law and this Code.

This Code goes beyond the Company Law’s requirements on several points. Examples are this Code’s recommendations that the chairman of the board and the CEO should not be the same person, and that at least 50% of the board of directors should be non-executive directors. Those are not required by the law but they are strong recommendations which should be considered in evaluating the quality of a company’s corporate governance, and which a company *should* follow unless it has good reasons not to follow them *and* it discloses those reasons under the “comply or explain” principle.

Structure of the Code: The Code states nine fundamental principles of corporate governance, each of which is followed by one or more numbered directives for applying the Principle. *These Principles and directives are broad and they should be complied with by every company.*

The Code then adds recommendations under almost all of the directives. These recommendations are not required to be complied with by every company and may not be appropriate in some companies. *However, every company should either comply with those recommendations or explain why it does not because of its specific situation.* This is known as the “comply or explain” principle.

The Comply or Explain Principle: Principle 8 below calls for companies to adopt written corporate governance guidelines covering the matters stated in this Code, to report annually to their shareholders on their compliance with those guidelines, and to explain to the shareholders if it has varied them or believes that any noncompliance was justified. In any event, every company should be expected either to comply with this Code or explain its noncompliance.

The comply or explain approach has been adopted by many other countries and the flexibility it offers has been welcomed by both company boards and investors. It avoids imposing rigid rules which may not take account of a company's specific circumstances such as the size and nature of its business, its shareholding structure, activities, or its exposure to risks and management structure. This approach recognizes that it is not desirable, considering the great diversity of companies, to impose formal and identical rules of organization and operation for all companies.

Monitoring and Enforcement of this Code: Disclosure and transparency are underlying principles of this Code. Disclosure is crucial to allow outside monitoring to function effectively. However, one cannot rely on market monitoring alone to guarantee adequate compliance with the Code. Thus the Code looks to a combined monitoring system relying on the board, the company's shareholders and other bodies and mechanisms including those described below:

- The board. The company's board should support entrepreneurship but also ensure effective monitoring and control. Thus it is important that the board be composed of both executive and non-executive directors, including fully independent non-executive directors. It is the board's responsibility to see to the accuracy and completeness of the company's corporate governance guidelines and compliance with this Code.
- Shareholders. Given the reliance of this Code on a flexible "comply or explain" approach, shareholders, and in particular larger shareholders and institutional investors, should play an important role in evaluating a company's corporate governance and should give weight to all relevant factors that come to their attention. Shareholders should carefully consider explanations given for deviations from the Code and make reasoned judgments in each case. They should be prepared to enter into a dialogue with the board if they do not accept the company's position, bearing in

mind in particular the size and complexity of the company and the nature of the risks and challenges it faces.

- Ministry of Industry and Commerce (MOIC). The MOIC is the governmental body with responsibility for administering the Company Law and this Code as well as the closely-related Audit Law. The MOIC will actively exercise its monitoring and penalty powers under the Company Law and will work closely with the CBB and the BSE.
- Central Bank of Bahrain (CBB). As the body responsible for licensing and regulating the BSE and for supervision of financial institutions, the CBB will also have an important role in monitoring and enforcement of this Code. The CBB's Rulebook covering BSE-listed companies and financial institutions complements and incorporates provisions of this Code.
- Bahrain Stock Exchange (BSE). Through its authorities to impose listing and delisting standards, its investigation function, and its disciplinary board with specific penalty powers, the BSE will also contribute importantly to enforcement of this Code. Among other things, the BSE's listing rules will require compliance with this Code and/or such more stringent requirements as the BSE shall consider necessary from time to time.
- Bahrain Courts. Court litigation is often a last resort, but it is available and it can be effective in enforcing the Company Law or this Code. Litigation could take many forms including a lawsuit by shareholders against a company or its directors, a lawsuit by a company (or shareholders acting in its name under the Company Law) against one or more directors, or a lawsuit by the MOIC, the CBB, the BSE or other agencies to enforce orders. In any such case, the court should take account of how well the parties have complied with this Code.

- Professionals firms including auditors, lawyers and investment advisers. These firms with their expertise and ethical standards can contribute substantially through advice to individual clients and through development of guidelines through professional organizations.

Effective Date: This Code will be effective on January 1st, 2011. All companies to which this Code applies should be in full compliance by the end of 2011. At every company's annual shareholder meeting held after January 1st, 2011, corporate governance should be an item on the agenda for information and any questions from shareholders regarding the company's governance. Where possible, the company should also have corporate governance guidelines in place at that time and should have a "comply or explain" report as described in the Introduction to this Code.

CORPORATE GOVERNANCE PRINCIPLES

PRINCIPLE 1
THE COMPANY SHALL BE HEADED BY AN
EFFECTIVE, COLLEGIAL AND INFORMED BOARD

1.1 The Board's Role and Responsibilities. All directors should understand the board's role and responsibilities under the Company Law, in particular:

- the board's role as distinct from the role of the shareholders (who elect the board and whose interests the board serves) and the role of the officers (whom the board appoints and oversees), and
- the board's fiduciary duties of care and loyalty to the company and the shareholders (see Principle 2 below).

The board's role and responsibilities include but are not limited to the overall business performance and strategy for the company; causing financial statements to be prepared which accurately disclose the company's financial position; monitoring management performance; convening and preparing the agenda for shareholder meetings; monitoring conflicts of interest and preventing abusive related party transactions; and assuring equitable treatment of shareholders including minority shareholders.

The directors are responsible both individually and collectively for performing these responsibilities. Although the Board may delegate certain functions to committees or management, it may not delegate its ultimate responsibility to ensure that an adequate, effective, comprehensive and transparent corporate governance framework is in place.

Recommendation: When a new director is inducted, the chairman of the board, assisted by company legal counsel or compliance officer, should review the board's role and duties with that person, particularly covering legal and regulatory requirements and this Code.

Recommendation: The company should have a written appointment agreement with each director which recites the directors' powers and duties and other matters relating to his appointment including his term, the time commitment envisaged, the committee assignment if any, his remuneration and expense reimbursement entitlement, and his access to independent professional advice when that is needed.

Recommendation: The board should adopt a formal board charter or other statement specifying matters which are reserved to it, which should include but need not be limited to the specific requirements and responsibilities of directors.

1.2 The Board's Decision-Making Process. The board should be collegial and deliberative, to gain the benefit of each individual director's judgment and experience. The chairman should take an active lead in promoting mutual trust, open discussion, constructive dissent and support for decisions after they have been made. The board should meet frequently but in no event less than four times a year, all directors should attend the meetings whenever possible and the directors should maintain informal communication between meetings.

The chairman should ensure that all directors receive an agenda, minutes of prior meetings, and adequate background information in writing before each board meeting and when necessary between meetings. All directors should receive the same board information. At the same time, directors have a legal duty to inform themselves and they should ensure that they receive adequate and timely information and should study it carefully.

Recommendation: The board should have no more than 15 members, and should regularly review its size and composition to assure that it is small enough for efficient decision making yet large enough to have members who can contribute from different specialties and viewpoints. The board should recommend changes in board size to the shareholders when a needed

change requires amendment of the company's Memorandum of Association.

Recommendation: Potential non-executive directors should be made aware of their duties before their nomination, particularly as to the time commitment required. The Nominating Committee should regularly review the time commitment required from each non-executive director and should require each non-executive director to inform the Committee before he accepts any board appointments to another company. One person should not hold more than three directorships in public companies in Bahrain with the provision that no conflict of interest may exist, and the board should not propose the election or reelection of any director who does.

1.3 Directors' Independence of Judgment. Every director should bring independent judgment to bear in decision-making. No individual or group of directors should dominate the board's decision making and no one individual should have unfettered powers of decision. Executive directors should provide the board with all relevant business and financial information within their cognizance, and should recognize that their role as a director is different from their role as an officer. Non-executive directors should be fully independent of management and should constructively scrutinize and challenge management including the management performance of executive directors.

Recommendation: At least half of a company's board should be non-executive directors and at least three of those persons should be independent directors as determined under Appendix A. (Note the exception for controlled companies in 1.4 below.)

Recommendation: The chairman of the board should be an independent director and in any event should not be the same person as the CEO, so that there will be an appropriate balance of power and greater capacity of the board for independent decision making.

Recommendation: The board should review the independence of each director at least annually in light of interests disclosed by them and the criteria in Appendix A. Each independent director shall provide the board with all necessary and updated information for this purpose.

Recommendation: To facilitate free and open communication among independent directors, each board meeting should be preceded or followed with a session at which only independent directors are present, except as may otherwise be determined by the independent directors themselves.

1.4 The Board's Representation of all Shareholders. Each director should consider himself as representing all shareholders and should act accordingly. The board should avoid having representatives of specific groups or interests within its membership and should not allow itself to become a battleground of vested interests. If the company has a controlling shareholder (or a controlling group of shareholders acting in concert), the latter should recognize its or their specific responsibility to the other shareholders, which is direct and is separate from that of the board of directors. In companies with a controlling shareholder, at least one-third of the board should be independent directors. Minority shareholders should generally look to independent directors' diligent regard for their interests, in preference to seeking specific representation on the board.

Recommendation: In companies with a controlling shareholder, both controlling and non-controlling shareholders should be aware of controlling shareholders' specific responsibilities regarding their duty of loyalty to the company and conflicts of interest (see Principle 2 below) and also of rights that minority shareholders may have to elect specific directors under the Company Law or if the company has adopted cumulative voting for directors. The chairman of the board should take the lead in explaining this with the help of company lawyers.

1.5 Directors' Access to Independent Advice. The board shall ensure that individual directors have access to independent legal or other professional advice at the company's expense whenever they judge this necessary to discharge their responsibilities as directors and this should be in accordance with the company's policy approved by the board. Individual directors should also have access to the company secretary, who should have responsibility for reporting to the board on board procedures. Both the appointment and removal of the company secretary should be a matter for the board as a whole, not for the CEO or any other officer.

Recommendation: Whenever a director has serious concerns which cannot be resolved concerning the running of the company or a proposed action, he should consider seeking independent advice and should ensure that the concerns are recorded in the board minutes and that any dissent from a board action is noted or delivered in writing. Upon resignation, a non-executive director should provide a written statement to the chairman, for circulation to the board, if he has any such concerns.

1.6 Directors' Communication with Management. While management members are not entitled by right to attend board meetings, the board should encourage participation by management regarding matters the board is considering, and also by management members who by reason of responsibilities or succession, the CEO believes should have exposure to the directors.

Recommendation: Non-executive directors should have free access to the company's management beyond that provided in board meetings. Such access should be through the Chairman of the Audit Committee or CEO. The board should make this policy known to management to alleviate any management concerns about a director's authority in this regard.

1.7 Committees of the Board. The board should create specialized committees when and as such committees are needed. In addition

to the Audit, Remuneration and Nominating Committees described elsewhere in this Code, these may include an Executive Committee to review and make recommendations to the whole board on company actions, or a Risk Committee to identify and minimize specific risks of the company's business. The board or a committee may invite non-directors to participate in a committee's meetings so that the committee may gain the benefit of their advice and expertise in financial or other areas. Committees must act only within their mandates and therefore the board must not allow any committee to dominate or effectively replace the whole board in its decision-making responsibility. Committees could be combined provided that no conflict of interest might arise between the duties of such committees.

Recommendation: Every committee should have a formal written charter similar in form to the model charters which are set forth in Appendices B, C and D below for the Audit, Nominating and Remuneration Committees.

1.8 Evaluation of the Board and Each Committee. At least annually the board shall conduct an evaluation of its performance and the performance of each committee and each individual director. The MOIC may issue non-mandatory templates to assist with such evaluation. The evaluation process shall include:

- assessing how the board operates, especially in light of Principle 1 of this Code,
- evaluating the performance of each committee in light of its specific purposes and responsibilities, which shall include review of the self-evaluations undertaken by each committee,
- reviewing each director's work, his attendance at board and committee meetings, and his constructive involvement in discussions and decision making, and
- reviewing the board's current composition against its desired composition with a view toward maintaining an appropriate balance of skills and experience and a view toward planned and progressive refreshing of the board.

Recommendation: While the evaluation is a responsibility of the entire board, it should be organized and assisted by an internal board committee and, when appropriate, with the help of external experts.

Recommendation: The board should report to the shareholders, at each annual shareholder meeting, that evaluations have been done.

PRINCIPLE 2

THE DIRECTORS AND OFFICERS SHALL HAVE FULL LOYALTY TO THE COMPANY

2.1 Personal Accountability. Each director and officer should understand that under the Company Law he is personally accountable to the company and the shareholders if he violates his legal duty of loyalty to the company, and that he can be personally sued by the company or the shareholders for such violations.

The duty of loyalty includes a duty not to use property of the company for his personal needs as though it was his own property, not to disclose confidential information of the company or use it for his personal profit, not to take business opportunities of the company for himself, not to compete in business with the company, and to serve the company's interest in any transactions with the company in which he has a personal interest. He should be considered to have a "personal interest" in a transaction with the company if:

- he himself, or
- a member of his family (i.e. spouse, father, mother, sons, daughters, brothers or sisters), or
- another company of which he is a director or controlling shareholder,

is a party to the transaction or has a material financial interest in the transaction. (Transactions and interests which are de minimis in value should not be included.)

2.2 Avoidance of Conflicts of Interest. Each director and officer should make every practicable effort to arrange his personal and business affairs to avoid a conflict of interest with the company.

2.3 Disclosure of Conflicts of Interest. Each director and officer shall inform the entire board of conflicts of interest as they arise and abstain from voting on the matter in accordance with the

relevant provisions of the Company Law. This disclosure shall include all material facts in the case of a contract or transaction involving the director or officer. The directors and officers must understand that any approval of a conflict transaction is effective *only* if all material facts are known to the authorizing persons and the conflicted person did not participate in the decision.

Recommendation: The board should establish formal procedures for:

- periodic disclosure and updating of information by each director and officer on his actual and potential conflicts of interest, and
- advance approval by disinterested directors or shareholders of all transactions in which a company director or officer has a personal interest. The board should require such advance approval in every case.

2.4 Disclosure of Conflicts of Interest to Shareholders. The company shall disclose to its shareholders in the Annual Report any abstention from voting motivated by a conflict of interest and shall disclose to its shareholders any authorization of a conflict of interest contract or transaction in accordance with the Company Law.

PRINCIPLE 3
THE BOARD SHALL HAVE RIGOROUS CONTROLS
FOR FINANCIAL AUDIT AND REPORTING,
INTERNAL CONTROL, AND COMPLIANCE WITH LAW

3.1 Audit Committee. The board shall establish an audit committee of at least three members of which the majority should be independent including the Chairman. The committee shall:

- review the company’s accounting and financial practices,
- review the integrity of the company’s financial and internal controls and financial statements,
- review the company’s compliance with legal requirements, and
- recommend the appointment, compensation and oversight of the company’s outside auditor.
- Recommend the appointment of the internal auditor.

3.2 Audit Committee Charter. The audit committee shall adopt a written charter which shall, at a minimum, state the above purposes and the other matters in Appendix B.

Recommendation: A majority of the audit committee should have the financial literacy qualifications stated in Appendix B.

Recommendation: The board should adopt a “whistleblower” program under which employees can confidentially raise concerns about possible improprieties in financial or legal matters. Under the program concerns may be communicated directly to any audit committee member or, alternatively, to an identified officer or employee who will report directly to the Audit Committee on this point.

3.3 CEO and Chief Financial Officer Certification of Financial Statements. To encourage management accountability for the financial statements required by the directors, the company’s

CEO and chief financial officer shall state in writing to the audit committee and the board as a whole that the company’s interim and annual financial statements present a true and fair view, in all material respects, of the company’s financial condition and results of operations in accordance with applicable accounting standards.

PRINCIPLE 4

THE COMPANY SHALL HAVE RIGOROUS PROCEDURES FOR APPOINTMENT, TRAINING, AND EVALUATION OF THE BOARD

4.1 Nominating Committee. The board shall establish a Nominating Committee of at least three members which shall:

- identify persons qualified to become members of the board of directors or Chief Executive Officer, Chief Financial Officer, Corporate Secretary and any other officers of the company considered appropriate by the Board, with the exception of the appointment of the internal auditor which shall be the responsibility of the Audit Committee in accordance with Principle 3.1 above ,
- make recommendations to the whole board of directors including recommendations of candidates for board membership to be included by the board of directors on the agenda for the next annual shareholder meeting.

The committee should include only independent directors or, alternatively, only non-executive directors of whom a majority is independent directors and the chairman is an independent director. This is consistent with international best practice and it recognizes that the Nominating Committee must exercise judgment free from personal career conflicts of interest.

4.2 Nominating Committee Charter. The Nominating Committee shall adopt a formal written charter which shall, at a minimum, state the above purposes and the other matters in Appendix C.

4.3 Board Nominations to Shareholders. Each proposal by the board to the shareholders for election or reelection of a director shall be accompanied by a recommendation from the board, a summary of the advice of the Nominating Committee, and the following specific information:

- the term to be served, which may not exceed three years (but there need not be a limit on reelection 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 in Appendix A have been met,
- any other directorships held,
- particulars of other positions which involve significant time commitments, and
- details of relationships between:
 - o the candidate and the company, and
 - o the candidate and other directors of the company.

Recommendation: The chairman of the board should confirm to shareholders when proposing re-election of a director that, following a formal performance evaluation, the person's performance continues to be effective and continues to demonstrate commitment to the role. Any term beyond six years (e.g. two three-year terms) for a director should be subject to particularly rigorous review, and should take into account the need for progressive refreshing of the board. Serving more than six years is relevant to the determination of a non-executive director's independence, as stated in Appendix A.

4.5 Induction and Training of Directors. The chairman of the board shall ensure that each new director receives a formal and tailored induction to ensure his contribution to the board from the beginning of his term. The induction should include meetings with senior management, visits to company facilities, presentations regarding strategic plans, significant financial, accounting and risk management issues, compliance programs, its internal and independent auditors and legal counsel. All continuing directors should be invited to attend orientation meetings and all directors shall continually educate themselves as to the company's business and corporate governance.

Recommendation: Management, in consultation with the chairman of the board, should hold programs and presentations to directors respecting the company's business and industry, which may include periodic attendance at conferences and management meetings. The Nominating Committee shall oversee directors' corporate governance educational activities.

PRINCIPLE 5

THE COMPANY SHALL REMUNERATE DIRECTORS AND OFFICERS FAIRLY AND RESPONSIBLY

5.1 Remuneration Committee. The board shall establish a remuneration committee of at least three members which shall:

- review the company's remuneration policies for the board of directors and senior management, which should be approved by the shareholders and
- make recommendations regarding remuneration policies and amounts for specific persons to the whole board, taking account of total remuneration including salaries, fees, expenses and employee benefits.
- Remunerate board members based on their attendance and performance.

The committee may be merged with the nominating committee.

5.2 Remuneration Committee Charter. The committee shall adopt a written charter which shall, at a minimum, state the above purposes and other matters in Appendix D.

Recommendation: The committee should include only independent directors or, alternatively, only non-executive directors of whom a majority are independent directors and the chairman is an independent director. This is consistent with international best practice and it recognizes that the remuneration committee must exercise judgment free from personal career conflicts of interest.

5.3 Standard for All Remuneration. Remuneration of both directors and officers should be sufficient enough to attract, retain and motivate persons of the quality needed to run the company successfully, but the company should avoid paying more than is necessary for that purpose.

5.4 Non-Executive Directors' Remuneration. Remuneration of non-executive directors shall not include performance-related elements such as grants of shares, share options or other deferred stock-related incentive schemes, bonuses, or pension benefits.

5.5 Officers' Remuneration. Remuneration of officers should be structured so that a portion of the total is linked to company and individual performance and aligns their interests with the interests of the shareholders. Such rewards may include grants of shares, share options and other deferred stock-related incentive schemes, bonuses, and pension benefits which are not based on salary. If an officer is also a director, his remuneration as an officer should take into account compensation received in his capacity as a director. All share incentive plans should be approved by the shareholders.

Recommendation: All performance-based incentives should be awarded under written objective performance standards which have been approved by the board and are designed to enhance shareholder and company value, and under which shares should not vest and options should not be exercisable within less than two years of the date of award of the incentive.

Recommendation: All plans for performance-based incentives should be approved by the shareholders, but the approval should be only of the plan itself and not of the grant to specific individuals of benefits under the plan.

PRINCIPLE 6

THE BOARD SHALL ESTABLISH A CLEAR AND EFFICIENT MANAGEMENT STRUCTURE

6.1 Establishment of Management Structure. The board shall appoint officers whose authority shall include management and operation of current activities of the company, reporting to and under the direction of the board. The officers shall include at a minimum:

- a CEO (see “Terms Used in This Code” at the end of this Code),
- a chief financial officer,
- a corporate secretary,
- an internal auditor,

and shall also include such other officers as the board considers appropriate.

6.2 Titles, Authorities, Duties and Reporting Responsibilities. The board shall adopt by-laws prescribing each senior officer's title, authorities, duties and internal reporting responsibilities. This should be done with the advice of the Nominating Committee and in consultation with the CEO, to whom the other officers should normally report. These provisions shall include but should not be limited to the following:

- the CEO shall have authority to act generally in the company's name, representing the company's interests in concluding transactions on the company's behalf and giving instructions to other officers and company employees,
- the chief financial officer shall be responsible and accountable for the complete, timely, reliable and accurate preparation of the company's financial statements, in accordance with the accounting standards and policies of the company; and for presenting the board with a balanced

and understandable assessment of the company's financial situation, and

- the corporate secretary's duties shall include arranging, recording and following up on the actions, decisions and meetings of the Board and of the shareholders (both at annual and extraordinary meetings) in books to be kept for that purpose,
- The internal auditor's duties shall include providing an independent and objective review of the efficiency of the company's operations. This would include a review of the accuracy and reliability of the company's accounting records and financial reports as well as a review of the adequacy and effectiveness of the company's risk management, control, and governance processes.

Recommendation: The board should also specify any limits which it wishes to set on the authority of the CEO or other officers, such as monetary maximums for transactions which they may authorize without separate board approval.

Recommendation: The corporate secretary should be given general responsibility for reviewing the company's procedures and advising the board directly on such matters. Whenever practical, the corporate secretary should be a person with legal or similar professional experience and training.

Recommendation: At least annually the board shall review and concur in a succession plan addressing the policies and principles for selecting a successor to the CEO, both in emergencies and in the normal course of business. The succession plan should include an assessment of the experience, performance, skills and planned career paths for possible successors to the CEO.

PRINCIPLE 7

THE COMPANY SHALL COMMUNICATE WITH SHAREHOLDERS, ENCOURAGE THEIR PARTICIPATION, AND RESPECT THEIR RIGHTS

7.1 Conduct of Shareholders' Meetings. The board shall observe both the letter and the intent of the Company Law's requirements for shareholder meetings. Among other things:

- notices of meetings must be honest, accurate and not misleading. They should clearly state and, where necessary, explain the nature of the business of the meeting,
- meetings should be held during normal business hours and at a place convenient for the greatest number of shareholders to attend,
- notices of meetings should encourage shareholders to participate by proxy and should refer to procedures for appointing a proxy and for directing the proxy how to vote on a particular resolution. The proxy agreement shall list the agenda items and shall specify the vote (such as "yes," "no" or "abstain),
- notices should ensure that all material information and documentation is provided to shareholders on each agenda item for any shareholder meeting, including but not limited to any recommendations or dissents of directors,
- the board should propose a separate resolution at any meeting on each substantially separate issue, so that unrelated issues are not "bundled" together,
- in meetings where directors are to be elected or removed the board should ensure that each person is voted on separately, so that the shareholders can evaluate each person individually,
- the chairman of the meeting should encourage questions from shareholders, including questions regarding the company's corporate governance guidelines,
- the minutes of the meeting must be made available to

shareholders upon their request as soon as possible but not later than 30 days after the meeting, and

- disclosure of all material facts must be made to the shareholders by the Chairman prior to any vote by the shareholders.

Recommendation: The company should require all directors to attend and be available to answer questions from shareholders at any shareholder meeting and, in particular, ensure that the chairs of the audit, remuneration and nominating committees are ready to answer appropriate questions regarding matters within their committee's responsibility (it being understood that confidential and proprietary business information may be kept confidential).

Recommendation: The company should require its outside auditor to attend the annual shareholders' meeting and be available to answer shareholders' questions concerning the conduct and conclusions of the audit.

Recommendation: A company should maintain a company website. The company should dedicate a specific section of its website to describing shareholders' rights to participate and vote at each shareholders' meeting, and should post significant documents relating to meetings including the full text of notices and minutes. The company may also consider establishing an electronic means for shareholders' communications including appointment of proxies. For confidential information, the company should grant a controlled access to such information to its shareholders.

Recommendation: In notices of meetings at which directors are to be elected or removed the company should ensure that:

- where the number of candidates exceeds the number of available seats, the notice of the meeting should explain the voting method by which the successful candidates

will be selected and the method to be used for counting of votes, and

- the notice of the meeting should fairly represent the views of candidates.

7.2 Direct Shareholder Communication. The chairman of the board (and other directors as appropriate) shall maintain continuing personal contact with major shareholders to solicit their views and understand their concerns. The chairman should ensure that the views of shareholders are communicated to the board as a whole. The chairman should discuss governance and strategy with major shareholders. Given the importance of market monitoring to enforce the "comply or explain" approach of this Code, the board should encourage investors, particularly institutional investors, to help in evaluating the company's corporate governance.

7.3 Controlling Shareholders. In companies with one or more controlling shareholders, the chairman and other directors shall actively encourage the controlling shareholders to make a considered use of their position and to fully respect the rights of minority shareholders.

PRINCIPLE 8
THE COMPANY SHALL DISCLOSE ITS
CORPORATE GOVERNANCE

8.1 Disclosure under the Company Law. In each company:

- the board shall adopt written corporate governance guidelines covering the matters stated in this Code and other corporate governance matters deemed appropriate by the board. Such guidelines shall include or refer to the principles and numbered directives of this Code,
- the company shall publish the guidelines on its website, if it has a website,
- at each annual shareholders' meeting the board shall report on the company's compliance with its guidelines and this Code, and explain the extent if any to which it has varied them or believes that any variance or noncompliance was justified, and
- at each annual shareholders' meeting the board shall also report on further items listed in Appendix E. Such information should be maintained on the company's website or held at the company's premises on behalf of the shareholders
- the MOIC may issue a template as a guide for a company's annual meeting corporate governance discussion.

Recommendation: The board shall establish a corporate governance committee of at least three independent members which shall be responsible for developing and recommending changes from time to time in the company's corporate governance policy framework.

PRINCIPLE 9:
COMPANIES WHICH REFER TO THEMSELVES AS
"ISLAMIC" MUST FOLLOW THE PRINCIPLES OF
ISLAMIC SHARI'A

9.1 Companies which are guided by the principles of Islamic Shari'a have additional responsibilities to their stakeholders. Companies which refer to themselves as "Islamic" will be subject to additional governance requirements and disclosures to provide assurance to stakeholders that they are following Shari'a Principles. In ensuring compliance with Shari'a principles, each company should establish a Shari'a Supervisory Board consisting of at least three Shari'a scholars.

Recommendation: In addition to its duties outlined in Principle 3 and Appendix B, the Audit Committee shall communicate and co-ordinate with the Company's Corporate Governance Committee and the Shari'a Supervisory Board ("SSB") (where applicable) to ensure that information on compliance with Islamic Shari'a rules and principles is reported in a timely manner.

Recommendation: The Board shall set up a Corporate Governance Committee (see also Principle 8). In this case the Committee shall comprise at least three members to co-ordinate and integrate the implementation of the governance policy framework. This Corporate Governance Committee shall comprise at a minimum of:

- i. an independent director to chair the Corporate Governance Committee. The Chairman of the Corporate Governance Committee should not only possess the relevant skills, such as the ability to read and understand financial statements, but should also be able to coordinate and link the complementary roles and functions of the Corporate Governance Committee and the Audit Committee;

- ii. a Shari'a scholar who is an SSB member for the purpose of leading the Corporate Governance Committee on Shari'a-related governance issues (if any), and also to coordinate and link the complementary roles and functions of the Corporate Governance Committee and the SSB; and
- iii. an independent director who can offer different skills to the committee, such as legal expertise and business proficiency, which are considered particularly relevant by the BOD for cultivating a good corporate governance culture, and deemed "fit and proper" by the concerned supervisory authorities, where applicable.

Recommendation: The Corporate Governance Committee shall be empowered to:

- i. Oversee and monitor the implementation of the governance policy framework by working together with the management, the Audit Committee and the SSB; and
- ii. Provide the BOD with reports and recommendations based on its findings in the exercise of its functions.

APPENDICES

APPENDIX A INDEPENDENT DIRECTOR

Determination by the Board. Under this Code an “independent director” is a director whom the board has specifically determined has no material relationship which could affect his independence of judgment, taking into account all known facts. The board should consider that, although a particular director meets the formal requirements, he may not be independent owing to specific circumstances of the person or the company, ownership structure of the company, or for any other reason. The board’s determination should be a good faith finding after diligent review and full discussion.

Formal Requirements. “Independent director” means a director of the company who, or whose family shareholders either separately or together with him or each other, does not have any material pecuniary relationships or transactions with the company (not counting director’s remuneration for this purpose) and in particular who, during the one year preceding the time in question met all the following conditions:

- (i) was not an employee of the company,
- (ii) did not:
 - a) make to, or receive from, the company payments of more than 31,000 BD or equivalent (not counting director’s remuneration),
 - b) own more than a 10% share or other ownership interest, directly or indirectly, in an entity that made to or received from the company payments of more than such amount,
 - c) act as a general partner, manager, director or officer of a partnership or company that made to or received from the company payments of more than such amount,
 - d) have any significant contractual or business relationship with the company which could be seen to materially

- interfere with the person's capacity to act in an independent manner,
- (iii) did not own directly or indirectly (including for this purpose ownership by any family member or related person) 5% or more of the shares of any type or class of the company,
 - (iv) was not engaged directly or indirectly as an auditor or professional advisor for the company, and
 - (v) was not an associate of a Director or a member of senior management of the company.

APPENDIX B AUDIT COMMITTEE

Committee Purposes

The Committee's purposes shall include those stated in Section 3.1 of the Corporate Governance Code.

Committee Membership and Qualifications

The Committee shall have at least three members. Such members must have no conflict of interest with any other duties they have for the company.

A majority of the members of the committee including the Chairman shall be independent directors under the criteria stated in Appendix A to the Corporate Governance Code and non-executives if the board chooses to appoint non-board members (experts) in the committee.

The board must satisfy itself that at least a majority of the committee has recent and relevant financial ability and experience, which includes:

- an ability to read and understand corporate financial statements including a company's balance sheet, income statement and cash flow statement and changes in shareholders' equity,
- an understanding of the accounting principles which are applicable to the company's financial statements,
- experience in evaluating financial statements that have a level of accounting complexity comparable to that which can be expected in the company's business,
- an understanding of internal controls and procedures for financial reporting, and

- an understanding of the audit committee’s functions and importance.

Committee Duties and Responsibilities

In serving those purposes the Committee shall:

- be responsible for the selection, appointment, remuneration, oversight and termination where appropriate of the outside auditor, subject to ratification by the company’s board and shareholders. The outside auditor shall report directly to the committee,
- make a determination at least once each year of the outside auditor’s independence, including:
 - determining whether its performance of any non-audit services compromised its independence (the committee may establish a formal policy specifying the types of non-audit services which are permissible), and
 - obtaining from the outside auditor a written report listing any relationships between the outside auditor and the company or with any other person or entity that may compromise the auditor’s independence,
- review and discuss with the outside auditor the scope and results of its audit, any difficulties the auditor encountered including any restrictions on its access to requested information and any disagreements or difficulties encountered with management,
- review and discuss with management and the outside auditor each annual and each quarterly financial statements of the company including judgments made in connection with the financial statements,
- review and discuss and make recommendations regarding the selection, appointment and termination where appropriate of the head of internal audit and the budget allocated to the internal audit and compliance function, and monitor the responsiveness of management to the committee’s recommendations and findings,

- review and discuss the adequacy of the company’s internal auditing personnel and procedures and its internal controls and compliance procedures, and any risk management systems, and any changes in those,
- oversee the company’s compliance with legal and regulatory requirements, and
- review and discuss arrangements under which company employees can confidentially raise concerns about possible improprieties in financial reporting or other matters, and ensure that arrangements are in place for independent investigation and follow-up regarding such matters.

Committee Structure and Operations

The committee shall elect one member as its chair.

The committee shall meet at least four times a year. Its meetings may be scheduled in conjunction with regularly-scheduled meetings of the entire board.

The committee may meet without any other director or any officer of the company present. Only the committee may decide if a non-member of the committee should attend for a particular meeting or a particular agenda item. It is expected that the outside auditor’s lead representative will be invited to attend regularly but this shall always be subject to the committee’s decision.

The committee shall report regularly to the full board on its activities.

Committee Resources and Authority

The committee shall have the resources and authority necessary for its duties and responsibilities, including the authority to select, retain, terminate and approve the fees of outside legal, accounting or other advisors as it deems necessary or appropriate, without seeking the approval of the board or management. The company

shall provide appropriate funding for the compensation of any such persons.

Committee Performance Evaluation

The committee shall prepare and review with the board an annual performance evaluation of the committee, which shall compare the committee's performance with the above requirements and shall recommend to the board any improvements deemed necessary or desirable to the committee's charter. The report may be in the form of an oral report made at any regularly scheduled board meeting.

APPENDIX C NOMINATING COMMITTEE

Committee Purposes

The committee's purposes shall include those stated in Section 4.1 of this Code.

Committee Duties and Responsibilities

In serving those purposes with respect to board membership:

- the committee shall make recommendations to the board from time to time as to changes the committee believes to be desirable to the size of the board or any committee of the board,
- whenever a vacancy arises (including a vacancy resulting from an increase in board size), the committee shall recommend to the board a person to fill the vacancy either through appointment by the board or through shareholder election,
- in performing the above responsibilities, the committee shall consider any criteria approved by the board and such other factors as it deems appropriate. These may include judgment, specific skills, experience with other comparable businesses, the relation of a candidate's experience with that of other board members, and other factors,
- the committee shall also consider all candidates for board membership recommended by the shareholders and any candidates proposed by management,
- the committee shall identify board members qualified to fill vacancies on any committee of the board and recommend to the board that such person appoint the identified person(s) to such committee, and
- assuring that plans are in place for orderly succession of senior management.

In serving those purposes with respect to officers the committee shall:

- make recommendations to the board from time to time as to changes the committee believes to be desirable in the structure and job descriptions of the officers including the CEO, and prepare terms of reference for each vacancy stating the job responsibilities, qualifications needed and other relevant matters,
- recommend persons to fill specific officer vacancies including CEO considering criteria such as those referred to above,
- design a plan for succession and replacement of officers including replacement in the event of an emergency or other unforeseeable vacancy, and
- If charged with responsibility with respect to company's corporate governance guidelines, the committee shall develop and recommend to the board corporate governance guidelines, and review those guidelines at least once a year.

Committee Structure and Operations

The committee shall elect one member as its chair.

The committee shall meet at least twice a year. Its meetings may be scheduled in conjunction with regularly-scheduled meetings of the entire board.

Committee Resources and Authority

The committee shall have the resources and authority necessary for its duties and responsibilities, including the authority to select, retain, terminate and approve the fees of outside legal, consulting or search firms used to identify candidates, without seeking the approval of the board or management. The company shall provide appropriate funding for the compensation of any such persons.

Performance Evaluation

The committee shall preview and review with the board an annual performance evaluation of the committee, which shall compare the committee's performance with the above requirements and shall recommend to the board any improvements deemed necessary or desirable to the committee's charter. The report may be in the form of an oral report made at any regularly scheduled board meeting.

APPENDIX D REMUNERATION COMMITTEE

Committee Purposes

The committee's purposes shall include those stated in Section 5.1 of the Corporate Governance Code.

Committee Duties and Responsibilities

In serving those purposes the committee shall consider, and make specific recommendations to the board on, both remuneration policy and individual remuneration packages for the CEO and other senior officers. This remuneration policy should cover at least:

- The following components:
 - o salary,
 - o the specific terms of performance-related plans including any stock compensation, stock options, or other deferred-benefit compensation,
 - o pension plans,
 - o fringe benefits such as non-salary perquisites, and
 - o termination policies including any severance payment policies; and
- Policy guidelines to be used for determining remuneration in individual cases, including on:
 - o the relative importance of each component,
 - o specific criteria to be used in evaluating an officer's performance.

The committee shall evaluate the CEO's performance in light of corporate goals and objectives and may consider the company's performance and shareholder return relative to comparable companies, the value of awards to CEOs at comparable companies, and awards to the CEO in past years.

The committee should also be responsible for retaining and overseeing outside consultants or firms for the purpose of determining director or officer remuneration, administering remuneration plans, or related matters.

Committee Structure and Operations

The committee shall elect one member as its chair.

The committee shall meet at least twice a year. Its meetings may be scheduled in conjunction with regularly-scheduled meetings of the entire board.

Committee Resources and Authority

The committee shall have the resources and authority necessary for its duties and responsibilities, including the authority to select, retain, terminate and approve the fees of outside legal, consulting or compensation firms used to evaluate the compensation of directors, the CEO or other officers, without seeking the approval of the board or management. The company shall provide appropriate funding for the compensation of any such persons.

Performance Evaluation

The committee shall preview and review with the board an annual performance evaluation of the committee, which shall compare the committee's performance with the above requirements and shall recommend to the board any improvements deemed necessary or desirable to the committee's charter. The report may be in the form of an oral report made at any regularly scheduled board meeting.

APPENDIX E

CORPORATE GOVERNANCE DISCLOSURE

The company shall disclose the following items, in addition to any disclosures required by applicable industry regulatory bodies:

Ownership of Shares

1. Distribution of ownership by nationality
2. Distribution of ownership by size of shareholder
3. Ownership by Government
4. Names of shareholders owning 5% or more and, if they act in concert, a description of the voting, shareholders' or other agreements among them relating to acting in concert, and of any other direct and indirect relationships among them or with the company or other shareholders

Board, Board Members and Management

1. Board's functions – rather than a general statement (which could be disclosed simply as the board's legal obligations under the law) the 'mandate' of the board should be set out
2. The types of material transactions that require board approval
3. Names, their capacity of representation and detailed information about the directors, including directorships of other boards, positions, qualifications and experience (should describe each director as executive or non-executive)
4. Number and names of independent members
5. Board terms and the start date of each term
6. What the board does to induct/educate/orient new directors
7. Director's ownership of shares
8. Election system of directors and any termination arrangements
9. Director's trading of company shares during the year

10. Meeting dates (number of meetings during the year)
11. Attendance of directors at each meeting
12. Remuneration of individual members, divided into sitting fees and other remuneration (split between performance and non-performance based). Also not only the remuneration, but the remuneration policy
13. List of senior managers and profile of each
14. Shareholding by senior managers
15. Remuneration paid to each person in the executive management divided in each case into salaries, perquisites, bonuses, gratuities, pensions and any other components
16. Details of stock options and performance-linked incentives available to executives
17. Whether the board has adopted a written Code of ethical business conduct, and if so the text of that Code and a statement of how the board monitors compliance

Committees

1. Names of the board committees
2. Functions of each committee
3. Members of each committee divided into independent and non-independent
4. Minimum number of meetings per year
5. Actual number of meetings
6. Attendance of committees' members
7. Members' remuneration (by member)
8. Work of committees and any significant issues arising during the period

Corporate Governance

1. Separate section in the Annual Report
2. Reference to Corporate Governance Code (CGC) and its principles
3. Changes on the CGC took place during the year

Auditors

1. The charters and a list of members of the Audit (external and internal; financial and non-financial), Nominating and Remuneration Committees of the board.
2. Audit fees
3. Non-Audit services provided by the external and fees
4. Reasons for any switching of auditors and reappointing of auditors

Other

1. 1.Related party transactions
2. Approval process for related party transactions
3. Means of communication with shareholders and investors
4. Separate report on Management Discussion and Analysis is included in the Annual Report – in particular, this should identify and comment on the management of principal risks and uncertainties faced by the business.
5. Review of internal control processes and procedures
6. Announcements of the results in the press should include at least the followings:
 - a. Balance sheet, income statement, cash flow statement, statement of comprehensive income and changes in shareholders' equity
 - b. Auditor
 - c. Auditor's signature date
 - d. Board approval date

Set out directors responsibility with regard to the preparation of financial statements

Conflict of Interest – any issues arising must be reported, in addition describe any steps the board takes to ensure directors exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer has a material interest.

Board of Directors – whether or not the board, its committees and individual directors are regularly assessed with respect to their effectiveness and contribution.

TERMS USED IN THIS CODE

In this Code the following terms have the following meanings:

Remuneration means all types of compensation including but not limited to salary, fee and non-cash benefits such as grants of stock, stock options or pension benefits.

Executive director means a director who is an officer or employee, or is otherwise involved in day-to-day management, of either:

- the company,
- another company which is a controlling shareholder of the company,
- another company of which the company is a controlling shareholder,
- another company which is controlled by a controlling shareholder of the company.

Non-executive director means any director who is not an executive director.

Independent director means a non-executive director who is independent as stated in Appendix A.

CEO means a company's chief executive officer. The board shall determine that person's actual title, which may be "CEO," "Chief Executive Officer," "President," "Managing Director," or another title.

Controlling shareholder means any shareholder who holds 10% or more of the share capital or is able to exercise (or control the exercise of) 10% or more of the voting power in the company