



جلف بايوتك
GULF BIOTECH

GULF BIOTECH B.S.C (CLOSED)

Summary of Corporate Governance Guidelines

Gulf biotech adopts the Corporate Governance Code of the Kingdom of Bahrain and BOD approved guidelines which provides guidance to companies on the best ways to manage, lead, organise and monitor their businesses through a series of transparent, clearly defined policies and procedures, Governance aims to establish a system that governs and controls the companies' businesses and practices in order to create efficient institutions which contribute to building a strong, transparent and competitive national economy for the purpose of reducing any adverse effects on the national economy, acting parties and local community due to not committing to the best practices in managing joint stock companies.

Board of Directors

The directors shall be responsible, both individually and collectively, before the shareholders for achieving the company's objectives and purposes. They shall be primarily concerned with the interests of the company, which shall take precedence over any other interests, including the interests of the shareholders represented by them. The Board shall represent all shareholders, and shall perform the duty of devotion and loyalty in managing of the company and everything that would safeguard and promote the interests of the company and maximize its value. The BOD shall conduct an evaluation of its performance and the performance of all committees and directors at least once a year.

Board Meetings

The BOD shall convene their meetings on a periodic and regular basis, but in no event less than four (4) meetings in the financial year. The BOD shall take its decisions and recommendations by a majority of the directors present. In the event of a tie, the Chairman shall cast the deciding vote. The Board may hold its meetings or committee meetings by telephone or visual communications or accept any Director's remote participation in the deliberation of its meetings, subject to the provisions of applicable laws.

Board Committees

The Board of Directors shall form specialized committees based on the company's need to enable it to perform its duties effectively. The formation of committees is in accordance with general procedures set by the Board that include defining the duty of each committee, the duration of their work, the powers granted to them and the manner the Board of Directors shall supervise them. The committee must inform the Board of Directors of its findings or decisions taken in a transparent manner, and the board must regularly follow up on the work of these committees to verify that they are performing the duties entrusted to them.

There are four committees at gulf biotech, the nomination and remuneration committees are merged , each with its own charter and comprising three members appointed by the Board and one of them serves as the Committee Chairman.

1. The Nomination and Remuneration Committee

- 1.1 The committee shall identify and recommend to the Board the directors qualified to fill the vacancies on any Board committee in accordance with the approved standards.

- 1.2 The committee shall also consider the suitability of all candidates for directorship recommended by the shareholders and any candidates proposed by the management.
- 1.3 The committee supervises the board to preform its duties and responsibilities correctly and effectively.
- 1.4 Ensure to provide the appropriate attention and effective responses to the shareholders' concerns regarding the corporate governance
- 1.5 Perform other duties and responsibilities stipulated in the nomination committee regulations.
- 1.6 The committee shall evaluate the HR strategies and rewards.
- 1.7 The committee shall consider and make specific recommendations to the Board on both the remuneration policy and the remuneration package for the chief executive officer and other senior officers
- 1.8 the committee shall determine the board of directors' members remunerations.
- 1.9 the committee reviews the process of preparing leaders for the senior management positions to ensure the quality and quality of rewards programs and other incentives
- 1.10 conduct annual evaluations
- 1.11 the remuneration committee also fulfil other responsibilities stipulated in the remuneration committee regulations

2. The Audit Committee

- 2.1 Review the company's accounting and financial practices ,credibility of the company's financial control, internal control and financial statements.
- 2.2 Review the company's compliance with legal requirements.
- 2.3 Recommend the appointment of an external auditor, determine the audit fees and compensations and oversee the auditor's work.
- 2.4 To maintain the company's business practices and ethical standards . the audit committee also fulfil other responsibilities stipulated in the audit committee regulations.
- 2.5 Audit committee shall have the Internal Audit assurance that effective and efficient internal control and risk management arrangements are in place to identify and manage business risks across the Company.

3. The Corporate Governance Committee

Assisting the board in shaping and following up on the corporate governance policies and practices and assessing its compliance with the laws and regulations.

Role of the Chairman of the Board

The chairman is responsible for ensuring that there are communication channels with the shareholders and communicating their opinions to the board , to lead the board and for its overall effectiveness, Ensures the establishment of mechanisms for evaluating the Board ,board members , committees and the executive management, as well as other responsibilities stipulated on the approved Statement of Duties and Responsibilities of the Chairman.

Role of the Chief Executive

The Chief Executive is appointed by the Board, has authority to act generally in the company's name, representing the company's interests in concluding transactions on the company's behalf and is responsible for leadership of the business and managing it within the authorities delegated by the Board.

Role of the Board Secretary

The Board Secretary is responsible for providing meeting members with information and minutes , Coordinating the BOD's meetings, records, books and documents.

Role of the Corporate Governance Officer (“CGO”)

Is responsible to carry out the tasks of verifying the Company's compliance with corporate governance rules, laws, regulations and resolutions issued to implement them.

Avoidance of Conflicts of Interest

1. The directors, key shareholders, senior executives and other employees of the company shall avoid cases that lead to conflicts of interest with the company and deal with such cases in accordance with the provisions of the Commercial Companies Law and the Code.
2. The BOD's internal regulations shall state that any director or member of the executive management who enters into a transaction involving a conflict of interest shall need the approval of the BOD.
3. the directors shall be requested to make an annual declaration confirming the absence of any conflict of interest.

Dealing with Related Parties

The company shall pursue the maximum transparency and clarity with regard to dealing with related parties. The related-party transactions are intended to transfer resources, services or obligations between the company and its related parties, whether or not for consideration.

Professional Conduct

The board shall define clearly the unethical practices which mean a situation where a board member , employee , executive management intentionally commits acts, practices or undertaking relevant activities that may lead to a potential harm to the company or may put him/her in a position to benefit from or obtain a personal interest or neglect the interest of the company because of his/her personal interest .