

Alba Corporate Governance Guidelines

Corporate Governance is the system by which companies are directed and controlled. At Alba, we are committed to sound corporate governance principles. Our Corporate Governance Framework has been designed to comply with the Commercial Companies Law of the Kingdom of Bahrain (the 'Companies Law'), as well as with international best practices and with the Corporate Governance Code of the Kingdom of Bahrain (the Code). Alba will comply with all of the Principles of the Code (as set out below), as well as the associated directives.

- ▶ The Company shall be headed by an effective, collegial and informed Board
- ▶ The directors and officers shall have full loyalty to the Company
- ▶ Board shall have rigorous controls for financial audit and reporting, internal control, and compliance with law
- ▶ The Company shall have rigorous procedures for appointment, training and evaluation of the Board
- ▶ The Company shall remunerate directors fairly and responsibly
- ▶ The board shall establish a clear and efficient management structure
- ▶ Company shall communicate with shareholders, encourage their participation, and respect their rights
- ▶ The Company shall disclose its corporate governance

Alba also seeks to comply with the additional recommendations, disclosing instances where these are not applicable or practical.

Alba's Board of Directors maintains effective oversight of the Company by regularly monitoring key business activities and providing directives to Management both directly as a Board and also through 3 Board sub-committees: the Board Audit Committee, the Board Nomination & Remuneration Committee, and the Board Executive Committee. The Board and its committees each have a Charter. The purposes, authorities, duties and membership of the Board of Directors and its sub-committees are summarised below:

The Board of Directors (the Board)

Purpose, Authority and Duties

The powers of the Board are those set out in various sections of the Company's Memorandum & Articles of Association (the 'Articles'), those set out in the Code, and those matters reserved to the Board in the 'Levels of Authority' document approved by the Board from time to time. Key authorities are summarized below:

- ▶ Exercise all powers and perform all acts necessary for the management of the Company in conformity with its objectives, within the bounds of the Law, the Articles, and resolutions of the General Meetings.
- ▶ Establish key company policies, appoint or remove key members of Management, determine their duties and set their remuneration (including incentive programmes).
- ▶ Purchase, sell and mortgage assets, withdraw funds and securities owned by the Company, apply for finance, issue debentures, securities, give guarantees to third parties, give authorization to institute actions and defend the interests of the Company before the judiciary, enter into agreements for conciliation and arbitration, waive the Company's priority rights, and decide on the use of company funds.
- ▶ Form Executive, Audit and other Committees, appoint their members and specify their powers.

Membership and Meetings

These are described in detail in the Articles, which provides for the Board to have 10 members. Board members are appointed during Shareholders Meetings, according to rights granted to Shareholders in the Articles. Director terms may not exceed three years. Any re-appointment beyond 2 consecutive terms is to be subject to a rigorous review to ensure that independence and rejuvenation is maintained.

Meetings of the Board take place at least quarterly, or more frequently, as necessary. As per the Bahrain Commercial Companies Law and the Company's Articles, decisions of the Board are made by an affirmative vote of a simple majority of its members present at a meeting.

Members of the Board are required to fulfill their duty of loyalty set out in the Companies Law, and avoid conflicts of interest as required in the Code. They are prohibited from participating in any business operation or activity, in which they have a conflict of interest with the company that has not been declared to and unanimously approved by the Board, and approved by the general Assembly, and they may not participate in deliberations or voting on such matters.

The Board Audit Committee (BAC)

Purpose, Authority and Duties

The BAC assists the Board in fulfilling its oversight responsibility with respect to:

- ▶ The integrity of the Company's financial statements and financial reporting process and the Company's systems of internal accounting and financial controls;
- ▶ The annual independent audit of the Company's financial statements, and the engagement and evaluation of the external auditors;
- ▶ The appointment of an internal auditor and the review of the internal audit function;
- ▶ Compliance by the Company with legal, regulatory and disclosure requirements

- ▶ Compliance with the Company's Corporate Governance processes.

The Committee is authorised by the Board to:

- ▶ Establish procedures for dealing with stake-holders' concerns regarding accounting, internal controls or auditing matters;
- ▶ Have unrestricted access to relevant management, employees, and information;
- ▶ Engage independent counsel and other advisors as needed to carry out its duties;
- ▶ Be directly responsible for the appointment, dismissal and compensation of the Head of Internal Audit
- ▶ Recommend the selection and compensation of the external auditors for appointment and approval at the shareholders' meeting;
- ▶ Resolve any disagreement between management and the independent auditors regarding financial reporting;
- ▶ Establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal controls or auditing matters;
- ▶ Investigate any activities within its terms of reference;

The BAC has further specific duties regarding the Company's legal compliance, fraud and ethical programs and investigations, and risk management processes.

Membership and Meetings

- ▶ Members are appointed by the Board. The Committee consists of not less than three and not more than six members.
- ▶ The majority of the Committee must be non-executive directors of the Company.
- ▶ The Committee must have sufficient technical expertise to enable it to perform its functions effectively. All members of the Committee must be financially literate.
- ▶ There must be at least one qualified and appropriately experienced accountant.
- ▶ The Chairman of the Board cannot be a member of the Committee.
- ▶ Appointments to the Committee is for a period of up to three years, which may be extended for two further three year periods.
- ▶ The Board appoints the Committee Chairman.

The Committee meets at least four times a year, or more frequently if required.

Board Nomination & Remuneration Committee (NRC)

Purpose, Authority and Duties

The purpose of the NRC is as follows:

- ▶ Identify persons qualified to become members of the Board, Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, , Chief Marketing Officer, Corporate Secretary and any other officers of the Company designated by the Board, with the exception of the appointment of the Chief Internal Auditor which shall be the responsibility of the Board Audit Committee.
- ▶ Make recommendations to the whole of the Board regarding nominations, including candidates for Board membership for recommendation to the annual shareholder's meeting.
- ▶ Review the company's remuneration policies for the Board and senior management, for approval by the shareholders.
- ▶ Make recommendations to the Board regarding remuneration policies and amounts for specific persons, taking account of total remuneration including salaries, fees, expenses and employee benefits.
- ▶ Remunerate Board members based on their attendance and performance.
- ▶ Make recommendations to the Board on strategies and policies relating to Human Resources.
- ▶ Address employee-related issues as advised to the Committee by management.

Membership and Meetings

NRC members are appointed by the Board and may be removed by the Board at any time. The NRC consists of the Chairman of the Board, and two further members of the Board.

The Committee shall include only independent directors, or, alternatively, only non-executive directors, of whom the majority are independent directors and the chairman shall be an independent director.

A quorum will require the attendance of all three members of the committee and the voting on all decisions shall be based on simple majority

Code of Conduct, Levels of Authority and Corporate policies

A solid system of Corporate Governance requires a foundation of shared ethical values. At Alba, our ethical values are enshrined in our Code of Conduct, which sets out the expectations for Directors, Management, employees, and our partners, to act with honesty, integrity, fairness and respect.

A 'Levels of Authority' document sets out the overarching principles for delegation in Alba, and defines the limits of authority for activities and transactions within the Company.

Policies, supported by standard operating procedures and guidelines, and aligned with the Code of Conduct and with the Levels of Authority, provide more detailed expectations on behaviours, activities and processes for specific areas.