



CONFLICT OF INTEREST POLICY

Approved by: The Board of Directors on30
March 2020

Version 2

Table of Contents

	Page
1. INTRODUCTION	1
2. WHAT IS A CONFLICT OF INTEREST	1
3. CONFLICT OF INTEREST FOR DIRECTORS	2
4. CONFLICT OF INTEREST FOR ALL OTHER EMPLOYEES OF THE COMPANY	2
5. PROCEDURE WHEN A CONFLICT OF INTEREST EXISTS	3
6. OTHER DIRECTORSHIP AND APPOINTMENTS	4
7. ANNUAL DISCLOSURE OF INTERESTS	4
8. VIOLATION OF THIS POLICY	5
9. COMMUNICATION OF THIS POLICY.....	5
10. AMENDMENTS	5
APPENDIX 1.....	8

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 Conflict of Interest Policy (the “**Policy**”).
- 1.2 The aim of this Policy is to ensure the Company’s commitment to the highest standards of good governance and to enhance its commitment to integrate responsibility and sustainability of business practices.
- 1.3 This Policy implements measures to avoid, identify , and disclose the existence of a conflict of interest. Further, it seeks to set out the process, procedures and internal controls to facilitate compliance with the Policy as well as to highlight the consequences of non-compliance with the Policy by the Company’s directors, management, employees and other representatives.
- 1.4 This Policy provides a guide as to what constitutes a conflict of interest but is not an exhaustive analysis addressing every conflict of interest situation that might occur and the processes and procedures that are in place in order to facilitate compliance and the consequences of non-compliance. The Policy is intended to assist members of the Company in making the right decisions when confronted with potential conflict of interest issues.

2. WHAT IS A CONFLICT OF INTEREST

- 2.1 A conflict of interest occurs when the personal interest of any member of the Company such as a director, manager, employee or any other representative interferes or appears to interfere in any way with the interests of the Company in a way that puts his or her interest above the interests of the Company.
- 2.2 Every member of the Company such as a director, manager, employee or any other representative has a responsibility to the Company and must adhere to this Policy. Although this duty does not prevent them from engaging in personal transactions and investments, it does demand that they avoid situations where a conflict of interest might occur or appear to occur. They are expected to perform their duties in such a way so as to ensure said duties do not conflict with the Company’s interest.
- 2.3 Every member of the Company must act in the best interests of the Company and refrain from any conduct that would or may appear to be adverse or contrary to the interests of the Company. In addition, each director of the Company (“**Director**”) is expected to disclose any personal interest he or she may have in any decision, proceeding or investigation involving the Company and to refrain himself or herself from participating in any decision, proceeding or investigation where there is or might appear to be a conflict between their personal interest and the interests of the Company. Such conflicts of interest may arise not only as a result of a direct personal interest, but also indirectly as a result of the personal interests of a member of his or her family or organizations affiliated with or connected to the Director the Director.

3. CONFLICT OF INTEREST FOR DIRECTORS

3.1 A conflict of interest for a Director can arise where his/her business or personal interests are placed above the interests of the Company.

3.2 Each Director of the Company shall:

- avoid the use of property of the Company for his/her personal needs;
- not disclose confidential information of the Company or use it for his/her personal profit;
- not take business opportunities of the Company for himself;
- not compete in business with the Company; and
- serve the Company's interest in any transactions with the Company in which he has a personal interest.

3.3 A Director should be considered to have an ("interest") in a transaction with the Company if he/she or a member of his/her family (i.e. spouse, father, mother, sons, daughters, brothers or sisters); or another company of which he/she is a director or controller, is a party to the transaction or has a material financial interest in the transaction (transactions and interests which are de minimis in value should not be included).

4. CONFLICT OF INTEREST FOR ALL OTHER EMPLOYEES OF THE COMPANY

4.1 It is the duty of each employee including the management of the Company to avoid business, financial or other interests or relationships that conflict with the interests of the Company or that divide the employee's loyalty to the Company. Any activity that even appears to present a conflict must be avoided or terminated unless the Board of Directors of the Company determines the activity is not harmful to the Company or otherwise improper.

4.2 Employees must exercise due caution when making business decisions to ensure that there is no conflict (either real or perceived) between their personal interest and their obligations to and/or the interest of the Company.

4.3 Although it is impossible to set forth all possible situations which may arise, the following is a non-exhaustive list of examples of conflicts of interest that may occur:

- exploiting official working hours in handling and following up their own personal business or any other business irrelevant to the Company;
- using office work materials and the Company's facilities such as machines, equipment and communication media in pursuit of personal business;
- using official capacity in achieving a financial/other gain on interest outside the Company which could not be achieved otherwise;

- preferring one supplier to another due to tie of kin or common business linking between the supplier and the concerned employee or one of his/her relatives or extended family;
- accepting gifts in kind or cash amounts or benefits from suppliers or customers or brokers against service offered to the supplier or customer, whether offered by the director or employee himself/herself or through another person;
- disclosing data or decisions or negotiations while the process of taking decisions is being made, to anyone for use in achieving self-interest inside or outside the Company, whether this act has been done with or without payment (in cash or in kind);
- participating in business using his influence or authority in achieving interest for such business that may incur potential harm to the Company; and
- concealing of facts, evidence of such actions or breaches of rules which shall expose the employee to disciplinary action or lead the company to termination of service.

5. PROCEDURE WHEN A CONFLICT OF INTEREST EXISTS

5.1 Any Director or employee who believes that he or she may have a conflict of interest must:

- make the required disclosure;
- play no part, directly or indirectly, in the deliberation or vote of the Board of Directors or any committee with respect to the determination of whether a conflicting of interest exists; and
- must absent himself or herself from the meeting at which the potential conflict of interest is discussed.

5.2 In the event any Director or employee has reasonable cause to believe that another Director or employee has failed to disclose an actual or potential conflict of interest, the Director or employee with such belief must inform the other of the basis for their belief and afford them an opportunity to explain the alleged failure to disclose to the other Director or employee voting on the transaction.

5.3 If the Director or employee who is alleged to have failed to disclose a conflict of interest refuses the opportunity to explain the alleged failure, or if, after hearing the response of the said Director or employee and making such further investigation as may be warranted in the circumstances, the other Director or employee voting on the decision determine that the Director or employee has failed to disclose a potential or actual conflict of interest, they shall take appropriate corrective and disciplinary action.

- In the event that there is a conflict of interest whether actual or potential or where there has been a failure to disclose an actual or potential conflict of interest, the Board of Directors (the “**Board**”) with the guidance of the Board Audit and Risk Committee (the “**BARC**”) shall determine

the course of action necessary by a majority vote of the non-interested members present at a meeting.

6. OTHER DIRECTORSHIP AND APPOINTMENTS

- 6.1 Potential conflict of interest may also arise if any Director also holds appointments which are external to the Company. A Director is expected to be independent to act in the best interest of the Company and its stakeholders. Where a Director also holds directorships or is remunerated in entities where the Company has a business relationship with, this will be perceived as a conflict of interest.
- 6.2 External appointments are defined as any executive or non-executive directorships or secretary to the board appointments in any external entity not part of the Company, appointments to the public office, partners in external partnerships or any position which can influence the decision-making process of an entity that is not part of the Company. This appointment may or may not receive a form of remuneration.
- 6.3 All Directors should disclose all external appointments to the Secretary to the Board.
- 6.4 Annually, the Secretary to the Board will require confirmation from every Director (via the **Annual Independence and Conflicts of Interest Declaration Form**) that they have disclosed all external appointments and notify the Chairman of the Board of the Company if there had been any additions/changes to their external appointments since the previous meeting.
- 6.5 The affected Director should be excluded from dealing with the Company matters with the external entity where they hold external appointments.
- 6.6 The Director should notify the Secretary of the Board of any additions or changes to the Directors external appointments as and when they arise during the year.
- 6.7 The Secretary to the Board shall be responsible to inform the Chairman of the Board, of any Directors who are 'interested directors' and, have an actual or potential conflict of interest in an agenda item for discussion and, therefore should be excluded from discussions/resolutions relating to such items.
- 6.8 The Director who has conflicts of interest with respect to any transaction, which comes to the Board for voting, must abstain from voting.

7. ANNUAL DISCLOSURE OF INTERESTS

- 7.1 This Policy shall be distributed annually to each Director, and each Director shall complete and submit annually to the Chairman of the Board of Directors, or his or her designee, the Annual Independence and Conflict of Interest Declaration Form attached hereto as **Appendix 1**. The purpose is to ensure that the Director in their personal capacity do not act in a way that may lead to a conflict with the interests of the Company.
- 7.2 The Company would disclose in its annual report any absenteeism from voting motivated by a conflict of interest and must disclose to its shareholder any authorisation of a conflict of interest contract or transaction.

8. VIOLATION OF THIS POLICY

- 8.1 If any Director or any other member of the Company has reason to believe that there has been a violation of this Policy, such Person will promptly report such potential violation to the Board. The Board may request the BARC to investigate any reported violations to determine whether a violation in fact occurred, and if so, whether such violation was willful. At the conclusion of the investigation, the Audit and Risk Committee shall prepare a report to the Board containing its findings and describing the process of investigation.
- 8.2 Upon receipt of such of the report, the Board (excluding the person whose actions are being investigated) shall take appropriate corrective action, which may include but is not limited to exoneration, censure, or request of resignation from the Board of Directors and/or any committee.

9. COMMUNICATION OF THIS POLICY

This Policy shall be made available to all employees through the HR policy manual, to all Directors through the Directors' Hand Book and other stakeholders through the Company's website.

10. AMENDMENTS

This Policy shall be reviewed at least once a year and any amendments shall be recommended by approved by the Board of Directors.

Appendix 1

Annual Independence and Conflict of Interest Declaration Form

Date: _____

Name: _____

Title: _____

I acknowledge that I have read and fully understood the Conflict of Interest Policy of Bahrain Real Estate Investment (Edamah) B.S.C (the “**Company**”) and confirm to abide by all the rules and regulations of the Company including such amendments as may be affected from time to time.

I hereby also make the following declarations and disclosures where applicable and confirm that I will inform the Secretary of the Board of Directors of any future changes, which affect the responses I have given in this form.

1. Transactions With The Company

Please list the transactions carried out with the Company if (any during the year).

Date of Transaction	Nature	Comments	Amount

2. Other Appointments and Directorships

Please list any other appointment or directorships in any other entity other than the Company.

Name of Entity	Position	Position still held?
		Yes / No
		Yes / No
		Yes / No
		Yes / No

		Yes / No
		Yes / No
		Yes / No

3. Conflict of Interest

Please list below any ongoing conflicts of interest that have been notified to the Secretary of the Board of Directors.

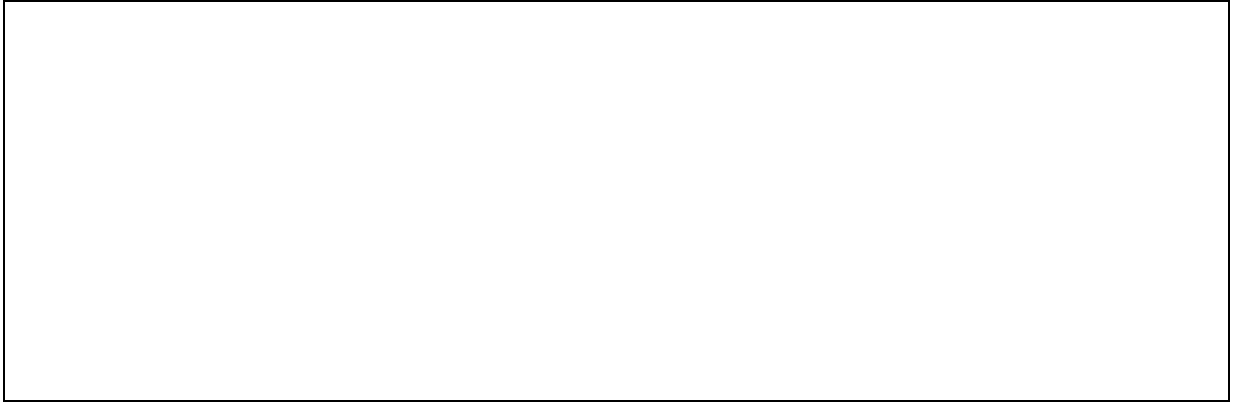
Notification Date	Description	Status

4. Personal Integrity

Have you in the last 10 years:

• Been the recipient of a court judgement against you about a debt or made any compromise arrangement with your creditors?	Yes	No
• At any time pleaded guilty to or been found guilty of an offence?	Yes	No
• Been the subject of any civil action, which resulted in a conviction by a court, or a settlement being agreed, in respect of any matter relating to your professional or business activities?	Yes	No
• Ever been disqualified by a court from being a director, or from acting in the management or conduct of the affairs of any company?	Yes	No

If you have answered 'Yes' to any question above, please provide details below:



I declare that the information given above is true and complete.

Name: _____

Signature: _____