

# COMPLIANCE POLICY

## Corporate Governance

Company Confidential

### CORPORATE GOVERNANCE FRAMEWORK

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Board No. 186/6/2023  
dated 17 October 2023  
Next Review July 2024

#### 1.0 CORPORATE GOVERNANCE IN INVITA:

Corporate governance is the framework by which business corporations are directed and controlled. It describes a set of relationships between a company's management, its board, its shareholders, and other stakeholders that provides the structure through which the objectives of the companies are set, and the means of attaining those objectives and monitoring performance are determined. The corporate governance structure specifies the distribution of rights and responsibilities among different participants such as the Board, Management, shareholders, and other stakeholders, and spells out the rules and procedures for making decisions on corporate affairs. It influences how the objectives of the Company are set and achieved, how risk is monitored and assessed, and how performance is optimized. The corporate governance structure of Invita is designed to enshrine the concepts of good governance as mentioned in the Ministry of Industry and Commerce (MoI&C) in its Corporate Governance Code, Bahrain Commercial Companies Law No. 21 of the year 2001 and its amendments, the Corporate Governance Framework of shareholders and other supporting references.

The guidelines provided herein are to support the principles stated in any other of the Company's prevailing governance documents and related policies.

The issues of major capital expenditure, divestitures, mergers and acquisitions, certain strategic investments would be within the Board's authority and necessary recommendations shall be raised to the Parent Company Board for decision-making.

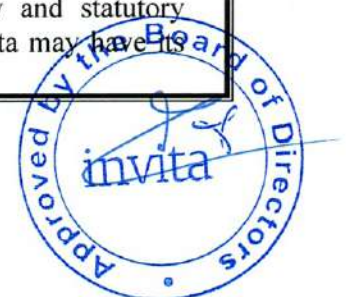
This framework shall be reviewed by the Board on an annual basis.

#### 2.0 INVITA'S CORPORATE GOVERNANCE PHILOSOPHY:

High standards in corporate governance are fundamental in maintaining Invita's leading position within the local and regional Outsourcing and Digital Solution sectors and the community. Continuous review and adherence to strong corporate governance practices help enhance compliance levels according to international standards and best practice.

Invita shall continue its endeavor to enhance shareholders' value, protect their interests and defend their rights by practicing the pursuit of excellence in corporate life. The Company shall not only comply with all statutory requirements but also formulate and adhere to strong Corporate Governance practices. Invita shall continuously strive to best serve the interests of its stakeholders including shareholders, customers, staff and public at large.

The adoption and implementation of Corporate Governance would be the direct responsibility of the Board of Directors, in line with the regulatory and statutory requirements in the Kingdom of Bahrain and other countries where Invita may have its operations.



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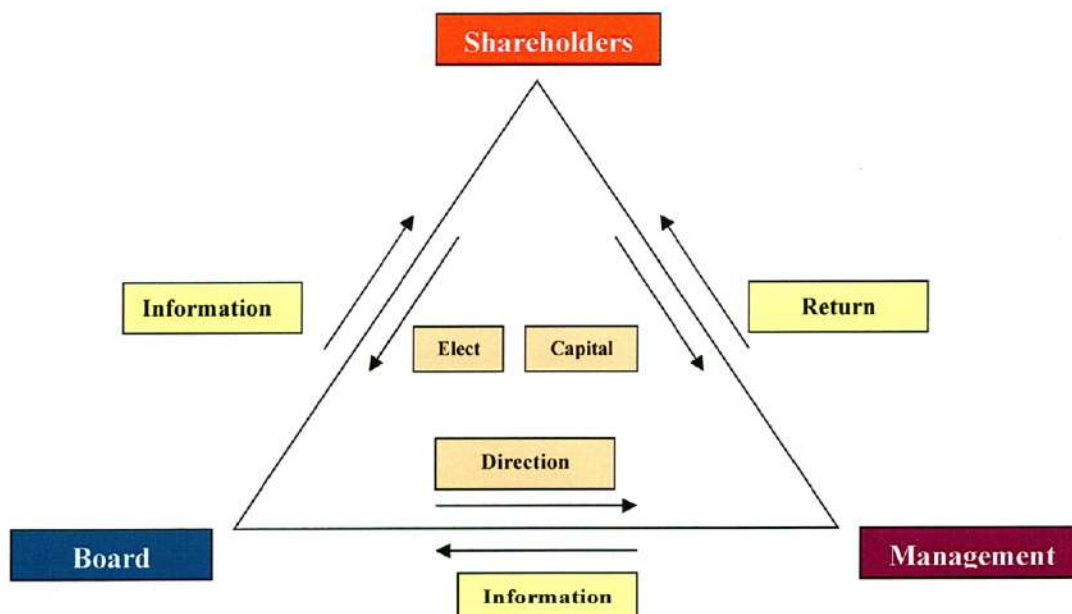
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**3.0 CORPORATE GOVERNANCE MODEL:**

The standard Corporate Governance model interconnects the dynamic relation between the three main stakeholders namely Shareholders, the Board and the Management. The roles of shareholders, the Board and the Management are distinctly different but complimentary to the core objectives and functioning of the institution. Such a model can be drawn as under.



Invita's Corporate Governance practices ensure a healthy relationship with all the stakeholders while achieving core objectives of the institution.

**3.1 Board of Directors:**

The Company's Board of Directors is accountable to the Company's shareholders and other stakeholders, to ensure that the Company is managed in a safe and sound manner. To fulfill their fiduciary duties, the Directors must be independent of the Management of the Company; familiar with the Company's business and general financial and accounting principles; and actively engaged in directing and overseeing Management.





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**3.2 Management Team:**  
The Company's Executive Management team is accountable to the Board to manage the Company in accordance with the policies and principles established by the Board and applicable legal and regulatory requirements.

**4.0 PURPOSE OF THIS FRAMEWORK:**

The purpose of this Framework is to outline the corporate governance structure for the company and its subsidiaries within Bahrain and outside Bahrain (to the extent that the same can be applied considering such or similar guidelines applicable in the country where such a subsidiary is registered).

This Corporate Governance Framework document together with the Board Charter, Directors' Appointment Contract, and such other independent policies related to Corporate Governance will form the **Corporate Governance Policy Manual** and would be the reference document for the Board and the Management. The individual policies/documents may change with market and regulatory requirements from time to time and will be suitably replaced.

**5.0 CORPORATE GOVERNANCE PRINCIPLES:**

The Company's guiding principles of good corporate governance are:

**5.1 Board operations** - the Board's ability to manage its own activities.

**5.1.1** The Board would consist of Directors representing required skills and experience.

**5.1.2** The Board would consist of Directors appointed by the Shareholders.

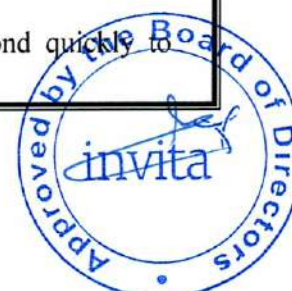
**5.1.3** There will be separation and clear division in the roles and responsibilities of the Chairman and the Chief Executive.

**5.1.4** Company will provide the Directors with access to training (particularly on induction) and professional advice on issues when required.

**5.2 Strategy** – the Board's role in the strategy development process will ensure:

**5.2.1** Active Board participation in strategy development, including the review and challenge of the strategy.

**5.2.2** Creation of an adaptable organization that is able to respond quickly to changing market opportunities.

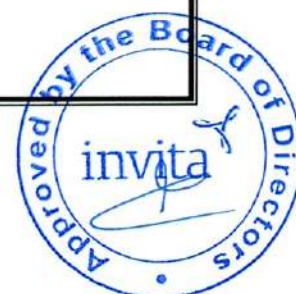


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<p>5.2.3 Appropriate dissemination of the strategic plan of Company.</p> <p>5.3 <b>Corporate Culture</b> - the Board's role in setting and communicating standards for organisational behavior shall:</p> <p>5.3.1 Promote openness with management on issues for which the Board will ultimately be accountable.</p> <p>5.3.2 Sponsor and actively promote adherence to the organization's defined code of conduct.</p> <p>5.3.3 Promote the use of incentive schemes that align the interests of the Board and Executive Management with those of the shareholders and other stakeholders.</p> <p>5.4 <b>Monitoring and evaluation</b> – the Board's role in monitoring Management and evaluating its performance against defined goals will require to:</p> <p>5.4.1 Ensure that the organization complies with relevant laws and regulations as well as with accounting, human resource, and other internal policies.</p> <p>5.4.2 Understand organizational risks and be informed routinely about how they are managed and be assured that this is effective.</p> <p>5.4.3 Apply a rigorous process for evaluating and monitoring the performance of the Chief Executive ("CE")</p> <p>5.5 <b>Stewardship</b> – the Board's responsibility towards stakeholders and accountability for their interests will need to:</p> <p>5.5.1 Uphold rigorous standards for individual members' preparedness, participation and conduct.</p> <p>5.5.2 Protect the organization and its stakeholders from potential damage due to conflicts of interest.</p> <p>5.5.3 Manage stakeholder expectations regarding the safeguarding of their interests, in part by ensuring that communication is thorough, timely and transparent.</p>		





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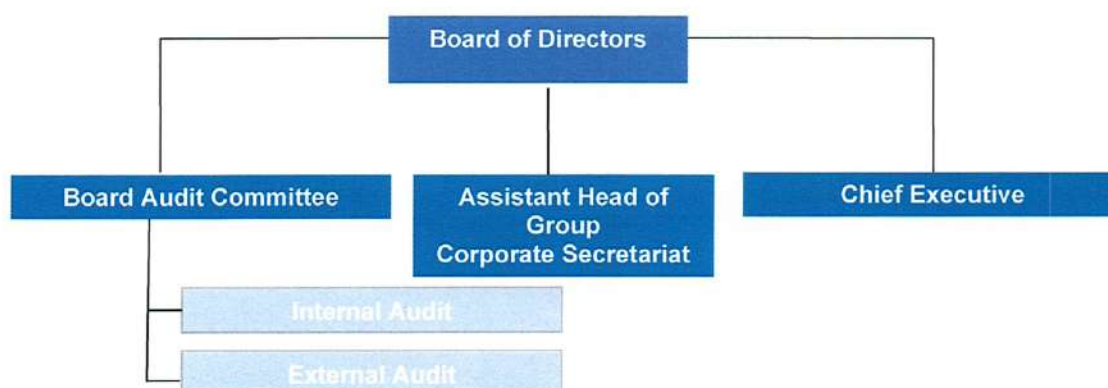
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#### 6.0 CORPORATE GOVERNANCE STRUCTURE:

The Directors of the Board will form the necessary function of Board Committees to assist the Board in providing effective oversight over the Company's operations. The board would review the structure periodically and modify it if deemed necessary. At present the structure is as below.



#### 6.1 Board Committees:

The Board delegates (without abdicating) some of its responsibilities to the Board Audit Committee. The terms of reference have been separately established for the Audit Committee.

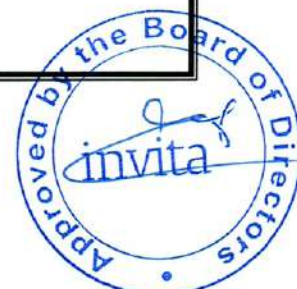
##### 6.1.1 Audit Committee:

- A minimum of three members are appointed for 1 year term.
- Minimum number of meetings required each year: 4.
- **Role:** reviews the internal audit programme and internal control systems, considers the major findings of internal audit review, investigations and Management's response, and ensures coordination between internal and external auditors

##### 6.1.2 Other Committees:

The Board assumes the responsibilities of the Nominating, Remuneration and Corporate Governance Committees.

The Board reserves the right to form temporary Committees and discontinue them, from time to time as it sees it necessary.



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**6.2 Delegation of authority:**

The Management personnel will execute activities/transactions on behalf of the Company in accordance with the delegated authority limits. As a general principle, policies covering operational issues, human resources, IT and such other functions in the Company would be approved by the Board. The approval of relative procedure is delegated to the Chief Executive. The procedures / processes relating to the functioning of the Board or Board Directors would be part of the Board Charter and approved by the Board. The application of the authority limits to different functionaries will be based on principles of delegation and will form part of the relevant policy and procedure.

