

Mumtalakat
INVESTING FOR BAHRAIN

ممتلكات
استثمارات البحرين

Board Investment Committee Charter

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1. INTRODUCTION

This Charter for the Board Investment Committee (“BIC”) sets out the membership, responsibilities, principles and operation of the BIC and identifies its interaction with the Board of Directors, other Board Committees and Management.

2. ROLE OF BIC

The purpose of the BIC is to assist the Board of Directors to develop and implement policy, standards and procedures for investing in a responsible manner.

3. REPORTING LINES

The BIC shall report to the Board of Directors in addition to a horizontal reporting line to the other Board Committees on relevant matters.

4. COMPOSITION

4.1 The BIC is a non-executive committee and is independent of senior management and any executive director(s).

4.2 BIC members, including the chairman (the “BIC Chairman”), shall be recommended by the Compensation and Governance Committee (“CGC”) and appointed by the Board.

4.3 The BIC members should have a finance background and should have sufficient knowledge and experience of the investment business.

4.4 The BIC will comprise a minimum of three members including at least one independent director.

4.5 The term of service of the BIC members shall be coterminous with their service to the Board.

4.6 Membership of the BIC shall be reviewed every three years or earlier if circumstances dictate. Periodic rotation of the member’s appointments is to be encouraged.

5. SECRETARY

The Company Secretary will act as the secretary to the BIC (the “Secretary”).

6. MEETINGS AND QUORUM

6.1 The BIC shall meet at least quarterly, or as required to undertake its role effectively. The BIC Chairman will call a meeting of the BIC if so requested by any member of the BIC, or by the Chairman of the Board.

6.2 A quorum will be two members of the BIC.

6.3 The BIC Chairman will chair all regular sessions of the BIC and set the agenda for BIC meetings. Other than in urgent cases, the Secretary shall provide the members with an agenda and necessary documentation as early as possible and in general, at least seven days before a meeting takes place.

- 6.4 In the absence of the BIC Chairman at a meeting, the remaining members present shall elect one of their number to chair the meeting.
- 6.5 BIC members must attend 75% of all meetings to remain on the BIC. Non - compliance with attendance requirements can only be excused if ratified by the Board.
- 6.6 Telephone and video conferencing and circular resolutions are permitted. The same quorum requirement will apply.
- 6.7 Members of management and/or parties external to the Company may be invited by the BIC Chairman to attend any meeting of the BIC or part thereof.

7. VOTING RIGHTS

All decisions of the BIC will be based on a simple majority of votes of the members present at the meeting. In the event of equality of votes, the BIC Chairman or in his absence, the acting chairman of the BIC will have the casting vote.

8. RESOURCES AND AUTHORITY

- 8.1 The BIC will approve all investments, divestments, and participations within the deal budget as approved by the Board and subject to the Discretionary Authority Limits (“DAL”).
- 8.2 The BIC is authorized to make recommendations to the Board on deals that are not within the deal budget.
- 8.3 The BIC is authorized by the Board to investigate any activity within the scope of this Charter and recommend to the Board appropriate actions resulting from those investigations.
- 8.4 The BIC is authorized to obtain, at the Company’s expense, outside advice on any matters within its Charter and in accordance with the DAL.
- 8.5 The BIC is authorized to seek any information it requires from any employee of the Company in order to perform its duties. It has unlimited and ready access to records, internal and external auditors, and to senior management and all employees.

9. DUTIES AND RESPONSIBILITIES

The duties of the BIC will be as follows:

9.1 Investment and Divestment Decisions

- 9.1.1 Approve policies with respect to ethical investment, including standards and procedures for avoiding damage to the Company’s reputation as a responsible member of the global investment community.
- 9.1.2 Review and recommend or approve or reject investment opportunities and divestments including new deals, additional capital injections, funding and financing structures, subject to delegated authority as specified in the DAL.
- 9.1.3 Ensure that the investment strategy is executed appropriately.

9.1.4 Review, evaluate and, if appropriate, approve due diligence, deal closings, final transaction terms and any other major investment business process.

9.2 Capital Injection and Funding

9.2.1 BIC should ensure that Management have a robust system in place to ensure that funds transfers for capital injections and funding / loans are remitted in good order and that confirmation is sought from an independent party. This is particularly relevant for foreign investments.

9.2.2 Apply anti-money laundering safeguards for incoming and outgoing funds.

9.3 Insider dealing and conflicts of interests

9.3.1 Monitor potential insider dealings and manage any potential conflicts of interests identified in relation to prospective or existing investments.

9.4 Risk Management

9.4.1 Monitor risks associated with specific investments.

9.4.2 Monitor risks associated with Company's portfolio of liquid investments.

9.4.3 Ensure that there is adequate portfolio monitoring.

9.5 Post Acquisition Monitoring

9.5.1 Receive periodic (quarterly) reports and evaluate the performance of the Company's investment portfolios and report its findings to the Board.

9.5.2 Review periodically the status of the investment portfolio.

9.6 Other Matters

9.6.1 Review the appointment and performance of the Chief Investment Officer.

9.6.2 Examine any other matters referred to it by the Board.

9.6.3 Refer in writing to the Audit Committee any relevant matters that have come to the attention of the BIC.

10. PERFORMANCE EVALUATION

10.1 The BIC shall submit in writing, and review with the CGC, an annual performance evaluation of the BIC. This evaluation will compare the performance of the BIC with the requirements of this Charter, and include any improvements.

10.2 The Board may require the BIC Chairman, or an appointed nominee from the BIC, to present and discuss the findings and recommendations of this evaluation.

11. MINUTES OF MEETING

The Secretary will be responsible for preparing minutes of the BIC meetings. The minutes of the BIC meetings will be tabled and approved at the subsequent meeting and signed off by the BIC Chairman. Thereafter, they will be circulated to all members of the Board.

12. REPORTING

12.1 The BIC Chairman shall submit a report to the Board at the earliest scheduled Board meeting after each BIC meeting. Reports will cover any matters that in the opinion of the BIC should be brought to the attention of the Board and any recommendations requiring Board approval and/or action.

12.2 The BIC Chairman shall submit an annual report to the Board (at the Board meeting at which the year-end financial statements are approved) summarising the BIC's activities during the year.

12.3 The Company's annual report and website should contain a separate section that describes the role and activities of the BIC.

13. ANNUAL GENERAL MEETING

The BIC Chairman shall attend the Annual General Meeting in order to respond to any shareholder enquiries on the BIC's activities.