

Mumtalakat
INVESTING FOR BAHRAIN

ممتلكات
استثمارات البحرين

Directors' Performance Assessment Framework

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Approved by: Board of Directors

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1. INTRODUCTION

- 1.1 The Board / Board Committee Performance Evaluation Guide provides a framework for the annual self-assessment process.
- 1.2 The Board Chairman is responsible for developing a programme for the self-assessment of the Board and Board Sub-Committees.
- 1.3 The evaluation will be used to assess Committee effectiveness and support in identifying the need for:
 - 1.3.1 A revised mix of skills and experience on the Committee / Board;
 - 1.3.2 Committee and Board training and/or professional support; and
 - 1.3.3 Replacement of individual members whose contribution is deemed inadequate.
- 1.4 Additionally, Mumtalakat may undertake an annual review and certification process to assess and report on the effectiveness of its governance procedures internally or through the assistance of external governance consultants.

2. BROAD PRINCIPLES

- 2.1 The Board, on request of the Board Chairman, will undertake a formal and rigorous annual evaluation of its own performance and that of its Committees and individual directors.
- 2.2 The Chairman will act on the results of the performance evaluation by recognizing the strengths and addressing the weaknesses of the board and, where appropriate, proposing new members be appointed to the Board or seeking the resignation of directors.
- 2.3 The Board reserves the option of conducting the assessment in-house or engaging external support to bring objectivity and facilitate the process.
- 2.4 The evaluation process will be used constructively as a mechanism to improve Board Committees effectiveness, maximize strengths and tackle weaknesses.
- 2.5 The results of Committee evaluation will be shared with the Committee as a whole whilst the results of individual assessments will remain confidential between the Chairman and the Board.
- 2.6 Mumtalakat shall keep full minutes of all committee meetings, which shall record the decisions and their rationales. It is of utmost importance that any concerns or dissenting views raised by any member are discussed and minuted as the minutes will also facilitate the performance evaluation of the Committee and individual members.

3. BOARD / BOARD COMMITTEE EVALUATION FRAMEWORK

3.1 Annual Board/Board Committee Evaluation Form

BOARD/COMMITTEE EVALUATION CRITERIA							
Structure		5	4	3	2	1	Comments
1	Board / Committee composed of members with appropriate mix of skills to match Company's requirements						
2	Members are given appropriate adequate training and development opportunities						
3	Board / Committee members have been assigned appropriate tasks						
4	I am satisfied with my Board / committee assignments						
Operations and interaction		5	4	3	2	1	Comments
<u>Board / Committee Meetings</u>							
1	Board / Committee meetings are at the about right frequency (x times per annum) and length						
2	Allocation of time for items on the agenda is about right						
3	I find sitting on the Board / Committee meetings stimulating and rewarding						
<u>Board / Committee Papers</u>							
4	Board / Committee papers have been consistently handed out with sufficient time for preparation						
5	Board / Committee papers have sufficient content and coverage on matters brought for deliberation						
<u>Board / Committee Communication</u>							
6	Conduct of committee meetings allow for an open and constructive communication style (encourages focused discussion, questioning and expression of various viewpoints)						
7	I have sufficient access to the Chairman						
8	I have sufficient access to the management						
Roles and responsibilities		5	4	3	2	1	Comments
1	I have a clear understanding of how						

	my role (fiduciary) differs to that of management as defined in the Board and respective Board Committee Charters and Appendix 2 of this document						
2	My role exceeds a director's scope of duty as it involves day to day management of operations						

Rating	
5	Strongly agree
4	Agree
3	Neutral
2	Disagree
1	Strongly Disagree

BOARD / COMMITTEE MEMBERS SELF/PEER EVALUATION

		BOARD / COMMITTEE MEMBER							
		A	B	C	D	E	F	G	H
<u>Contribution to interaction</u>									
1	Shares information or insights								
2	Participates actively in committee activities, works constructively with peers								
3	Takes strong constructive stands at Board/ committee meetings where necessary								
4	Encourages feedback from Committee and Board								
5	Encourages meetings to focus on the agenda								
6	Confronts conflicts and participates in finding a resolution								
<u>Quality of input</u>									
7	Provides logical honest opinions on issues presented								
8	Provides unique insight to issues presented – has valuable skills								
9	Prioritizes context of issues to be in line with objectives								
10	Motivates others to get things done, is decisive and action-oriented								
11	Provides realism and practical advice to board deliberations								
12	Applies analytical and conceptual skills to the decision-making process								
13	Communicates persuasively in a clear and non-confrontational manner								
<u>Understanding of role</u>									
14	Adds value to Board / committee meetings – attends meeting well prepared								
15	Takes initiative to request for more information								

BOARD / COMMITTEE MEMBERS SELF/PEER EVALUATION

		BOARD / COMMITTEE MEMBER							
		A	B	C	D	E	F	G	H
Contribution to interaction									
16	Ensures that individual contribution is relevant – up-to-date with developments								
17	Focuses on accomplishing the objectives								
18	Assess and link short-term issues to the long-term strategy								
19	Ensures performance of financial and human capital, keeping in mind the strategic plan when making investment decisions								
Chairman’s role									
20	Chairman is able to lead the Board / Committee effectively – encouraging contribution from all members								
21	Chairman and management have a good working relationship								
22	Chairman and management understand their respective roles								

Please state the names of the Director numbered above

A	
B	
C	
D	
E	
F	
G	
H	

Rating	
5	Strongly agree
4	Agree
3	Neutral
2	Disagree
1	Strongly Disagree

APPENDIX 1: ACTIONS TO RESOLVE GAPS IDENTIFIED

Gaps Identified	Priority	Proposed Actions	Timing/Sequence
1.			
2.			
3.			
4.			
5.			
6.			

APPENDIX 2: DIRECTORS' FIDUCIARY DUTIES

The Directors' responsibilities as Board members are defined in the Board Charter. The Directors of Mumtalakat are individually and collectively responsible for the discharge of these duties. Broadly speaking, a Director has the following fiduciary duties:

4. HONESTY AND GOOD FAITH

4.1 Common law, the Central Company of Bahrain (CBB) and other regulatory and government regulations require a Director to act honestly and in good faith in the best interests of the Company. The key elements of this standard of behavior are:

4.1.1 A Director must act in the best interests of the Company and not in his or her self-interest. This also means a Director should not be acting in the interests of any special interest group or constituency where such interest conflicts with the best interest of the Company.

4.1.2 A Director cannot take personal advantage of opportunities that come before him or her in the course of performing his or her corporate duties.

4.1.3 A Director must disclose to the Board any personal interests that he or she holds that may conflict with the interests of the Company.

4.1.4 A Director must respect the Company's confidentiality requirements.

5. EXERCISE CARE AND DILIGENCE

5.1 A Director or officer must exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in similar circumstances. This means the Director must be proactive in the performance of their duties by:

5.1.1 Attending meetings;

5.1.2 Participating in meetings in a meaningful way;

5.1.3 Being vigilant to ensure that the Company is being properly managed and is complying with the law;

5.1.4 Independently assessing and questioning ("Review and Challenge") the policies, processes and procedures of the Company, with the intent to identify and initiate management action on issues requiring improvement;

5.1.5 Acting within the scope of their responsibilities and not participating in the day-to-day management of the Company; and

5.1.6 Having a proper understanding of, and competence to deal with, the affairs and products of the Company and devoting sufficient time to their responsibilities.