

Criteria for Board Appointments in Beaufond Plc

1. Period of Appointment:

The Independent directors are appointed on the Board of Directors of Beaufond Plc for a period of three years subject to the extant provisions of the DIFC Companies Law 5 of 2018, DUBAI, UAE, and other applicable International laws as amended from time to time.

2. Terms and conditions of appointment of independent directors:

- AS a Non-Executive Chairman of the Board, the director is expected to bring objectivity and independence to the Board's discussions and help provide the Board with effective leadership in relation to the Company's strategy, performance, and risk management, as well as ensuring high standards of financial probity and corporate governance.
- The Board and the audit committee meet at least four times in a year. The Nomination and Remuneration Committee meetings are ordinarily convened ones or twice in a year and other committees as per requirement. The director will be expected to attend the Board and the Board Committees etc and to devote sufficient time, as required for the director to discharge the director duties effectively.
- By accepting his/her appointment, the director confirms that he / she is in a position to allocate sufficient time to meet the expectations of the director role to the satisfaction of the Board.
- It is accepted and acknowledged that the director may have business interests, memberships other than those of the Company. As a condition to the appointment of commencing, the director are required to declare any such directorships, appointments and interests to the Board in writing in the prescribed form at the time of the director appointment.
- In the event that the director circumstances seem likely to change and might give rise to a conflict of interest or, when applicable, circumstances that might lead the Board to revise its judgement that the director are independent and should be disclosed to both the Chairman and the Secretary.
- All information acquired during the director's tenure of directorship is confidential and should not be Disclosed, either during the director's tenure or following termination (by whatever means) to third parties without prior clearance from the Chairman, unless required by law or by the rules of any stock exchange or regulatory body. In the latter case, the director would be required to suitably inform the Chairman of such an event or disclosure. The director should direct any media queries or approaches to the appropriate spokesperson within the Company. On reasonable request, the director shall surrender any documents and other materials made available to the director by the Company.
- The director is required to comply with the Company's Insider Trading Code of Conduct. The code inter alia prohibits the Directors from dealing in the Company's shares during the period when the trading window is closed. Further, directors, being designated officers of the Company for the purpose of insider trading guidelines, are to pre-clear all trades (buy/sell) from the Chairman/ Compliance Officer of the Company, if the trade involves 20,000 securities or more in a month or market value of trade is expected to exceed USD 20,000/- in a month.

- The director is also required to comply with the applicable Stock Exchange insider trading laws and regulations.
- It is expected that any interest the director may have in any transaction or arrangement that the Company has entered into should be disclosed no later than when the transaction or arrangement comes up at a Board meeting so that the minutes may record the director's interest appropriately and our records are updated. A general notice that the director is interested in any contracts with a particular person, firm or company is acceptable.
- As an Independent Director he /she are not liable to retire by rotation.

3. Code of conduct of board of directors & Senior Personnel:

The Code is a guide to professional conduct for independent directors and Senior Personnel. Adherence to these standards by independent directors and fulfilment of their responsibilities in a professional and faithful manner will promote confidence of the investment community, particularly minority shareholders, regulators and companies in the institution of independent directors, as per the DIFC Companies Law 5 of 2018, DUBAI, UAE, and other applicable International laws as amended from time to time.

I. Guidelines of professional conduct:

An independent director shall:

- 1) Act in good faith in order to promote the objects of the Company for the benefit of its members as a whole, and in the best interests of the Company;
- 2) uphold ethical standards of integrity and probity;
- 3) act objectively and constructively while exercising duties;
- 4) exercise responsibilities in a bona fide manner in the interest of the Company;
- 5) discharge duties with due and reasonable care, skill and diligence;
- 6) devote sufficient time and attention to professional obligations for informed and balanced decision-making;
- 7) not allow any extraneous considerations that may vitiate their exercise of objective independent judgement in the paramount interest of the Company as a whole, while concurring in or dissenting from the collective judgement of the Board in its decision-making
- 8) not abuse the position to the detriment of the Company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person.
- 9) refrain from any action that could lead to a loss of independence;
- 10) ensure that if circumstances arise under which they may lose the independence; will immediately inform the Board accordingly,
- 11) assist the Company in implementing the best corporate governance practices and
- 12) shall not assign the office as Director and any assignments so made shall be void;

II. Role and functions:

The independent directors shall:

- 1) help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;

- 2) bring an objective view in the evaluation of the performance of board and management;
- 3) scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- 4) satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- 5) safeguard the interests of all stakeholders, particularly the minority shareholders;
- 6) balance the conflicting interest of the stakeholders;
- 7) determine appropriate levels of remuneration of executive directors, key managerial personnel and senior management and have a prime role in appointing and where necessary recommend removal of executive directors, key managerial personnel and senior management;
- 8) Moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

III. Duties:

The independent directors shall—

- 1) undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
- 2) seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the company;
- 3) strive to attend all meetings of the Board of Directors and of the Board committees of which they are members;
- 4) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- 5) strive to attend the general meetings of the company;
- 6) where they have concerns about the running of the company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting;
- 7) keep themselves well informed about the company and the external environment in which it operates;
- 8) not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- 9) pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the company;
- 10) ascertain and ensure that the company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
- 11) report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- 12) acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
- 13) not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.

4. Criteria of making payments to non-executive directors

The criteria for payment of annual compensation to non-executive Chairman of the Board and independent directors are as follows:

Particulars	Amount (US \$)
Fixed Board fee	600
Chairperson of committees	600
Members of committees	400
Non-Executive Chairman fee	600

The Company normally has five regular Board meetings in a year. Independent directors are expected to attend four quarterly Board meetings and the annual general meeting (AGM) - by invitation in person. The Board/Committee fees will be pro-rated based on the number of meetings attended.

5. FAMILIARIZATION PROGRAMMES IMPARTED

In terms of the provisions of Regulation of the Listing Obligations and Disclosure Requirements Regulations, Beaufond Plc is required to familiarize the Independent Directors, through various programmes, about the company, including the nature of industry in which the company operates, business model of the company, roles, rights, responsibilities of Independent Directors etc.

Further, in terms of the provisions of Regulation the entity is also required to disseminate the details of such familiarization programme(s) imparted to Independent Directors on its website.

The familiarization programme generally forms part of the Board process. The Company issues a letter of appointment to its Independent Directors comprising, *inter alia*, their role, duties and responsibilities. The Independent Directors are updated on an on-going basis at the Board / Committee meetings, including in respect of the following:

- Business environment in the industry in which the Company operates;
- Company's business strategy and operating plans;
- New developments, market opportunities and potential, risk management etc;
- Matters concerning Corporate Governance;
- Regulatory framework and its impact on the Company - compliances, roles and responsibilities of Independent Directors thereto;

6. Meeting of Independent directors

- 1) The independent directors of the company shall hold at least one meeting in a year, without the attendance of non-independent directors and members of management;
- 2) All the independent directors of the company shall strive to be present at such meeting;
- 3) The meeting shall:
 - review the performance of non-independent directors and the Board as a whole;
 - review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
 - assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

7. Review of Compliance Reports:

The Board has to refer the reports created by companies in order to comply to rules, standards, laws and regulations set by regulatory bodies and government agencies that shows that the company's business is adhering to all the applicable regulatory requirements and standards. Compliance reports identify areas within the company where compliance initiatives are being met effectively and those areas in which more work is needed to meet the standards of regulation or internal controls.

8. Plans for orderly succession for appointments

The Board will determine policies and principles for selection of the Chief Executive Officer and policies regarding succession in the event of an emergency or the retirement of the Chief Executive Officer. The Board, with input from the Management Development Committee, will oversee senior management development and the planning for succession to senior positions.

9. Performance Evaluation of Board Independent Directors:

The Board shall be composed of a majority of Independence directors who meet the criteria for independence established by applicable law, including the Listing Agreement and stock exchanges laws at the appropriate time.

The Board of Directors will conduct an annual self-evaluation to determine whether the Board and its Committees are functioning effectively. During the year, the Committee on Directors and Corporate Governance shall receive input on the Board's performance from Directors and, through its Chairman, will discuss the input with the full Board and oversee the full Board's review of its performance. The assessment will focus on the Board's contribution to the Company and specifically focus on areas in which the Board or management believes that the Board or any of its Committees could improve.

The Compensation Committee will measure the Chairman of the Board's and the Chief Executive Officer's performance against each of his or her goals and objectives pursuant to the Company's plans and, after considering the full Board's evaluation of his or her performance, determine the compensation of the Chairman of the Board and the Chief Executive Officer. The full Board will review the Compensation Committee's actions especially the Independence Directors.