United Insurance Company

Corporate Governance Guidelines

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Introduction

United Insurance Company B.S.C. (Closed) - hereinafter referred as “Company”- is firmly committed to the belief of sound corporate governance and considers development of a conductive corporate culture as a vital input to its corporate performance. The company believes that good corporate governance structure encourages value creation and provides accountability and controlling systems commensurate with the risks involved.

This Corporate governance framework document provides broad level overview of the adequacy, efficiency and effectiveness of internal controls within the company. They also reflect the ways in which the affairs of the company are handled by the Board of Directors and its officers, taking into account all stakeholders with relevant interest in the company’s affairs.

These guidelines are compliant with Central Bank of Bahrain (CBB), Rule book Volume 3: Insurance; High level controls (“HC”) Module related to Corporate Governance as well Ministry of Commerce’s Corporate Governance Code issued in 2010.

Principles of Corporate Governance

As per the Central Bank of Bahrain (CBB), Rule book Volume 3: Insurance, High level controls (HC) Module related to Corporate Governance and the corporate governance code for Kingdom of Bahrain as issued by Ministry of Industry and Commerce (MOIC) in 2010 , there are the 8 fundamental principles of corporate governance which covers all aspects of the company's operations:

Principle 1: The Company shall be headed by an effective, collegial and informed Board.

Principle 2: The Directors and officers shall have full loyalty to the company.

Principle 3: The Board shall have rigorous controls for financial audit, internal control and compliance with law.

Principle 4: The Company shall have rigorous procedures for appointment, training and evaluation of Board members.

Principle 5: The Company shall remunerate the Directors and officers fairly and responsibly.

Principle 6: The Board shall establish a clear and efficient management structure.

Principle 7: The Board shall communicate with the shareholders and encourage their participation.

Principle 8: The Company shall disclose its corporate governance structure.

These principles and the related roles and responsibilities related to the implementation of these principles in United Insurance Company are explained in details below:

Principle 1: The Company shall be headed by an effective, collegial and informed Board.

1.1. The Board's Role and Responsibilities

- All Directors at the company understand the Board's role and responsibilities under the Commercial Companies Law and any other laws or regulations that may govern their responsibilities from time to time with special focus on:

  a) 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).
  b) The Board's fiduciary duties of care and loyalty to the company and the Shareholders.

- The Company Board's roles and responsibilities include but are not limited to:

  a) Approving and reviewing at least annually the overall business performance and strategy for the company;
  b) Reviewing regularly the implementation of the strategy and operational performance;
  c) Causing financial statements to be prepared which accurately disclose the company's financial position;
  d) Monitoring management performance;
  e) Reviewing regularly the level of risk;
  f) Approving and reviewing at least annually systems and controls framework (including policies and procedures);
  g) Convening and preparing the agenda for shareholder meetings;
  h) Monitoring conflicts of interest and preventing abusive related party transactions;
  i) Assuring equitable treatment of shareholders including minority shareholders; and
  j) Setting out clearly and reviewing on a regular basis who has authority to enter the company into contractual obligations.

- The Board directors are aware of their responsibility both individually and collectively for performing the assigned responsibilities and have sufficient expertise as a Board to understand the operations and controls of the company.

- The board is also aware of their ultimate responsibility to ensure that an adequate, effective, comprehensive and transparent corporate governance framework is in place.

- In the scenario of a new director being inducted into the board, the chairman of the board, assisted by company legal counsel or compliance officer, reviews the Board's role and duties with that person, particularly covering legal and regulatory requirements and Module.

- To make the new Directors aware of their responsibilities and other obligations, United Insurance will issue written appointment agreement for each director which recites all matters related to obligation and responsibilities attached with the position.

- The written appointment letter for the director includes amongst others:
  a) Directors power and duties;
  b) Term of appointment;
  c) Time commitment envisaged;
  d) Assignment to any board committee (if any);
  e) Remuneration and expenses reimbursement entitlement;
  f) Access to independent professional advice when needed;
  g) Mechanism to contact executive management of the company.

- The United Insurance Board has adopted a formal Board Charter that includes:
  a) Clear demarcation of roles and responsibility between Board and Executive Management;
  b) Schedule of matters reserved for Board;
  c) Management of conflict of interests;
  d) Specific requirements and responsibilities of Directors.

- As part of regular assessment of its strategic plans, the company board regularly reviews the company's position in the market place, its size, products, value and other key aspirations that would be considered important by investors. In addition the Board proactively identifies risks to its operations and discusses mitigation plans. These discussions form an integral part of the annual financial statement of the company.

- The Company also has in place a formal and transparent Board nomination process along with process of appointing senior managers to ensure that they have the necessary integrity, technical and managerial competence, and experience to manage the operations of the company.

- The board is conscious of its responsibility of overseeing succession planning, and minimizing undue reliance on key individuals which it compliments with regular review of key senior management and Board remuneration packages and ensuring such packages are consistent with the corporate values and strategy of the Company and encourage prudent risk taking.

- The Board regularly monitors and evaluate management's performance in implementing agreed strategy and business plans.

- The board ensures that management has appropriate resources through approved budgets and reviews management performance against those budgets.

- The board ensures that the company's operations are measured, monitored and controlled by appropriate, effective and prudent risk management systems commensurate with the scope of the company's business activities. The board also ensures that the company's operations are supported by an appropriate control environment. The risk management and financial reporting functions must be independent of business lines and are run by individuals who are not involved with the day-to-day running of the business areas.

- The Board will make effective use of the work of internal and external auditors.

1.2. The Board's Composition

In order to have compliant board composition, United Insurance would have following directives:

- The Memorandum and Articles of Association of the company clearly set out procedures for the appointment, removal and retirement of Directors.
- The non-executive directors will constitute half of the board and Board chairman will always be a non-executive director.
- The company board will not have more than 15 members out of which at least half will be non-executive directors including the board Chairman.
- Regular reviews are conducted by the board with respect to 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 will recommend changes in Board size to the shareholders when a needed change requires amendment of the company's Memorandum of Association.
- Non Executive directors are made aware of their duties and time commitment required for board responsibilities before their nomination. The time commitment required from each of the non-executive Director is reviewed by the board's Nomination and Remuneration committee.
- The board will periodically assess its composition and size and, where appropriate, reconstitute itself and its committees by selecting new Directors to replace long-standing members or those whose contributions to the company or its committees is not adequate.

1.3. The Board's Decision Making Process

- The company board's is collegial and deliberative, to gain the benefit of each individual director's judgment and experience. The board chairman takes an active lead in promoting mutual trust, open discussion, constructive dissent and support for decisions after they have been made.

- The board meets at least 4 times in a year and all Individual board members are required to attend at least 75% of all board meetings in a given financial year to enable the board to discharge its responsibilities effectively. In case of any director who fail to attend at least three-quarter of all board meeting in a year without valid reason; the board expects the director to step down from the board.

- The absence of Board members at Board and committee meetings is noted in the meeting minutes. In addition, Board attendance percentages are regularly reported during general assembly meeting when Board members stand for re-election.

- In the event that a Board member has not attended at least 75% of Board meetings in any given financial year, the company immediately notifies the CBB indicating which member has failed to satisfy this requirement, his level of attendance and any mitigating circumstances affecting his non-attendance.

- Company would be considering amending its Articles of Association to provide for telephonic and videoconference meetings which is also regarded as attendance and may be recorded as such.

- Company's board meeting will normally be held in Bahrain and the board will ensure that at least half of the board meetings are held in Kingdom of Bahrain.

- The chairman to ensure that all directors receive an agenda, minutes of prior meetings and adequate background information in writing before each Board meeting.

- All meeting discussions and points proposed are recorded meticulously in the minutes of meeting and are distributed among the directors by Board Secretary.

1.4. Director' independence of Judgment

Towards these aims the Board at United Insurance will:

- The company boards will strive to include at least two independent non-executive members.

- Every director at the board brings his independent judgment to bear in decision-making. No individual or group of directors dominates the board's decision making and no one individual has unfettered powers of decision.

- Executive directors provide the board with all relevant business and financial information within their cognizance, and recognize that their role as a director is different from their role as an officer.

- Non-executive directors are fully independent of management and constructively scrutinize and challenge management including the management performance of executive directors.

- The company will work towards having a board composed of non-executive Director's to the amount of the half of the company's Board and at least 3 of those persons to be "independent director".

- Ensure that the Chairman of the Board is an independent director and separate than CEO so that there will be an appropriate balance of power and greater capacity of the board for independent decision-making.

- Conduct board review of Director's independence annually in light of interests disclosed.

- The company will strive that each board meeting is preceded or followed with a session of only independent Directors.

1.5. The Board's Representation of all Shareholders

- Each director considers himself as representing all shareholders and acts accordingly. However to provide adequate representation to the views of minority shareholders the company board will try to ensure that the 1/3 of the directors are independent directors.

1.6. Director's Access to Independent Advise

- The Board ensures 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.

- Individual directors have access to the company's board secretary. Both the appointment and removal of the board secretary must be a matter for the board as a whole, not for the CEO or any other officer.

- In case of a director having any concerns which cannot be resolved concerning the running of the company or a proposed action, they are encouraged to seek independent advice. Their concerns are recorded in the Board minutes and any dissent from a Board action is noted.

- Upon resignation, a non-executive director provides a written statement to the chairman, for circulation to the Board.

1.7. Director’ communication with Management

- The board encourages the participation by executive management regarding matters the board is considering, and also by management members who by reason of responsibilities or succession should have exposure to the directors.

- Non Executive Directors will have free access to the company’s management to ensure effective communication.

1.8. Committees of the Board

- To assist the Board of directors in effectively discharging their responsibility United Insurance will have following board committees:
  a) Nomination and Remuneration Committee;
  b) Audit Committee;
  c) Investment Committee; and
  d) Executive Management Committee

- The board is responsible for developing and recommending changes from time to time in the insurance licensee's corporate governance policy framework.

- The board or a committee may invite non-directors to participate in, but not vote at committee meetings so that the committee may gain the benefit of their advice and expertise in financial or other areas.

- All the Board Committees have:
  a) Written terms of reference, which are reviewed annually;
  b) Adequate records of their meetings, such that key decisions and how they are arrived at can be traced; and
  c) Appropriate membership, which addresses potential conflicts of interest.

- The board is aware of its responsibility of decision making so it does not allow any committee to dominate or effectively replace in its decision-making responsibility.

1.9. Evaluation of the Board and Each Committees

- Annually the board conducts an evaluation of its performance and the performance of each committee and each individual director.
- The evaluation process includes among other:
  a) Assessing the board operations;

  b) Evaluating the performance of each committee in light of its specific purposes and responsibilities including self evaluations undertaken by each committee;

  c) Reviewing each director's work, his attendance at Board and committee meetings, and his constructive involvement in discussions and decision-making; and

  d) 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.

- The Board will report to the shareholders at each annual shareholder meeting the results of the evaluation.

1.10. Annual Board Review and Certification

- The Board assesses and document each year the result of its internal corporate governance processes and its achievement against objectives, and consequently whether the Board has fulfilled its responsibilities for directing and monitoring the overall conduct of the company.

- The results of the review is summarized in a written certification, signed by all Board members, and sent to the CBB within 3 months of the financial year-end. The Board also reports any material deficiencies identified during the review, along with an action plan and timescales for their correction.

- The Board certification comprises a prescribed standard statement (Annexure xxx), signed by all Board members, attached to the summary of the steps the Board has taken in carrying out the review; a summary of the results of that review, and a summary action plan (with timescales) for addressing any identified material deficiencies.

- The Board's review should cover the following specific matters:
  a) That the Board has reassessed company's objectives and plans, and has reviewed the company's corporate strategy document;

  b) That the Board has reassessed the company's overall risk profile and it's mapping of risks and the control environment put in place to meet those risks. The Board must comment on the effectiveness and appropriateness of the control environment;

c) That the Board has assessed the company's internal controls, to confirm that these are based on established policies and procedures approved by the Board and provide reasonable assurance of the integrity and reliability of its financial records;

d) That the Board has assessed whether adherence to established internal limits and controls was continuously monitored;

e) That the Board has assessed that all new (or material changes to) significant policies, procedures and products introduced by the company since the last Board certification were appropriately reviewed and approved at the time;

f) That the Board has assessed that management and staff have complied with the company's corporate code of conduct and

g) That in the period under review, the Board had received and reviewed the external auditor's management letter within six months of the financial year end, together with the company's audit committee and senior management comments on the letter and any proposed actions.

Principle 2: The directors and officers shall have full loyalty to the Company

2.1 Personal Accountability

- The Board members will act with honesty, integrity, due skill and care, and in the best interests of the company, its shareholders and policyholders

- The Article of Association of the company in conjunction of Board charter stipulates the accountability/liability of the Director and the officer of the company under the company law and all the approved persons are aware of the personal liability of being sued by the company or the shareholder for any violation.

- The Board has established and disseminated to all employees and appointed representatives of company a corporate code of conduct.

- This code of conduct establishes the standards by giving examples or expectations of:
    a) Honesty;
    b) Integrity;
    c) Leadership;
    d) Reliability; and
    e) Professionalism.

- The Board has established and disseminated to employees and appointed representatives policies and processes for the identification, reporting and prevention or management of potential conflicts of interest, including matters such as:

    a) Related party transactions;
    b) The misuse of the company's assets; and
    c) The use of privileged information for personal advantage ("insider trading").

- The Board must ensure that policies and procedures are in place to ensure that necessary customer confidentiality is maintained.

- The duty of loyalty for all approved persons includes a duty:
    a) Not to use property of the company for his personal needs as though it was his own property;
    b) Not to disclose confidential information of the company or use it for his personal profit;
    c) Not to take business opportunities of the company for himself;
    d) Not to compete in business with the company; and
    e) To serve the company's interest in any transactions with a company in which he has a personal interest, such as in related party transactions.

- An approved person will be considered to have a "personal interest" in a transaction with a company if:
    a) He himself; or
    b) A member of his family (i.e. spouse, father, mother, sons, daughters, brothers or sisters); or
    c) Another company of which he is a director or controller,

  is a party to the transaction or has a material financial interest in the transaction.

2.2. Avoidance of Conflicts of Interests

- Each approved person in the company makes every practicable effort to arrange his personal and business affairs to avoid a conflict of interest with the company.

- All the board members absent themselves from any discussions or decision-making that involves a subject where they are incapable of providing objective advice or which involves a subject or (proposed) transaction where a conflict of interest exists.

2.3. Disclosure of Conflicts of Interest

- On an annual basis, each approved person informs 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. These disclosures include all material facts in the case of a contract or transaction involving the approved person. The approved person understands that any approval of a conflicted transaction is effective only if all material facts are known to the authorizing persons and the conflicted person did not participate in the decision.

- The Board has established formal procedures for:
  a) Periodic disclosure and updating of information by each approved person on his actual and potential conflicts of interest; and
  b) Advance approval by directors or shareholders who do not have an interest in the transactions in which a company's approved person 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 discloses to its shareholders in the Annual Report any abstention from voting motivated by a conflict of interest and discloses 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 control for financial audit and reporting, internal control and compliance with law.

3.1 Audit Committee

- United Insurance Board has an audit committee which is nominated by Shareholders including the Chairman. The committee is responsible among others:
  a) Review the company's accounting and financial practices;
  b) Review the integrity of the company's financial and internal controls and financial statements;
  c) Review the company's compliance with legal requirements;
  d) Recommend the appointment, compensation and oversight of the company's outside auditor; and
  e) Approve the appointment of the internal auditor

3.2 Audit Committee Charter

- The Audit committee has written committee charter which has been accepted by the Board and details the role and responsibilities of the Audit Committee.
- All the members of the committee are financial literate and have necessary background to effectively discharge their responsibilities.

3.3 CEO and Chief Financial Officer Certification of Financial Statements

- To encourage management accountability; 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 procedure for appointment, training and evaluation of the board.

4.1 Nominating Committee

- The Board will have an Nominating & Remuneration Committee of at least three directors which does:

a) Identify persons qualified to become members of the Board of directors or Chief Executive Officer, Chief Financial Officer, Board Secretary and any other approved persons 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.

b) 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.

- The committee will include only independent directors or, alternatively, only non-executive directors of whom a majority is independent directors and the chairman is an independent director.

4.2 Nominating Committee Charter

- The Nomination and Remuneration committee will have a written committee charter which will be accepted by the company board and details the role and responsibilities of the Committee.

4.3 Board Nomination 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 Nomination and Remuneration committee, and the following specific information:

a) The term to be served, which may not exceed three years ;

b) Biographical details and professional qualifications;

c) In the case of an independent director, a statement that the board has determined that the criteria of determining independence have been met;

d) Any other directorships held;

e) Particulars of other positions which involve significant time commitments; and

f) Details of relationships between:

i. the candidate and the company, and

ii. The candidate and other directors of the company.

4.4 Induction and Training of Directors

- The chairman of the Board will ensure that every new director appointed receives formal and tailored director's induction to ensure his contribution from the start of the term.
- The induction will 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 will be invited to attend orientation meetings and all directors are expected to continually educate themselves as to the company's business and corporate governance.
- Regular programs and presentation will be held for directors on detailing the issues related to the company's lines of businesses and specific industry sectors.

Principle 5: The Company shall remunerate directors and officers fairly and responsibly.

5.1 Nomination & Remuneration Committee

- The Board will have a Nomination & Remuneration Committee of three directors which:
  a) Reviews the company's remuneration policies for the board of directors and senior management, which should be approved by the shareholders;

  b) 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;

  c) Remunerate board members based on their attendance and performance.

5.2 Remunerating Committee Charter

- The Nomination & Remuneration Committee will have a written committee charter which will be accepted by the company board and details the role and responsibilities of the Committee.

- The committee will consist of more than 3 members and comprises entirely of independent directors or non-executive directors of whom a majority are independent directors.

5.3 Standard for all Remuneration

- The committee will have a formalized policy for remuneration of the board and employees with an aim to attract retain and motivate persons of quality needed to run the company successfully.

- Additionally short term focus on profitability measures will be avoided for the purpose of linkage of rewards for corporate and individual performance.

5.4 Directors Remuneration

- The review of Director's remuneration is a standing item on the company's Annual General Meeting agenda, and is considered by shareholders at every Annual General Meeting. Policies in respect of Director's remuneration (including pension and severance arrangements) and bonuses are clearly disclosed in the annual financial statements.
- Director's remuneration complies with all applicable laws and Regulations, including the provisions contained in Legislative Decree No. 21 of 2001, with respect to promulgating the Commercial Companies Law, capping Director's remuneration as a percentage of net profits.
- As per company policy the remuneration of non-executive directors does not include any performance-related elements such as grants of shares, share options or other deferred stock-related incentive schemes, bonuses, or pension benefits.

5.5 Senior Management Remuneration

- Remuneration of senior management is structured so that a portion of the total is linked to the company's and individual's performance and aligns their interests with the interests of the shareholders.

- All share incentive plans must be approved by the shareholders.

- As per company policy a portion of Officer Remuneration is linked to company and individual performance. However all performance based incentives are awarded under written performance standards approved by the board.

Principle 6: The Board shall establish a clear and efficient management structure

6.1. Establishment of Management structure

- The Board must approve and review at least annually the company's management structure and responsibilities. (
- The Board has appointed senior management whose authority include management and operation of current activities of the company, reporting to and under the direction of the Board. The senior management include:

  a) CEO;
  b) Chief financial officer;
  c) Board secretary;
  d) Internal auditor (Outsourced) ;
  e) Compliance officer

6.2. Titles, Authorities Establishment of Management structure

- The company has detailed job descriptions related to officials which contain details of their title, authority, duties and internal reporting responsibilities.

- The company has a comprehensive "Delegation of Authority" matrix which details out the level of authority.

- The company CEO has the 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 senior managers and company employees.

- The Chief Executive Officer in conjunction with the board is also to maintain a clear mapping of the risks faced by the business and document the organizational and other controls maintained to meet those risks.

- The company Chief Financial Officer (CFO) is responsible and accountable for:

  a) 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
  b) Presenting the Board with a balanced and understandable assessment of the company's financial situation;

- The company board secretary's duties 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 and general responsibility for reviewing the company's procedures and advising the Board directly on such matters.

- The company internal auditor's duties 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.

- The Company also has a formalized succession planning process for its key personnel including CEO. This process is subjected to an annual review by board of directors.

6.3. Executive Management Committee

- The Chief Executive Officer/General Manager are supported by Executive Management Committee to facilitate proper corporate governance by ensuring that senior management discuss key issues affecting the company openly and collectively.

- The Executive Management Committee comprises of the General Manager and Head of risk management, the Chief Finance Officer, the Manager of underwriting & Claims and other key business divisions.

- The Committee's responsibilities include the oversight of day-to-day implementation of strategy, limits and procedures. It also monitors the day-to-day performance of individual business lines and departments relative to targets, limits, and policies (in conjunction with other committees and functions, such as the Risk Committee or the Risk Management or Compliance functions).

- The Board is responsible for ensuring that there is a clear framework of delegated authorities and a clear demarcation of duties between the Board, the Executive Management Committee, the Chief Executive Officer and other members of senior management.

6.4. Internal Audit

- Company has outsourced its internal Audit and the function is independent of the senior management, reporting directly to the Audit committee.

- The outsourced Internal audit team has clear terms of reference that indicate:
  a) The scope and frequency of audits;
  b) Reporting lines; and
  c) The review and approval process applied to audits.

- Internal audit reports directly to the Audit committee. They have unrestricted access to all the appropriate records of the company. They have an open and regular access to the Audit Committee, the Board, the Chief Executive, and the company's external auditor.

- The internal audit works on a formal audit plan that:
  a) Is reviewed and approved annually by the Audit Committee;
  b) Is risk-based, with an appropriate scoring system; and
  c) Covers all material areas of a company's operations over a reasonable timescale, including (where relevant) the process by which the Company obtains professional actuarial expertise to develop and verify its pricing and reserving policies.

- Internal Audit reports are:
  a) Clear and prioritized, with action points directed towards identified individuals;
  b) Timely; and
  c) Distributed to the Audit Committee or Board and appropriate senior management.

- The company has a processes in place to deal with recommendations raised by internal audit to ensure that they are:
  a) Dealt with in a timely fashion;
  b) Monitored until they are settled; and
  c) Raised with senior management if they have not been adequately dealt with.

6.5. Compliance

- The company has a compliance function which has:
  a) Documented organization and responsibilities;
  b) competent individuals as staff;
  c) Unrestricted access to the company's relevant records; and
  d) Ultimate recourse to the Board.

Principle 7: The Company shall communicate with shareholders, encourage their participation and respect their rights.

7.1. Conduct of shareholder's meeting

- The Board observes the letter and the intent of the Company Law's requirements for shareholder meetings. Among other things:
    a) Notices of meetings explain the nature of the business of the meeting;
    b) Meetings are held during normal business hours and at a place convenient for the greatest number of shareholders to attend;
    c) Notices of meetings encourages shareholders to attend shareholder meetings and in case of non attendance in person suggest shareholders to participate by proxy
    d) The procedures for appointing a proxy and for directing the proxy how to vote on a particular resolution is clearly explained.
    e) Notices contain all material information and documentation for the shareholders on each agenda item for any shareholder meeting, including but not limited to any recommendations or dissents of directors;
    f) The Board proposes a separate resolution at any meeting on each substantially separate issue, so that unrelated issues are not "bundled" together;
    g) In meetings where directors are to be elected or removed the Board ensures that each person is voted on separately, so that the shareholders can evaluate each person individually;
    h) The chairman of the meeting encourages questions from shareholders, including questions regarding the company's corporate governance guidelines;
    i) The minutes of the meeting are made available to shareholders upon their request as soon as possible but not later than 30 days after the meeting; and
    j) Disclosure of all material facts is made to the shareholders by the Chairman prior to any vote by the shareholders.

- The company board observes all regulatory requirements as per the company law with regards to conducting shareholder's meeting.

- All directors and chairs of the committees are expected to attend the shareholder meetings to answer any shareholder queries.

- External Auditors appointed by the company are also present at the shareholder's meeting to answer any shareholder queries and present the auditor's report.

- In notices of meetings at which directors are to be elected or removed the company ensures that it explains the voting method by which the successful candidates will be selected and the method to be used for counting of votes.

7.2. Direct shareholder communication

- The Chairman of the board is entrusted with the responsibility of ensuring continual communication between shareholder and board.

- The Chairman is also responsible for continuing personal contact with major shareholders to solicit their views and concerns and to discuss company’s governance and strategy.

Principle 8: The Company shall disclose its Corporate Governance.

8.1 Disclosure under the company law

- The Board oversees the process of disclosure, including corporate governance, to all stakeholders. The Board ensures that the company's communications are fair, transparent, comprehensive and timely.

- The Board has adopted the written corporate governance guidelines covering the matters stated in Module HC and other corporate governance matters deemed appropriate by the Board.

- At each annual shareholder's meeting the Board reports on the company's compliance with its guidelines and Module HC, and explain the extent if any to which it has varied them or believes that any variance or noncompliance was justified.

- At each annual shareholder's meeting the Board also reports on further items listed in Appendix B. Such information is maintained is held at the company's premises on behalf of the shareholders.

- The annual report contains the criteria and materiality thresholds for the definition of "independence". The directors are identified in the annual report as executive, non-executive, or independent non-executive.