

**The Chairman of Authority's Board of Directors' Resolution No. (7 R.M)
of 2016 Concerning the Standards of Institutional Discipline and
Governance of Public Shareholding Companies**

The Chairman of the Board of Directors of the Securities & Commodities Authority

Having considered the Federal Law No. (10) of 1980 concerning the Central Bank, the monetary system, and organization of banking, as amended,

And the Civil Transactions Law issued by Federal Law No. (5) of 1985,

Federal Law No. (4) of 2000 concerning the Emirates Securities & Commodities Authority and Market, as amended,

Federal Law No. (12) of 2014 concerning Auditing Profession on,

Federal Law No. (2) of 2015 concerning Commercial Companies commercial companies,

And the Federal Decree No. (65) of 2014 concerning the formation of the Council of Ministers of the United Arab Emirates, as amended,

And the Council of Ministers Resolution No. (12) of 2000 concerning the Regulations as to the Listing of Securities and Commodities, as amended,

The Council of Ministers Resolution No. (13) of 2000 as to the Functioning of the Securities and Commodities Authority, as amended,

The Cabinet Resolution No. (324/11 and / 23 M) of 2014 concerning the Restructuring of the Board of Directors of the Securities and Commodities Authority,

The Authority's Board of Directors Decision No. (3) of 2000 Concerning the Regulations as to disclosure and transparency,

The Authority's Board of Directors Decision No. (7/R) of 2002 concerning the Listing of Foreign Companies,

The Chairman of The Authority's Board of Directors Decision No (43/R) Of 2008 Concerning Dual Listing,

The Authority's Board of Directors' Decision No. (25) of 2015 concerning the Registration of Auditors of Public Shareholding Companies and Mutual Funds,

the approval of the Board of Directors,
and according to the public interest,
has decided the following:

Article (1)
Definitions

In applying the provisions of this resolution, the following words and expressions shall have the meanings set forth opposite each of them, unless the context of the provision otherwise requires:

State	United Arab Emirates
Corporate Law	Federal Law No. (2) of 2015 concerning Commercial Companies.
Law	Federal Law No. (4) of 2000 concerning the Emirates Securities & Commodities Authority and Market, as amended.
Government	Federal government or one of the governments of the member Emirates of the Union, and any body, authority, council, institution, or government entity or company, wholly-owned, directly or indirectly, by any of them.
Authority	The Securities and Commodities Authority.
Market	Securities Market licensed in the State by the Authority.
Company	The public shareholding company listed in the Market.
Board of Directors	Board of Directors of the Company
Senior Executive Management	The executive management of the company, including: The Director General, the Executive Director, Chief Executive Officer, and the Managing Director delegated by the Board of Directors to manage the Company, and their deputies.
Company's Manager	General Manager, Executive Director, Chief Executive Officer of the Company appointed by the Board of Directors.
Member of the Board of Directors	A natural person or a representative of a legal person, who is a member of the Board of Directors.
Material Information	An event, fact, decision, or a piece of information that may directly or indirectly affect the security's price or trading volume or has an impact on a person's decision to buy, hold, sell, or dispose of the said securities.
Stakeholders	Any person who has an interest with the Company, such as the shareholders, employees, creditors, suppliers, and potential investors.
The Parent Company	A legal person who owns enough shares to make decisions in the general assemblies of another company.
Subsidiary Company	The company, owned by another company by more than

	50% of its capital, or is under full control of that company regarding the appointment of the Board of Directors.
Sister Company	A company that belongs to the same group to whom another company belongs.
Affiliate Company	The company owned by another company by more than 25% and less than 50% of its capital.
Cumulative Voting	Where each shareholder has a number of votes equal to the number of shares owned by him so that he may vote for one candidate for the membership of the Board of Directors or divide the same among the selected candidates, provided that the number of votes he gives to the candidates he chooses shall not exceed the number of votes in his possession.
Related Parties	Chairman and members of the Board of Directors of the company, members of the senior executive management of the company, employees of the company, and companies in which any of these including at hold 30% or more of its capital, as well as subsidiaries or sister companies or affiliate companies.
Transactions	Dealings, contracts, or agreements entered into by the public shareholding company listed in the Market, and which do not fall within the main activity of the company or that includes preferential conditions which the company does not usually grant to parties dealing with it clients, or any other transactions specified by the Authority from time to time by resolutions, instructions, or circulars it issues.
Executive Member of the Board of Directors	The member who is employed by the Company, or who receives a monthly or annual salary from the Company
Non- Executive Member of the Board of Directors	The member who is not employed by the company, or who does not receive a monthly or annual salary from the company; the remuneration received for being a Member of the Board of Directors shall not be considered as a salary.
Independent Member of the Board of Directors	A member who has no relationship with the Company, any of its Senior Executive Management persons, auditor, parent company, subsidiaries, sister company, or affiliate company that could lead to financial or moral benefit which may affect his decisions . Independence of the Board of Directors member shall especially be deemed non-existent in the cases included in this Resolution.
Relatives	Father, mother, brother, sister, children, spouse, father-in-law, mother-in-law, and children of the spouse.
Compliance Officer	The person who is appointed by the company to ensure its compliance as well as the compliance of its staff with the provisions of the law, and the regulations and decisions

	issued pursuant thereto, as well as to the company's internal policies and procedures.
Corporate Governance	A set of rules and controls that ensures institutional discipline in relationships and management in the company in accordance with international standards and methods through identifying the responsibilities and duties of the members of the Board of Directors and the senior executive management of the company, taking into account the protection of the rights of shareholders and stakeholders.
Listing Rules	Listing rules and requirements specified by the law, regulations, and resolutions issued pursuant thereto, as well as the internal regulations of the Market.
Disclosure rules	The rules and requirements of disclosure specified by the law, regulations, and resolutions issued pursuant thereto, as well as the internal regulations of the Market.
Compensation	The amounts received by employees or workers of the company or its Board of Directors from the company, such as salaries, bonuses, attendance allowance, transportation allowance, and any other allowances or benefits under any other label.

Article (2)

Scope of Resolution Application and Effect

Taking into account the provisions of the Companies Law and the Federal Law No. (10/1992) concerning Evidence in Civil and Commercial Transactions, and Federal Law No. (11/1992) on Civil Procedures, this resolution shall apply as follows:

- A. The provisions of Chapters I and III of this resolution "**Institutional Discipline Standards**" and "**General Provisions**" shall apply to all local public shareholding companies listed in the Market, the chairmen and members of their Boards of Directors, managers, and auditors to whom the provisions of the Companies Law apply.
- B. The provisions of Part II of this resolution "**Corporate Governance**" apply to local public companies listed in the Market, the chairmen and members of their Boards of Directors, managers, and auditors except banks, finance companies, financial investment companies, money changers, and monetary intermediaries who are subject to the supervision of the Central Bank.
- C. The provisions of this resolution do not apply to foreign companies listed in the Market.

Chapter 1

Institutional Discipline Standards

Article (3)

The Board of Directors Structure

- A. The company's Board of Directors shall manage the company. The company's articles of association shall determine the method of formation of the Board of Directors, number of its members, and the term of its membership.
- B. The general assembly elects the Board of Directors members by secret cumulative voting.
- C. If the government owned (5%) or more of the company's capital, it shall designate persons to represent it in the Board of Directors with the same proportion in the number of the Board members and with a minimum of at least one member if the ratio required to appoint a member exceeds that ratio. It shall lose its right in voting on the ratio for which it board members are designated, however, if it has a leftover ratio that does not entitle it to appoint another member, it may use that percentage in voting.
- D. Taking into account the conventions and treaties entered into by the State, the Chairman and the majority of the Board of Directors must hold the nationality of the State.

Article (4)

Chairman of the Board of Directors

- A. The Board of Directors shall elect by secret ballot from among its members a chairman and vice chairman. The vice chairman serves as a chairman during the chairman's absence or if he has an excuse.
- B. The Chairman of the Board may not hold the position of company's manager, and/or Managing Director or any other executive function in the company.
- C. The Board of Directors shall be entitled to elect from among its members a managing director for the management, and the Board shall determine its responsibilities and remuneration.
- D. The Board of Directors shall form from among its members one or more committees and grant such committees some of its powers or entrust it with monitoring the company's affairs and the implementation of the Board's resolutions.

Article (5)
Board of Directors' Meeting

1. The Board of Directors meets (4) four times a year, unless the company's Articles of Association provide for more than that.
2. The meeting shall be based on a written invitation from the Chairman of the Board, or upon the written request of at least two members of the Board unless the company's Articles of Association provides otherwise. The invitation shall be sent not less than one week prior to the specified date together with the agenda. Each member has the right to add to the agenda any matter he deems necessary for discussion in the meeting.
3. In case of holding a meeting of the Board of Directors to consider inviting the general assembly, the meeting of the Board of Directors should be held at least thirty days before the date of any meeting of the general assembly and the immediate disclosure to shareholders as per a detailed notice to the Market and on the website of the company directly after the conclusion of the Board's meeting and declaring its resolutions and the date of the general assembly's meeting. The notice shall include the following: "Clarification concerning those who have the right to attending the general assembly meeting or authorizing someone to attend other than the members of the Board of Directors pursuant to a written power of attorney and the eligibility of the shareholder to discuss the topics listed in the agenda of the general assembly and to ask questions of members of the Board of Directors and auditors, and the quorum required for the validity of the general assembly meeting and the resolutions of such meeting."
4. The meetings of the Board of Directors shall be held in the company's headquarter unless the Board of Directors considers otherwise. The meeting shall be valid only after inviting all members and the attendance of the majority of the members in person.
5. The company shall have a secretary for the Board of Directors who is not a member of the Board of Directors.
6. A member of the Board of Directors shall not authorize another member of the Board of Directors to attend in his place unless the Company's Articles of Association allow that, provided that the authorized member shall only represent one other member.
7. Voting by correspondence is not allowed, and an authorized member shall vote on behalf of the absent member in accordance with the the power of attorney.
8. The Board of Directors resolutions are issued by the majority of votes of those members and representatives present at the meeting . In the case of a tie, the Chairman will cast the deciding vote.

Article (6)

Participation in the Board of Directors Meeting Via Modern Technology

The standards to be observed with regards to participation in the meetings of the Board of Directors via modern technology are as follows:

- A. The company's articles of association shall allow participation in the meetings via modern audio or audio-video technology.
- B. The company shall have the electronic equipment needed, and this equipment shall be tested before the meetings.
- C. The secretary of the meetings of the Board of Directors shall coordinate and ensure the following:
 - ✓ Contacting all members to make sure they attend the meeting either in person or through this mechanism.
 - ✓ The member who intends to attend via this mechanism shall notify the secretary of the Board of Directors sufficiently in advance of the meeting and sign for the use of that mechanism in the meeting.
 - ✓ All documents shall be sent before the meeting to all members.
- D. The Minutes of Board of Directors Meeting shall be recorded and saved.
- E. Each member of the Board of Directors as well as the secretary shall introduce himself at the beginning of the meeting (for recording purposes).
- F. At the beginning of the meeting, the users of this mechanism shall confirm the following:
 - ✓ Clear hearing of the rest of the members present in person.
 - ✓ Receiving all the documents and agenda for the meeting.
 - ✓ Determining the type of device used in the mechanism.
- G. A member of the Board of Directors shall mention his name in case he desires to speak when making an intervention, comment, or vote.
- H. A member of the Board of Directors shall be in a position that allows him to speak loud and clear. In case of a bad connection during the meeting, the secretary shall repeat what has been said during the interruption period. In case of voting, the rapporteur shall repeat the speech again until he is sure that all members have heard what has been said before voting.
- I. The secretary shall prepare the minutes, sign it, and send a copy to each of the Board members to review and sign.
- J. The resolutions issued by the Board of Directors' Meeting held via audio or audio-video modern technology means are valid and enforceable if approved by the majority of the Board members present in person or by attending through any of these means.

Article (7)
Passing Board Resolutions

Conditions and procedures for the issuance of the Board of Directors resolutions by passing are as follows:

- A. The majority approval of the members of the Board of Directors that the situation calling for the passing of the resolution is an emergency.
- B. Handing over the resolution in writing to the members of the Board of Directors for approval accompanied by all the necessary documents for review.
- C. Written consent shall be decided by the majority on any of the passing resolutions of the Board of Directors, provided that it shall be reviewed in the subsequent meeting of the Board of Directors to record it in the minutes. However, passing resolutions are enforceable when signed by the majority of the Board members.
- D. The passing of a resolution is not considered a meeting, hence the minimum number of meetings of the Board of Directors stated in the Articles of Association of the company shall be maintained.

Article (8)
Minutes of the Board of Directors Meetings

- A. It shall be recorded in the minutes of the Board of Directors or its committees the details of matters considered and the resolutions that have been made, including any reservations of members or dissenting views expressed. These minutes of meetings shall be signed by the members who attend the meeting as well as the secretary of the meeting. In case one of the members refuses to sign, his objection shall be recorded in the minutes together with the reasons of objection, if given, and a copy of the minutes shall be sent to members to keep them.
- B. The minutes of the Board of Directors and its committees shall be recorded and kept by the secretary of the Board of Directors.
- C. The secretary prepares the minutes of the Board and the following controls shall be maintained when writing them:
 - 1. Setting the date of inviting all members of the Board of Directors to the meeting, the method of summoning, the place of meeting, and the start and end time of the meeting.
 - 2. Confirming the attendance of the present members.
 - 3. Recording the power of attorney for the absent member, in case of authorizing one of the Board of Directors members, and confirming that the company statute allows that.
 - 4. Recording the absent members and justifications for non-attendance, "if any."

5. Recording the following phrase: "Signatories to this record are responsible for the integrity of the data contained therein" at the end of each minutes before the signing of the members.

Article (9)

Delegation of Administration

- A. The Board of Directors may delegate its Chairman or one of its members or senior executive management in some of the administrative issues for which he has the power to make decisions . In this case, authorization shall be in writing and detailing the delegated powers, especially with regard to cases in which the senior executive management needs to obtain prior approval from the Board of Directors before making any decisions or entering into any commitments on behalf of the company. A list of tasks and functions which the Board of Directors performs shall be written, as well as those delegated to senior executive management, and review those tasks and functions periodically.
- B. Each delegation shall be specific with regard to its subject, authorized persons, and the limits of their powers and in the duration of effect, and that includes the date of presenting its results to the Board of Directors.

Article (10)

Vacancy of the Board Member Position

- A. Taking into account the provisions of Article (143) of the Companies Law, if a position of a Board member becomes vacant, the Board of Directors shall appoint a member in the vacant position, and this appointment shall be submitted to the general assembly at its first meeting to approve the appointment or to appoint another unless the company's Articles of Association states otherwise, and the new member shall complete the period of his predecessor.
- B. If vacancies amounted to a quarter of the Board members, the rest of the Board members shall invite the general assembly to convene within thirty (30) days from the date of the last seat being vacated to elect who will fill those positions.
- C. If the Board member is the representative of the government, or any legal person in the membership of the Board of Directors as per a letter issued by the represented body, this body may change its representative in the Board of Directors as per an official written document directed to the company in this regard, and the new member shall complete the term of his predecessor.
- D. The position of the Board member is considered vacant in any of the following cases:
 1. If he dies, or becomes incapacitated in a way that does not allow him to fulfill his duties as a member of the Board of Directors.
 2. If he is convicted of any crime involving his honesty and integrity.

3. If he declares his bankruptcy or ceased to pay his commercial debts, even if it is not accompanied by declaring his bankruptcy.
4. If he resigns from his position as per a written notice sent to the company in this regard.
5. If a decision of his dismissal was issued by the general assembly.
6. If a Board member is absent from the Board meetings for three consecutive sessions or five intermittent sessions during the term of the Board of Directors without an excuse acceptable to the Board.
7. If its membership is contrary to the provisions of the Companies Law.

Article (11)

Obligations of a Member of the Board of Directors

A member of the Board of Directors shall abide by the following:

- A. Uphold the interests of the company, to act as a prudent an, and to perform all actions that are compatible with the purposes of the company.
- B. Act with honesty and candour, take into account the interests of the company and its shareholders, exert the best effort possible, and comply with the provisions of the laws, regulations, and resolutions in force, as well as the articles of association and Articles of Assocaition of the company.
- C. Upon obtaining membership of the Board of Directors, he shall disclose any direct or indirect work that constitutes a competition to the company, and the names of companies and public institutions he works with or serves as a member of the boards of directors therein, and other important commitments and specify the allotted time for them as well as any change as soon as it happens.
- D. Allocate sufficient time to carry out his responsibilities, including preparing for the meetings of the Board of Directors and its committees, and be keen to attend them.

Article (12)

Register of Insiders

- A. The Board of Directors shall put in place written rules regarding the trading of Board members and employees in the securities issued by the company or its parent company, subsidiaries, or its sister companies.
- B. Prepare a special and comprehensive register of all insiders, including persons who could be considered as insiders on a temporary basis and who are entitled to or have access to inside information of the company prior to publication. The record shall also include prior and subsequent disclosures of insiders.
- C. Form a committee responsible for the management, follow-up, and supervision of insiders' trading and their holdings, maintain the register and submit periodic statements and reports to the Market.

Article (13)
Confidentiality of Data and Information

The Board of Directors considers the following:

- A. Take all measures to accurately maintain strict confidentiality of company data and information which have a significant impact in a way that ensures it is not exploited.
- B. Develop effective contractual arrangements that require the other parties who have access to internal data and information related to the company and its customers to maintain the confidentiality of such data and information, and not misuse or transfer it, or cause it to be transferred directly or indirectly to other parties.
- C. Every insider shall sign formal declarations confirming his knowledge of his possessionconfirm of internal data and information regarding the company and its customers, and that he shall bear all the legal consequences in case of leaking such information or data or giving advice on the basis of the information in his possession, and his commitment to notify the company of any trade carried out on the securities of the parent company or the subsidiary before and after those trades.

Article (14)
Conflict of Interest

- A. If a member of the Board of Directors or a person who represent a body in the Board of Directors has a conflict of interest or a joint interest with the company in a deal or transaction submitted to the Board of Directors for a resolution, he must inform the Board of Directors and record that in the minutes. Furthermore, he must not participate in the voting on the decision relating to the deal or transaction.
- B. If the member of the Board of Directors fails to inform the Board in accordance with the provision of item (a) of this article, the company or any of its shareholders may resort to the competent court to invalidate the contract or order the Member who acted in contravention of these provisions to account to the company for any profit or benefit obtained as a result of entering into this contract.
- C. The company must hold a special register for conflicts of interest in which the cases are recorded in details together with the measures taken in this regard.

Article (15)
Concluding Transactions With Related Parties

- A. A company must not enter into transactions with related parties without the consent of the Board of Directors in cases where the value does not exceed (5%) of the company's capital, and with the approval of the general assembly where such percentage threshold is exceeded. The company is not allowed to conclude transactions that exceed (5%) of the issued share capital unless it has obtained an evaluation of the transaction by an assessor certified by the Authority. A party who has an interest in the transaction may not participate in voting in terms of the decision taken by the Board of Directors or the general assembly in respect of this transaction.
- B. In the event of a significant change to the terms of the transaction after approval, another approval must be obtained from the Board of Directors or the general assembly, as the case, shall be. A deal which exceeds (5%) of the issued share capital shall be re-evaluated and its conditions are reviewed before its conclusion by an assessor certified by the Authority at the company's expense.
- C. The following shall be liable for the damages done to the company if transactions with the related parties are concluded in contravention of Clause (a) of this article or if it is proven that the transaction or the deal is unfair or involves a conflict of interest and could incur damages to the shareholders including:
 - 1. The related party with whom the transaction was entered into.
 - 2. The Board of Directors if the decision was made by consensus. However, if the decision was issued by the majority, dissenting directors shall not be held accountable in case they have recorded their objection in the minutes. If one of the members did not attend the meeting in which the resolution was made, he is still responsible for the decision unless he proves no knowledge of the decision or was aware of it but could not object thereto.

Article (16)
Involved Parties Record

- A. The company must hold a register of related parties where the names of such parties shall be recorded together with their transactions, details of these transactions, and actions taken in relation thereto.
- B. The company must provide documents of the transactions with related parties and the nature of those transactions, size, and details of each transaction, and must inform the shareholders of such transactions in the general assembly.

Article (17)
Company's Disclosure of related Parties' Transactions

Upon completion of a transaction with a related party, In the event of concluding transactions with related parties, the company's chairman shall notify and provide the Authority with any records, data and information of the related party, the details of the deal or transaction, the nature and the benefit of the involvement of the related party in the deal, together with a written confirmation that the terms of the transaction or the deal with the involved party are fair, reasonable, and in favor of the company's shareholders.

Article (18)
Related Party Disclosure

- A. Prior to entering into a transaction between a related party and the company, the parent company, or the affiliate company reaching the limit stipulated in this resolution, the related party shall disclose immediately in writing, addressed to the Board of Directors, about the nature of the deal, conditions and all substantial information about his share or his stake in the two contracting parties and his interest or benefit which the Board of Directors shall immediately disclose to the Authority and the Market.
- B. The details of the deal referred to in paragraph (a) of this article, together with the conditions and conflict of interest of related parties shall be listed in the annual financial statements submitted to the general assembly, and this data shall be published on the website of the Market and the company.

Article (19)
Access to Transactions Concluded With related Parties

In the event the company concludes a transaction with related parties, the shareholder who owns (5%) or more of the company shares is entitled to the following:

- A. Review of the company's records and any documents relating to those transactions.
- B. Filing a lawsuit before the competent court on transactions with related parties to compel the parties of the deal to provide all information and documents relating to those transactions, whether directly prove the facts set out in the case or relevant to it or lead to the discovery of information that will help in the detection of facts.
- C. If it is proven to the competent civil court that the deal is unfair or involves a conflict of interest and harm to the rest of the shareholders, it shall cancel the deal and oblige the related party to render the profit or benefit gained to the

company, in addition to compensation if harm is proven against the company.

Article (20)

Opinion of an External Consultant

The Board of Directors and its committees, formed by a decision issued by the majority of the attending members, may ask for an external consultant's opinion regarding any issues relating to the company at its expense, taking into consideration the management of conflicts of interest.

Article (21)

Remuneration of the Chairman and Members of the Board of Directors

- A. Remuneration of the Chairman and members of the Board of Directors is made up of a percentage of the net profit not exceeding 10% of the fiscal year profits. The company may also pay expenses, fees, additional bonus, a monthly salary as decided by the Board of Directors for any of its members if this member works in any committee, makes special efforts, or additional work to serve the company over his regular duties as a member of the Board of Directors. Attendance allowance may not be paid to the chairman or a Board member for attending the Board meetings.

Article (22)

Dismissal of a Board or Executive Management Member, or removing Him of His Post

- A. The general assembly shall dismiss the Chairman or any Board member or all members of the Board of Directors, and in this case the general assembly should delegate whom it considers appropriate for the presidency of the general assembly meeting as well as make the decision of advertising the post, calling the general assembly to elect new members of the Board of Directors. Re-nomination of those dismissed may not take place prior to the elapse of three years from the date of dismissal.
- B. In the event of the issuance of a court order of imprisonment or a fine or either of the two in favor of any shareholders against the Chairman, or one of the members of the Board of Directors, or executive management, including removal of his rights or stripping him of his position, he may not continue in his office or run for the Board of Directors of this company or any other company until after the lapse of at least a year from the date of the judgment.

Article (23)
General Assembly Meeting

- A. The general assembly of the company is held in the location specified in the company articles of association, and each shareholder has the right to attend the meetings of the general assembly and shall have the votes equal to the number of shares in his possession. A person who has the right to attend the meetings may delegate someone from other than the members of the Board of Directors to attend on his behalf as per a written power of attorney. A delegated person should not have more than (5%) of the company's issued capital after gaining that delegation. Persons lacking legal capacity and are incompetent must be represented by their legal representatives.
- B. A legal person shall have the right to delegate his representatives or those in charge of his administration as per a decision from the Board of Directors or his representative, to represent him at the meetings of the general assembly of the company, and the delegated person shall have the powers prescribed in the delegation resolution.
- C. The owner of the listed share in the day preceding the meeting of the general assembly of the company should have the right to voting in the general assembly of the company.

Article (24)
The Invitation to the General Assembly Meeting

- A. The Board of Directors shall call the general assembly during the four months following the end of the fiscal year or whenever there is a reason for that.
- B. The Authority, auditor, or a shareholder or more own at least a minimum of (20%) of the company capital may apply to the Board of Directors to convene the general assembly and the Board of Directors in this case shall call the general assembly within five days from the date of application.
- C. Shareholders who own (10%) of the company's shares shall have the right to call the general assembly of shareholders for an extraordinary by applying to the Authority to convene the general assembly of the company to make a special resolution, and attaching all the documents supporting the request.

Article (25)

Record the Minutes of the General Assembly

- A. The company shall keep a record of the general assembly Meetings , taking into account the following:
- B. The general assembly Minutes of Meeting shall include the names of the present shareholders or their representatives, the number of shares in their possession or by a proxy, the number of votes prescribed for them, the resolutions made, the number of approving and opposing votes, and an abstract for the discussions that took place in the meeting. Minutes are recorded regularly after each meeting in a special record signed by the Chairman, secretaryvotes collector, and auditor.
- C. The records shall be free of all blanks, margins, omission, or addition.
- D. Pursuant to having a record of minutes of meetings of the General Assembly the following:
 - 1. Record pages shall be in sequential order.
 - 2. The record of minutes of meeting of the General Assembly shall be kept in the company headquarter.

Article (26)

Duration of the General Assembly's Delegation to the Board of Directors

- A. In the case of a special resolution from the general assembly to increase the company's capital or the issuance of stock loans or Sukuk, the term of the delegation granted to the Board of Directors shall be one year from the date of issuance of the special decision in order to issue a decision from the Board of Directors of the date and mechanism of implementing the resolution through one or several issuances or a program. The delegation issued for the Board of Directors shall expire after one year,
- B. Notwithstanding the provisions above, previous resolutions issued by shareholders who own not less than 75% of the company's capital at a meeting of shareholders was held before acting as per the provisions of the Companies Law to issue bonds or sukuk valid and effective as if they were taken by a special decision by the shareholders of the concerned company after acting upon the Companies Law and without the need to issue a new special resolution or opt-in periods specified above or in article (230) of the Companies Law, provided that the general assembly of the company has not canceled the decision of delegation granted to the Board of Directors.

Article (27)
General Assembly Meeting Arrangements

1. Suitable arrangements and procedures shall be prepared to hold the general assembly Meeting, including the choice of place and time as to help and encourage the presence of the largest possible number of shareholders.
2. The invitation shall include the time and place of meeting, and the general assembly Agenda shall be attached therewith, including all topics that will be discussed during the meeting in details and clearly, together with any documents or attachments related to those topics.
3. The date and place of the meeting of the general assembly shall be declared and published on the company's website.

Article (28)
Listing an Item in the General Assembly Agenda

First: During the General Assembly Meeting:

- A. The listing application shall be submitted by a number of shareholders representing 10% of the listed company's capital.
- B. The new item shall be clear and specific and shall not contradict the provisions of the Companies Law or the resolutions and regulations issued for its implementation.
- C. The listing application shall be in writing and signed by its applicant.
- D. The listing application shall be submitted to the Chairman of the General Assembly's meeting before starting the discussion of the agenda.
- E. Chairman of the meeting is committed to approving the inclusion of the item, and in case of rejection, the applicants have the right to request a presentation to the general assembly to consider the inclusion of the item or not before starting the discussion of the general assembly's agenda. The inclusion shall be granted by the majority of the shareholders represented at the meeting.

Second: Before the General Assembly's Meeting and after the publication of the invitation:

Shareholders who have (5%) of the company's shares shall have the right to submit an application to the Authority to list an item or additional items in the general assembly's agenda during the five working days from the date of the company's invitation to the general assembly.

Article (29)
Issuance of a Special Resolution

The general assembly shall issue a special resolution in the following cases:

- a. Issuance of or bonds or sukuk.
- b. Offering voluntary contributions for the purpose of community service.
- c. Dissolution or merger of the company.
- d. Sale of the project that the company has implemented or disposing of it in any other way.
- e. In case the company desires to sell (51%) or more of its assets, whether the sale will be implemented through one transaction or a series of transactions, within a year as of the date of concluding the first transaction.
- f. Prolongation of the company's term.
- g. Amendment of the Memorandum or articles of association.
- h. Inclusion of a strategic partner.
- i. Conversion cash debts into shares.
- j. Issuing employees stock ownership plan .
- k. In cases where the Companies Law requires issuance of a special resolution.

Article (30)
Implementation of the Resolutions of the General Assembly

Chairman of the Board shall implement decisions of the general assembly, taking into account the following rules:

1. Declaring to the Market results of the general assembly's meeting once it is concluded and disseminating such results on the company's website.
2. Obtaining approval of the Authority, competent authority, and regulatory authorities responsible for controlling the company's activity of the decisions made by the general assembly.
3. Implementing such decisions within fifteen days as of the date of the meeting unless the nature of the decisions taken requires a longer period; for example, (increasing or decreasing the company's capital or issuing bonds or sukuk).

Article (31)
Increasing the Company's Capital

Subject to the Companies Law, the company shall obtain approval of its shareholders upon issuance of new shares subsequent to obtaining the Authority's approval, provided that companies subject to the authority of the Central Bank shall obtain its approval as well.

Article (32)
Shareholders' Rights

- a. All the shares issued by the company of the same class shall be equal in terms of the rights and obligations associated with each.
- b. Each shareholder shall be entitled to the rights associated with his/her shares as per the provisions of the Companies Law, particularly the following:
 1. The right to possess a share in the profits to be distributed.
 2. The right to possess a share in the company's assets upon liquidation.
 3. The right to attend meetings of the general assembly and take part in discussions and voting for decisions.
 4. The right to dispose shares.
 5. The right to review the company's financial statements and reports , records, and documents.
- c. A shareholder who files a lawsuit against the company, chairman of the Board, any Board member, or the executive management before the competent court shall be entitled to obligate the defendant and/or defendants to fulfill the following:
 1. Provide the information the defendant refers to in his/her defense before the court, the information that directly proves specific facts the claimant shareholder submits to the court with regard to the claim, and any other information relative to such claim.
 2. Submit any documents or sets of documents the court deems relative to the lawsuit, without specification.
- d. A shareholder who files a liability lawsuit against the Board of Directors or any Board member shall be entitled to interrogate or debate with the defendant and/or defendants and testimonies directly during the court sessions.

Article (33)

The Required Regulations to Ensure Shareholders' Practice of their Rights

The company's articles of association and internal regulations shall include the required procedures and regulations to ensure all the shareholders' practice of their rights, including:

- a. Providing all the information that enables the shareholders to practice their rights duly and indiscriminately, including their awareness of the rules that govern general assembly meetings and voting procedures. Such information shall be complete and accurate and shall be provided and updated regularly on a timely basis, including any information with regard to the company's proposals before voting in meetings, or any other information.
- b. Providing an opportunity to all shareholders to take an effective part in the deliberations of the general assembly's meetings and voting of resolutions. Shareholders shall have the right to discuss and raise questions over agenda issues to the Board members and the external auditor, and the Board of Directors and external auditor shall answer such questions to the extent that the interests of the company are not compromised.
- a. Avoiding imposition of any restrictions that may lead to prevent the shareholder from using his/her right of voting and facilitating shareholders' practice of such right.
- b. Preventing imposition of any restrictions on free trading of the company's shares in the Market.

Article (34)

Distribution of Profits

1. The right to share the profits, whether "cash dividends or bonus shares", shall be in accordance with the regulation for trading, clearance, settlements, transfer of ownership, and safekeeping of securities, as well as the resolutions issued by the Authority.
2. Each shareholder shall have an investor's number and a bank account number recorded at the company.
3. The company shall deposit cash dividends of the shareholders registered on the tenth day as of the day following the date of the general assembly or Board meeting in which such profits are decided to be distributed and in accordance with the mechanism approved by the Authority, provided that payment of the cash dividends due to the shareholders shall be within thirty days as of the date of issuance of the decision approving such dividends.

Article (35)
Investor Relations

The company shall abide by the following rules:

- a. Appointing an employee to undertake all the duties relative to managing investor relations, given such employee shall meet the following conditions:
 1. Command of both spoken and written Arabic and English .
 2. A university degree as well as practical experience in the fields of business, accounting, or investors public relations.
 3. Familiarity with relevant legal and legislative requirements.
 4. Full knowledge of the company's activities and potential opportunities.
 5. Ability to use various means of communication and possession of the skills of communication with investors respecting securities.
 6. Ability to deliver the company's technical and financial information that may require a specialist to clarify and simplify to investors.
- b. Creating a webpage for investors relations on the company's website and updating and maintaining it regularly in compliance with international standards; such webpage shall include: data and means of communication with Investors Relations Department, like telephone number and email, all the reports relevant to financial results, whether archived or published, statements of the financial year including dates of publication of financial results statements, minutes of the general assembly's meetings, and any other important events.
- c. Publication of the information and data disclosed to the regulatory authorities, markets, or the public, on the company's website; such information and data include, for example:
 1. News, events, developments, and milestones of the company.
 2. Annual and interim financial statements and reports of the Board of Directors for several past years.
 3. Governance report.
 4. Shareholding structure.
 5. Regularly updated general information on the company's website concerning its activities, business strategies, vision, and future plans.
 6. Information on the price of the company's share in terms of: the closing price, opening price, highest and lowest prices throughout the year, different values of the share, and some financial indicators.
 7. Enablement of inquiry about shareholders' pending dividends and mechanism of collection of such dividends.
 8. Contact information of investor relations employee and mechanism of submitting opinions, comments, and inquiries.

- d. Formation of a committee comprised of senior employees in the event of a crisis; such committee shall design a plan for communication with investors and the media with regard to the practical steps the company takes to face the crisis and shall designate an official spokesperson to undertake the said communication process in the name of the company.
- e. Publication of preliminary presentations clarifying the company's financial status, strategies, and future expectations, at least once annually, provided that such presentations shall be updated after each disclosure of financial results (quarterly, half-annually).
- f. Setting the procedures required for providing all the data and information for the investors relations employee, including Board decisions once issued as well as periodic and annual financial information upon approval thereof by the Board of Directors, to enable the investor relations employee to implement his/her duties stipulated in this article.

Article (36)

Selection of the Auditor

1. The Board of Directors shall nominate an external auditor on the recommendation of the audit committee. The external auditor shall be appointed, and its remuneration fixed, by a resolution of the general assembly of the company.
2. Such auditor shall be recorded in the Authority's register of professional auditors.
3. The external auditor shall be selected on criteria of efficiency, reputation and experience.
4. None of the employees of the auditing office at the company's senior executive management may be appointed before the lapse of two years at least as of the date of such employee's quitting the company's auditing office.

Article (37)
Obligations of the Auditor

- a. The auditor shall practice the works assigned to him/her independently and unbiasedly.
- b. The auditor shall audit the company's works, examine the company's administrative and financial systems and internal auditing systems, give an opinion as to the effectiveness of such systems, and ensure their appropriateness for smooth flow of the company's works and preservation of the company's assets.
- c. The auditor shall give an opinion concerning the correctness of the company's financial data and demand amendment of whatever breaches such correctness.
- d. The auditor shall verify the company's ownership of its assets and legality of the company's obligations.
- e. The auditor shall attend the meetings of the general assembly and read his/her report to the shareholders and answer their questions and inquiries respecting the final financial information.
- f. The external auditor shall report to regulatory authorities any material violations or obstruction and their details.

Article (38)
Prohibitions of Auditors

The external auditor may not, while performing an audit of the company's accounts, perform any technical, administrative or consultation services or works in connection with its assumed duties that may affect its decisions and independence or any services or works that the Authority decides that an external auditor shall not perform, in particular:

- a. Any other accounting services or works in connection with accounting records and financial statements, excluding routine accounting services that may be rendered by the external auditor to a subsidiary company of the company of which it audits its accounts, where the following conditions are met:
 - The subsidiary company is not a material part of the company whose accounts are audited by the auditor.
 - These services are clearly immaterial for the auditor and the subsidiary company. And
 - The external auditor's provision of this service does not materially affect the financial information of the parent company.
- b. Design or use of any information systems if they can have a material effect on financial information or relevant control systems.
- c. Provision of any internal audit services or works pursuant to a subcontract.

- d. Provision of any actuary services or works.
- e. Provision of any assessment or valuation services or works of the company during performing, or taking part in, the audit.
- f. Provision of any administrative services or works or employment services for the company's financial management, human resources or administrative positions, starting from heads of divisions as well as senior or junior administrative or supervisory positions.
- g. Provision of any stock brokerage services or works.
- h. Provision of any consultations.
- i. Provision of any legal services or expertise.

Article (39)

Consultancies and Works the Auditor Is Authorized to Perform

- a. The auditor shall offer the following investment consultations:
 - Assisting customers to prepare feasibility studies and strategic plans.
 - Capital restructuring consultations.-
 - Auditing services to the companies that the customer intends to purchase.
- b. In the cases mentioned in Clause (a), the audit committee shall verify that:
 - Policies and procedures are in place to prevent the auditor's employees from making a decision in connection with the company management;
 - The auditor's employees who provide these services may not take part in the audit process;
 - The subject of service may not be of value or effect on the financial information of the company it is assuming the audit thereof.
 - Provision of any legal services or expertise related to assistance in connection with a lawsuit before a court.

Chapter Two

Corporate Governance

Article (40)

Rules of Nomination for Board Membership

The rules the company shall comply with are as follows:

1. The articles of association shall determine the method of formation of the Board of Directors, number of the Board members and term of membership. Candidates to the Board membership shall include at least female representation of (20%). The company shall disclose the reasons in case no female is nominated; and shall also disclose the rate of female representation in the Board of Directors in its Annual Governance Report.
2. The articles of association shall determine Executive Board members, Non-Executive Board Members and Independent Board members; provided that at least one-third of Board members shall be Independent Board Members and a majority of Board members shall be Non-Executive Board Members who shall have the technical skills and experience required to serve the interests of the company. In all cases, when selecting Non-Executive Board members of the company, it shall be taken into consideration that a Board member shall be able to dedicate adequate time and effort to his/her role and that such role is not in conflict with his/her other interests. The company's articles of association shall determine also the percentage of female representation in the Board of Directors in case female candidates are nominated for membership within the period allocated for nomination and fulfill the requirements of membership.
3. Nomination for Board membership shall be declared and the company shall announce the invitation to the general assembly and it shall comply with the following:
 - a. The nomination to membership of the Board of Directors shall remain open for a period of ten days from the date of the announcement;
 - b. The names and details of the candidates shall be published on the notice board situated in the company and on the company's website at least two days prior to the announced general assembly meeting of the company;
 - c. After conclusion of the period allocated for nomination, a candidate shall not relinquish his/her nomination to another person;
 - d. To provide the Authority and the Market with a list of the names of the candidates on the day following expiration of the nomination period.

Article (41)
Terms of Nomination for Board Membership

A candidate nominated for Board membership shall meet the following requirements:

- a. S/he shall have at least a five-year experience in the field of the company s/he is nominated for membership of the Board of Directors thereof.
- b. S/he shall not have been previously sentenced to a criminal penalty or for an offense that involves a breach of honor or integrity **unless his/her character has been vindicated.**
- c. S/he shall not have been subject to a court judgment of discharge or dismissal from the Board of Directors of any of the stock companies listed in the financial market during the year preceding nomination.
- d. His/her civil record issued by the Authority shall be clear of administrative penalties.
- e. S/he shall not be subject to any lawsuits, reports, or police investigations concerning any offense that involves a breach of honesty and integrity.
- f. The candidate shall fulfill any other terms stipulated in the Companies Law or the company's articles of association.
- g. The following documents shall be submitted to the company:
 1. His/her CV including work experience, qualifications, and the Board seat applied for (Executive, Non-Executive, Independent);
 2. An undertaking to comply with the provisions of the Companies Law and its Executive Resolutions and the company's articles of association and exert careful efforts at work;
 3. A statement of the names of companies and corporations where s/he works for or is a member of whose Boards of Directors as well as any other works the candidate performs directly or indirectly that involves competition against the company;
 4. In case of the legal person's representatives, an official letter from such legal person shall be submitted, containing names of his/her nominees for Board membership.

Article (42)
Duties of the Chairman of the Board of Directors

In particular, the chairman of the Board of Directors shall assume the following duties and responsibilities:

1. Ensures that the Board of Directors acts efficiently, fulfills its responsibilities and discusses all its main and appropriate issues on a timely basis.
2. Develops and approve the agenda of each Board meeting, taking into consideration any issues that Board Members propose to be included in the agenda for the meeting. The chairman of the Board of Directors may assign this responsibility to a certain Board Member or Board secretary under his own supervision.

3. Encourages all Board members to fully and efficiently participate in the Board of Directors in order to ensure that the Board of Directors acts in the best interest of the company.
4. Adopts suitable procedures to ensure efficient communication with the company's shareholders and the efficient communication of their views to the Board of Directors.
5. Facilitates effective participation of Board members, specifically Non-Executive Board members and develop constructive relations between Executive Board members and Non-Executive Board members.

Article (43)

Obligations of the Board of Directors

The company's articles of association shall determine the duties and responsibilities of the Board of Directors, and the Board of Directors shall undertake the following:

1. Taking the necessary procedures to ensure compliance with applicable laws, regulations, and resolutions and requirements of the regulatory authorities;
2. Approval of the strategic approaches and main objectives of the company and supervising implementation thereof. This includes:
 - a. Setting the company's comprehensive strategies and main work plans and reviewing thereof constantly;
 - b. Setting risk management strategy and reviewing thereof constantly;
 - c. Specifying the best capital structure for the company, its strategies, and financial objectives and approval of annual budgets;
 - d. Supervising the company's main capital expenses and ownership and disposal of assets;
 - e. Setting performance objectives and monitoring implementation and the overall performance of the company;
 - f. Conducting period reviews and issuing approvals of the company's organizational and occupational structures.
3. Taking the steps sufficient to ensure efficient internal control of the work flow in the company, including:
 - a. Setting a clear policy approved by the Board of Directors to ensure efficient internal control of the work flow in the company;
 - b. Setting written and detailed rules and procedures for internal control, determining duties and responsibilities in compliance with the policy approved by the Board of Directors and the general requirements and objectives stipulated in the relative applicable legislations, including this resolution.
4. Establishing an internal control department to follow up compliance to the applicable laws, regulations, and resolutions, requirements of the regulatory bodies, and the internal policy, rules, and procedures set by the Board of Directors;
5. Setting written procedures to regulate conflict of interests and deal with potential cases of such conflict for Board members, the senior executive management, and shareholders, and setting the procedures to be taken in

cases of misuse of the company's assets and facilities or misconduct resulting from transactions with related parties;

6. Ensuring soundness of administrative, financial, and accounting rules, including the rules related to preparation of financial reports;
7. Ensuring the use of appropriate regulatory systems for risk management by outlining potential risk and discussing it with transparency;
8. Setting clear and precise standards and procedures for Board membership and putting them in force subsequent to approval of the general assembly;
9. Setting a clear authorization policy in the company to determine authorized persons and the powers assigned to them;
10. Setting a policy that regulates the relationship with stakeholders in the manner that ensures the company's fulfillment of its obligations towards them, preserving their rights, providing them with required information, and establishing sound relations with them, and such policy shall cover the following aspects:
 - a. Mechanisms for indemnifying stakeholders in the event of violation of their rights approved by laws and protected by contracts;
 - b. Mechanisms for settling complaints or disputes that may arise between the company and stakeholders;
 - c. Maintaining confidentiality of the information related to them;
 - d. The company's policy towards the local community and environment.
11. Setting code of conduct for board members, the staff, auditor, and persons assigned some of the company's works;
12. Setting procedures to apply governance rules in the company, review of such procedures, and assessment of compliance thereto on annual basis;
13. Designing appropriate training programs for board members to enhance and update their knowledge and skills and ensure effective participation in the Board of Directors;
14. Familiarizing a newly appointed board member with all the company's departments and sections and providing him/her with all the information required to ensure correct understanding of the company's activities and works and full realization of his/her responsibilities, all that enables him/her to perform their duties duly in accordance with the enforced legislations, all other regulatory requirements, and the company's policies in its field of business;
15. Setting procedures to prevent staff members who have access to information from using the company's confidential internal information to make tangible or intangible gains;
16. Devising a mechanism for receiving shareholders' complaints and proposals including their proposals concerning particular issues in the general assembly's agenda in a manner that ensures studying such proposals and making the right decisions about them;
17. Approval of the rules on which basis incentives, bonuses, and special privileges shall be granted to board members and senior executive management in a manner that furthers the company's interest and helps achieve its objectives;

18. Setting the company's policy of disclosure and transparency and follow up of implementation thereof in accordance with the requirements of the regulatory authorities and applicable legislations, provided that such policy shall include the following:
 - a. Undertaking to disclose periodic reports, substantial information, ownerships of insiders and their relatives of securities issued by the company, transactions of related parties with the company, privileges of the board members and senior executive management;
 - b. Providing information to shareholders and investors precisely, clearly, and timely so as to enable them to make their decisions.
 - c. Using the company's internet website to enhance disclosure and transparency.
19. Setting a clear policy for distribution of the company's profits in a manner that furthers the interests of both the shareholders and company, and it should be displayed to shareholders in the meeting of the general assembly and it should be mentioned in the Board of Directors' report.

Article (44)

Obligation of Non-Executive Board members

The duties of Non-Executive Board members shall, in particular, include:

1. Effective participation in meetings of the Board of Directors to give an independent opinion in respect of all the issues brought before the Board of Directors, particularly the company's strategy, general policy, and operational performance.
2. Giving priority to the interests of the company and its shareholders in the event of a conflict of interest.
3. Participation in the board committees of the company.
4. Follow-up of the company's performance in order to achieve the agreed objectives and purposes and oversee performance reports.
5. Enabling the Board of Directors and different committees to benefit from their skills, experiences, and various specializations and qualifications.

Article (45)

A Board Member's Loss of Independency

In particular, a board member shall lose independency in the following cases:

- a. If a Board member or any of his/her first-degree relatives work or worked at the senior executive management of the company or its subsidiary company during the two years preceding his/her nomination for Board membership;
- b. If a Board member or any of his/her first-degree relatives has a direct or indirect interest in the contracts and projects of the company or its subsidiary companies during the last two years and the total of such transactions exceeds (5%) of the company's paid capital or the amount of five million AED or its equivalent amount in a foreign currency, the lesser of the two, unless such relationship is part of the nature of the company's business and involves no preferential terms;
- c. If a Board member works or worked for the company or its subsidiary companies prior to the date of occupying a seat in the Board of Directors;
- d. If a Board member works for or is a partner in a company that performs consulting works for the company or any of its parent companies, subsidiary companies, sister companies, or affiliate companies;
- e. If a Board member has entered into personal services contracts with the company or any of its parent companies, subsidiary companies, sister companies, or affiliate companies;
- f. If a Board member is directly engaged in a non-profit organization that receives sizeable finances from the company or its subsidiary companies;
- g. If a Board member or any of his/her relatives is a partner or employee of the company's auditor, or if he/she was a partner or employee of the company's auditor or auditing office during the two years preceding his/her occupying a seat in the Board of Directors;
- h. If a Board member and/or any of his/her underage children own (10%) or more of the company's capital;
- i. Independence of a Board member shall not be affected for the reason of only being an employee of the parent company or any of its subsidiary companies in case any of such companies is owned by the government or in case at least (75%) of the parent or subsidiary companies is owned by the government.

Article (46)

Permanent Committees

- a. The Board of Directors shall form permanent committees that shall directly be affiliated to it.
- b. Permanent committees shall consist of at least three (3) non-executive board members, of whom at least two (2) shall be independent Board members, and shall be chaired by one independent Board member. Chairman of the Board of Directors may not be a member of any such committees. The Board of Directors shall select non-executive Board members for the committees charged with the duties that may result in conflicts of interest, such as

verification of the integrity of financial and non-financial reports, review of deals concluded with stakeholders, selection of executive Board members and setting remuneration.

- c. Committees shall be formed based on procedures set by the Board of Directors. The Board of Directors shall determine the duties, term, and powers of the committee as well as the approach of the Board of Directors' control over those committees. The committee shall in a transparent fashion make a report in writing to the Board of Directors, setting forth the procedures, results and, recommendations that the committee reaches. The Board of Directors shall follow up on the performance of the tasks of these committees to verify their fulfillment of the tasks commissioned to such committees.

Article (47)

The Committee of Nominations and Bonuses

The Board of Directors shall form a permanent committee called the committee of nominations and bonuses. Such committee shall hold its meetings once annually or as required, and its duties shall be as follows:

1. Setting a policy for nomination for Board and executive management membership with the aim of varying between the two genders respecting formation of both and encouraging female nominees through offering privileges and training and motivational programs, and submitting a copy of such policy to the Authority and any amendments thereof;
2. Regulating and following up the procedures of nomination for Board membership in accordance with the applicable laws and the provisions of this resolution;
3. Constantly verifying independence of independent Board members;
4. If the committee finds out that one of the members has lost independence, the committee shall bring the issue before the Board of Directors to serve a registered letter to such member at his/her address registered at the company, clarifying the reasons for the loss of independency; such member shall reply to the Board of Directors within fifteen days from the date of receiving notice thereof, and the Board of Directors shall issue a decision as to whether such member is independent or otherwise in its first meeting following reception of the board member's reply or elapse of the period mentioned in the previous paragraph without replying;
5. With due diligence to article (145) of the Companies Law, if the Board of Directors' decision of a member's loss of independence affects the minimum percentage of independent Board members, the Board shall appoint an independent member to replace such member in case the latter submits his/her resignation for losing independence; if such member refuses to submit his/her resignation, the Board of Directors shall bring the issue before the general assembly to issue the decision of approval of appointing another Board member or open the door for nomination to elect a new Board member;

6. Setting the policy on which basis bonuses, privileges, incentives, and salaries shall be granted to the company's Board members and staff, reviewing such policy annually, and ensuring that the bonuses and privileges offered to the senior executive management are reasonable and in line with the company's performance;
7. Annual review of the skills required for Board membership and preparation of the required capabilities and qualifications for Board membership including the time a member shall need to allocate to do his/her duties as a Board member;
8. Review of the structure of the Board of Directors and submitting recommendation respecting the changes that may be made;
9. Determining the company's need of competencies at the level of the senior executive management and the staff and the basis for selection thereof;
10. Setting the policy of human resources and training in the company, monitoring implementation of such policy, and review thereof on annual basis;
11. Any other matters determined by the Board of Directors.

Article (48)
Auditing Committee

1. The Board of Directors shall form a permanent committee called the auditing committee. All the members of the committee shall be well-versed in financial and accounting matters and one of them at least shall have practical experience in accounting and finance and shall have a university degree or professional degree in accounting or finance or other relevant fields. One or more members may be appointed from outside the company in case the available number of non-executive Board members is insufficient.
2. The committee shall hold its meetings once quarterly at least or as required.
3. Any former partner at the company's auditing office may not be a member in the auditing committee for the period of one year as of the date of expiry of such partnership or any financial interest for which s/he is involved in the auditing office, the latest of the two dates.
4. The company shall provide the auditing committee sufficient resources to perform its duties, including a permission for the committee to seek assistance of experts whenever required.

Article (49)
Duties of the Auditing Committee

The auditing committee shall undertake the following duties:

1. Review of the company's financial and accounting policies and procedures;
2. Monitoring the integrity of the company's reports and financial information (annual, half-annual, and quarterly) and review thereof as part of the normal work duties during the year, and the committee shall particularly focus on the following:
 - a. Any changes in accounting policies and practices;
 - b. Highlighting the aspects that are subject to the management's discretion;
 - c. Substantial amendments resulting from auditing;
 - d. Supposing continuity of the company's business;
 - e. Abidance by the accounting standards approved by the Authority;
 - f. Abidance by the rules of listing and disclosure and any other legal requirements related to preparation of financial reports.
3. Coordinating with the company's management, senior executive management, and the financial manager or the manager doing such role in the company, for the purpose of performing its duties;
4. Considering important and unusual clauses that are or shall be mentioned in such reports and accounts and, accordingly, giving the required attention to any issues brought up by the financial manager, the manager doing such role, compliance officer, or the auditor;
5. Submitting a recommendation to the Board of Directors respecting selection, resignation, or discharge of the auditor, and in case the Board of Directors rejects the recommendations of the auditing committee in this regard, the Board of Directors shall include in the governance report a statement clarifying the recommendations of the auditing committee and the reasons for the Board of Directors' rejection thereof;
6. Setting and implementing the policy of contracting with the auditor, submitting a report to the Board of Directors, specifying the issues the committee deems necessary to take procedures in relation to, and submitting the committee's recommendations concerning the steps required to be taken;
7. Ensuring the auditor's fulfillment of the terms stipulated in the applicable laws, regulations, and resolutions and the company's articles of association, and following up and monitoring his/her independence;
8. Meeting with the company's auditor without attendance of any of the personnel of the senior executive management or representative thereof, at least once annually, and discussing with him/her the nature and scope of the auditing process and its effectiveness according to the approved auditing standards;
9. Studying all that is related to the job and work plan of the auditor, his/her correspondence with the company, his/her comments, proposals, concerns, and any substantial inquiries posed by the auditor to the senior executive

- management concerning accounting books, financial accounts, or control systems, and following up the company's management response thereto and provision of the facilities required for performing his/her job;
10. Ensuring timely response of the Board of Directors to inquiries for illustration and substantial matters mentioned in the auditor's letter;
 11. Review and assessment of internal control and risk management systems in the company;
 12. Discussing the internal control system with the Board of Directors and ensuring the latter's establishment of an effective system for internal control;
 13. Considering the results of primary investigations in internal control issues as assigned to the committee by the Board of Directors or based on an initiative on the part of the committee and the Board of director's approval of such initiative;
 14. Review of the auditor's assessment of internal control procedures and ensuring coordination between the internal and external auditors;
 15. Ensuring availability of the resources required for the internal control department and monitoring effectiveness of such department;
 16. Studying internal control reports and follow up implementation of corrective measures for the comments arising from such reports;
 17. Setting the rules that enable the company's staff to confidentially report any potential violations in financial reports, internal control, or any other issues and the procedures sufficient for conducting independent and just investigations concerning such violations;
 18. Monitoring the extent to which the company abides by code of conduct rules;
 19. Review of related party transactions with the company, ensuring that no conflict of interests exists, and submitting recommendations concerning such transactions to the Board of Directors before concluding contracts;
 20. Ensuring implementation of code of conduct related to the committee's duties and powers assigned to it by the Board of Directors;
 21. Submitting reports and recommendations to the Board of Directors concerning the above mentioned issues as stipulated in this article;
 22. Considering any other issues determined by the Board of Directors.

Article (50)
Internal Control

The company shall apply a precise internal control system that aims at developing an assessment of the company's means and methods of risk management, sound application of corporate governance rules, verifying that the company and its staff comply with applicable laws, regulations, and resolutions that govern the company's operations as well as internal procedures and policies, and review of financial information that is presented to the company's management and used for drafting financial statements.

1. The Board of Directors shall issue the internal control regulations following consultation with the senior executive management and such regulation shall be implemented by a competent department for internal control.
2. The Board of Directors shall determine the objectives, duties, and powers of the internal control department that shall enjoy adequate independence to perform its duties and shall directly report to the Board of Directors.
3. The Board of Directors shall appoint a director for the internal control department.
4. The Board of Directors shall conduct an annual review to ensure efficiency of the internal control system in the company and any subsidiary company and disclose results to shareholders through the corporate governance annual report.
5. The annual review shall specifically cover the following elements:
 - a. Basic control elements, including control over financial affairs, operations, and risk management;
 - b. Changes that have taken place since the last annual review was conducted concerning the nature and extent of major risks and the company's ability to respond to operational changes and changes in the external environment;
 - c. Scope and nature of ongoing control conducted by the Board of Directors regarding risks, internal control system, and internal auditors' duties;
 - d. The frequency of reporting to the Board of Directors or the committees of the Board of Directors of the results of control operations to enable the Board of Directors to assess the status of the internal control system in the company and the efficiency of risk management;
 - e. Detected weaknesses and shortcomings of the control system or unexpected emergencies that have materially affected or may materially affect the performance or financial status of the company;
 - f. Efficiency of the company's operations respecting financial reporting and adherence to listing and disclosure rules;
 - g. Investigating about all transactions to verify whether they are conducted with related parties or involve a conflict of interests and ensure compliance with the procedures regulating such transactions.

Article (51)
Compliance Officer

The company shall appoint a compliance officer who shall be responsible for verifying the scope of compliance, by the company and its employees, with applicable laws and regulations and their executive resolutions, as well as the company's articles of association and resolutions of the general assembly and Board of Directors. A person may occupy the positions of compliance officer and director of the company's internal control department at the same time.

Article (52)

Corporate Governance Report

1. The company shall submit a corporate governance report signed by the chairman of the board in accordance with the model prepared by the Authority and made available on the website of the Authority and the market.
2. The annual corporate governance report shall include the following information:
 - ✓ A statement of the details and reasons for any indemnities and allowances paid to any member of the Board of Directors or its subcommittees for the financial year;
 - ✓ A statement of the company's directors and the first and second lines according to the company's organizational structure, their positions, appointment dates, details of the salaries and bonuses each member was paid, and any indemnities they received from the company and the grounds for such indemnities;
 - ✓ Indemnities granted to the board members and all the members of the company's management including bonuses and any motivational programs relative to the securities issued or guaranteed by the company.
3. The Board of Directors shall make this report available to all the shareholders before submitting a request to the Authority for approval of conducting the annual meeting of the general assembly.

Chapter Three

General Provisions

Article (53)

Breach of the Resolution

1. Upon breach of the provisions hereof, the Authority may impose any of the following penalties:
 - a. addressing a warning notice to the company and/or its board members and/or directors and/or auditors;
 - b. a financial penalty that may not exceed the maximum limit stipulated in the Companies Law;
 - c. referral of the breach to the Public Prosecution
2. Any breach hereof shall be subject to the provisions of the Authority's Board Resolution No. (42) of 2015 concerning reconciliation regulations and procedures for offences related to public joint stock companies.

Article (54)

Cancellation of Conflicting Provisions

Any resolution, circular, or regulation violating or conflicting with the provisions of this resolution shall be null and void.

Article (55)

Publication and Enforcement of the Resolution

This resolution shall be published in the official gazette and enforced as of the day following the date of publication.

Eng. Sultan Bin Saeed Al-Mansouri
Chairman of the Board

Issued in Abu Dhabi, on April 28th 2016.