

***Adopted September 23, 2019***

**Investcorp Holdings B.S.C.**

**Corporate Governance Guidelines**

## Introduction

Investcorp Holdings B.S.C. (formerly, Investcorp Bank B.S.C., “Investcorp”) has long been a strong proponent of good corporate governance, which Investcorp believes involves keeping business practices above reproach and thus retaining the trust and confidence of all of Investcorp’s stakeholders who enable Investcorp to operate, thrive and prosper.

Corporate governance is an important focus of attention for both regulators and investors globally.

The Bahrain Ministry of Industry, Commerce and Tourism issued a Corporate Governance Code (the “Governance Code”), which became applicable to all joint stock companies incorporated in Bahrain on January 1, 2011 (as revised from time to time, including the revisions issued on March 19, 2018), and the Central Bank of Bahrain (“CBB”) issued a High Level Controls Module in the CBB’s Rulebook 6 (“Module HC”) which became effective on September 1, 2011 and has been revised by the CBB from time to time since that date. [HC-A.2.1]

Module HC sets forth requirements that must be met by Investcorp and other listed companies in Bahrain with respect to (i) corporate governance principles in the Governance Code and (ii) international best practice corporate governance principles in line with the recommendations of the International Organization of Securities Commissions and the Organisation for Economic Co-operation and Development. [HC-A.1.1]

These Corporate Governance Guidelines (“Guidelines”) have been adopted by the Board of Directors of Investcorp (the “Board”) in accordance with Module HC [HC-8.2.1]. Module HC requires the adoption of written corporate governance guidelines that cover the matters stated in Module HC and any other corporate governance matters deemed appropriate by the Board.

Module HC is incorporated by reference in, and forms part of, these Guidelines except to the extent specifically noted in these Guidelines.

These Guidelines follow the format of the Governance Code by setting out the Corporate Governance principles (the “Principles”) and then elaborating upon the Principles.

## **Principle 1: Investcorp must be headed by an effective, collegial and informed Board [HC-1.1.1]**

### **Directors' Roles and Responsibilities**

The Board's role is distinct from that of both the shareholders of Investcorp, whose interests the Board represents, and the management of Investcorp, which the Board oversees. [HC-1.2.1]

The Board owes fiduciary duties of care and loyalty to Investcorp and the shareholders of Investcorp. [HC-1.2.1]

In recognition of its duties and responsibilities, the Board has adopted the Charter of the Board of Directors of Investcorp (the "Board Charter") that is attached as Annex A to these Guidelines. [HC-1.2.8]

Having regard to the importance of each Director understanding his or her duties and responsibilities, the Chairman of the Board, assisted by the Corporate Secretary, or other individual delegated by the Chairman of the Board, should review the Board's role and its duties and responsibilities with each newly elected Director. [HC-4.5.1]

In addition, Investcorp must have a written appointment agreement with each Director that refers to the Director's powers, duties and responsibilities, as well as other matters relating to his or her appointment, including time commitment, any committee assignment and remuneration, and his or her access to independent professional advice when that is needed. [HC-1.2.6]

### **Risk Recognition and Assessment**

The Board's responsibilities in respect of Investcorp's systems and controls framework is set forth in the Board Charter.

The Board should ensure that it collectively has sufficient expertise to understand and measure the risks to which Investcorp is exposed in its business activities. [HC-1.2.7]

### **Decision Making Process**

The Board must be deliberative and collegial to gain the benefit of each Director's judgment and expertise, and the Chairman of the Board must take an active lead in promoting mutual trust, open discussion, constructive dissent and support for decisions after they have been made. [HC-1.3.1 and 1.3.2]

The Board must meet no less than four times during each financial year and each Director must attend at least 75% of the Board meetings within a financial year. This means that each Director must attend at least three Board meetings if the total number of meetings held during a financial year is four. [HC-1.3.3 and HC-1.3.7]

It is not permissible for a Director to attend a meeting, or to vote at such meeting, by proxy.

See HC-1.3.7 for further information regarding the number of meetings required to be attended by each Director based upon the total number of Board meetings held in a financial year if more than four meetings are held in a financial year. See also HC-

1.3.8 and HC-1.3.10 for requirements relating to recording and reporting to the Central Bank of Bahrain Director non-attendance of meetings.

The Chairman of the Board is responsible for the leadership of the Board and for the efficient functioning of the Board. The Chairman of the Board must ensure that all Directors receive an agenda, minutes of prior meetings and adequate background information in writing before each Board meeting and, when necessary, between Board meetings. All Directors must receive the same Board information. [HC-1.3.4] The Chairman of the Board shall hold meetings with non-executive and independent Directors, without the attendance of the executives, to take their views on matters related to Investcorp's activity. [Principle 1;c;a;7]

Subject to the receipt of timely information, a primary requirement of a Director's duty of care is that the Director study the materials provided to Directors in advance of the Board meeting and the meeting of any Committee on which the Director serves and prepares to contribute constructively in the deliberations of the Board and any such Committee.

Principle 1 of the Governance Code provides that no director may have directorships of more than five (5) Public Joint Stock Companies in the Kingdom of Bahrain and HC-1.3.6 provides in guidance that no person should hold more than three directorships of public companies in Bahrain, subject, in each case, to the proviso that such directorships should not give rise to any conflict of interest.

HC-1.3.6 also provides that the Board should not propose the election or re-election of any Director who holds more than three such directorships (and, in any event, the Board may not propose the election or re-election of any Director who holds more than five such directorships). If any then current Director or candidate for election as a Director holds more than three such directorships, it is the responsibility of the Compliance Department to confirm that the CBB is aware of such multiple directorships before that Director or candidate is proposed to the shareholders for re-election or election to the Board, as the case may be.

### **Independence of Judgment**

The duty of loyalty requires a Director to exercise the Director's powers in the interests of Investcorp and Investcorp's shareholders and not in the Director's own interests or in the interests of other persons (including family members) or organizations. Each Director must consider himself or herself as a representative of all Investcorp shareholders.

See HC-1.4.2 and HC-1.4.3 relating to the obligations of executive and non-executive directors.

HC-1.4.4 provides in guidance that at least half of the Board should be comprised of non-executive directors and at least three of those persons should be independent directors. HC-1.4.5 provides in guidance that the Chairman of the Board should be an independent director. HC-1.4.6A provides that the Chairman of the Board and/or the Deputy Chairman of the Board must not be the same person as the Chief Executive Officer.

The Chairman of the Board, the Executive Chairman and the Co-Chief Executive Officers of Investcorp are different persons and the Chairman of the Board is a non-executive Director and independent Director.

The Board will review on an annual basis the independence of each Director based upon the criteria specified by the CBB and the Governance Code, the interests disclosed by them in their annual conflict of interests' questionnaires and his/her conduct. [HC-1.4.6]

Prior to the end of each Board meeting, the independent Directors will meet without any Investcorp employees present to discuss any matters of concern, except as may otherwise be determined by the independent Directors themselves. [HC-1.4.8]

### **Directors' Access to Independent Advice**

As stated in the Board Charter, and consistent with the provisions of HC-1.6.1 and HC-1.6.2, each Director shall have access to the Corporate Secretary of Investcorp, who has responsibility for reporting to the Board on Board procedures. Each Director also will have access to independent legal or other professional advice at Investcorp's expense whenever he/she judges this necessary to discharge his/her responsibilities as a director and this must be in accordance with Investcorp's internal policies and procedures. Such access to legal or other professional advice will be arranged by the Corporate Secretary upon the request of any Director.

Both the appointment and removal of the Corporate Secretary must be a matter for the Board, and not any member of management. The Corporate Secretary shall carry out the obligations set out in Principle 1 of the Governance Code.

If a Director has serious concerns which cannot be resolved regarding the management of Investcorp or a proposed action, that Director should consider seeking independent advice and should ensure that those concerns are recorded in the Board meeting minutes and that any dissent from a Board action is noted or delivered in writing. [HC-1.6.3]

When a non-executive Director resigns from the Board, he should provide a written statement to the Chairman of the Board, for circulation to the Board, if he has serious concerns of the nature referred to in the paragraph above. [HC-1.6.4]

### **Directors' Communications with Management**

In line with HC-1.7.1, it is the policy of the Board to encourage reporting at Board meetings by relevant members of management, who by reason of responsibilities or succession, the Executive Chairman believes should have exposure to the Directors.

In line with the guidance set forth in HC-1.7.2, non-executive Directors may have free access to management through either the Executive Chairman or the Chairman of the Audit and Risk Committee.

## **Committees of the Board**

Acting in accordance with Investcorp's Articles of Association, the Board has appointed the following Standing Committees: (i) the Audit and Risk Committee, (ii) the Nomination and Remuneration Committee, and (iii) the Corporate Governance Committee. The Terms of Reference of these Committees are attached as Annex B, Annex C, and Annex D, respectively, to these Guidelines.

These Standing Committees operate with authority delegated by the Board in accordance with their respective Terms of Reference. However, the Board may not delegate its ultimate decision-making responsibility. [HC-1.8.3]

All Standing Committees should keep comprehensive minutes of their discussions and meet regularly to fulfil their mandates.

## **Evaluation of the Board and Each Committee**

HC-1.9.1 requires that the Board conduct an evaluation of its performance and the performance of each Committee and each Director at least annually.

The Board will conduct such an evaluation on an annual basis in compliance with HC-1.9.1, having regard to the evaluation process specified by HC-1.9.2. The results of such evaluations will be reported to the shareholders at the Ordinary General Meeting of Shareholders ("OGM") held each year. [HC-1.9.4]

These evaluations will be organized by the Corporate Governance Committee, with the assistance of an external expert, if and to the extent deemed appropriate by the Corporate Governance Committee.

## **Principle 2: Investcorp's directors and officers must have full loyalty to Investcorp [HC-2.1.1]**

### **Personal Accountability**

The mission of Investcorp is to be the preferred global alternative asset manager for its clients based on attractive performance and distinguished customer service while generating superior returns to shareholders.

The fulfilment of that mission requires Investcorp to conduct its business activities and transactions with complete honesty and total integrity in accordance with the highest moral, ethical and legal standards.

Each of Investcorp's Board members and each other Investcorp employee owes a duty of loyalty to Investcorp and its shareholders. Directors are personally accountable to Investcorp and the shareholders if they violate this duty of loyalty, and Directors can be personally sued for such violations.

Having regard to Investcorp's mission and this duty of loyalty, the Board has approved the Code of Conduct (the "Code of Conduct") of Investcorp and its consolidated subsidiaries (the "Investcorp Group") that sets forth standards of conduct that apply to Directors and all of Investcorp's employees. It demands that all Directors, officers and employees conduct their business activities with absolute propriety and it affirms Investcorp's commitment to the highest moral, legal and ethical standards of conduct.

Acting in accordance with the duty of loyalty, each Director, officer, and all other Investcorp employees, must avoid transactions or situations in which their personal interests actually conflict with, or have the appearance of conflicting with, those of Investcorp, its shareholders and its clients. Directors or other Covered Persons (as defined below) who have a material conflict of interest in any transaction which is the subject of any discussions or decision-making must abstain from participating in such discussions or decision.

In furtherance of this duty, the Board has adopted Conflicts of Interest Policies and Procedures that apply to Directors of Investcorp Group entities, each Investcorp Group employee at the level of Managing Director and at a less senior level who is in charge of (a) financial controls, (b) internal audit, (c) compliance and (d) risk management (collectively, "Covered Persons") and the Code of Conduct enumerates several activities that Investcorp Group employees are prohibited from engaging in.

In addition, conflicts of interest questionnaires are completed by Directors of Investcorp Group entities and other Covered Persons at least annually in a further effort to identify existing or potential Covered Person conflicts of interest.

The Board has also adopted an anti-nepotism policy prohibiting any person being hired by any member of the Investcorp Group solely on the basis that such person is related to any of Investcorp's Directors or officers and any such person who is hired must be qualified for the relevant position.

Consistent with the Bahrain Commercial Companies Law, it is the policy of the Board to submit any affiliation by a Director with an entity engaged in a business that is competitive with Investcorp's business to the shareholders for approval each year at the OGM. In addition, any abstention from voting motivated by a conflict of interest,

and the authorization of any contract or transaction involving a conflict of interest, shall also be disclosed to the shareholders each year at the OGM.[HC-2.5.1]



**Principle 3: The Board must have rigorous controls for financial audit and reporting, internal control and compliance with law. [HC-3.1.1]**

As noted above, the Board has established an Audit and Risk Committee, and its Terms of Reference are attached as Annex B to these Guidelines. The Terms of Reference are consistent with the requirements of HC-3.2.1 and Appendix A of Module HC. [HC-3.3.1]

A majority of the members of the Audit and Risk Committee must be independent Directors, and the Executive Chairman must not be a member of the Audit and Risk Committee. The chairman of the Audit and Risk Committee shall be an independent director. [HC-3.2.4 and Principle 3; First]

As part of the process of discharging its responsibilities in relation to overseeing Investcorp's systems and controls, risk management and compliance frameworks, the Audit and Risk Committee should receive reports from the Internal Audit Department, Risk Department, and Compliance Department at every meeting of the Audit and Risk Committee unless otherwise approved by the Audit and Risk Committee.

In line with the guidance set forth in HC-3.3.3, the Board has adopted Whistleblowing Procedures to encourage the disclosure of genuine concerns regarding potential wrongdoing by Investcorp or its employees, including financial fraud or other actions that raise questions regarding the integrity of Investcorp's financial statements or its accounting, auditing, internal control and reporting practices, and to ensure that potential issues are promptly and properly investigated and addressed. The Whistleblowing Procedures are available to all employees on the Investcorp intranet. In addition, Investcorp has engaged the services of a third party to operate a Whistleblower Hotline Services to receive whistleblower reports. [HC-3.3.3]

To encourage management accountability for Investcorp's financial statements and as required by HC-3.4.1, the Executive Chairman or at least one Co-Chief Executive Officer and the Chief Financial Officer must state in writing to the Audit and Risk Committee and to the Board as a whole that Investcorp's annual and interim financial statements present a true and fair view, in all material respects, of Investcorp's financial condition and results of operations in accordance with International Financial Reporting Standards. [HC-3.4.1]

## **Principle 4: Investcorp must have rigorous procedures for appointment, training and evaluation of the Board [HC-4.1.1]**

### **Nominating Committee**

The Board has delegated to the Nomination and Remuneration Committee (“NRC”) authority to act as the Nominating Committee of the Board, with responsibility to, among other things, identify persons qualified to become Directors, as well as senior executive officers of Investcorp. The details regarding NRC’s responsibilities are set forth in the NRC Terms of Reference attached as Annex C to these Guidelines.

See HC-4.4.1, which specifies the information regarding each candidate for election or reelection as a Director that should be provided to the shareholders with each proposal that such candidate be elected or re-elected as a Director.

HC-4.4.2 states in guidance the information that should be confirmed to the shareholders by the Chairman of the Board when it is proposed that a Director be elected or re-elected to the Board. Any term beyond six years (e.g., two three-year terms) for a Director shall be subject to particularly rigorous review, and shall take into account the need for progressive refreshing of the Board. [Principle 4; Second; b]

### **Induction and Training of Directors**

Each new Director must be provided with a formal and tailored induction, based upon the new Director’s knowledge of Investcorp. Unless the Director already possesses detailed knowledge relating to Investcorp, the induction must include, among other matters, meetings with senior management, visits to Investcorp’s office in Bahrain and presentations regarding strategic plans, significant financial, accounting and risk management issues, compliance programs, and information about Investcorp’s internal and external auditors and legal counsel. [HC-4.5.1]

The Chairman of the Board, assisted by the Corporate Secretary, or any other individual delegated by the Chairman of the Board, should review the Board’s role and duties with that person, particularly covering legal and regulatory requirements and Module HC.

All other Directors must be invited to attend induction meetings for new Directors and all Directors must continually educate themselves as to Investcorp’s business and corporate governance. [HC-4.5.2]

The Board has determined that the Corporate Governance Committee is responsible for developing induction programs for new Directors and for developing education activities for the Directors. This is a variance from HC-4.5.3, which provides in guidance that the Nominating Committee should oversee directors’ corporate governance educational activities.

**Principle 5: Investcorp must remunerate Directors and senior officers fairly and responsibly [HC-5.1.1; Principle 5]**

**Remuneration Committee**

The Board has delegated to NRC authority to act as the Remuneration Committee, with responsibility, among other matters, to (i) make recommendations to the Board regarding remuneration policies and amounts for each Director and specific senior executives and (ii) recommend to the Board Director remuneration based upon attendance and performance and in accordance with Article 188 of the Commercial Companies Law. [HC-5.2.1; Principle 5]

As noted above, the Board has also delegated to NRC authority to act as the Board's Nominating Committee. HC-5.2.3 specifically provides that the Remuneration Committee may be merged with the Nominating Committee.

The details regarding NRC's responsibilities are set forth in the NRC Terms of References attached as Annex C to these Guidelines.

**Remuneration Standards**

Remuneration of Directors and officers must be sufficient enough to attract, retain and motivate persons of the quality required to operate Investcorp's business without being excessive and it must comply with the principles and requirements of Chapter HC-5 of Module HC.

Remuneration for non-executive Directors must not include performance-based elements such as grants of shares, share options or other deferred share-related incentive schemes.

The total amount of remuneration payable to the Board of Directors must be capped in line with Article 188 of the Bahrain Commercial Companies Law.

It is the policy of Investcorp to structure the remuneration of senior officers as well as other professional employees in a manner designed to ensure that their interests are aligned with the interests of Investcorp's shareholders.

Investcorp's Remuneration Policies have been approved by the shareholders of Investcorp as required by HC-5.2.1.

Investcorp's Remuneration Policies are effectuated pursuant to a Board-approved Remuneration Procedures Manual.

**Principle 6: The Board must establish a clear and efficient management structure.**

**Establishment of Management Structure**

The Board must appoint at a minimum the following members of senior management:

- The Executive Chairman
- The Co-Chief Executive Officers
- The Chief Financial Officer
- The Head of Internal Audit
- The Corporate Secretary

as well as such other officers as the Board considers appropriate.

Investcorp has adopted By-laws which prescribe the authorities, duties and internal reporting responsibilities of each of the members of senior management listed above as well as other members of senior management appointed by the Board.

This has been done with the advice of the Corporate Governance Committee rather than the Nominating Committee as required by Module HC on the basis that this is in line with the Corporate Governance Committee's mandate to oversee Investcorp's implementation of the Governance Code.

Investcorp has adopted a succession plan which, among other members of senior management, reflects a strategy for selecting a successor to the Executive Chairman and Co-Chief Executive Officers. This succession plan is reviewed annually by NRC.

**Internal Audit**

Investcorp has established an effective internal audit function which provides an independent and objective assurance to the Board and senior management on the quality and effectiveness of Investcorp's internal controls, risk management and governance systems and processes. The Head of Internal Audit reports his views, findings and conclusions to the Audit and Risk Committee at quarterly meetings, thereby assisting the Board to oversee senior management.

The Internal Audit function is independent of all functions including compliance, risk management and financial controls and has sufficient standing and authority within Investcorp. The Head of Internal Audit reports functionally to the Audit and Risk Committee and administratively to the Executive Chairman. It is to be noted that the Executive Chairman has delegated certain of his responsibilities to the Chief Administrative Officer (CAO) on the basis that this is more efficient and administratively in line with the responsibilities of the CAO.

## **Risk Management**

Investcorp must establish a sound risk management framework commensurate with its size, complexity and risk profile which incorporates a risk management function which is independent of the individual business.

The Head of Risk Management who serves as the Chief Risk Officer reports functionally to the Audit and Risk Committee, which acts as the Board's risk committee and administratively to the Executive Chairman. The Head of Risk Management reports his views and any issues to the Audit and Risk Committee at quarterly meetings.

**Principle 7: Investcorp must communicate with shareholders, encourage their participation and respect their rights.**

It is the policy of Investcorp to conduct shareholders' meetings in accordance with the requirements of HC-7.4.1, which requires, among other things that:

- Notices of meetings must be honest, accurate and not misleading;
- Meetings must be held during normal business hours and at a place convenient for the greatest number of shareholders to attend;
- Notice of meetings must encourage shareholders to attend shareholder meetings and, if not possible, to participate by proxy and must refer to procedures for appointing a proxy and for directing the proxy how to vote on a particular resolution. The proxy form must list the agenda items and must specify the vote (such as "yes", "no" or "abstain");
- Notices of meetings must ensure that all material information and documentation is provided to shareholders on each agenda item;
- The Board must propose a separate resolution at any meeting on each substantially separate issue so that unrelated issues are not bundled together;
- The minutes of the meeting must be made available to the shareholders upon their request as soon as possible but not later than 30 days after the meeting;
- Disclosure of all material facts must be made to the shareholders by the Chairman of the Board prior to any vote by the shareholders; and
- At any meeting during which Directors are to be elected or removed, the Board must ensure that each person is voted on separately, so that the shareholders can evaluate each person individually.

All directors should attend and be available to answer questions from shareholders at any shareholder meeting. The chairs of the Executive Committees should also be available to answer appropriate questions regarding matters within their respective Committee's responsibility, it being understood that confidential and proprietary business information may be kept confidential. [HC-7.4.2]

Investcorp's external auditors should attend the OGM and be available to answer shareholders' questions concerning the conduct and conclusions of the audit. [HC-7.4.3]

The Chairman and other Directors (as appropriate) shall maintain ongoing personal contact with key shareholders to solicit their views and understand their concerns. The Chairman shall ensure that the views of shareholders are communicated to the Board as a whole. The Chairman shall discuss governance and strategy with key shareholders. [HC-7.5.1; Principle 7: Third]

The Board shall encourage shareholders, particularly institutional investors, to help in evaluating Investcorp's corporate governance. [HC-7.5.1; Principle 7: Third]

The Chairman and other Directors shall actively encourage the controlling shareholders to use their position responsibly and to fully respect the rights of minority shareholders. [HC-7.6.1; Principle 7: Fourth]

**Principle 8: Investcorp must disclose its corporate governance.**

These Guidelines must be published on the Investcorp website.

At each OGM, the Board must report to the shareholders on Investcorp's compliance with these Guidelines and Module HC, and explain the extent, if any, to which the Board has varied from the Guidelines or believes that variance or non-compliance was justified.

The Board must also report at each OGM on the corporate governance matters listed in HC-8.3 and Appendix 5 to the Governance Code.

Investcorp's Corporate Governance Officer shall undertake the tasks of verifying Investcorp's compliance with the corporate governance rules, laws, regulations and decisions issued to implement them. The Corporate Governance Officer shall coordinate with the Corporate Governance Committee in relation to all corporate governance matters, follow up and coordinate with the concerned department on the corporate governance matters. [Principle 8: e]



**Principle 9: Investcorp's Board shall ensure the integrity of the financial statements submitted to shareholders through appointment of external auditors.**

**Selection of External Auditor**

The OGM shall appoint one or more auditors for Investcorp and determine their fees upon the proposal of the Board, while taking into consideration the requirements set out in Principle 10 of the Governance Code.

**Obligations of External Auditor**

Investcorp's external auditor shall observe the disclosure obligations and audit principles set out Principle 10 of the Governance Code.

**Adopted September 23, 2019**

**Charter of  
The Board of Directors  
of  
Investcorp Holdings B.S.C.**

**Introduction**

This Charter sets out the responsibilities of the Board of Directors (“Directors”) of Investcorp Holdings B.S.C. (“Investcorp” or the “Company”).

**Principles of Director Governance**

The Board of Directors duties and responsibilities must be carried out in accordance with the principles set out in the:

- (1) Central Bank of Bahrain’s High Level Controls Module, Volume 6 (“Module HC”); and
- (2) Bahrain Corporate Governance Code issued by the Ministry of Industry, Commerce and Tourism (the “CG Code”).

These principles are fully described in Investcorp’s Corporate Governance Guidelines.

**Duties and Responsibilities**

The Directors’ role and responsibilities are as follows:

- overseeing the Company’s performance, strategy and business plan;
- ensuring that financial statements are prepared which accurately disclose the Company’s financial position;
- monitoring management performance;
- convening, and preparing the agenda for, shareholders meetings;
- setting up a mechanism to regulate transactions with related parties in order to minimize conflicts of interest and preventing abusive related party transactions;
- selecting, monitoring and, when necessary, replacing key executives and overseeing succession planning;
- aligning key executive and Directors remuneration with the longer-term interests of the Company and the Shareholders;
- ensuring a formal Directors nomination and election process;
- ensuring the integrity of the Company’s accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards;
- assuring equitable treatment of shareholders, including minority shareholders;
- the ongoing obligations in respect of the listing requirements, including but not limited to issues relating to disclosure, dissemination of price sensitive information and other communication, and the prevention of market abuse and insider trading;
- compliance with the Company’s founding documentation, including but not limited to its Memorandum and Articles of Association and other relevant by-laws and

***Adopted September 23, 2019***

resolutions;

- ensuring that any loans provided by the Company are approved by the Directors in accordance with their authority for such items, including the respective limits and other relevant terms;
- adopting the commercial and financial policies associated with the Company's business performance and achievement of its objectives;
- drawing, overseeing and periodically reviewing the Company's plans, policies, strategies and key objectives;
- setting and generally supervising the regulations and systems of the Company's internal control systems;
- determining the Company's optimal capital structure, strategies and financial objectives and approving annual budgets;
- monitoring the Company's major capital expenditures, and possessing and disposing of assets;
- approving Investcorp's semi-annual and annual financial statements and presenting them to the annual OGM; and
- forming specialized committees of Board of Directors as required by the nature of the Company's activity and as provided in the regulatory requirements.

The Board of Directors shall avoid issuance of general authorizations and any authorization granted shall be reviewed and confirmed by the Board of Directors, at least once a year. The Board of Directors shall adopt a reasonable policy in delegating the authorities to the executive management, and the delegation of authority regulations shall cover various financial, administrative, employees' affairs and other functions necessary to operate and manage the Company efficiently .

**Access to Counsel and the Corporate Secretary**

To facilitate the fulfilment of the Directors' responsibilities, the Directors shall have access to (i) the Corporate Secretary, who shall have responsibility for reporting to the Directors on board procedures and (ii) independent legal or other professional advice, at the expense of Investcorp, whenever they judge this necessary to discharge their responsibilities as Directors, which shall be arranged by the Corporate Secretary if requested by one or more Directors.

**Principle 10: Investcorp shall seek through social responsibility to exercise its role as a good citizen.**

The Board has adopted a social responsibility policy to deal with the requirements of social responsibility.

Investcorp shall provide, in its annual report, a report on corporate social responsibility activities. The report shall explain these activities and the amounts spent thereon, and measure their impact and sustainability.

Investcorp's executive management shall develop an annual strategy or plan to implement the corporate social responsibility philosophy, policies and principles towards the community. [Principle 11]

*Adopted September 23, 2019*

**Terms of Reference of the Audit and Risk Committee**  
**of**  
**The Board of Directors**  
**of**  
**Investcorp Holdings B.S.C.**

This replaces the Terms of Reference of the Audit and Risk Committee adopted on January 19, 2011 and most recently updated on September 26, 2018.

**Introduction**

The Board of Directors (the “Board”) of Investcorp Holdings B.S.C. (“Investcorp”) has established a committee of the Board to be known as the Audit and Risk Committee (the “Audit and Risk Committee”). These are the Terms of Reference of the Audit and Risk Committee.

**Audit and Risk Committee Membership and Qualifications**

The Audit and Risk Committee shall be appointed by the Board from amongst its members and shall consist of not less than three members. Such members must have no conflict of interest with any other duties they have for Investcorp.

The majority of members, including the Chairman of the Audit and Risk Committee, must be independent directors under the criteria stated in the Corporate Governance Code of the Kingdom of Bahrain.

The Board must satisfy itself that at least a majority of the members of the Audit and Risk Committee has recent and relevant financial ability and experience, which includes:

- an ability to read and understand corporate financial statements including Investcorp’s balance sheet, income statement and cash flow statement and changes in shareholders’ equity;
- an understanding of the accounting principles which are applicable to Investcorp’s financial statements;
- experience in evaluating financial statements that have a level of accounting complexity comparable to that which can be expected in Investcorp’s business;
- an understanding of internal controls and procedures for financial reporting as well the Audit & Risk Committee’s controls and procedures for financial reporting; and
- an understanding of the Audit and Risk Committee’s duties and importance.

The Executive Chairman of Investcorp may not be a member of the Audit and Risk Committee, but he may attend specific meetings of the Audit and Risk Committee by invitation.

## ***Adopted September 23, 2019***

A quorum shall be at least one half of the members of the Audit and Risk Committee, and resolutions of the Audit and Risk Committee shall be adopted by a majority vote of the members of the Audit and Risk Committee participating in a quorate meeting. If there is a tied vote, the Chairman of the Audit and Risk Committee shall have a casting vote.

The Chairman of the Audit and Risk Committee shall be appointed by the Board.

### **Reporting Procedures**

The minutes of the Audit and Risk Committee meetings should be circulated to the Board. The Chairman of the Audit and Risk Committee should report to the Board any significant matters of concern that have arisen at any meeting of the Audit and Risk Committee held since the last Board meeting.

### **Committee Duties and Responsibilities**

#### External Audits and Financial Statements:

The Audit and Risk Committee shall:

- meet with the external auditors twice a year;
- select, appoint, remunerate or, where appropriate, terminate the external auditor, subject to ratification by the Board and the Shareholders. The external auditor shall report directly to the Audit and Risk Committee;
- review the independence of the external auditor, on an annual basis. This shall be done by:
  - determining whether its performance of any non-audit services compromised its independence (the Audit and Risk Committee may establish a formal policy specifying the types of non-audit services which are permissible);
  - obtaining from the external auditor a written report listing any relationships between the external auditor and Investcorp or with any other person or entity that may compromise the auditor's independence;
- review and discuss the audit scope and results with the external auditor, and clarifying any difficulties and obstacles that have prevented it from accessing required information or documents, as well as any disputes or disagreements with management;
- review and discuss the Company's annual and interim financial statements;
- coordinate the activities of the external auditor and the internal auditor, if any such activities are required;
- review the Executive Chairman's and the CFO's certifications of the financial statements on an annual and interim basis, ensuring that such annual and interim financial statements as prepared present a true and fair view, in all material respects of the Company's financial condition and results of operations in

## ***Adopted September 23, 2019***

accordance with applicable accounting standards;

- recommend any additional or specific audit required in respect of the financial statements;
- discuss any management letter provided by the external auditor;

### Accounting and Internal Controls and Systems:

- examine and review the internal control system and submit a written report on its opinion and recommendations on an annual basis;
- review the Company's accounting and financial practices, and the integrity of the financial control, internal control and financial statements;
- review and discuss possible improprieties in financial reporting or other matters, and ensure arrangements are in place for independent investigation and follow-up regarding such matters;

### Internal Audits:

- review internal audit reports and follow up the implementation of the corrective measures related to the comments contained therein;
- use the audit findings as an independent check on the information received from management about the Company's operations and performance and the effectiveness of the internal controls;
- review, discuss and make recommendations on the selection, appointment and termination of the Head of the Internal Audit Department, and the budget allocated to the Internal Audit, and monitor the responsiveness of management to the recommendations of the Committee and its findings;
- review and discuss the adequacy and efficiency of the Internal Audit staff, internal control procedures and any changes therein;
- review and approve the internal audit policies
- approve the risk-based internal audit plan and any deviation thereto;
- review annually with the Head of Internal Audit, and other members of management as appropriate, the independence of internal auditing and any unwarranted restrictions on internal audit scope, communications, access, and resources, including personnel and externally contracted resources.

### Compliance:

- Review the budget allocated to the Compliance Department,
- Review the Compliance control procedures and any changes therein.
- Monitor the Company's compliance with legal and regulatory requirements

### Risk Management:

## ***Adopted September 23, 2019***

- Review the risk management plan and follow up on its implementation, ensuring that the plan addresses:
  - The main risks that the Company may face and the probability of these risks occurring,
  - The mechanisms to identify, measure and follow up on these risks,
  - The mechanisms to periodically detect and report risks, including new risks,
  - The ways to mitigate, and if possible to avoid, the effects of the risks.
- Review the Company's risk management policies periodically,
- Develop an executive program for the Company's risk management,
- Periodically receive analytical reports on the risk status of the Company,

### **Other Duties:**

- Review and approve changes to the relevant policies and procedures manuals that fall under the scope of the Audit and Risk Committee.
- conduct any special investigations it deems necessary to meet its responsibilities, including any investigation required to be conducted by the Whistleblowing Procedures;
- review and supervise the implementation of, enforcement of and adherence to The Investcorp Group Code of Conduct.

### **Attendance at Meetings**

The Head of Compliance, the Head of Risk Management and the Head of Internal Audit shall normally attend meetings, but such attendance and the attendance of any other person who is not a member of the Audit and Risk Committee shall be subject to the Audit and Risk Committee's discretion. Non-members who are not directors of Investcorp may not vote.

In addition, it is to be expected that the external auditor's lead representative will be invited to attend meetings regularly but this will always be subject to the Audit and Risk Committee's decision.

The Audit and Risk Committee may meet at any time without any other director or any officer of Investcorp being present.

The Company Secretary shall serve as the Secretary to the Audit and Risk Committee.

### **Frequency of Meetings; Written Resolutions**

Meetings shall be held at least four times a year. The Audit and Risk Committee may convene a meeting if requested to do so by the external auditors.



***Adopted September 23, 2019***

The timing of meetings may be set to coincide with Board meetings. Members of the Audit and Risk Committee may participate in meetings through the use of a conference telephone or similar communications equipment, provided that all of those participating in the meeting can hear each other.

The Audit and Risk Committee may adopt resolutions in writing, provided that such resolutions are approved by at least three-fourths of the members of the Audit and Risk Committee.

The Corporate Secretary of Investcorp shall serve as the Secretary of the Audit and Risk Committee.

**Authority**

The Audit and Risk Committee is authorized by the Board to investigate any matter within the scope of these Terms of Reference. It is authorized to seek any information it requires from any employee, and all employees are directed to cooperate with any request made by the Audit and Risk Committee. The Head of Internal Audit, the Head of Compliance, the Head of Risk Management and the Money Laundering Reporting Officer shall report functionally to the Audit and Risk Committee.

The Audit and Risk Committee shall have the resources and authority necessary for its duties and responsibilities, including the authority to select, retain, terminate and approve the fees of outside legal, accounting or other advisors as it deems necessary or appropriate, without seeking the approval of the Board or management. Investcorp shall provide appropriate funding for the compensation of any such persons.

**Audit and Risk Committee Performance Evaluation**

The Audit and Risk Committee shall prepare and review with the Board an annual performance evaluation of the Audit and Risk Committee, which shall compare the Audit and Risk Committee's performance with the above requirements and shall recommend to the Board any improvements deemed necessary or desirable to these Terms of Reference. The report must be in the form of a written report made at any regularly scheduled Board meeting.

***Adopted September 23, 2019***

**Terms of Reference of the Nomination and Remuneration Committee of  
The Board of Directors  
of  
Investcorp Holdings B.S.C.**

**Introduction**

The Board of Directors (the “Board”) of Investcorp Holdings B.S.C. (“Investcorp”) has established a committee of the Board known as the Nomination and Remuneration Committee (“NRC”). These are the Terms of Reference for NRC.

**Membership**

The members of NRC shall be appointed by the Board from amongst its members and shall consist of not less than three members, which will include only independent directors or, alternatively, only non-executive directors of whom a majority is independent directors and the Chairman is an independent director. Such members must also have independence of any risk-taking function or committees.

A quorum shall be at least one half of the members of NRC, and resolutions of NRC shall be adopted by a majority vote of the members of NRC participating in a quorate meeting. If there is a tied vote, the Chairman of NRC shall have a casting vote.

The Chairman of NRC shall be appointed either by the Board of Directors or by the members of NRC.

**Attendance at Meetings**

The Executive Chairman of Investcorp may not be a member of NRC, but he may attend meetings of NRC by invitation.

The Company Secretary shall attend meetings of NRC, and the Executive Chairman shall have a standing invitation to attend meetings of NRC, but the attendance of any other person who is not a member of the NRC shall be subject to NRC’s discretion.

The Company Secretary shall serve as the Secretary of NRC.

**Frequency of Meetings; Written Resolutions**

Meetings shall be held not less frequently than two times a year. The timing of meetings may be set to coincide with Board meetings. Members of NRC may participate in meetings through the use of a conference telephone or similar communications equipment, as long as all of those participating in the meeting can hear each other.

NRC may adopt resolutions in writing, provided that such resolutions are approved by three-fourths of the members of NRC.

**Reporting Procedures**

The minutes of NRC meetings should be circulated to the Board. The Chairman of NRC should report to the Board any significant matters of concern that have arisen at any meeting of NRC held since the last Board meeting.

***Adopted September 23, 2019***

## **Duties and Responsibilities**

The duties and responsibilities of NRC shall be to function as a (i) Nominating Committee and (ii) Remuneration Committee.

### **Duties and Responsibilities of NRC When Functioning as a Nominating Committee**

When functioning as a Nominating Committee, NRC shall:

- make recommendations to the Board from time to time as to changes NRC believes to be desirable to the size and composition of the Board or any committee of the Board;
- identify persons qualified to become Executive Chairman, Chief or Co-Chief Executive Officer, Chief Financial Officer, Corporate Secretary and any other officers of Investcorp considered appropriate by the Board, with the exception of the nomination of the Head of Internal Audit, which will be the responsibility of the Audit and Risk Committee;
- whenever a vacancy arises (including a vacancy resulting from an increase in the size of the Board), identify persons qualified to become members of the Board and recommend to the Board a person to fill the vacancy either through appointment by the Board or through shareholder election;
- in performing the above responsibilities, consider any criteria approved by the Board and such other factors as it deems appropriate. These may include judgment, specific skills, experience with other comparable businesses, the relation of a candidate's experience with that of other Board members, and other factors;
- make recommendations to the Board regarding candidates for Board memberships to be included by the Board on the agenda for the next annual shareholders meeting;
- consider all candidates for Board membership recommended by the shareholders and any candidates proposed by management;
- identify Board members qualified to fill vacancies on any committee of the Board and recommend to the Board that such person be appointed to such committee;
- oversee succession planning and design a plan for orderly succession and replacement of officers including replacement in the event of an emergency or other unforeseeable vacancy, ensuring appropriate resources are available
- make recommendations to the Board from time to time as to changes NRC believes to be desirable in the structure and job descriptions of Investcorp's officers including the Executive Chairman and Co-Chief Executive Officers, and prepare terms of reference for each vacancy stating the job responsibilities, qualifications needed and other relevant matters, including integrity, technical and managerial competence, and experience]; and
- recommend persons to fill specific officer vacancies including Executive Chairman and Co-Chief Executive Officers, considering criteria such as those referred to above.

### **Committee Resources and Authority**

## ***Adopted September 23, 2019***

When functioning as a Nominating Committee, NRC shall have the resources and authority necessary for its duties and responsibilities, including the authority to select, retain, terminate and approve the fees of outside legal, consulting or search firms used to identify candidates, without seeking the approval of the Board or management. Investcorp shall provide funding for the compensation of any such persons.

### **Duties and Responsibilities of NRC When Functioning as a Remuneration Committee**

When functioning as a Remuneration Committee, NRC shall:

- consider and make specific recommendations to the Board regarding Investcorp's remuneration policies (which policies should be approved by the shareholders) and individual remuneration packages for each director and specified executive officers or other senior officers.

The remuneration policy should cover at least the following components:

- salary;
- the specific terms of performance-related plans including any share compensation, share options, or other deferred-benefit compensation;
- pension plans;
- fringe benefits such as non-salary perquisites;
- termination policies including any severance payment policies;

Policy guidelines used for determining remuneration in individual cases should include:

- the relative importance of each component of remuneration as noted above; and
  - specific criteria to be used in evaluating an officer's performance;
- consider, and make recommendations to the Board regarding, remuneration to be paid to Directors based on their attendance of Board meetings and performance, subject to compliance with Article 188 of the Bahrain Commercial Companies Law;
  - consider and approve remuneration packages for certain specified executive officers or other senior officers, as well as the total variable remuneration to be distributed, taking into account all forms of remuneration, including salaries, fees, expenses, bonuses, deferred remuneration and other employee benefits, ensuring that such compensation is consistent with Investcorp's corporate values and reflects an evaluation of performance in implementing agreed corporate goals, objectives, strategy; provided, however, that NRC may consider Investcorp's performance and shareholder return relative to comparable companies, and, in considering and approving remuneration to the Co-Chief Executive Officers and Executive Chairman, NRC may consider awards to the Executive Chairman and Co-Chief Executive Officers in past years and the value of remuneration awards to chief executive officers at comparable companies;
  - approve individual remuneration packages for other Managing Directors and Principals, taking into account all forms of remuneration referred to above, ensuring that such compensation is consistent with Investcorp's corporate values and reflects an evaluation of performance in implementing agreed corporate goals, objectives, strategy and business plans;

***Adopted September 23, 2019***

- approve, monitor and review the remuneration system to ensure the system operates as intended; and
- retain and oversee outside consultants or firms for the purpose of determining director or officer remuneration, administering remuneration plans or related matters.

**Committee Resources and Authority**

When functioning as a Remuneration Committee, NRC shall have the resources and authority necessary for its duties and responsibilities, including the authority to select retain, oversee and terminate and approve the fees of outside legal, consulting or compensation firms used to evaluate the compensation of directors, the Executive Chairman and Co-Chief Executive Officers, or other officers or remuneration plans without seeking the approval of the Board or management. Investcorp shall provide appropriate funding for the compensation of any such persons.

**Performance Evaluation**

NRC shall prepare and review with the Board an annual performance evaluation of NRC, which shall compare performance with the above requirements and shall recommend to the Board any improvements deemed necessary or desirable to these Terms of Reference. The report must be in the form of a written report made at any regularly scheduled Board meeting.

***Adopted on September 23, 2019***

**Terms of Reference of the Corporate Governance Committee**  
**of**  
**The Board of Directors**  
**of**  
**Investcorp Holdings B.S.C.**

**Introduction**

The Board of Directors (the “Board”) of Investcorp Holdings B.S.C. (“Investcorp”) has established a committee of the Board known as the Corporate Governance Committee (“Governance Committee”). These are the Terms of Reference for the Governance Committee.

**Membership**

The members of the Governance Committee shall be appointed by the Board from amongst its members and shall consist of not less than three members, which shall include only independent directors (one of whom, at least, shall have a skill set that the Governance Committee can benefit from, such as legal expertise and business proficiency, which are considered required by the Board to cultivate a good corporate governance culture).

A quorum shall be at least one half of the members of the Governance Committee, and resolutions of the Governance Committee shall be adopted by a majority vote of the members of the Governance Committee participating in a quorate meeting. If there is a tied vote, the Chairman of the Governance Committee shall have a casting vote.

The Chairman of the Governance Committee shall be appointed by the Board of Directors or by the members of the Governance Committee.

The Executive Chairman of Investcorp may not be a member of the Governance Committee, but he may attend meetings of the Governance Committee by invitation.

**Attendance at Meetings**

The Corporate Secretary shall normally attend meetings of the Governance Committee, but such attendance and the attendance of any other person who is not a member of the Governance Committee shall be subject to the Governance Committee’s discretion.

The Corporate Secretary shall serve as the Secretary of the Governance Committee.

**Frequency of Meetings; Written Resolutions**

Meetings of the Governance Committee shall be held not less frequently than twice a year. The timing of meetings may be set to coincide with Board meetings. Members of the Governance Committee may participate in meetings through the use of a conference telephone or visual communications equipment, as long as all of those participating in the meeting can hear each other.

The Governance Committee may adopt resolutions in writing, provided that such resolutions are approved by three-fourths of its members.

### **Reporting Procedures**

The minutes of the Governance Committee meetings should be circulated to the Board. The Chairman of the Governance Committee should report to the Board any significant matters of concern that have arisen at any meeting of the Governance Committee held since the last Board meeting.

### **Duties and Responsibilities**

The Governance Committee shall:

- develop and recommend to the Board changes from time to time in Investcorp's written corporate governance guidelines, which shall constitute Investcorp's corporate governance policy framework and shall include or refer to the principles and numbered directives of the Corporate Governance Code of the Kingdom of Bahrain ("Bahrain Code");
- review and evaluate the adequacy of these Terms of Reference annually and recommend to the Board any changes it deems appropriate;
- oversee Investcorp's implementation of the Bahrain Code;
- oversee the development of a formal and tailored induction programme for newly appointed Directors, to which current Directors must be invited;
- oversee Director's Corporate Governance educational activities;
- consider any report of an actual or potential conflict of interest involving any such persons and make a recommendation to the Board regarding such actual or potential conflict of interest;
- perform any other activities consistent with these Terms of Reference and Investcorp's By-laws, as it or the Board deems appropriate.

### **Performance Evaluation**

The Governance Committee shall prepare and review with the Board an annual performance evaluation of the Governance Committee which shall compare performance with the above requirements and shall recommend to the Board any improvements deemed necessary or desirable to these Terms of Reference. The report must be in the form of written report made at any regularly scheduled Board meeting.