

**Corporate Governance Guidelines**

**The Family Office Co. BSC(c)**

**Vision**

*The trusted financial advisor that transforms the wealth management industry to sustain next generation wealth.*

**Mission**

*We are the leading trusted financial advisor of the Gulf region. We deliver exceptional solutions that exceed client expectations. We are a sustainable and scalable organization that is dedicated to its people.*

## **A. Corporate Governance - Policy Statement**

The Family Office is a leading and trusted financial advisor in the Gulf region. It believes in exceeding client expectations by providing exceptional solutions and achieves this by adopting a strong, value based system of corporate governance and policy.

Accountability, integrity, trust, commitment to excellence and innovation are the most important values upon which The Family Office has built its business.

As a necessary concomitant to building upon these values, The Family Office firmly believes in adherence to the letter and spirit of the law and in development of a conducive corporate culture. The firm is committed to upholding the highest standards of corporate governance and ethical conduct. It ensures that its Board, Management and staff adopt these values in their work ethics; thereby providing the best possible services to its clients and the greatest value to its stakeholders.

As a Category 1 Investment Firm Licensee, The Family Office is licensed and regulated by the CBB and abides by the rules and guidelines prescribed under the CBB Rulebook Volume 4 – Investment Firm Licensees.

In compliance with the HC Module of the CBB Rulebook, The Family Office has adopted the following five-point approach in relation to its corporate governance:

- 1) Provide exceptional solutions to its clients while abiding by the applicable laws and regulations;
- 2) Promote long term profitability, while prudently managing risk;
- 3) Meet stakeholder expectations of sound corporate governance as part of its broader responsibility towards its clients, shareholders and the communities in which it operates;
- 4) Ensure accountability in the conduct of the Management and the Board and their relationship to and responsibility towards the stakeholders of The Family Office; and
- 5) Recruit, retain and train the best staff while ensuring at all times that the staff so retained adheres to the policies and practices followed by The Family Office.

The Corporate Governance practices discussed in this document, along with the various charters, policies, procedures and Memorandum and Articles of Association (as amended from time to time) together form the Corporate Governance Framework of The Family Office.

The adoption and implementation of the Corporate Governance framework is the direct responsibility of the Board, and this endeavor is in line with the requirements laid out by the regulatory/statutory requirements in Bahrain. These guidelines, charters and policies are reviewed by the Board and updated at the Board's direction, periodically, to ensure that any changes in the applicable laws and regulations and internal practices of the firm are well reflected in writing as well as in practice.

## **B. Corporate Governance – Overview**

### **B.1 Exceptional Solutions and Compliance**

The Family Office believes in providing client focused exceptional solutions/services, in the areas of:

- building diversified portfolios following a disciplined and forward thinking approach;
- developing innovative programs that provide access to leading managers, alternative strategies and customized solutions;

- retaining independence to maneuver between asset classes and managers based on their merits
- aligning interests with client's interests and objectives

In order to facilitate these efforts, the firm has the following entities established as its subsidiaries and affiliates in various jurisdictions across the globe.

The Company is a closed joint stock company established under the laws of the Kingdom of Bahrain and licensed & regulated by the CBB. The Company is subject to the laws and regulations of the CBB, Ministry of Industry and Commerce and Labor ministry. The Company has following subsidiary offices, listed in detail as follows:

### ***United Kingdom***

The Company has a subsidiary, TFO Limited, and an affiliate, TFO Management LLP, established under the laws of England and Wales. TFO Limited is subject to the laws and regulations of the Companies House; TFO Management LLP is a Capital Adequacy Directive (CAD) exempt company, licensed and regulated by the FCA, and subject to the laws and regulations of both the Companies House as well as FCA.

### ***United States of America***

The Company has a subsidiary, TFO USA Limited, located in New York, USA, and established under the laws of Delaware, USA. TFO USA Limited is a registered investment adviser with the SEC and subject to the laws and regulation of SEC and relevant Delaware corporate laws.

### ***Hong Kong***

The Company has a subsidiary, TFO Management (Hong Kong) Limited established under the laws of Hong Kong. TFO Management (Hong Kong) Limited is licensed and regulated as a Type 9 Asset Management Company with Securities and Futures Commission (SFC) and subject to the laws and regulation of SFC and relevant Hong Kong corporate laws.

### ***Cayman Islands***

The Company has two manager entities, and one other entity, all established under the laws of Cayman Islands. The manager entities are utilized by the Company to extend investment management services to the SPVs launched and managed by the Company. The one other entity is utilized by the Company and/or manager entities to facilitate certain Shari'ah cleansing processes.

The Company has established various contractual arrangements with each of the above-mentioned entities, to clearly define and set the scope of relationship between the Company and each of the above-mentioned entities.

Pursuant to the requirements of HC-B.2.1, The Family Office has ensured that all of its above subsidiaries are subject to equivalent to or stricter corporate governance principles than those contained in the HC Module.

### ***SPV's of The Family Office***

The firm has established and manages several investment programs ranging from long term, conservative investment objectives to programs focused on high return, yield focused or specific asset class focused investment objectives. The firm accomplishes the above by means of establishing and managing various SPVs in recognized offshore jurisdictions. Each of these SPVs are formed with the aid of well known, reputed advisers and counsels and serviced by internationally reputed external service providers.

Each of these SPVs are managed by a dedicated portfolio manager at the firm who in coordination with external fund managers, resources and exclusive contacts/relations maintained by the firm, works on sourcing the right investment opportunities for the SPV.

The Family Office maintains an arm's length relationship with each of its SPV's. TFO Manager Limited acts as an investment manager for the conventional SPV's launched by The Family Office and is able to delegate some of its responsibilities to The Family Office. This relationship is established by way of a sub-advisory contract between TFO Manager and The Family Office. Similar relationship exists between the firm and TFO Shari'ah Manager Limited. TFO Shari'ah Manager Limited acts as an investment manager for the Shari'ah compliant SPV's of The Family Office. TFO Shari'ah Manager Limited fully owns TFO Holdings I SPC, which serves as a Murabaha counterparty for the relevant Shari'ah compliant SPVs.

The Family Office launches new SPV's with the prior approval of the Board and the CBB. Special attention is paid to any registration and licensing requirements in the home jurisdictions of the SPV's as well as under the Collective Investment Schemes Regulations of the CBB. The Family Office ensures that all SPV's are launched with due approvals from the concerned authorities in the SPV's home jurisdictions and well are in the jurisdictions in which the SPV's will be marketed.

On an on-going basis due attention is paid to regular and timely compliance with periodical reporting and compliance of the SPV's with the applicable laws and regulations.

### **B.2 Long Term Profitability and Risk Management**

The Family Office aims to promote/achieve the long-term profitability, while prudently managing risks at all levels. The firm has a Risk Management Framework which establishes an effective policy for identifying, monitoring and managing risks across all operations. This framework describes the manner in which risk appetite across the firm is established and controlled, setting out core principles, responsibilities, category of risks, and identifying strategies to manage these risks.

The core principles upon which this Risk Management Framework is based are:

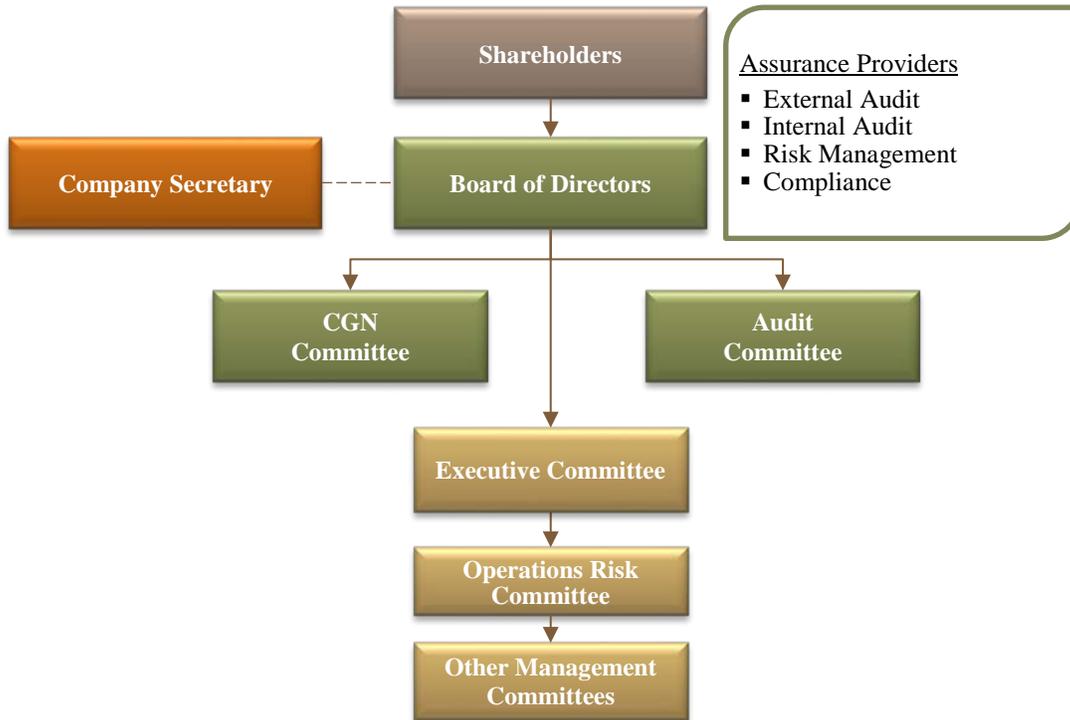
- The Enterprise Risk Management Framework issued by the Committee of Sponsoring Organizations of the Tread way Commission (COSO).
- Independent review and Board oversight.
- Balancing risk appetite and the cost of control.
- Human resources practices intended to recruit, train and retain employees with the required specialist skills.
- Delegation of responsibility throughout the firm and accountability for outcomes. Control processes, including structured management reporting.
- An operational philosophy that anticipates and mitigates risk before it occurs and reflects on the lessons learned when problems arise.
- Awareness and commitment to a single mission, common objectives, shared values and a Code of Conduct as reviewed and renewed periodically.

The Board is responsible for setting the risk appetite and tolerances and the management, in coordination with the Risk Manager, Compliance Officer and Internal Auditor are responsible for implementing the Board approved risk management strategy and overseeing controls to identify and manage risk in all areas of activity. Each employee at The Family Office is responsible for effective risk management of their respective areas of operation and maintaining a safe and secure environment. The Internal Auditor ensures

that all types of risks are being identified, measured, evaluated, and managed in accordance with policies and guidance set by the Board.

**B.3 Sound Corporate Governance/Responsibility towards Clients, Shareholders and the Community**

In order to ensure that The Family Office meets stakeholder expectations of sound corporate governance, the following governance structure that been adopted while maintaining appropriate checks and balances:



**B.4.1 Accountability/Conduct of the Board and Responsibility towards the Stakeholders**

The Board is responsible for the oversight of the strategy, business, management performance, and approval of policies and decisions of the firm

The Board has been constituted while ensuring that The Family Office is in compliance with HC Module and the Companies Law. The appointment and election of the Board is governed by The Family Office's Memorandum and Articles of Association and The Family Office's Board Charter.

The firm's policy governing the Board is more particularly described in the Board Charter. The Board Charter is subject to an annual review. Each revision to the Abovementioned Board Charter becomes a part of the Board Charter and any reference to the Board Charter in these Guidelines includes every revision to the same.

***Board Composition, Nomination and Appointment***

The Board is comprised of both executive and non-executive Directors. Pursuant to HC- 1.5.6, at least half of The Family Office's Board is comprised of non-executive Directors and at least three of the non-executive Directors are independent Directors. The Board represents a healthy mix of high caliber professionals and industry experts. The functions of the Chairman of the Board and the CEO are assigned to separate individuals. The CEO is also a Director on the Board. The Chairman of the Board is an independent, non-executive Director.

The Board annually reviews its composition and conducts an evaluation of its performance and performance of individual Directors, Board Committee's and their respective charters.

***Roles and Responsibilities of the Board***

The Board is ultimately accountable for the strategy and performance of the firm. In doing so, the Board is also responsible for identifying significant risks posed to the business of the firm.

Each Director exercises individual and collective judgment objectively, transparently and in good faith in what the Board and each Director believes to be in the best interests of The Family Office, its shareholders and stakeholders. The Board oversees the process of disclosure and communication to internal and external stakeholders, while ensuring that such disclosure is fair, transparent and comprehensive and reflects the character of Company and nature and complexity of the risks inherent to the business conducted by The Family Office.

In order to fully comply with its roles and responsibilities, the Board has formed an ARC and a CGNC

It is the responsibility of the Board to ensure that each Director has sufficient access to Independent legal and other professional advice in order to comply with his responsibilities as a Director of the firm.

The roles and responsibilities of the Board have been more particularly described within the Board Charter and within the individual agreements signed by each Director.

***Board Committees***

In compliance with the HC Module, the Board has constituted an ARC and a CGNC. The ARC assists the Board in fulfilling its oversight responsibilities, which includes:

- firm wide risk assessment and mitigation;
- quality and integrity of the accounting and financial reporting practices;
- integrity of the financial controls, internal controls and financial statements;
- compliance with the legal and regulatory requirements and the Code of Conduct;
- selection and oversight of the external auditor appointed; and
- appointment, compensation and oversight of the Internal Auditor.

The policies of the ARC, including its composition are more particularly described in the ARC Charter. The ARC Charter is subject to an annual review process.

The CGNC is comprised of at least three independent members of the Board at all times and is responsible for:

- Maintenance of the Corporate Governance Framework;
- Identification and Selection of Board candidates;
- Review of Directors Compensation;
- Review of Directors, Boards and CEO's performance;
- Evaluation of Board structure, composition and training;
- Board succession planning; and
- Select retain and terminate third party service providers.

The policies of the CGNC, including its composition are more particularly described in the CGNC Charter. The CGNC Charter is subject to an annual review process.

***Board Induction and Continuing Education***

Every Director is provided with a copy of Board Charter and undergoes a comprehensive and formal induction to ensure that the Director's fiduciary responsibilities are well understood and adhered to.

The CGNC conducts an annual evaluation of the skills and expertise of each Director and makes recommendations regarding new training requirements.

All continuing Directors are invited to attend induction meetings whenever there is a new Director being inducted. All Directors are also expected to keep themselves abreast of the new developments in the firm's business and corporate governance.

The particulars of induction and continuing education of Directors can be found in the CGNC.

***Board Remuneration***

The Board has adopted remuneration matrix for Director's compensation. The CGNC has been entrusted with the responsibility of reviewing and recommending appropriate compensation for the Directors. The remuneration matrix and policy can be found in the Board Charter and the policy for review of Directors compensation can be found in the CGNC Charter.

### ***Conflict of Interest***

The procedure for dealing with situations involving ‘conflict of interest’ of Directors is documented in the Board Charter. In the event of Board or its Committees considering any issues involving ‘conflict of interest’ of Directors, the concerned Director abstains from the discussion / voting process. The Directors are required to inform the entire Board of (potential) conflicts of interest in their activities with, and commitments to other organizations as they arise and abstain from voting on the matter, by completing the Conflict of Interest Disclosure Statement. This disclosure includes all material facts that would affect the Directors position as a Director on the Board. Such disclosure needs to be done annually.

### ***Performance Assessment Framework for Directors, Board and Board Committees***

In view of the assigned duties and responsibilities, The Family Office has prepared a comprehensive performance assessment framework for the Directors, the Board and the Board Committees. The assessment framework facilitates feedback from each individual Director in relation to the performance of the Board and its Committees. It also accommodates self-evaluation of each Directors role within the Board and each Committee. The framework has been developed taking into consideration the requirements of the CBB and the Corporate Governance Code.

The Company Secretary initiates the process for annual performance assessment every year. Each member is required to complete and submit the assessment forms to the Company Secretary. The Company Secretary then collates results and prepares a report to be submitted to the Chairman of the CGNC and the Chairman of the Board. The Chairman of the CGNC and the Board review the findings and determine the course of action. A final report is submitted by the Chairman of the Board to the shareholders at every annual meeting of shareholders.

Although there is no limit regarding the number of terms a person can serve as a Director, the firm assesses the independence of non-executive Directors being re-appointed for a third consecutive term, such third term being relevant to the determination of independence of Directors.

### ***Delegation of Authority***

In compliance with the HC Module, the Board has approved and delegated authority for binding the firm in contractual obligations to the CEO. The CEO has further delegated this authority, with the Board’s approval, to various members of the Management. No person(s) (other than the duly authorized) may sign on behalf of The Family Office, and The Family Office shall not be bound by the signature of any such unauthorized person.

The Board reviews the delegation and sub-delegation of authority in relation to the firm on a regular basis, in order to approve authorizations and/or make any suggestions for changes in signatory levels and authorizations.

### ***Board Succession***

Considering the critical role played by the Board, The Family Office has entrusted the responsibility of Board succession planning to the CGNC. The CGNC develops and recommends a competency based criteria to the Board as a guideline for recruiting and electing Board members. Based on the criteria, the Board, in consultation with the CGNC makes decisions regarding Board succession.

The CGNC annually identifies near and long term recruitment needs on the Board analyzing the Board’s competencies, current members who hold such competencies, current Board members on various

The Family Office Co. BSC(c) Corporate Governance Guidelines committees and the various duties and responsibilities entrusted to each Board member. The CGNC also maintains a pipeline of prospective members that hold relevant competencies, as part of the succession planning.

In addition, the Board and the CGNC are responsible for the succession planning for the Chairman of the Board and the CEO. The Board selects its Chairman and the CEO in a manner it considers in the best interest of the firm. While appointing the Chairman and CEO, Board is also required to ensure that the Chairman and CEO are separate individuals and that any such appointment precedes with the due approvals of CBB.

#### **B.4.2 Accountability/Conduct of the Management and Responsibility towards the Stakeholders**

The management structure at The Family Office reflects the hierarchy and reporting elements at various levels and direct access/reporting obligations towards the Board.

##### ***Management Committees***

To ensure smooth functioning of the management processes and also to oversee and review the working of each department, the firm has established certain management committees. The hierarchy, composition and reporting requirements of these management committees are:

The Executive Committee has been set up to overlook the smooth functioning of the operations. The members of the Executive Committee are the CEO and members of senior management. The Committee has its own Charter and its roles and responsibilities are more particularly described in the Executive Committee Charter. The ORC reports to the Executive Committee. The Executive Committee reports to the Board regarding matters of operations of firm, directly.

The ORC overlooks the operations of The Family Office and the critical risk areas. The members of the ORC are the senior management and heads of departments. The team reports directly to the Executive Committee. The ORC has its own charter and further information regarding the functioning and roles and responsibilities of the ORC can be found in the ORC Charter.

The Investment Committee approves and overlooks the investments made by The Family Office as well as by the SPV's operated by The Family Office. The Investment Committee members are the CEO, senior management, Head of Investment Team and portfolio managers. The Investment Committee reports to the Board directly.

##### ***Management Succession Plan***

In addition, The Family Office has prepared a detailed Succession Plan for all the key functions and positions across the firm and in all departments. The detailed succession plan can be reviewed in the Succession Planning Document. The document is prepared by the Human Resources team at The Family Office and is approved by the Board. The document is reviewed annually as per the suggestions received from the Board.

The document consists of long and short term succession plans for all key functions. The Family Office has started the YPP for addressing long term staff development and succession plans.

**B. 5 Recruitment, Retention, Training of Staff and Adherence to Policies and Procedures of the Firm**

The Family Office recruits, retains and trains the best staff. It has a remuneration policy in place, to ensure that the staff so recruited is remunerated commensurate to its position and responsibilities. It has an approved person's policy for persons recruited in positions of higher responsibility and a code of conduct for the firm as well as for the staff.

***Remuneration Policy***

The Family Office hires the best in the business. The firm has a remuneration policy managed by the Human Resources Team, in order to ensure recruitment and retention of the best professionals, with appropriate remuneration and incentives. In considering the pay arrangements for the staff and senior professionals, The Family Office ensures that the total structure of compensation is aligned with the best interests of the shareholders.

Consistent with industry practices, certain portfolio managers at The Family Office receive performance-based incentives whereby a certain variable portion of exit proceeds due to investors from the realization of their investments is shared with such portfolio managers, provided that a certain pre-established minimum performance objective is exceeded on the underlying investment.

Certain professionals at The Family Office, who are eligible for discretionary bonus are compensated with shares in the Employee Share Incentive Scheme of The Family Office. The shares in this scheme are phantom shares. The economic benefits of the shares are dependent on the vesting requirements of the shares.

***Approved Persons Policy***

The firm adheres to all the CBB requirements regarding "approved persons". Approval of the CBB is obtained prior to the appointment for controlled functions. Controlled functions are those of:

- Directors;
- Chief Executive Officer;
- Compliance Officer;
- Money Laundering Reporting Officer;
- Financial instruments trader;
- Investment consultant or investment adviser
- Internal Auditor;
- Heads of all departments.

***Code of Conduct***

The Family Office has adopted a Code of Conduct for employees ("Code").

All employees are required to understand and follow the Code.

This Code of Conduct for employees consists of policies regarding the following:

- Appropriate use of technology and company resources;
- Bribery and corruption;
- Client relationship and communication;
- Competition and treatment of competitors;

- Confidentiality of company's information;
- Conflicts of interests;
- Data protection;
- Disciplinary policy;
- Gifts;
- Grievances and legal matters;
- Professional conduct.

## **C. Important Policies**

### ***Related Party Transactions Policy***

As part of these Guidelines, the Board has adopted the following Related Party Transactions Policy (this "Policy"). This Policy is being followed by The Family Office since inception as a part of its compliance with the CBB guidelines. Now, the adoption of these Guidelines by the Board shall, in effect formalizes this Policy.

### ***Background***

Rules HC-1.2.2 and HC-2.2.6 of the HC Module require the Board to prevent abusive related party transactions and to establish and disseminate to employees, policies and processes for identification, reporting and prevention or management of related party transactions.

These policies and processes are broadly covered under the Board Charter and the Code of Conduct of The Family Office. The Board is now adopting this Policy to consolidate the policies and processes regarding prevention and management of related party transactions.

### ***Introduction***

The Family Office prohibits all related party transactions unless specific approval for the same has been secured from the Board. The Code of Conduct prohibits the firm as well as its employees from entering into such transactions without due approval. Any conflict of interest arising out of such transactions is annually reported by the firm as well as by the Board and the firm's employees. Additionally, the firm reports its certain related party transactions to the CBB (close links and controllers).

The financial statements prepared at The Family Office, provide a high-level statement to the effect that related party transactions shall not be allowed without the consent of the Board.

In compliance with the HC Module, the Board oversees that the policies and procedures, in relation to related party transactions, established within the firm are followed by employees and the approved persons.

The Family Office discloses any related party transactions and the approval process for the related party transactions, in its annual report to its shareholders, in compliance with the HC Module.

### ***Definitions***

***Related Party Transaction*** - is defined as (I) any transaction, arrangement or relationship or any series of similar transactions, arrangements or relationships in which The Family Office, its subsidiaries and/or its SPV's is an participant; and (ii) in which a Related Party (defined below) has a direct or indirect

**Related Party** - includes: (I) all Directors and senior management members at The Family Office; (ii) all directors and senior management members of the subsidiaries of The Family Office; (iii) all directors and senior management members of the SPV's of The Family Office; (iv) (iv) Immediate family members of the persons mentioned in points (I), (ii), and (iii) above, including, parents, spouses, children, step children, step parents, siblings, parents and siblings in-law and any other person sharing a household with the persons mentioned in points (i), (ii) and (iii) above. Tenants shall not be held to be Related Parties; (v) any holder of more than 5% of The Family Office's or its subsidiaries shares, (vi) a close link; and (vii) a controller.

### ***Identification of Related Party Transactions***

In order to identify a Related Party Transaction, The Family Office pays special attention to the substance of the relationship and not just its legal form.

### ***Procedure for Reporting Related Party Transactions***

- All Related Party Transactions must be reported to and approved by the Board before such transactions are entered into;
- Proposed Related Party Transactions shall be reported by the persons involved to the Internal Auditor;
- The Internal Auditor shall prepare a report on the basis of the information received and present the same to the Board via the ARC, as and when delegated by the Board.
- Once reported, the Related Party Transaction and its impact will be assessed by the Board and the Board shall have the sole authority to pass a resolution to approve or disapprove such a Related Party Transaction.
- Any Related Party Transaction that is disapproved by the Board shall not be entered into.
- Any transaction, which would, if entered into, be termed as a Related Party Transaction under this Policy, would be in contravention of the Policy and would breach the requirements of the Code of Conduct and the individual agreements of employment of the persons involved. Such transactions, if identified after being entered into, would have to be terminated or managed in a manner determined solely by the Board, after the evaluation of the impact of such transaction.

### ***Disclosure of Related Party Transactions***

The Family Office shall disclose all Related Party Transactions on an annual basis to (i) the CBB (close links and controllers); and (ii) Shareholders of The Family Office. All Related Party Transactions shall also be identified in the annual financial statements of The Family Office.

### ***Whistleblowing Policy***

The Family Office is committed to adhere to the highest standards of good governance, openness, transparency, honesty, integrity, accountability and ethical, moral & legal conduct of business operations. Protecting the integrity and reputation of the firm requires the active support of all employees, who are required to report incidents of suspected misconduct, fraud, corruption, collusion and coercion, and other serious infringements of the rules and policies in force or any violations of the Code of Conduct, legal or regulatory requirements, incorrect or misrepresentation of any financial statements and reports, and other issues of concern.

Accordingly, The Family Office has adopted a Whistleblowing Policy with a view to provide an opportunity for its employees to raise their concerns without the fear of adverse response. The

The Family Office Co. BSC(c) Corporate Governance Guidelines  
Whistleblowing Policy provides an arrangement that will ensure that employees who report irregularities in good faith are afforded the utmost confidentiality and protection against any possible retaliation or reprisals, whether actual or threatened, as a result of their whistleblowing. The Whistleblowing Policy applies to all Directors, officers and employees, regardless of their designation.

### ***Communication Policy***

The Board acknowledges the importance of regular communication with shareholders and other stakeholders within the firm. The Family Office has a clear policy in relation to communication with its stakeholders, shareholders, employees, customers, government bodies and regulators. Shareholders are invited by the Chairman of the Board to attend the Annual Shareholder Meeting in the presence of the Chairman and other Directors who are available to answer any questions raised by shareholders with regard to the operations and performance of the firm. Additionally, The Family Office is fully aware of its regulatory and statutory obligations regarding dissemination of information to its stakeholders. The firm ensures that its stakeholders are made fully aware of any pertinent developments via regular mails, e-mails, and newsletters.

The Chairman and other Directors are in touch with Shareholders personally in order to solicit their views and understand their concerns and duly take action upon the same. The entire Board is made aware of such communication with the shareholders and appropriate action regarding any strategy and governance issues are taken with the consent of the entire Board.

### **D. Corporate Social Responsibility**

As a part of these Guidelines, the Board has adopted the following Corporate Social Responsibility Policy (“CSR Policy”) of The Family Office. This CSR Policy has been adopted for the benefit of the firm’s clients, employees, shareholders and the community at large. It applies to The Family Office, as well as to the subsidiaries of The Family Office.

#### ***Corporate Social Responsibility Policy***

The Family Office’s objective in adopting this CSR Policy is to contribute to the social and economic development of the communities in which the firm operates. In doing so, The Family Office primarily focusses on attaining better and sustainable way of life and in development of future leaders that will contribute to the development of the society.

#### ***Identification of Projects***

All projects are identified with feedback from the key employees in the firm. This responsibility is taken up by the Human Resources Department and reported to the CNGC. The major areas which the firm has identified are work and education opportunities for the youth and sustainable wealth management for the community.

#### ***Allocation of Resources***

Each year, The Family Office allocates certain percentage of its cost, resources and efforts towards related programs. The objective is to provide an opportunity to the most deserving by providing the means and opportunities for development/growth.

Upon identification of possible projects and the available resources, the CGNC and subsequently the Board is presented with target programs and beneficiaries. Upon receiving approval from the Board; timelines and performance management criteria are set for each project on an annual basis.

### ***Collaboration with Service Providers***

The Family Office may hire the services of external service providers/specialists in order to efficiently manage the implementation of its CSR projects.

### ***Current Programs***

**Young Professionals Program:** The Family Office runs a Young Professionals Program to promote and develop graduates from various walks of life into the investment industry. Each year, the most deserving students are given an opportunity to join the firm and develop as investment professionals. The firm invests substantially on training and development of these candidates and upon successful completion of the program, the Young Professionals are absorbed as regular employees of the firm.

**Awareness Programs:** The firm also conducts a number of program for spreading awareness about investments and markets to people, often advising people about succession and estate planning. It conducts awareness programs for women about management of their wealth and property.

### ***E. Corporate Governance Disclosure***

The HC Module requires The Family Office to make appropriate Corporate Governance disclosures to the CBB. Pursuant to HC-A.1.8, The Family Office, as an investment firm licensee, is expected to comply with the recommendations made in the HC Module or explain its non-compliance by way of an annual report to its shareholders and to the CBB.

The rule by rule compliance with the HC Module, as well as the disclosures made to the CBB are set forth in the Compliance Manual of The Family Office. The Board endeavors to review and confirm compliance with the relevant rules of the HC Module on an annual basis.

The Compliance Manual of The Family Office undergoes an annual review in order to ensure the firm is in compliance with all the rules contained in the HC Module, including disclosure of Board members serving as executive directors pursuant to HC-8.2.4, as well as with any amendments to the same, that may come in force from time to time

The Family Office hereby confirms its compliance with HC-8.2.2 with the adoption of this document. This document shall be made available to the stakeholders on a regular basis. The Family Office further confirms that it shall prepare an annual report and further reports as required under HC-8.2.2 on an annual basis.

These Guidelines shall be available to the shareholders on the Company's website [www.tfoco.com](http://www.tfoco.com).

## APPENDIX 1

### Appendix B - Corporate Governance Disclosure to Shareholders

The investment firm licensee shall disclose the following items to the shareholders.

#### *Ownership of Shares*

1. Distribution of ownership by nationality.
2. Distribution of ownership by size of shareholder.
3. Ownership by Government.
4. Names of shareholders owning 5% or more and, if they act in concert, a description of the voting, shareholders' or other agreements among them relating to acting in concert, and of any other direct and indirect relationships among them or with the investment firm licensee or other shareholders.

#### *Board, Board Members and Management*

1. Board's functions — rather than a general statement (which could be disclosed simply as the Board's legal obligations under the law) the 'mandate' of the Board should be set out.
2. The types of material transactions that require Board approval.
3. Names, their capacity of representation and detailed information about the directors, including directorships of other Boards, positions, qualifications and experience (should describe each director as executive or non-executive).
4. Number and names of independent members. (v) Board terms and the start date of each term.
5. What the Board does to induct/educate/orient new directors.
6. Director's ownership of shares.
7. Election system of directors and any termination arrangements.
8. Director's trading of investment firm licensee's shares during the year. (x) Meeting dates (number of meetings during the year).
9. Attendance of directors at each meeting.
10. Aggregate remuneration to board members.
11. The remuneration policy of the investment firm licensee for the board and senior management.
12. List of senior managers and profile of each
13. Shareholding by senior managers
14. Aggregate remuneration paid to the senior management
15. Details of stock options and performance-linked incentives available to executives
16. Whether the Board has adopted a written code of ethical business conduct, and if so the text of that code and a statement of how the Board monitors compliance.

#### *Committees*

- 1) Names of the Board committees.
- 2) Functions of each committee.
- 3) Members of each committee divided into independent and non-independent.
- 4) Minimum number of meetings per year.
- 5) Actual number of meetings.
- 6) Attendance of committees' members.
- 7) Work of committees and any significant issues arising during the period.

***Corporate Governance***

- 1) Separate section in the Annual Report.
- 2) Reference to Module HC and its principles.
- 3) Changes in Module HC that took place during the year.

***Auditors***

- 1) The charters and a list of members of the Audit (including external and internal; financial and non-financial experts) Committee of the Board.
- 2) Audit fees.
- 3) Non-Audit services provided by the external auditor and fees.
- 4) Reasons for any switching of auditors and reappointing of auditors.

***Other***

- 1) Related party transactions.
- 2) Approval process for related party transactions.
- 3) Means of communication with shareholders and investors.
- 4) Separate report on Management Discussion and Analysis is included in the Annual Report — in particular, this should identify and comment on the management of principal risks and uncertainties faced by the business.
- 5) Review of internal control processes and procedures.
- 6) Announcements of the results in the press should include at least the followings:
  - Balance sheet, income statement, cash flow statement, statement of comprehensive income and changes in shareholders' equity
  - Auditor
  - Auditor's signature date
  - Board approval date
- 7) Set out Directors responsibility with regard to the preparation of financial statements.
- 8) Conflict of Interest — any issues arising must be reported, in addition describe any steps the Board takes to ensure directors exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer has a material interest.
- 9) Board of Directors — whether or not the Board, its committees and individual directors are regularly assessed with respect to their effectiveness and contribution.

For further information about Appendix B, please access the link below

([http://www.cbb.gov.bh/assets/Consultations/Vol%205\\_Administrators\\_HC\\_Jan%202011.pdf](http://www.cbb.gov.bh/assets/Consultations/Vol%205_Administrators_HC_Jan%202011.pdf))