



## **Board of Directors Code of Conduct & Ethics**



**Table of Content:**

1. Overview .....	3
2. Responsibilities of the Board of Directors .....	3
3. Loyalty to the Company .....	3
4. Conflict of Interest .....	4
5. Key Person (KP) Policy .....	4
6. Related Party Transaction.....	4
7. Confidentiality and Insider Information .....	5
8. Gifts.....	5
9. Encouraging the Reporting of Illegal or Unethical Behavior.....	5
10. Transparency of Market Disclosures .....	5
11. Relationship between Board Members and Executive Management .....	6
12. Compliance with the Regulators laws and regulation .....	6
13. Directors' Liability and Insurance .....	6



### **1. Overview**

Bahrain Telecommunications Company B.S.C. ('Beyon\*' or 'the Company') is a Public Joint Stock Company in the Kingdom of Bahrain and shall comply with all relevant applicable laws and regulations. This includes its compliance with the MOICT's Corporate Governance Code for the year 2018 (the "Code"). The Code requires that each listed company has its own Board of Directors Code of Conduct and Ethics.

In light of the above, Beyon\* adopted and set in place this Board of Directors Code of Conduct and

Ethics for all its Board of Directors to adhere to and comply with.

This Code is provided to each Director upon their appointment to the Company with a Code of Conduct and Ethics.

### **2. Responsibilities of the Board of Directors**

The Board as a whole is collectively responsible for promoting the success of the Company by directing and supervising the Company's affairs. Board Directors are provided with appointment letter, induction pack, copies of all Board and its Committees' Charters, Board Policies and orientation session with the Company's Executive Management Team which aids in understanding the nature of the business and their roles and responsibilities.

Along with the duties prescribed in the Board Charter, the Board Directors are expected to:

- a. Contribute towards setting Company's business strategy and performance standards;
- b. Ensuring financial statements of the Company are prepared with accuracy and in accordance to the international IFRS standards;
- c. Ensure fair treatment of shareholders including the minority shareholders;
- d. Monitor, avoid and disclose any conflicts of interest with the Company and prevent abusive related party transactions;
- e. Ensure that an adequate, effective, comprehensive and transparent corporate governance framework is in place;
- f. Regularly attend Board and any Committee Meetings;
- g. Participate in the discussion of the Board and its Committees;
- h. Take interest in the Company's Business; and
- i. Provide support to the management team in the growth of the business.

### **3. Loyalty to the Company**

The Board of Directors shall exercise their duties and responsibilities with honesty and integrity towards the Company and the Company's interest. They shall not misuse their position and powers to achieve any personal interests or preform activities that conflicts with the nature of the Company's business.



The Board of Directors shall possess the knowledge of the legal and regulatory frameworks which the Company operates; and shall understand that they are personally accountable to the Company and shareholders in case of breach of their duty of loyalty to the Company. The directors shall disclose to the Company their directorship in any other Public Joint Stock Companies in the Kingdom of Bahrain; or any directorship in government or private companies, any acts they perform directly or indirectly with any organization that competes with the Company's business and any change as soon as it occurs.

#### **4. Conflict of Interest**

The Board Directors shall always act with honesty, integrity and in good faith, with due diligence and care, and a view of the best interest of the Company, its shareholders and other stakeholders.

The Board Directors shall make every practicable effort to arrange their personal and business affairs in order to avoid any conflict of interest with the Company.

The Board Directors shall disclose at the beginning of each meeting whether an actual or potential conflict of interest may arise. Such director shall abstain from entering any discussion or decision making related to a conflicted matter. Having declared conflict of interest the Director shall leave the meeting room during the time of discussion.

Additionally, if the subject is sent by circulation the concerned member shall declare conflict and abstain from voting. Such decisions shall be clearly minuted in the minutes of meeting.

If Board Directors is appointed in an official assignment or at professional position which may lead to a permanent conflict of interest in regards to the duties and responsibilities as a Board Director. Such Director shall discuss such matter with the Chairman and whether accepting such position is acceptable and its impact on her or his duties and responsibilities as a Board Director.

#### **5. Key Person (KP) Policy**

As part of its policy to maintain a fair, orderly and transparent securities market, the Bahrain Bourse and the Central Bank of Bahrain stipulated the Key Person's Dealings Policy which regulates the trading of securities by the Board Directors, management of the Company and any other staff that may have access to market sensitive information. Accordingly, Beyon\* has adopted a Key Person's Dealings Policy which has been approved by the Board of Directors.

As a result, each Board Director is considered as a key person due to the nature of business exposure he or she will be attaining or have access to which if exposed to the market may or may not lead to fluctuation of the market share price. If a Board Director intends to buy or sell any of Beyon\* shares, the Board Secretary, the Corporate Governance Officer and Compliance Officer must be informed of such transaction(s) no later than the next business day following the completion of such transaction(s).

#### **6. Related Party Transaction**

In accordance with the Code, the Board of Directors shall pursue transparency and clarity with regards to dealing with related parties. A Board Director shall disclose to the Corporate



Governance Officer any transactions with third parties along with describing the nature and amount of such transaction(s), the total amount of transactions should not exceed BD 50,000 per annum.

In addition to the duty of declaration, the Board shall also complete a related party transaction form indicating if there are any transactions made during the relevant financial year.

#### **7. Confidentiality and Insider Information**

The Board shall understand the requirements under both legislation and regulation relating to the Central Bank of Bahrain and the Bahrain Bourse as to the disclosure of market sensitive information. Consequently, a Board Director shall avoid making any statements that might risk a breach of these requirements.

In addition to the information obtained from the Company, Board Directors who in the context or course of their duties, have direct or indirect access to or are in possession of insider information related the Company or its subsidiaries, shall not make use, either directly or indirectly of such information in order to carry out, recommend or advise either in favor or against any decision making. The Board shall ensure that all information acquired during their term are kept confidential to the Company and shall not be released, either during their appointment or following their term to third parties.

#### **8. Gifts**

The Company has established a Board of Directors Gift Policy to govern the acceptance of gifts by any Board Director. A Board Director shall always disclose to the Board when offered any gift with a market value of BHD 500/- or more. A Board Director may accept a gift in excess of the mentioned amount if it would be considered as an insult to decline it, but such gift must be declared to the Board of Directors who will then decide whether the gift can be kept for the benefit of the Company, sold with the proceeds donated to charity, or returned to the donor.

#### **9. Encouraging the Reporting of Illegal or Unethical Behavior**

All Board Directors must practice and promote ethical behavior and shall encourage employees to report to the concerned department when a violation of law, rules, regulations of the Company's business ethics and conducts arises.

#### **10. Transparency of Market Disclosures**

The Board of Directors shall ensure that the Company's press releases, news announcements and market disclosures and communications with internal and external regulators, shareholders and stakeholders are fair, transparent, comprehensive, timely and reflect the character of the Company and the nature, complexity and risks inherent in the Company's business activities. Disclosures shall not be misleading or deceptive in the sense that can be interpreted in an incorrect way which can lead to potential rumors and false information.



### **11. Relationship between Board Members and Executive Management**

The Board shall maintain a healthy, constructive and respectful work relationship with one another and with the Company's Executive Management.

### **12. Compliance with the Regulators laws and regulation**

All Board Directors shall comply with and carry out their duties and responsibilities as specified under the Commercial Companies Law, CBB Capital Markets Rulebook, the Corporate Governance Code, the Company's Articles of Association, the Board Charters and Policies and any other applicable regulations in the Kingdom of Bahrain.

All Board Directors shall also comply with this Board of Directors Code of Conduct and Ethics. Any breach by any Board Director to this code shall be brought up for discussion before the Board to determine the measures that deem fit.

### **13. Directors' Liability and Insurance**

The Board of Directors shall be liable under the applicable laws and before the Company, the shareholders, stakeholders and third parties for all acts of fraud, misuse of powers and mismanagement of decisions taken in the director's capacity.

The Company has in place and effect directors' and officers' liability insurance that is intended to maintain cover for the full term of the directors' appointment.

Beyon\* Bahrain Telecommunication Company B.S.C.

