



**Bahrain Middle East Bank B.S.C.**  
Corporate Governance Committee Charter

# CORPORATE GOVERNANCE COMMITTEE CHARTER

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## 1. Purpose and Mission

The Corporate Governance committee (the “Committee”) is appointed by the Board of Directors (“the Board” or “the BOD”) of Bahrain Middle East Bank B.S.C (“BMB” or “the Bank”) to assist the Board in discharging its corporate governance related oversight duties and responsibilities.

## 2. Authority

The Board authorizes the Committee to:

- Perform activities within the scope of its Charter;
- Have unrestricted access to the Bank’s management, employees and relevant information.

The Bank shall cover the expense of the Committee.

## 3. Membership

- The Board shall appoint members of the Committee.
- The Committee shall consist of three directors all of which are independent.
- Appointments to the Committee shall be for a period of three years, which may be extended for another three-year term, provided the members of the Committee remain independent.
- The members of the Committee shall be appointed by, and may be removed by, the Board.
- The Corporate Governance Committee shall have a Chairman and a Vice-Chairman. In the absence of the Chairman, the Vice Chairman shall chair the meeting.

## 4. Secretary

The Secretary to the Board of Directors shall act as the Secretary of the Committee.

The Secretary of the Committee shall assist the Chairman by performing the following responsibilities:

- Prepare and issue the meeting invitation, agenda and its contents as approved by the Chairman
- Prepare and submit for approval minutes of each meeting held by the Committee.
- Assist the committee in performing all its duties and to maintain its records

## 5. Quorum

- Only members of the Committee and the Secretary of the Committee shall be entitled to attend Committee meetings.
- Meeting of the Committee will not be valid unless attended by at least two of its members, one of which must be the Chairman or Vice-Chairman of the committee. However, members of the Committee may also convene a meeting through a conference call or other means allowed by the Chairman of the committee.
- A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee as specifically delegated by the Board.

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### **6. Decisions**

- The Committee's decisions shall be considered by a vote of the majority of the attending members. In case of equality of votes, the Chairman of the Committee shall have the casting vote.
- Decisions of the Committee may be made through circulation. In all such cases the Secretary of the Committee shall ensure and confirm circulation of necessary information and documentation.
- Voting by proxies is prohibited at all times.

### **7. Meetings**

- The Committee shall meet at least four times a year.
- The Committee will meet additionally as important events and decision making require.
- The dates of the meetings for the year should be set and agreed at the beginning of the year. To the extent possible, meetings will be scheduled to coincide with meetings of the Board of Directors, preferably prior to the meetings of the full Board.
- It is the responsibility of the Secretary of the Committee to schedule and call all meetings of the Committee.

### **8. Notice and Agenda of Meetings**

- Meeting invitations and agenda will be prepared and issued by the Secretary after consultation with the Chairman.
- Meeting invitations and agenda will be issued with as much advance notice as possible, but at a minimum five working days before the meeting. Supporting papers shall be sent to committee members and to the other attendees, as appropriate at the same time.

### **9. Minutes of Meetings**

- The Secretary shall minute the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance and names of absentees.
- The Chairman shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and ask the Secretary to minute them accordingly.
- Minutes of Committee meetings shall be circulated promptly to all members of the Committee.
- Where decisions are made through circulation, details will be included in the minutes of the Committee meeting immediately following the decision.
- Any serious concerns or dissent shall be recorded in the minutes.

### **10. Responsibilities**

- Oversee and monitor the implementation of the corporate governance framework;
- Review the organisational structure and ensure that it notes the designations and responsibilities of key management personnel, highlighting their qualifications and relevant industry experience. The organisational structure should be clearly delineated and reporting lines completely transparent to promote full disclosure;

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- Periodically review and assess the adequacy of the Corporate Governance Framework and recommend any proposed changes to the Board for approval;
- The committee shall ensure that the Bank publishes the corporate governance framework on its website;
- At each annual shareholders' meeting the Board shall report on the Bank's compliance with its corporate governance guidelines and HC module and explain the extent if any to which it has varied them or believes that any variance or noncompliance was justified;
- At each annual shareholders meeting the board must also report on further items listed in Module PD. Such information should be maintained on the website or held at the Bank's premises on behalf of the shareholders;
- Provide the Board with reports and recommendations based on its findings in exercising its functions; and
- Assess the corporate governance framework and adequacy of the guidelines periodically and recommend any changes deemed appropriate to the Board.
- The committee in co-ordination with the compliance function shall ensure that the Bank complies with all governance related disclosure requirements of the CBB rulebook, as given in section HC module of the CBB rulebook Volume 1.
- The Committee in co-ordination with the Finance and Compliance functions shall also ensure that all disclosure requirements detailed in the Public Disclosure (PD) module of the CBB rulebook are complied by the Bank.

### **11. Reporting Responsibilities**

- The Chairman of the Committee shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its scope where action or improvement is needed.

### **12. Other Matters**

- Be provided with appropriate and timely training, both in the form of an induction program for new members and on an ongoing basis for all members.
- Give due consideration to applicable laws and regulations.

### **13. Combination with the Audit Committee**

The Central Bank permits the combination of committees provided no conflicts of interest arise and subject to its approval. As such, the Board has combined the Audit & the Corporate Governance Committees into a single committee. Membership and meetings of those committees are to be combined.