



## CODE OF CONDUCT

Approved by: The Board of Directors

Version 2 – 30 March 2020

## 1) INTRODUCTION

- 1.1 In continued compliance with the Corporate Governance Code, Order No. 19 of 2018 (the “**Corporate Governance Code**”), Bahrain Real Estate Investment (Edamah) B.S.C (c) (the “**Company**”) has approved and implemented this Code of Conduct (the “**Code**”).

## 2) STATEMENT OF POLICY

- 2.1 A fundamental policy of the Company is to conduct its operations with honesty and integrity and in accordance with the highest legal and ethical standards.
- 2.2 The Code provides general guidance. Since it is not possible to provide guidance for all situations that may arise, it is, therefore, the individual employee’s responsibility to exercise good judgment to act in a manner that will favorably reflect upon the Company’s values.
- 2.3 Employees shall comply with the spirit as well as the letter of this Code. Employees shall not attempt to achieve indirectly, through the use of agents or other intermediaries, what is forbidden directly.

## 3) APPLICABILITY

- 3.1 The Code applies to all employees of the Company.

## 4) IMPLEMENTATION

- 4.1 All managers of the Company will be required to ensure that:
- a) They have personally read and understand the policies and procedures of the Company (the “**Policies**”);
  - b) They have taken appropriate steps to bring the Policies to the attention of each employee under their supervision; and
  - c) All employees under their area of responsibility adhere to these Policies and know of no violations by employees under their supervision except violations that have been reported.
- 4.2 The internal audit department will determine compliance with the Policies as part of its standard auditing procedures. Compliance with the Code is essential. Violations will result in disciplinary action, including dismissal where warranted.

**5) QUESTIONABLE OR IMPROPER PAYMENTS OR USE OF THE COMPANY'S ASSETS**

5.1 The use of any funds or assets of the Company for any unlawful or improper purpose is strictly prohibited.

5.2 Employees of the Company shall not accept any bribes, kickbacks or any other form of financial or in-kind benefit for taking any action in their role as the Company's employee.

5.3 Commercial business entertainment, which is reasonable in nature, frequency and cost, is permitted within approved budget.

**6) BOOKS AND RECORDS OF THE COMPANY**

6.1 The Company takes very seriously its obligation to comply with the highest standards of financial accounting and reporting. Staff members, in addition to complying with all applicable laws, rules and regulations, to the extent applicable to their duties must:

- a) Endeavor to ensure full, fair, timely, accurate and understandable disclosure in the Company's filings;
- b) Record or participate in the recording of entries in the Company's books and records that are accurate to the best of their knowledge, having made a good faith effort to obtain such knowledge to ensure such accuracy; and
- c) Comply with the Company's disclosure controls and procedures and internal controls and procedures for financial reporting.

**7) PAYMENT OF AMOUNTS DUE TO CUSTOMERS, AGENTS, OR DISTRIBUTORS**

7.1 All commissions, distributor or agency arrangements must be made in writing, and must provide for services to be performed and must be based on a fee that reflects reasonable and fair value for the services involved.

7.2 All payments for commissions, discounts or rebates must be made by check, draft or transfer and shall be fully disclosed in the accounting records maintained by the controller's offices. Proper documentation of contracts and agreements shall be maintained.

**8) RESPECT FOR ALL INDIVIDUALS**

- 8.1 At the Company, we respect the mix of its employees from around the world. Employment decisions are based on factors such as qualification, experience and achievements and always in accordance with the laws and regulations of the Kingdom of Bahrain, and the laws of any jurisdiction in which the employees operate. Everyone must always behave appropriately and professionally with his or her colleagues, inside and outside the office.
- 8.2 Abusive or offensive conduct is unacceptable at all levels. The Company has no tolerance for any personal insult or derogatory comments based on racial, ethnic characteristics or religious beliefs.
- 8.3 Offensive remarks concerning a person are not acceptable in our work environment. Threats or acts of violence or physical intimidation are strictly forbidden. The management encourages employees to speak out if a co-worker's conduct makes for an uncomfortable environment or affects daily work.

## **9) CONFLICTS OF INTEREST**

- 9.1 Employees of the company have a full-time responsibility to the Company. A potential or actual conflict of interest occurs whenever an employee is in a position to influence a decision that may result in a personal gain for him or herself, any other employee or an immediate family member. (For the purposes of this Code "immediate family" means a staff member's spouse parents, siblings, children and in-laws). An employee may not engage in activities that create a conflict between the interests of the Company and those of the employee. The Company may also be concerned about the appearance of a conflict of interest, even if no actual conflict has occurred.
- 9.2 Staff members with responsibility for issuing or approving orders for the purchase of supplies, equipment, or transportation, or for contracts for employment or services for the Company, may not have a significant interest in any supplier of supplies or services for the Company. Neither may staff members' immediate family have such interest. ("significant interest" means any financial interest that may influence the judgment of the staff member in conducting the work of the Company).

## **10) ACCEPTANCE OF GIFTS**

- 10.1 Except for business and social invitations that are in keeping with good business ethics, none of the Company's staff may accept commissions, gifts, payments, entertainment, services, loans, or promises of future benefits from any person or entity relating to his or her assignment as directed by the Company.

- 10.2 All gifts must be reported to the direct supervisor of such person receiving the gift who will decide on an appropriate disposition of the gift. The report should be in writing and should provide the name of the giver, the name of the recipient, description of the gift item and its estimated market value. A copy of the report should be filed with the CEO and Head of Internal Audit.
- 10.3 This Code shall be applied so as to minimize its effect on the personal affairs of employees consistent with the protection of the Company's interests.
- 10.4 No employee should place him or herself in a position that gives rise to even the appearance of a conflict of interest.

## **11) SAFETY, HEALTH AND ENVIRONMENT**

- 11.1 All employees are expected to comply in a responsible way with all care, safety, health and environment and security policies established by the Company for maintaining a safe workplace within the company. Everyone without exception is responsible for reporting immediately to the management any accident, injury or unsafe working condition. The Company strongly believes that safety, health and welfare of its employees is a priority and part of its ethical commitment towards them, the protection of environment within which the Company operates is also an important commitment.

## **12) MISUSE OF COMMUNICATIONS SYSTEMS**

- 12.1 The Company's communication systems, including telephones, mobile phones, peripherals, internet and email systems, are provided to employees for professional purposes to help them do their job. They are not to be used for viewing, receiving or transmitting any material or information which violates the laws, regulations, customs and traditions of the Country or other relevant jurisdictions including, without limitation, "Pornographic", "political", or "harmful" material or information. This, of course, also applies to any client or vendor communications system to which the employee may be granted access as a representative of the Company. No pirated or counterfeited electronic software is allowed for use at offices of the Company.
- 12.2 Whilst it is understood that there could be need for limited and occasional use of communication systems for personal purposes, employees must be aware that all messages sent and received on their communication systems may be monitored, reviewed and stored. They should not have any expectation of privacy with respect to these communications.
- 12.3 Employees are responsible for familiarizing themselves with the more detailed policies that are separate from this Code, regarding the use of the Company's information systems,

software, and Internet access that are made available in order for them to carry out their tasks and activities.

### **13) CONFIDENTIALITY-DISCLOSURE OF INFORMATION**

13.1 Staff members are expected to exercise the utmost discretion in regards to all matters of the Company. They may not communicate any information known to them by reason of their position that has not been made public, except as may be necessary in the course of their duties or by authorization of the Board. Nor shall they at any time use such information for private advantage. These obligations are not modified by participation in any activities described above and do not cease upon separation from the Company.

### **14) COMPLAINE WITH LAWS AND REGULATIONS**

14.1 A variety of laws and regulations apply to the Company, the violation of which may carry civil or criminal penalties for the Company and/or the individual. It is the responsibility of each staff member to comply with all such laws and regulations. Staff members are also required to observe the laws and regulations of countries in which they travel on Company's business.

### **15) REPORTING A VIOLATION TO THE CODE**

15.1 In the event that an employee has been involved in possible violation of the Code, or if he or she witnesses or learns of a potential violation of the Code, he or she must report this immediately to his manager who in turn will take appropriate action(s). The employee must also fully and truthfully cooperate in any investigation the Company conducts. Failure to do so could be cause for a disciplinary action, including termination of employment.

### **16) OUTSIDE EMPLOYMENT**

16.1 It is the policy of the Company to prohibit its employees from accepting a salaried employment with any other company. The employment contracts of the employee specifically document this prohibition and any violation to it will subject the concerned member of staff for strict disciplinary action, including termination of employment.

### **17) EMPLOYMENT / FAVORITISM OF RELATIVES**

17.1 The Company does not wish to be party to the relations linking work colleagues. However, precautions should be taken to ensure that individuals are not affected or appear to be affected by close personal relations.

- 17.2 The Company defines the term “close personal relations” as the relatives to the fourth degree which includes spouses, children, grandchildren, siblings, parents, grandfathers and grandmothers, aunts, uncles, nephews, nieces and their spouses and any other relations which would affect the employee’s ability to take unbiased and independent decisions on the Company’s behalf.
- 17.3 The Company’s employees may not directly oversee or take part in the decisions related to the appointment, retention, promotion or remuneration of any of the other employees who are linked to them through close personal relations. In addition, the company’s employees who have strong personal relationship may not work in the same department, section or work group without obtaining the explicit and written approval of the Human Resources Department in respect of the suitable work unit and the approval of a senior executive officer in respect of the employee of higher rank in the relationship.

### **ACKNOWLEDGMENT AND DECLARATION**

I acknowledge that I received a copy of Bahrain Real Estate Investment (Edamah) B.S.C. (c) Code of Business Conduct dated \_\_\_\_\_ (“the **Code**”), that I have read the Code and that I understand it. I will comply with the Code. If I learn that there has been a violation of the Code, I will contact my immediate manager or Human Resources department.

**Dated:** \_\_\_\_\_

**Employee’s Signature:** \_\_\_\_\_

**Employee’s Name:** \_\_\_\_\_