

MESK Holdings-Corporate Governance



MESK Holdings

Corporate Governance Manual

Version 2.0

3/21/2019

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I. GLOSSARY OF TERMS

General Assembly (G.A):	General Assembly
Board of Directors (BOD):	Board of Directors
AC:	Audit Committee
EC:	Executive Committee
RC:	Remuneration Committee
Kingdome:	Kingdome of Bahrain
Chief Executive officer (CEO) :	Chief Executive Officer
ED:	Managing Director
ISO:	International Standard Organization
ISO 9001:	International Standards for Quality Management System
The Company:	MESK Holdings
MRQ:	Management Representative for Quality
ISO 22000:	Food Safety International Standard
HACCP:	Hazard Analysis Critical Control Point “European Standard for Food Industry”
GCC	Arabian Gulf Countries Council
F&B:	Food and Beverage

II. STATEMENT OF CHAIRMAN

Introduction

The corporate governance framework will enable us to apply best practices in order to manage Mesk Holdings effectively and demonstrate transparent, consistent and effective governance so that we remain accountable to our shareholders, employees, partners, suppliers and the other stakeholders.

This corporate governance manual will provide a solid foundation to build our corporate governance framework around the three vital pillars:

1. Organization and structure;
2. Internal Control Framework; and
3. Independent Assurance

Board of Directors

We are committed to high standards of corporate governance and business integrity, which we believe are essential to maintain the trust of our shareholders. The Board provides leadership for the Company and is responsible for setting the strategic goals and standards of conduct, monitoring performance against business plans and budgets prepared by the executive team, and ensuring that the necessary financial and human resources are in place to meet its objectives. The Board reflects a balance between financial, sector specific and general business skills, with a highly experienced team leading the business in both executive and non-executive roles.

Board Committees

Authority is delegated to the Board level committees and currently, Audit Committee, Executive Committee and Remuneration Committee are fully functional as per the mandate provided by the Board of Directors.

Role of Chairman

As the Chairman, I have primary responsibility for managing the Board. Central to the effectiveness of governance framework is to ensure that the Board is provided with the correct information at the right time. I continue to place great emphasis on ensuring that this is done and that the Board and its committees focus on the strategic issues.

Conclusion

We are highly committed to strong governance which we believe is vital to maintaining the trust that our shareholders place in us. Our stakeholders will continue to benefit from our open, clear and consistent approach to governing Mesk Holdings.

Chairman Name and Sign:

1. AN INTRODUCTION TO CORPORATE GOVERNANCE AT MESK HOLDINGS

Sound corporate governance is an important component in creating and sustaining shareholder value while ensuring behavior is ethical, legal, and transparent.

MESK Holdings (hereinafter referred to as “the Company”), believes corporate governance is fundamentally concerned with creating sustainable shareholder value, without ignoring the interests of other stakeholders in MESK Holdings; such as employees, partners, customers and the community at large.

This corporate governance manual provides a basis for promoting the highest standards of corporate governance at MESK Holdings. It sets out internal practices in those matters covered by the Bahraini rules & regulation, Company Policies, and internationally recognized practices.

The practices set out in this manual apply to MESK Holdings as they are capable of being applied to the practice of sound corporate governance, and will be reviewed regularly, once every 2 years, by the Board of Directors, to ensure that MESK Holdings remains at the forefront of global best practice while maintaining sustainable ethical standards.

Where the provisions in this corporate governance manual are not in line with Company Policies, Bahraini rules & regulations or the Company’s Articles of Association, the Company Policies, Bahraini rules & regulations and Articles of Association shall always prevail.

2. PREFACE

2.1 Purpose

The purpose of the corporate governance manual is to:

2.1.1 Document the corporate governance policies and procedures of MESK Holdings.

2.1.2 Serve as means of defining and clarifying the responsibilities associated with all personnel responsible for originating and processing documents and records pertaining to the Board and its Committees.

2.1.3 Provide shareholders, the Board of Directors, and management with a tool to address governance related issues.

2.2 Manual Approval

The Board of directors has decided to approve this manual in its Board meeting dated by (November 4, 2015).

Board members Names & Signatures: MESK Holdings General Assembly on its Assembly Meeting dated April 25, 2019 with recommendation from Board of Directors has Approved This Manual.

Chairman of the Board (Sign): _____

2.3 Manual Distribution List

Document Holder Name	Copy #	Date	Sign
Omar AlMutawa	1		
Osama T. Almoayed	2		
Yousef S. Alessa	3		
Hanadi AlAnsari	4		
Yasar Siddique	5		
Faisal Alireza	6		
Naser Almotawa	7		
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Table 1: Distribution List

2.4 Manual Amendment Policy



Whenever it is needed to modify/ amend this manual or any of its sections, the Chief Executive officer (CEO) or delegated employee (i.e. MRQ: Management Representative for Quality) in cooperation with Board of directors shall perform the needed modification/amendment and shall highlight the modifications/amendments by underlining the modified/amended sentences and update the following Document Control Table.

Page Number	Version No	Version Date

Table 2: Manual Document Control Table

3. COMPANY OVERVIEW

MESK Holdings believes that good governance is essential to efficient and effective operations of company and to provide a general framework for transparency and business ethics.

3.1 Company's History

Founded in 2005, MESK Holdings is a Bahraini closed shareholding company established to capitalize on the growth of the hospitality and leisure industries in the GCC and the Middle East.

MESK Holdings is primarily focused on the Food and Beverages industry. The shareholders base represents the finest and most established groups from GCC which helped MESK Holdings to become one of the largest capitalized F&B.

MESK Holdings owns and operates a group of locally and internationally renowned dining establishments in prime locations throughout the Kingdom of Bahrain. It consists of strong dynamic energetic team that is deeply involved with all aspects of hospitality and F&B standards of operations that are implemented and translated throughout the group. A shared vision built upon our morals, values, and team building to attain the highest levels of satisfaction for all parties involved.

3.2 Company Objectives

MESK Holdings is committed to develop an effective, transparent and accountable corporate governance practices.

MESK Holdings' corporate governance philosophy is to adopt practices that shall help and enable MESK Holdings to achieve the needed standards of corporate governance that are not only fully compliant with national/regional leading practices and other regulatory requirements but that are genuinely effective and efficient.

Effective corporate governance also enables MESK Holdings to:

- 3.2.1 Improve the performance and competitiveness, thereby increasing the company's value over the long term.
- 3.2.2 Improve the transparency level of MESK Holdings to investors and regulators, thereby enhancing the market profile of the company.
- 3.2.3 Increase investor's confidence in the company.

3.2.4 Enhance visibility and credibility across all stakeholders, thereby solidifying relations with the stakeholders.

3.2.5 Enhance long-term financial stability.

4. MANAGING THE BOARDS AFFAIRS

The foundation of proficient corporate governance is an effectively functioning, and well informed Board of Directors (hereinafter referred to as the “Board of Directors (BOD)” or “the Board”). Ideally the Board should have a mix of experienced, professionally acclaimed executive, nonexecutive, and Independent Directors who appreciate the issues put forward by management and understand their fiduciary responsibilities towards MESK Holdings’ shareholders.

4.1 Role of the Board

MESK Holdings business is conducted by its employees and senior management, led by Chief Executive officer (CEO) and / or Chief Operating Officer COO, with oversight from the Board. The Board appoints the Chief Executive officer (CEO) and / or Chief Operating Officer COO and works with the CEO and / or COO to elect/appoint other senior management members, who are charged with managing the business of the Company.

Anyone who owns adequate capital as per the regulatory requirements shall appoint a person to represent him on the Board of directors for the same percentage of the number of the Board members. If he exercises this right, he shall lose his right to voting for the percentage for which he appointed a proxy. If the remaining percentage is not enough to appoint another member, he may use this percentage in voting.

In all cases the number of Board members shall be subject to the company’s articles of association and the rules and procedures decreed by the Minister of Commerce and Industry.

The Board shall determine the powers to be delegated to senior management and the procedures for taking any action and the validity of such delegation.

The Board has the responsibility of overseeing, counseling and directing the corporate officers to ensure that the interests of MESK Holdings and its shareholders are being served. The Board acts on a fully informed basis, in good faith, with due diligence and care, always keeping in mind the best interest of the Company and stakeholders.

The Board shall delegate oversight of key areas of responsibility to specific committees who will report to the full Board with their analyses and recommendations.

4.1.1 General Conditions

The Company Board of Directors (BOD) is the central entity in the corporate governance system of the company. Board of Directors (BOD) should have the vision, leadership, and

independency in decision making process for the benefit of MESK Holdings and its shareholders. Board of Directors (BOD) is accountable to General Assembly (G.A) which consists of shareholders.

The prime responsibility of Board of Directors (BOD) is to ensure the viability of the Company and to ensure that it is managed in the interest of the shareholders as a whole while taking into account the interests of other stakeholders.

The Board of directors shall undertake the powers and the acts necessary for the company's management in accordance with its objectives except for those banned by the law, the company's articles of association or the General Assembly resolutions.

MESK Holdings' articles of association may specify the extent to which the Board of directors can borrow for more than three years or sell company's property or business or mortgage such property or provide guarantees for third parties or discharge the company's debtors of their liabilities or reach a compromise with them or donate the company's property.

The Chairman and the members of the Board shall be jointly liable before the company, the shareholders and third parties for all acts of fraud and misuse of powers and any violation of the law or the company's articles of association and for mismanagement. Any condition to the contrary shall be null and void.

The liability referred to in the foregoing paragraph shall be either personal relating to a specific member or joint for all Board members. In the last case the members shall be jointly liable for paying compensation unless some of them has objected to the decision causing the liability and put their objection on the minutes of the meeting. The absence of a member from the meeting, in which the resolution was passed, shall not be a reason for exemption from liability unless he proves that he was unaware of the resolution or that he was aware of it but was unable to object to it. If more than one member commit the wrongdoing, they shall be jointly liable towards the company. The liability actions shall be time-barred after the elapse of five years from the date of the General Assembly meeting at which the Board of directors reported on its management.

MESK Holding shall, for each year, prepare a detailed list approved by the Chairman of the Board and the Chief Executive Officer – if any – of the names of the Chairman and members of the Board and their designation and the names of the company's managers. MESK Holdings shall maintain a copy of this list and send the original to the Ministry of Commerce and Industry attached with the annual report prepared by the Board of directors and the company's balance sheet and the profits and losses account. MESK Holdings shall notify the said ministry of any changes that may take place in the list during the year.

Directors shall be individuals of high integrity and superior ability who are focused on enhancing MESK Holdings long-term financial position.

Directors should be willing to devote sufficient time to carry out their duties and responsibilities effectively, and should be committed to serve on the Board of Directors (BOD) for an extended period of time.

General conditions that Board of Directors (BOD) member should comply with:

1. Devote needed time to carry out responsibilities as Board of Directors (BOD) member.
2. Member shall not have conflict of interest with company interest.
3. It is recommended that Board member holds executive management level in other organization.
4. The Members of the Board of Directors (BOD) have no personal liability in pertaining to the Company obligations because of the performance of their duties within their authorizations.
5. Not have any direct or indirect interest in the contracts and deals for the account of the company unless discussed and disclosed to the Board of Directors.
6. Not have interests or contradiction with interest of the company, unless approved by General Assembly (G.A).
7. It is recommended that Board of Directors (BOD) to have independent members.

4.1.2 Objective

The Board is responsible to the shareholders for creating and delivering sustainable value through the management of MESK Holdings businesses. It should therefore determine the objectives and policies of the Company to deliver such value, providing and approving of the overall strategic direction within a framework of rewards, incentives and controls. The Board must ensure that management strikes an appropriate balance between promoting long-term growth and delivering short-term objectives.

The Board is also responsible for ensuring that management maintain a system of internal control which provides assurance of effective and efficient operations, accurate financial reporting and compliance with laws and regulations. In carrying out this responsibility, the

Board must consider MESK Holdings business and reputation, the materiality of the financial and other risks inherent in the business and the relative costs and benefits of implementing specific controls.

The Board is also the decision-making body for matters important to MESK Holdings as a whole because of their strategic, financial or reputational implications or consequences.

4.1.3 Board Responsibilities

The following major functions and responsibilities of Board of Directors (BOD):

1. The Board of Directors (BOD) must carry out its duties in a responsible manner, in good faith and with due diligence. Its decisions should be based on sufficient information from the Chief Executive officer (CEO) and / or Chief Operating Officer COO, or from any other reliable source.
2. A member of the Board of Directors (BOD) undertakes to carry out whatever may be in the best interest of company, but not the interests of the individual or group of individuals he represents or that which may have voted in favors of his/her appointment to the Board of Directors (BOD).
3. Board of Directors (BOD) shall assess the major risks facing company and the steps taken by management to monitor and mitigate such risks.
4. Board of Directors (BOD) appoints Chief Executive officer (CEO)
5. Board of Directors (BOD) shall determine the compensation of the Chief Executive officer (CEO).
6. Board of Directors (BOD) shall be responsible for the appointment internal auditors, and recommend external auditors to be appointed by General Assembly (G.A). Both internal and external auditors shall be changed at most every five years.
7. Board of Directors (BOD) shall oversee the integrity of company financial statements, compliance with legal and regulatory requirements, the performance and the internal financial controls.
8. Board of Directors (BOD) shall assess the adequacy of company practices at all levels in compliance with applicable laws and regulations.

9. The Board of Directors (BOD) shall ensure that sufficient information about MESK Holdings is made available to all concern parties, generally, and, in particular, to enable them to discharge their duties and responsibilities in an effective manner on the following levels:
 - a. Strategic Level
 - b. Financial Level
 - c. Operational Level
10. The Board of Directors (BOD) should evaluate the performance of Board committees at least once a year.
11. The Board of Directors (BOD) may delegate certain function to a committee or to Chief Executive officer (CEO) – it may not delegate ultimate responsibility - to ensure of transparency framework in place.
12. Board of Directors (BOD) shall ensure compliance with applicable laws, regulations and standards by:
 - a. Understanding and protecting company financial status.
 - b. Approving annual financial reports.
 - c. Monitoring company's compliance with laws and regulations.
 - d. Monitoring company's compliance with accounting and financial standards.
 - e. Recommending the company's compliance with applicable Quality Standards as suggested by international standards such as ISO 9001.
 - f. Recommending the company's compliance with applicable Food health and safety standards as suggested by international standards and best practices such as ISO HACCP & ISO 22001.
 - g. Ensuring an effective system for internal controls is established.
13. Ensure a good relationship with stakeholders like bankers, financier, suppliers, employees and customers based on trust and mutual benefits.

-
14. Board of Directors (BOD) shall ensure a good performance of MESK Holdings by:
- a. Enhancing company's financial position.
 - b. Approving business and strategic plans.
 - c. Monitoring and assessing the performance of Board of Directors (BOD) itself.
 - d. Monitoring the performance of Chief Executive officer (CEO)
 - e. Monitoring key business risks.
 - f. Approving major capital expenditure, capital management and acquisition & merger and divesture.
 - g. Monitoring the development in the tours industry in Bahrain and GCC in general
15. Board of Directors (BOD) shall ensure of company overall operations by;
- a. Establishment of vision, mission and objectives
 - b. Delegating appropriate level of authority to company management team.
 - c. Demonstrating leadership.
 - d. Assuming the responsibilities, authorities, performance, and succession of Chief Executive officer (CEO).
 - e. Setting business objectives, forecasts and targets to the Chief Executive Officer (CEO) to ensure that all business units are managed efficiently in terms of key resource allocation and profitability.
 - f. Recommending auditors and new directors to General Assembly (G.A).
 - g. Crises Management.

h. Participate in appointing financial department manager.

4.2 Role of the Chairman

4.2.1 Objective

The Chairman of the Board is pivotal in creating the conditions for overall Board and individual Director Effectiveness, both inside and outside the Boardroom.

4.2.2 Chairman Responsibilities

The main responsibility of the Chairman is to lead the Board of Directors (BOD) and facilitate constructive contributions by all directors to ensure the Board of Directors (BOD) functions effectively as whole in discharging its responsibilities and duties. The responsibilities of Chairman is included but not limited to:

1. Call for General Assembly (G.A) meetings, regular and non-regular meetings
2. Call for Board of Directors (BOD) meetings (regular and non-regular)
3. Make sure that Board is collegial and deliberative, to gain the benefit of each individual director's judgment and experience.
4. Take an active lead in promoting mutual trust, open discussion, constructive dissent and support for decision after they have been made.
5. Ensure of objectivity and independence of Board of Directors (BOD) members.
6. During the Board of Directors (BOD) and General Assembly (G.A) meetings, Chairman shall allocate enough time for each meeting subject.
7. Ensure that a procedure is laid down for orienting the new Board members of the Company's business and, in particular, the financial and legal aspects, in addition to their training, where necessary.
8. Make sure that Board of Directors (BOD) meetings are effective and deliberative throughout;
 - a. Allocate appropriate time to each agenda item.
 - b. Management of information flow and discussion during the meetings.

c. Managing Boardroom discussion and ensure that conclusions and decisions are reached.

9. Perform the required tasks as per the approved corporate authority matrix (annex 1)

4.3 Role of the Chief Executive officer (CEO) and / or Chief Operating Officer (COO)

4.3.1 Objective

The primary role of the CEO and / or COO is to define and execute the business vision, mission, and organizational strategy, duly approved by the Board with the overall objective of contributing to MESK Holdings vision of enhancing all of its businesses. The position is responsible for MESK Holdings overall operations, profitability and sustained growth. The CEO and / or COO will develop MESK Holdings strategic vision, supervise the preparation of the operational and business plans and direct MESK Holdings towards the achievement of its objectives.

The position has the right to delegate part or all of his authority if needed to Senior Managing Directors with the approval of the Board

It is imperative that the CEO or COO to review on his return, all commitments that the delegated individual entered into in order to ensure that control is maintained and exposure to risk is minimized.

4.3.2 Chief Executive officer (CEO) and / or Chief Operating Officer COO Responsibilities

The CEO and / or COO is accountable to the Chairman and Board of Directors (BOD) for the effective and efficient operation of the company. The Key elements of the position are:

1. Develops and documents the Company's strategic direction. The Board of Directors (BOD) shall be constructively engaged in this process and be responsible for the review and approval of the plan.
2. Responsible for MESK Holdings day-to-day operations
3. Informs the Board of Directors (BOD) of the market, the technology, and the regulatory issues and trends that may impact the company's goals.

4. Brings the Company to high and sustained standards of performance.
5. Creates a work environment that attracts and retains talented people.
6. Ensures that MESK Holdings deals with fairness, transparency and integrity.
7. Provides any signatures required by law (such as certification of financials).
8. With Board guidance, articulates the company's position on important matters to the community, government, and regulatory agencies.
9. Builds a positive image of the company.
10. Communicates regularly and effectively with all stakeholders and Shareholders.
11. Develop annual plans, budget and forward it to Board of Directors (BOD) for approval.
12. Establishes strong working relationships with the Board of Directors (BOD).
13. Staffs, trains and develops employees to meet the Company's short and long-term goals.
14. Ensures that there is clarity of objectives and focus for all employees.
15. Ensures that there are clear and appropriate standards of performance, and measurement of those standards.
16. Develops and implements processes which shall ensure the achievement of the company's operational mission on time and within budget.
17. Advises the Board of Directors (BOD) about operational issues, and puts in place appropriate operational plans.
18. Act as a conduit between the Board of Directors (BOD) and the staff.

4.4 Role of the Directors of the Board

4.4.1 Objective

The primary objective of all Directors is to constructively challenge and help develop proposals on strategy and business development.

4.4.2 Directors of the Board Responsibilities

The basic responsibility of the directors of the Board of Directors (BOD) is to exercise their business judgment to act in what they reasonably believe to be in the best interests of MESK Holdings and its shareholders. The duties of director within Board of Directors (BOD) includes but not limited to:

1. Act in good faith in the best interest of the company.
2. Act with care and diligence.
3. Avoid conflicts between serving as company Board of Directors (BOD) member and any other personal interests.
4. Need to be aware of all applicable legal requirements by which company required to comply with.
5. In discharging those duties director need to:
 - a. Support Chief Executive officer (CEO) to make best decisions while avoiding the tendency to second guess.
 - b. Encourage constructive discussion in the Board of Directors (BOD) meeting.
 - c. Ensure that all relevant issues are considered while taking any decision.
6. When Directors make decisions in relation to the business operations of MESK Holdings they are required to meet specific requirements in order to be deemed to have discharged their duty with due care and diligence, namely:
 - a. The decision is made in good faith for a proper purpose.

- b. There is no material personal interest in the subject matter of decision.
- c. Reasonable steps have been taken by the Director to be informed on the subject matter of the decision to the extent believed appropriate.
- d. The decision is believed to be in the best interests of the company.

4.5 Role of the Corporate Secretary

4.5.1 Objective

Once the corporate governance manual is approved, the Corporate Secretary shall be appointed by the Board of Directors of MESK Holdings and will be reporting to Board.

The Corporate Secretary plays a significant role in ensuring that meetings are run efficiently and resolutions of the Board are acted upon on a timely basis.

4.5.2 Corporate Secretary Responsibilities

The Corporate Secretary is generally responsible for carrying out the administrative and legislative requirements of the Board, in particular:

1. Ensuring an annual calendar of Board meetings is maintained and updated every quarter after the most current meeting
2. Distributing Board action points in a timely manner to the concerned parties.
3. Ensuring that the agenda is complete and that it caters for all requirements such as code of ethics, independence confirmation formation of Board committees, and approval of committee charters.
4. Ensuring that the Board agenda is developed in a timely and effective manner for review and approval by the Chairman.
5. Ensuring, in conjunction with the CEO and / or COO, that Board papers are developed in a timely and effective manner.
6. Ensuring standardized formats for all Board papers and reports.

7. Coordinating, organizing and attending meetings of the Board and shareholders, and ensuring that correct procedures are followed.
8. Ensuring that agenda of the meeting and all required reading materials are submitted at minimum 7 working days before the Board meeting.
9. Drafting and maintaining minutes of Board meetings at maximum 5 working days after the adjournment of the Board meeting.
10. Distributing Board resolutions in an appropriate and timely manner.
11. In conjunction with the Chief Executive officer (CEO) and other senior management, carrying out the instructions of the Board and giving practical effect to the Board's decisions.
12. Ensuring that all votes are as per the voting matrix of the Board and the committees meetings.
13. Responsible of announcing the voting results for each Board and committee member right after voting.
14. Maintaining the records approved and disapproved items for each Board and committee member.
15. Meeting statutory reporting requirements in accordance with relevant legislation.
16. Working with the Chairman and the Chief Executive officer (CEO) to establish and deliver leading practice governance.
17. Maintain a list of action points listing all outstanding action points.

4.6 Role of the Management

4.6.1 Objective

MESK Holdings business is conducted by its employees and senior management, under the direction of the Chief Executive officer (CEO). In carrying out the Company's business, the Chief Executive officer (CEO) and senior management are accountable to the Board, and ultimately to the shareholders. Management's primary responsibilities broadly cover the oversight of the day-to-day operations of MESK Holdings business, strategic planning, and budgeting, financial reporting and risk management. In fulfilling

these responsibilities, the Chief Executive officer (CEO) and senior management must balance the unique relationships between and amongst the Company, its network of employees, investors and customers.

4.6.2 Management Responsibilities

Management's key responsibilities include, but are not limited to, the following:

1. Providing the Board with appropriate and timely and accurate information.
2. Providing the Board with periodic reports on the exercise of delegated powers.
3. Making recommendations to the Chief Executive officer (CEO) over MESK Holdings strategic direction and translate the strategic plan into the operations of the business.
4. Being alert to relevant trends in the industry and the Company's operating environment.
5. Acting as a conduit between the Board and the Company.
6. Developing, implementing and updating policies and procedures.
7. Implementing and managing MESK Holdings risk management and internal control frameworks.
8. Implementing development schemes as necessary for all Directors to enhance their knowledge and skills in order to facilitate their sound participation as Directors.
9. Managing MESK Holdings human, physical and financial resources to achieve the Company's objectives and efficiently operate the business.
10. Assuming day to day responsibility for the Company's conformance with relevant laws, regulations and its compliance framework.

4.6.3 Relationship between Management and the Board

The relationship between management and the Board is critical and must be supported by a clear segregation of responsibilities.

Management must:

1. Be accountable.
2. Operate within delegated authorities.
3. Have an appropriate level of skills and resources.
4. Perform against the established KPIs to deliver the objectives of the Company.
5. At all times, the Board must be in control.
6. Compile a list of tasks and authorities maintained by the Board and those delegated thereby upon the Management.

4.7 Operation of Board of Directors

- 4.7.1 The Board shall be comprised, at any time, not less than three (3) directors; each shall be elected by General Assembly (G.A) every three Years by secret ballot and they shall be selected by relative majority of the valid votes.

The Minister of Commerce and Industry shall decree the necessary conditions thereof.

- 4.7.2 If the office of one of the Board members becomes vacant,

1. He/She shall be replaced by the member next to him/her in the number of votes in the latest elections of the Board.
2. The new member shall complete the unexpired term of his predecessor.

In other than this case, the Board shall elect by secret ballot a member to replace him from among the candidates nominated by two of the Board members at least until the next meeting of the General Assembly.

3. If the vacant offices are equal to one-fourth of the original offices, the Board of directors shall invite the ordinary General Assembly to convene within two months from the date of the last office becoming vacant to fill them.

4. If the vacant offices exceed more than half the number of the Board members, the Board shall be deemed dissolved and new elections shall be called for to elect a new Board of directors for the company.

4.7.3 Board of Directors (BOD), via confidential election, shall elect the Chairman and Vice Chairman; the term shall not exceed the term of their membership of the Board of Directors.

The Board of directors may elect by secret ballot a managing director or more who shall have the right to sign on behalf of the company either severally or jointly as decided by the Board of directors.

The Ministry of Commerce and Industry shall be given a copy of the decisions of electing the Chairman, his deputy and the managing directors.

4.7.4 The Board of Directors (BOD) shall meet at least two (4) times per year if and only if more than 50% of member attends the meeting (provided that the number of those present shall not be less than two). If not, meeting should be postponed.

4.7.5 The Board of directors' meeting shall convene at an invitation by the Chairman or by two members at least. The meeting shall be valid only if attended by half the members, provided that three members thereof at least are present, unless the company's articles of association provide for a higher number or percentage.

4.7.6 The Board member may not delegate any other person to attend on his behalf unless otherwise stipulated by the company's articles of association. In such case, he shall be one of the Board members or the representative of the public entity whom the original member represents. However, proxy may not also be given to more than two members, provided that the present number of members in person shall not be less than half the Board members including the Chairman. Proxy shall be personal and in writing and shall be sent to the Board of directors three days at least before the meeting. The resolutions of the Board of directors shall be passed by the majority of the present members. In case of equal vote, the Chairman shall have the casting vote, and any objecting member shall put his objection on the minutes of the meeting.

4.7.7 The agenda of Board of Directors (BOD) meeting will be prepared by the Chairman of the Board and whenever reasonably possible, circulated to each director prior to the meeting date, the meeting will be headed by Chairman or Vice Chairman – in the absence of Chairman-. The head of the

meeting should give the needed time to discuss each meeting agenda item, noting that each member have one vote including Chairman and vice Chairman.

- 4.7.8 The Board of Directors (BOD) shall keep written record (minutes of the meetings) of all meetings to be signed by the attendees.

Those records also the Board may meet by telephone or video conference and may take action by unanimous written consent.

The member who objects to any of the Board's resolutions shall put his objection on the minutes of the meeting, and those who sign the minutes of the meetings shall be liable for the accuracy of the information included in the register.

- 4.7.9 The Board of Directors (BOD) shall maintain an orientation program for new directors and organize continuing education programs for all directors.

The orientation program for new directors should build the understanding of the nature of the Company, its business and the Bahraini and GCC market, build a link with the Company's people, and build an understanding of MESK Holdings main relationships.

The orientation program shall include briefings by Chief Executive officer (CEO) /Chairman to familiarize new directors with MESK Holdings strategic plans, financial statements, and key policies and practices, and may include visits to the Company's significant facilities.

- 4.7.10 The Board of Directors may allocate its duties among its members in accordance with the nature of the company business, and the Board shall exclusively have to do the following:

1. Delegate any of its members or a committee from among its members to carry out a specific assignment or more or to supervise one of the company's activities or to exercise some of the powers or authorities granted to the Board.
2. Delegate a member or more to perform actual management, and the Board shall specify the powers of the member so delegated.

- 4.7.11 The Board of Directors (BOD) shall ensure that the Management prepares, for each financial year, within a period not exceeding three months from the end thereof, a report on the company's activities and financial position

during the ended year and the company's balance sheet and the profit and loss account. The Chairman and another member of the Board shall sign the report, the balance sheet and the profit and loss account. The Management shall be responsible for the implementation thereof.

4.7.12 Directors are expected to attend Board of Directors (BOD) meetings and meetings of committees on which they serve, and to spend the time needed and meet as frequently as necessary to properly discharge their responsibilities.

4.7.13 Directors should offer their resignation in the event of any significant change in their personal circumstances, including a change in their principal job responsibilities, which would interfere with their ability to carry out their duties and responsibilities effectively on the Board or any of its committees.

4.8 Core Competencies of the Board

Contemporary best practice in corporate governance suggests that the members of the Board or Directors of MESK Holdings should jointly possess the following core competencies:

4.8.1 They must be fully qualified to act,

4.8.2 They must not have been convicted in a crime involving negligent or fraudulent bankruptcy or a crime affecting his honor or involving a breach of trust or in a crime on account of his breach of the provisions of this law, unless he was reinstated.

4.8.3 Accounting and Finance: Expertise in financial accounting and corporate finance, including trends in debt and equity markets.

4.8.4 Business Judgment: Directors have a record of making good business judgments.

4.8.5 Management: Directors who understand and keep abreast of general management “best practices” and their application in complex and rapidly evolving business environments.

4.8.6 Crisis Response: Directors who are capable and can respond to a short term or prolonged crisis.

- 4.8.7 Industry Knowledge: One or more members with appropriate and relevant industry-specific knowledge and experience.
- 4.8.8 International Markets: Business experience in international markets.
- 4.8.9 Leadership: Directors who understand and possess empowerment skills and have a history of motivating high-performing talent.
- 4.8.10 Strategy/Vision: Directors who are able to provide insight and direction by encouraging innovation, conceptualizing key trends, evaluating strategic decisions, and continually challenging MESK Holdings to sharpen its vision.

4.9 Personal Liability

The Chairman and members of the Board shall be liable towards the Company, the shareholders and third parties for all acts of fraud, power abuse, illegal acts and violation of the Articles of Association. With the exception of the previous sentence the Chairman and members of the Board will not be held personally liable with regards to the obligations and liabilities of MESK Holdings.

4.10 Independent Advice and Judgment

The Board and its Committees may seek legal, financial or other expert advice from a source independent of management, at the Company's expense and without prior approval of the Company.

All Directors should bring an independent judgment to bear on issues of strategy, performance, resources, including key appointments, and standards of conduct.

4.11 Term and Nomination of Directors

The General Assembly will vote on the nominees, as proposed by the Board, for election as Directors every (Three years) year. Unless otherwise provided by the Company's Articles of Association, Directors may be continually reappointed to their posts.

The Chairman of the Board and the Vice-Chairman will be elected by the Board, Where possible, the Board should engage in a disciplined process to determine, in light of the opportunities and risks facing the Company, what competencies, skills, and personal qualities it should seek in new Board nominations in order to add value to the Company.

Board should ensure that prospective candidates fully understand the role of the Board and the contribution they are expected to make, including the commitment of time and energy that the Company expects of its Directors.

4.12 Termination of Directors

The company's articles of association shall specify the cases in which Board membership is terminated.

The Board of Directors, based on the recommendation of the Chairman and majority approval of the Board, may dismiss a Board of Directors (BOD) member in cases where the director may:

- 4.12.1 Cause a financial loss to the Company;
- 4.12.2 Adversely affect, disrupt or interfere with the business operations and activities of the Company;
- 4.12.3 Take any action which adversely affects the safety or soundness of the Company;
- 4.12.4 Disrupt or interfere with the activities of any committee or Board meeting, or the election of any officer, director, or committee member.
- 4.12.5 Conduct his business affairs with in a manner contrary to the safe and sound operations of the Company;
- 4.12.6 Cause embarrassment or public disfavor to the reputation of the Company;
- 4.12.7 Commit any crime; or

4.12.8 Harass, in any way, manner or form, any volunteer, member or staff person of the Company.

The General Assembly may dismiss all or some of the Board members even if the company's articles of association provide otherwise. A request shall be submitted by a number of shareholders representing adequate shareholding as per the regulatory requirements. The Board of directors shall refer the request to the General Assembly within one month at most from the date it is submitted; otherwise the Ministry of Commerce and Industry shall make the invitation. The General Assembly shall not consider the request if it is not listed on its agenda, unless there appear in the meeting serious matters that require such dismissal. The dismissed member may claim compensation from the company if the dismissal has not been justified or made in an inconvenient time.

The Minister of Commerce and Industry may dissolve the company's Board of directors if the company has encountered severe financial or administrative difficulties, or if it has sustained heavy losses prejudicing the rights of the shareholders or its creditors, or if the provisions of this law have been violated. All such incidents shall be evidenced by whoever the Minister of Commerce and Industry appoints, either from the staff of the ministry or from amongst others, to inspect the works and accounts of the company. The minister may also dissolve the company if the Chairman and Board members have resigned their offices, or if the Board of directors has lost its quorum so that it becomes unable to convene, or if the General Assembly has not been able to elect a new Board of directors.

In case of Board dissolution, the Minister of Commerce and Industry shall appoint an interim committee composed of specialized experts to manage the company for a six months term renewable only once until the General Assembly elects a new Board at an invitation by the Minister of Commerce and Industry.

4.13 Resignation of Directors

Upon a Board member presenting his resignation, the regulator in coordination with the Board of directors shall look for the reasons behind the resignation and act accordingly

The General Assembly reserves the right, at all times, to dismiss requests for resignation all or any of the Directors even though the Articles of Association provide otherwise if the resignation occurred in an inconvenient time and the concern member may be subjected to pay compensation

On the resignation of a Director, MESK Holdings shall promptly notify the regulator and shall specify the reasons for such termination if required.



5. GENERAL ASSEMBLY

5.1 General Assembly Responsibilities

MESK Holdings General Assembly (G.A) is consists of all shareholders. It is assembled annually, where Board of Directors (BOD) is responsible for the preparation of this meeting agenda. General Assembly (G.A) is generally responsible for:

Except for what the law has reserved for the extraordinary General Assembly, the ordinary General Assembly shall be competent to consider all matters relating to the company and pass the appropriate resolutions thereon. In particular, it shall consider the following:

- 5.1.1 Consideration and approval of the Board's report on the company's activities and financial position during the ended financial year, including but not limited to:
 1. Financial Reports and
 2. External Financial Audit Report
- 5.1.2 The appointment of an external auditor or more for the following financial year and determination of his/their fees or authorizing the Board to do the same.
- 5.1.3 Consideration of the auditor's report on the financial statements of the company for the ended financial year.
- 5.1.4 Approval of the profit and loss account and the balance sheet and the statement allocating the net profits and determining dividends.
- 5.1.5 Ensuring of qualifications and independence of the external auditor.
- 5.1.6 The following matters shall be reserved for the extraordinary General Assembly:
 1. Amending the company's memorandum or articles of association and extending the company's term.
 2. Increasing or reducing the company's capital.

3. Selling the entire business carried out by the company or disposing of it in any other manner.
4. Winding up the company or merging it with another company

The General Assembly shall not consider matters not listed on the agenda, unless they are urgent and have occurred after the agenda has been prepared or during the meeting. If the competent government body or a shareholding public entity or a number of shareholders representing at least 10% of the company's capital requests the Board of directors to include a certain subject in the agenda but the Board did not do so, the General Assembly shall have the right to consider this subject at the request of the interested party. If, in the course of the discussion, it becomes clear that the information relating to some agenda items is not adequate, the meeting shall be adjourned for no more than ten days if so requested by a number of shareholders representing one-fourth of the shares present in the meeting.

The resolutions adopted by the General Assembly on the urgent matters, shall be submitted for approval by the Ministry of Commerce and Industry, otherwise they shall be null and void.

5.2 Voting

Voting at the General Assembly shall be conducted in the manner specified in the company's articles of association.

General Assembly (G.A) shall vote on each subject and Chairman of Board of Directors (BOD) shall count the votes – each General Assembly (G.A) member has only one vote, document it in General Assembly (G.A) minutes of meeting.

General Assembly (G.A) minutes of meeting shall made available to all by sending across all General Assembly (G.A) members.

Voting must be conducted by secret ballot if the resolution is related to the election or dismissal of the members of the Board of directors or to filing liability action against them or if the Chairman of the Board or a number of members representing at least one-tenth of the present votes at the meeting so requests.

The members of the Board of directors shall not vote on the General Assembly's resolutions relating to the determination of their salaries and remuneration or to discharging them or exempting them from liability for their management.

5.3 Meetings

The invitation for the General Assembly meeting shall be sent by registered mail or email at least fifteen days before the meeting. However, the invitation may be conveyed by taking the signature of the shareholders indicating their knowledge of the time, venue and the agenda of the meeting.

The meeting of the ordinary General Assembly shall not be valid unless attended by a minimum number of shareholders representing more than half the shares. If such quorum is not available, the meeting shall be valid with those present after half an hour from the time fixed for the first meeting.

The meeting of the extraordinary General Assembly shall not be valid unless attended by shareholders representing two-thirds of company's shares. If such quorum is not available, an invitation shall be sent for a second meeting to be held within ten days from the date of the first meeting, and this meeting shall be valid if attended by the representatives of more than one-third of the capital.

If this quorum is not available an invitation shall be sent for a third meeting to be held within ten days from the date of the second meeting. The third meeting shall be valid if attended by the representatives of a quarter of the capital.

A new invitation may not be sent for the last two meetings if their dates were determined in the invitation for the first meeting, provided that the shareholders are notified that the first meeting has not been held. Resolutions shall be passed by a majority of two-thirds of the shares represented in the meeting.

The extraordinary General Assembly's resolutions shall not become effective except after they are approved by the Ministry of Commerce and Industry.

6. SHAREHOLDERS

6.1 Shareholders Rights

Shareholders are the owners of MESK Holdings and therefore, play a crucial role within the structure of company. Basically, shareholder rights should include the rights to:

- 6.1.1 Secure relevant and material information on MESK Holdings on a timely and regular basis;
- 6.1.2 Elect and remove methods of ownership registration.
- 6.1.3 Convey or transfer shares.
- 6.1.4 Obtain relevant and material information on MESK Holdings on a timely and regular basis;
- 6.1.5 Elect and remove members of the Board.
- 6.1.6 Share in the profits of the company.
- 6.1.7 Shareholders, as legal owners of the companies, should expect to be able to enjoy these rights in all jurisdictions. The Board of Directors (BOD) must recognize shareholders rights, avoid any actions that violate those rights and protect and facilitate such rights.
- 6.1.8 Shareholders should have the right to participate in, and to be sufficiently informed on, decisions concerning fundamental corporate changes e.g. Amendments to the statutes, or Memorandum of association or similar governing documents of the company.
- 6.1.9 The authorization of additional shares; and
- 6.1.10 Extraordinary transactions, including the transfer of all or substantially all assets, which in effect result in the sale of the company.

7. BOARD COMMITTEES

The objective behind establishing Board of Directors (BOD) committees are helping Board of Directors (BOD) in discharging oversight responsibilities. Currently Board of Directors (BOD) has three committees; Executive Committee, Audit Committee and remuneration committee.

Members of the committees will be appointed by the Board and may be removed by the Board at its discretion. Members of the committees (current and future) shall meet the independence and experience requirements to the extent required under all applicable laws and regulations.

7.1 Structure

7.1.1 The Board of Directors shall create three (3) **permanent** committees as follows:

1. Audit Committee (covering internal/external audit, risk and ethics);
2. Nomination & Remuneration Committee (covering independence and HR related polices); and
3. Executive Committee (management oversight/performance measurement)

7.1.2 All the Committees (whether permanent or independent) will function on behalf of the Board. These committees will be formed and operated as per their respective charters.

7.1.3 The Board will be responsible for constituting, assigning, co-opting and fixing terms of service for Committee members.

7.1.4 Committees will have the authority to act within the mandate provided by their respective Committee charters while informing the Board of Directors of the recommendations or decisions that have been taken.

7.1.5 The Committees may invite the Chairman of the Board, CEO, senior management, the internal and external auditors and other personnel whom it deems necessary to attend its meetings.

7.2 Committee Charter

- 7.2.1 Each Board committee will have a defined and documented charter that will be approved by the Board of Directors.
- 7.2.2 The Committee charters will serve as a guide to the Committee members in the performance of their duties.
- 7.2.3 The Committee charters will cover the following:
1. The respective committee's objectives and functions;
 2. Composition / membership of the committee,
 3. Number of meetings and attendance at meeting,
 4. Rights of the committee to obtain information from management and its access to independent professional advice; and
 5. Quorum.
- 7.2.4 The Committee charters will be reviewed and updated by the Board of Directors.
- 7.2.5 The Committee charters is recommended to be communicated to all business units / departments and will be posted on MESK Holdings website and distributed by internal email to promote transparency.

7.3 Supervision of Committees

The Board shall monitor these committees via an annual review of the Board committee reports and recommendations. This annual review will be documented in the Board of Directors meeting minutes. Any follow-ups on issues of considerable importance shall be facilitated through the respective Board committee Chairman, where needed.

7.4 Audit Committee

7.4.1 Purpose & Responsibilities

The Audit Committee (AC) of is a sub-committee of the Board of Directors (BOD). The primary function of the AC is to:

1. Approve on the appointment process of Internal Auditors.
2. Assist the Board of Directors (BOD) in fulfilling its oversight responsibilities by reviewing the financial information, which may be provided to the shareholders and others, the systems of internal controls which the management and the Board have established, and the audit process.
3. Have the power to conduct or authorize investigations into any matters within the AC's scope of responsibilities. The AC shall have unrestricted access to members of the management and all information relevant to its responsibilities. The AC shall be empowered to retain independent counsel, auditors, accountants, or others to assist it in the conduct of any investigation.
4. Meet with the external as well as internal auditors and management of Mesk Holdings in separate sessions to discuss any matters that the AC or these groups believe should be discussed privately with the AC.
5. Review with MESK Holdings internal auditor or the internal audit firm (if it is outsourced) and external auditor, coordination of the audit effort to ensure complete coverage of key business controls and risk areas, minimization of inefficiency, and effective use of audit resources.
6. Monitor the integrity of the financial statements of the company, including its annual and interim reports and any other formal announcement relating to its financial performance.
7. Review and assess all material information presented with the financial statements, such as the operating and financial review and the corporate governance statement (in so far as it relates to the audit);
8. Discuss with Management:
 - a. MESK Holdings annual financial statements and related footnotes.
 - b. Any significant changes required in the external auditor's audit plan.
 - c. Any serious difficulties or disputes with management encountered during the course of an audit.
 - d. The existence of significant estimates and judgments underlying the financial statements, including the rationale behind those estimates as well as the details on material accruals and reserves.

- e. Other matters related to the conduct of the audit, which are to be communicated to the AC.
9. Consider and make recommendations to the Board, in relation to the appointment, re-appointment and removal of the company's external auditor.
10. Review and approve the annual audit plan and ensure that it is consistent with the scope of the audit engagement and review the findings of the audit with the Auditor.
11. Review the AC charter and have all the proposed revisions approved by the Board of Directors (BOD).

7.4.2 Committee Structure and Membership

1. The AC shall be appointed by the Board of Directors (BOD).
2. The AC shall be composed of three members from the Board of Directors (BOD).
3. The Board shall appoint one of the members as a Chairman of the AC.
4. Members of the AC shall be included and removed in the community Board of Directors (BOD) for a 3-years term.
5. At least one member of the AC shall have a background in financial reporting, accounting or auditing.

7.4.3 Authority

1. The AC is authorized to seek any information it requires, from any employee of the company, in order to perform its duties.
2. The AC shall be entitled to call any employee of Mesk Holdings to be questioned at a meeting of the AC, as and when required.

7.4.4 Reporting to the Board

1. The Chairman of the AC shall report to the Board of Directors (BOD) periodically on all matters within its duties and responsibilities.

2. The AC shall be entitled to make recommendations to the Board of Directors (BOD) as it deems necessary with respect to any matter within its duties and where it deems action or improvement is needed.

7.4.5 Meetings

1. General

- a. The AC will meet on a regular basis; at least four times per financial year, and usually at least one meeting is held in each quarter of the year. The meetings will be held usually one day prior to the Board meeting or on the day of the Board meeting. Special meetings will be called, as circumstances require.
- b. The dates of the meetings for the year may be set forth and agreed at the beginning of the year. In any case not less than five days' notice shall be given to the members of the AC in respect of the proposed meeting, although meetings may be convened in a shorted period if all the members of the AC agree to waive such requirement at the commencement of the meeting.

2. Attendance

- a. Two of the members of the AC should be present for the quorum to be achieved (being physically present or joining by conference call).
- b. Members absent will have the right to appoint another member of the AC to act as a proxy on their behalf. In such a case the proxy member will have two voting rights.
- c. All meetings of the AC shall be chaired by the Chairman or in his absence by the Vice Chairman.
- d. The Chairman of the AC can invite the External Auditor to attend a meeting to discuss matters that may impact Mesk Holdings financial position.

3. Minutes

- a. The AC will maintain written minutes of its meetings, along with a table tracking the AC's decisions which will be filed with the minutes of the meetings of the Board.

- b. Copies of resolution will be maintained at the corporate headquarters of MESK Holdings and will be circulated to the concerned management to take necessary action.

7.4.6 Internal Auditor

1. Consider and approve the role of internal audit function and ensure it has adequate resources and appropriate access to information to enable it to perform its function effectively and in accordance with the relevant professional standards.
2. Review, evaluate and approve the scope, risk assessment and nature of the internal auditors' plan and any subsequent changes, including whether or not the internal auditors' plan is sufficiently linked to the company's overall business objectives and management's success and risk factors.
3. Review and assess promptly all audit reports from the internal auditors.
4. Consider and review with management:
 - a. Significant findings during the year and management's responses thereto, including the timetable for implementation of the recommendations to correct weaknesses in internal control.
 - b. Any difficulties encountered in the course of the audits, including any restrictions on the scope of the work or access to required information.
5. Any changes required in the planned scope of the audit plan.
6. Review and concur in the appointment, defining the scope and remuneration for the audit firm for the internal audit.
7. Confirm and ensure the independence of the internal audit function.

7.5 Remuneration Committee

7.5.1 Purpose & Responsibilities

The remuneration Committee (RC) is a sub-committee of the Board of Directors (BOD) committees. The RC shall have and may exercise all the powers and authority of the

Board in the management of the business and affairs of MESK Holdings except as may be limited by law, the company's By-Laws or by resolution of the Board. The primary function of RC is to:

1. Review compensation for Board of Directors (BOD) members.
2. Review remuneration policies and procedure.
3. Review, amend and recommend incentives and rewards system and link it with employee performance procedure and recommend new policies to Board of Directors (BOD).

7.5.2 Committee Structure and Membership

1. The RC shall be appointed by the Board of Directors (BOD).
2. The RC will have three members, who will be elected by the Board.
3. Members of the RC shall be appointed for a 3 years term.

7.5.3 RC Meetings same as AC

1. General
 - a. The dates of the meetings for the year may be scheduled at the beginning of the year. RC shall meet as agreed and provided in the Committee charter
 - b. The RC may meet as necessary for urgent matters.
 - c. The Agenda of each meeting shall be approved by the Chairman of the RC or any other RC member recommended by the Chairman.
 - d. All decision / resolutions passed by the RC should be ratified by the Board.
 - e. RC might invite peoples other than RC committee to attend certain meeting to get their technical opinion about certain things.
2. Agenda and Invitations
 - a. Invitations and Agendas to meetings may be delivered by electronic means such as facsimile, email with at least one week prior notice.

However, depending on the nature of the business to be transacted which may require rapid decision making, it may be necessary from time to time to call RC meetings at short notice.

- b. Resolutions will be adopted by a majority vote of the members present, In the event of an equal vote; the Chairman of the Committee will cast a second, deciding vote.

3. Attendance

- a. Given the importance of the decisions taken by the RC, active participation by all Committee members is essential. Accordingly, attendance at all meetings is strongly recommended.
- b. Proxies may be given, and an RC member may vote in absentia provided he has proper knowledge of the matters to be voted upon.

4. Minutes

- a. The RC will maintain written minutes of its meetings, together with a table tracking the Committee's decisions. Minutes will be filed with the Minutes of the meetings of the Board of Directors.
- b. Copies of resolutions will be maintained at the corporate headquarters of MESK Holdings and will be circulated to the concerned management to take necessary action if required.

7.6 Executive Committee

7.6.1 Purpose & Responsibilities

The Executive Committee (EC) is one of Board of Directors (BoD) committees. The EC shall have and may exercise the delegated powers and authority of the Board in the management of the business and affairs of company except as may be limited by law, Mesk Holding's by-laws or by resolution of the Board. The primary function of EC is to:

1. Review and recommend to the Board of Directors on the Business strategies (Short / Medium Term) and performance objectives.
2. Review and approve the company's annual budgets prepared by management.

3. Recommend the company's policies and procedures to the BoD for its approval and ensure their adequacy and appropriateness.
4. Review, evaluate and approve the investment proposals (Direct Investments, Strategic Investments, Real Estates and other investments) and divestment proposals (Sale / liquidation of investments).
5. Review the reports of management performance on a periodical basis.
6. Review and monitor the financial and operating results of the company and evaluate the performance against the established budget.
7. Monitor the implementation of the key decisions made by the Board.
8. Review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board of Directors (BOD) for approval.
9. Perform any other responsibilities delegated by the Board from time to time.

7.6.2 Committee Structure and Membership

1. The EC shall be appointed by the Board of Directors (BOD).
2. The EC will have at least three members, who will be elected by the Board.
3. Members of the EC shall be appointed as per the Board of Directors (BOD) duration or the period of election
4. EC members shall be individuals who are willing to devote the necessary time and effort to fulfill the committee's mandate objectives.

7.6.3 EC Meetings

1. General
 - a. The dates of the meetings for the year may be scheduled at the beginning of the year.
 - b. The EC will meet as necessary for urgent matters.

- c. The Agenda of each meeting shall be approved by the Chairman of the EC or any other EC member recommended by the Chairman.
- d. All decision / resolutions passed by the EC should be ratified by the Board.

2. Agenda and Invitations

- a. Invitations and Agendas to meetings may be delivered by electronic means such as facsimile, email with at least one week prior notice. However, depending on the nature of the business to be transacted which may require rapid decision making, it may be necessary from time to time to call EC meetings at short notice.
- b. Participation of at least three of the EC members will represent a quorum. Resolutions will be adopted by a majority vote of the members present, In the event of an equal votes, the Chairman of the Committee will cast a second, deciding vote.

3. Attendance

- a. Given the importance of the decisions taken by the EC, active participation by all Committee members is essential. Accordingly, attendance at all meetings is strongly recommended.
- b. Proxies may be given, and an EC member may vote in absentia provided he has proper knowledge of the matters to be voted upon.

4. Minutes

- a. The EC will maintain written minutes of its meetings. Minutes will be filed with the Minutes of the meetings of the Board of Directors.
- b. Copies of resolutions will be maintained at the corporate headquarters of MESK Holdings and will be circulated to the concerned management to take necessary action if required.

8. DIRECTOR REMUNERATION

The remuneration of each of the Board of Directors shall be determined as a lump sum amount, attendance allowance, rights in rem or a certain percentage of profits pursuant to a recommendation by the Board of Directors and approval of the General Assembly. Any two (2) or more of these privileges may be conjoined. Furthermore, MESK Holdings may reimburse any member of the Board or assign further remuneration or monthly salary in amounts to be determined by the Board of Directors if such a member is a part of a committee or makes extra efforts to serve MESK Holdings in addition to his duties as a member of the Board of Directors.

Remuneration may not exceed (10%) of the net profit after depreciation and reserve are deducted.

The level and composition of remuneration for non-executive Directors and executives should be sufficient and reasonable to attract and maintain talented individuals to fulfill such roles. A clear relationship between the organization's performance and executive remuneration also needs to be demonstrated.

9. INTERNAL CONTROL

9.1 Scope

The scope of internal control is to support MESK Holdings profitability, goals and mission. Internal control achieves this by promoting efficiency, reducing the risk of asset loss and helping to ensure the reliability of financial statements and compliance with laws and regulations.

9.2 Objective

The objective of MESK Holdings internal control framework is to ensure that internal controls are established, properly documented, maintained and adhered to in each unit, department and division. Internal controls should be embedded as part of the normal day-to-day management, operational and support processes.

Internal control is broadly defined as a process, affected by an entities Board of directors, management and other personnel, designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

- 9.2.1 Effectiveness and efficiency of operations: Addresses the achievement of basic business objectives, including adherence to performance standards and the safeguarding of resources.
- 9.2.2 Reliability of financial reporting: Ensures that reliable financial statements (both annual and interim) and other financial information are presented to the Board, shareholders and general public.

10. RISK MANAGEMENT

Risk management is essential for reducing the probability that corporate objectives will be jeopardized by unforeseen events. The Board must determine the type and extent of risks that are acceptable to the Company, and strive to maintain risk within these levels.

10.1 Scope

MESK Holdings recognizes that managing risk effectively is critical to achieving business objectives. The objective of risk management is to establish a continuous, proactive and systematic process of understanding, managing and communicating material risk in each business unit, department and division. The scope risk management at MESK Holdings involves:

- 10.1.1 Understanding organizational objectives;
- 10.1.2 Identifying the risks associated with achieving or not achieving them and assessing the likelihood and potential impact of particular risks;
- 10.1.3 Developing programs to address the identified risks; and
- 10.1.4 Monitoring and evaluating the risks and the arrangements in place to address them.

10.2 Objective

The main objective of this policy is to help MESK Holdings in identifying risks faced by a company which are likely to include industry-specific types of risks that relate to the particular circumstances of the company.

MESK Holdings may wish to establish and to address specific areas of risk, in keeping with its commitment to provide timely, factual and accurate disclosure of principal risk factors about themselves to the capital markets and the general public.

11. CODE OF BUSINESS CONDUCT

11.1 Scope

This Code of Business Conduct and Ethics contains the policies that relate to the legal and ethical standards of conduct that the Board of Directors (BOD), Chief Executive officer (CEO) & ED and employees of MESK Holdings are expected to comply with while carrying out their duties and responsibilities on behalf of the Company.

This Code is intended to bring the focus on areas of ethical risk, provide guidance to personnel to help them recognize and deal with ethical issues, provide mechanisms to report unethical conduct and help to foster a culture of honesty and accountability.

No code or policy can anticipate every situation that may arise. MESK Holdings expects each Board member, Chief Executive officer (CEO) and employee to act with honesty and integrity, to exercise independent professional judgment and to deter wrongdoing in the conduct of all duties and responsibilities on behalf of the Company.

11.2 Structure

This policy is applicable to all MESK Holdings employees in all functional departments. All senior executives, senior officers, principals, managers and supervisors are responsible for monitoring and evaluating the operation of this policy within their area of responsibility.

The code is separated into four specific sections of equal importance. These sections include:

- 11.2.1 Conduct Relating to Each Other
- 11.2.2 Conduct Relating to MESK Holdings Business Partners, Customers, and Competitors
- 11.2.3 Conduct Relating to MESK Holdings Resources
- 11.2.4 Conduct Relating to MESK Holdings Commitments

The Human Resources Department at MESK Holdings will assume responsibility and administration of the Code, including staff training and communications, and act as the Company's focal point for Code of Business ethics issues.

The Chief Executive officer (CEO) will endorse / approve and document all deviations from policy and refer significant deviations to the Audit Committee.

11.3 General Policies

11.3.1 Compliance with Laws, Rules and Regulations

Board members, Chief Executive Officer (CEO) and Employees should comply with all valid laws, rules and regulations in Kingdom.

11.3.2 Compliance with Code

Directors, Chief Executive officer (CEO) and employees have a responsibility to understand and follow the Code. In addition, all employees are expected to perform their work with honesty and integrity in any areas not specifically addressed by the Code. A violation of the Code may result in appropriate disciplinary action including the possible termination of employment from the Company, without additional warning.

11.3.3 Gifts

No gift should be accepted from a supplier, contractor or customer unless the gift is of reasonable nature and within the regular course of ethical business.

11.3.4 Entertainment

Acceptance of normal business entertainment such as lunch, dinner, an event and the like, generally is appropriate if it is of a reasonable nature and is in the course of a meeting or another occasion, the purpose of which is to hold bona fide business discussions or to foster better business relations.

11.3.5 Outside Activities

Directors, Chief Executive officer (CEO) &ED and employees are prohibited from engaging in any activity or employment that adversely affects the quality or quantity of work performed.

11.3.6 Corporate Opportunities

Directors, Chief Executive officer (CEO) &ED and employees have a duty to advance MESK Holdings legitimate interests when the opportunity to do so arises. They are, therefore, prohibited from:

1. Availing personal opportunities that are discovered through the use of corporate property, information or position.
2. Competing with the company.

11.3.7 Harassment & Nepotism Disclosure

Harassment is an act of systematic and/or continued unwanted and annoying actions of one party or a group, including threats and demands. Directors, Chief Executive officer (CEO) and employees are committed to working environment which is free from harassment, including discrimination, victimization and bullying, and in which dignity of the individual is paramount. As such, all employees are responsible for helping to ensure that individuals do not suffer any form of harassment. Any employee who suffers from harassment will have the total support of Board of Directors (BOD) and Chief Executive officer (CEO) in putting a stop to it. Any employee who suffers from harassment may directly report it to the Chief Executive officer (CEO).

MESK Holdings does not prohibit the employment of relatives, and it does not wish to become involved in consensual relationships between co-workers. However, precautions must be taken to ensure that individuals are not and do not appear to be improperly influenced by the existence of close personal relationships.

11.3.8 Health, Safety and Environment Compliance

MESK Holdings is committed to provide safe and health workplace to all employees. And MESK Holdings is fully committed to comply with health, environment and safety valid regulations as well as implemented standards like OSHA 18000 (if any). Also MESK Holdings would apply all environmental valid regulation which promotes environmental protection among all of its operations.

11.3.9 Confidential Information

Directors, Chief Executive officer (CEO) and employees should maintain the confidentiality of information entrusted to them by MESK Holdings or its customers, except when disclosure is authorized or legally mandated. "Confidential information" includes all non-public information that might be of use to competitors, or harmful to MESK Holdings or its customers, if disclosed.

11.3.10 Influence in the Conduct of Audit (Financial & Operational)

Directors, Chief Executive officer (CEO) and employees must not take any action to fraudulently influence, coerce, manipulate or mislead any auditor performing an audit or

review of MESK Holdings financial statements or Operational Audit Results. The types of conduct that may constitute improper influence include:

1. Offering or paying bribes or other financial incentives, including offering future employment or contracts for non-audit services.
2. Providing an auditor with inaccurate or misleading information or advice, including legal analysis.
3. Threatening to cancel or cancelling existing non-audit or audit engagements if an auditor objects to MESK Holdings accounting or operating practice.
4. Seeking to have a partner removed from an audit engagement because he objects to MESK Holdings accounting or operating practice.
5. Blackmailing and making physical threats

11.3.11 Personal Loans

MESK Holdings shall not give cash loans whatsoever to any member of its Board or guarantee any loan contracted by any of them with third parties.

Excluded from this ban are banks and other credit companies. In exercising activities falling within the ambit of their objectives under the supervision of the Bahrain Monetary Agency and on the same terms and conditions applied to their clients, they are allowed to lend any Board member or to open a credit for him or to guarantee loans he contracts with third parties.

A statement by the auditors shall be placed at the disposal of the shareholders, for their personal information, at the date specified in article (195) of this law declaring that the loans, credits or guarantees mentioned above have been concluded without breach of the provisions of the foregoing paragraph.

Any contract concluded in contravention of the provisions of this section and/or article (192) of the corporate law shall be void without prejudice to the shareholders' right to claim compensation from the violator if necessary.

11.3.12 Corporate Social Responsibility

To maintain public trust MESK Holdings not only focuses on economic issues, but also on environment and social issues and do cares about environmental and social impact of its operations.

MESK Holdings may commit to take care of environment, safety and health issues in all of its outlets operations and also to take part in promoting community development activities through sponsoring many community and youth development activities which are aligned to the Company's Marketing Strategy including promoting the gender issues within the annual budgeted amount of charity approved by the Board:

1. Sport
2. Scholarships for needy students in the universities.
3. Donations for universities and research institutes.
4. Sponsor community development organizations.
5. Sponsor women empowerment activities and gender equality projects.
6. Other community development project.
7. Sponsor gender and women development issues.

11.3.13 Other Stakeholders- non shareholders

Not only company considers the shareholders, but also it considers the interests, expectation and legal rights of other stakeholders. The stakeholder whose interests are relevant for contractual or commercial consideration includes:

1. Employees:
 - a. MESK Holdings employees are the engine of company; MESK Holdings has central focus on its employees by adopting policies which enrich the working environment. Thus, employees become more productive.
 - b. Board of Directors (BOD) shall be aware of the importance of employee support and commitment to enable MESK Holdings to achieves plans and objectives.
 - c. Obligation imposed by regulations like occupational health and safety roles.
 - d. Best industry practices recommendations like ISO 22000 & ISO 9001

2. Customers.

- a. MESK Holdings is committed to achieve and fulfill all customers' requirements. Thus, the company has adopted the implementation of ISO 9001 at the corporate level and other specialized standards at the outlets levels like ISO 22000 "food safety international standard.
- b. The Board of Directors (BOD) pays attention to customers' requirements. Board of Directors (BOD) takes active interests on how MESK Holdings resolves complaints and on how MESK Holdings is collecting customer feedback, through adopting of customer complaints procedure and customer satisfaction procedures within the ISO 9001 quality management system. However, Chief Executive officer (CEO) and other staff shall report to Board of Directors (BOD) in regards of customer complaints and customer satisfactions

3. Suppliers

- a. Board of Directors (BOD) understands the mutual benefit relationship with company supplier. Thus, the Board of Directors (BOD) shall ensure that companies at different levels manage the relationship with supplier on that base.

12. Disclosure Policy

12.1 Objective

The purpose of disclosure and transparency policy is to ensure that the Board of Directors, Chief Executive officer (CEO) and employees will take all steps necessary to ensure that timely and accurate disclosure is made on all material matters regarding the Company, including the financial situation, performance and governance of the Company.

12.2 General Policies

The Chairman and members of the Board of directors and the company's managers shall not disclose any of the company's confidential matters they come to know.

12.2.1 Disclosure of Financial Information

1. The interim and annual financial statements of MESK Holdings must be approved by the directors and signed by a director authorized by the Board of Directors (BOD) and by the Chief Executive officer (CEO) of MESK Holdings prior to their issuance and circulation to owners and third parties.
2. Apart from the monthly management reports, MESK holdings should prepare the financial statements in accordance with the applicable accounting standards within three months from the end of the financial year. The financial statements shall be communicated to the shareholders within the statutory stipulated timelines.

12.2.2 Disclosure of Board Meeting Decisions and Reports

1. MESK Holdings must include within its annual financial statement a report issued by the directors including a review of the operations of MESK Holdings during the last financial year and of all relevant factors affecting MESK Holdings business which is vital for investor to assess the assist, liabilities and owner Equities of Mesk Holdings as well as financial position.
2. Board of Directors (BOD) shall also disclose all decision taken in Board meeting which might affect financial position. MESK Holdings does comply with Bahraini Securities and Exchange related regulations in this matter. And shall inform all related parties about those decisions and if

possible to publish them on MESK Holdings website (where applicable where possible).

12.2.3 Disclosure Regarding Corporate Governance

1. MESK Holdings shall disclose material information on corporate governance policies and procedures in compliance with the legal and regulatory requirements.

Annex
MESK HOLDING

Board of Directors (BOD) Chart

Mesk Holdings Board of Director Chart

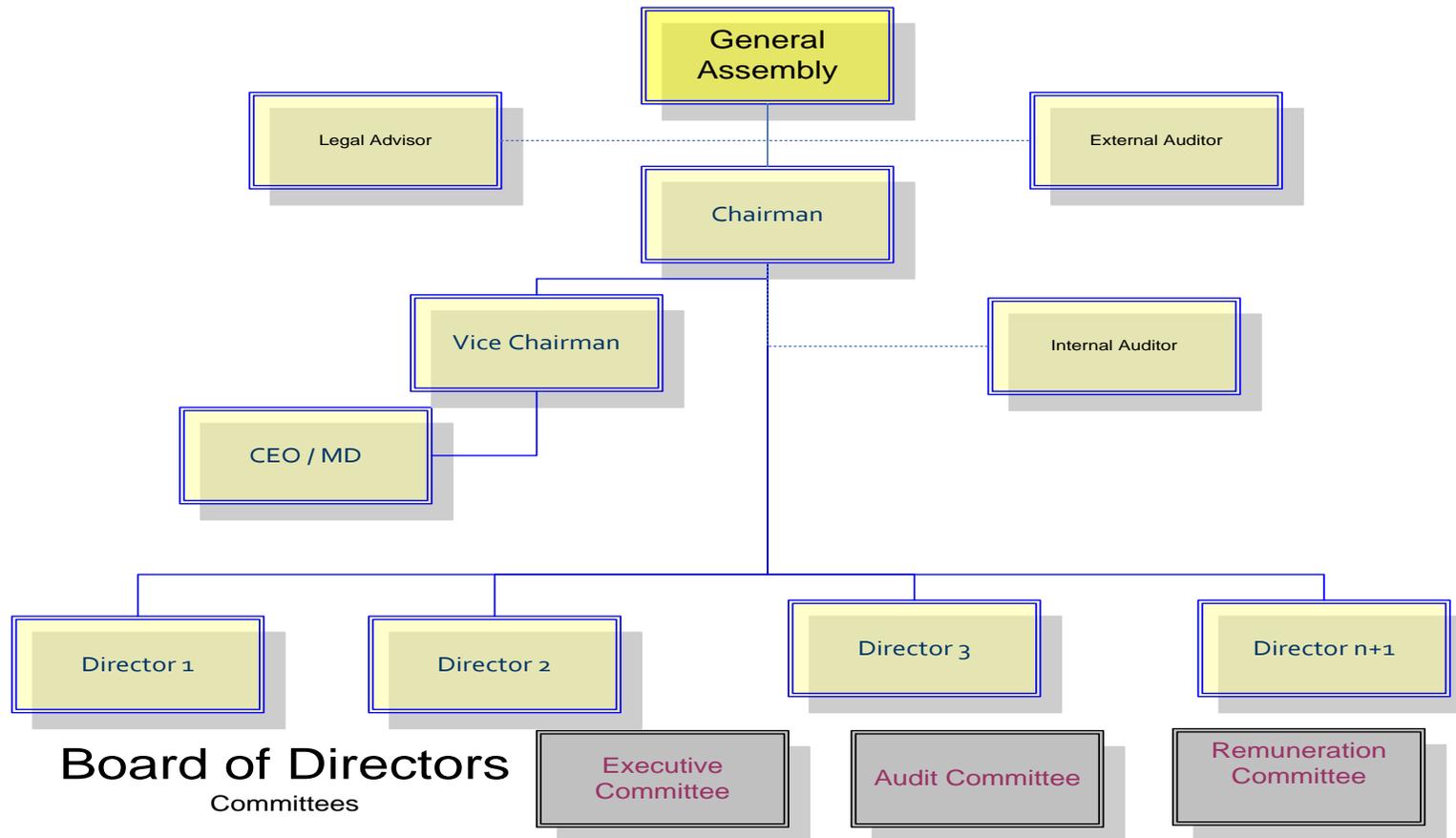


Figure 1: Board of Directors Chart