



Depa Group Corporate Governance Framework 2018

05 August 2018

Listed below are the matters reserved for Board decision:

Activities/Processes	Approve
Annual Group business plan and operating budget	Board of Directors
Changes relating to Depa's equity capital structure and its listing	Board of Directors
Corporate investments, divestments, liquidations and capital expenditure (capex)	
<ul style="list-style-type: none"> Transaction > AED 50mn Transaction > AED 10mn Transaction > AED 5mn 	Board of Directors I&R Committee Group CEO
Depa Group's activities into a new business or geographic territory outside of the Depa Group's annually approved business plan	I&R Committee
Appointment or removal of external auditors and internal auditors	Board of Directors*
External and internal audit plans	Board of Directors
Issuance of interim and final Depa Group financial statements (including principal accounting policies)	Board of Directors
Board of Directors' and Committee members' remuneration	Board of Directors
Charters (terms of reference), membership and delegated authority of Board Committees and Corporate Governance Manual	Board of Directors
Grant of an individual indemnity to any director or any other person	Board of Directors
Dividends by the Company and/or any dividend policy	Board of Directors
Circular(s) to shareholders	Board of Directors
Market releases on (a) interim and final results, (b) any trading statement, or (c) the appointment or resignation of directors	Board of Directors
Policies and systems for the management of risk throughout the Depa Group	Board of Directors
Entering into any project contract	
<ul style="list-style-type: none"> Project contract > AED 250mn Project contract > AED 200mn Project contract > AED 150mn 	Board of Directors I&R Committee Group CEO
Appointment of corporate and non-project related consultants/advisors > AED 100K total fees	Board of Directors
Entering into any following facility agreement	
<ul style="list-style-type: none"> Project related facility > AED 350mn funded limits and / or general purpose long-term bilateral debt facility > AED 100mn and / or any debt capital markets transaction Project related facility > AED 200mn funded limits and / or general purpose long-term bilateral debt facility > AED 50mn 	Board of Directors I&R Committee
Prosecution, commencement, defence or settlement of litigation, arbitration or an alternative dispute resolution mechanism > AED 1mn or being otherwise material to the interest of the Depa Group	Board of Directors
Forex hedging > AED 5mn in value	Board of Directors
Opening and closing of bank account	Board of Directors
Bank signatory matrix and amendments	Board of Directors
Political donations by the Depa Group	Board of Directors
Any amendments to the DoA where there is a change to the delegations provided by the Board of Directors to the Group Chief Executive Officer	Board of Directors
Remuneration and awards for Group Chief Executive Officer and L2 employees	Board of Directors

*(subject to shareholder approval for external auditors)



The Board

The Board has a mix of directors who understand their role of appreciating the issues put forward by Senior Management and of honestly discharging their fiduciary responsibilities towards Depa's shareholders.

At Depa, there is a clear line of demarcation between the Board's responsibilities and those of Senior Management.

Role of the Board

The Board has the responsibility of overseeing, counselling and directing Depa's officers (particularly the Group CEO and Senior Management) to ensure that the interests of Depa and its shareholders are being served. The Board acts on a fully informed basis, in good faith, with due diligence and care, and in the best interests of Depa and its shareholders.

The Board delegates oversight of key areas of responsibility to its Committees, which report to the full Board with their analyses, recommendations and/or decisions.

Objectives of the Board

The Board is responsible to shareholders for creating and delivering sustainable value, through Senior Management. It determines the objectives and policies of Depa to deliver such value, providing overall strategic direction within a framework of rewards, incentives and controls. The Board ensures that Senior Management strikes an appropriate balance between promoting long-term growth and delivering short-term objectives.

The Board is also responsible for ensuring that Senior Management maintains a system of internal control which provides assurance for effective and efficient operations, accurate financial reporting and compliance with law and regulations. In carrying out this responsibility, the Board has regard to what is appropriate for Depa's business and reputation, the materiality of the financial and other risks inherent in the business and the relative costs and benefits of implementing specific controls.

The Board is also the decision-making body for all other matters of such importance as to be of significance to Depa as a whole because of their strategic, financial or reputation implications or consequences.



Board Responsibilities

The Board exercises its reasonable business judgement on behalf of shareholders in overseeing Depa generally. In discharging this obligation, directors rely on, amongst other things, Depa's officers, outside advisors and auditors.

The Board's general oversight responsibilities include, but are not limited to:

- » providing adequate support and resources to Senior Management and ensuring Senior Management's objectives and activities are aligned with the expectations and risks identified by the Board;
- » promoting Depa's image within the Company and the external community;
- » approving the corporate strategy and performance objectives of Depa, including monitoring and assessing the performance of Depa, the Board, the Committees and Senior Management;
- » approving financial reports, the Annual Report and other public documents;
- » reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct and legal compliance following consultation with Senior Management and determining the objectives, duties and powers of the internal control department(s) for adequate independence when performing duties and direct reporting to the Board;
- » approving and monitoring the progress of major capital expenditure, capital management and acquisitions and divestitures;
- » ensuring a formal and transparent Board nomination process, aligning key executive and Board remuneration with the long-term interests of Depa and its stakeholders and evaluating the Group CEO's performance;
- » monitoring and managing potential conflicts of interest of Senior Management, directors and shareholders, including misuse of corporate assets in related party transactions;

- » ensuring that the rights of shareholders are properly safeguarded through appropriate measures that enable shareholders to exercise their rights effectively, promote effective dialogue with shareholders and other key stakeholders as appropriate, and preventing any abuse or oppression of minority shareholders; and
- » arranging for the preparation, subsequent approval and adoption of a detailed training and induction programme for new directors and training for existing directors to enhance their knowledge and to stay up-to-date with market leading practices.

The Role of the Directors

The primary objective of all directors is to constructively challenge and help develop proposals on strategy.

The duties of all directors include, but are not limited to:

- » ensuring Depa's compliance with the DFSA Markets Rules and best practices;
- » providing entrepreneurial leadership and assisting in formulating the strategic plans of Depa within a framework of prudent and effective controls, enabling risk to be assessed and managed;
- » acting in good faith and with care and diligence, in the best interests of Depa and avoiding conflicts in their capacities as directors from any personal interests;
- » making reasonable enquiries to ensure that Depa is operating efficiently, effectively and legally towards achieving its goals;
- » encouraging constructive debate in the meetings of the Board and ensuring all relevant issues are given due consideration before a decision is made and monitoring the performance of Senior Management in meeting agreed goals;
- » ensuring that the attainment of corporate goals achieved through measured risk-taking is in line with the corporate risk appetite and also that the integrity of financial information and financial controls and systems of risk management are robust and defensible; and

- » disclosing material events, significant resolutions and clarifying information with regard to the positions and activities of Depa.

Composition of the Board

While forming the Board, consideration is given to maintain an appropriate balance between executive, non-executive and independent directors. In all cases, it is deliberated whether a Director shall be able to pay adequate time and effort to their Directorship and that such Directorship shall not conflict with their other interests.

Role of the Chairman

It is the Chairman's responsibility to lead the Board and facilitate constructive contributions by all directors so as to ensure the Board functions effectively in discharging its duties and responsibilities.

The duties of the Chairman at Depa include, but are not limited to:

- » ensuring that new directors receive an appropriate induction on joining the Board;
- » ensuring that the directors continually update their skills and their knowledge and familiarity with Depa to fulfil their roles on the Board and its Committees;
- » reviewing and agreeing with each director their training and development needs;
- » ensuring that the Board acts efficiently, fulfils its responsibilities and discusses all key issues on a timely basis;
- » setting and approving the agenda of each Board meeting, taking into consideration any matter that directors propose to be included in the meeting agenda. The Chairman may assign this responsibility to the Company Secretary;
- » encouraging directors to participate and engage completely and efficiently in Board meetings in order to ensure that the Board acts in the best interests of Depa;
- » adopting suitable procedures to secure efficient communication with shareholders and communicating their views to the Board;
- » facilitating effective participation of non-executive directors and developing constructive relations between executive and non-executive directors;
- » ensuring the Board provides leadership and vision to Depa;
- » promoting Depa's image within Depa and to the external community;
- » managing Board meetings to ensure that sufficient time is allowed for discussing complex or contentious issues;
- » ensuring Board minutes properly reflect Board decisions;
- » ensuring clear structure for and the effective running of the Committees;
- » making certain that the Board has the necessary information to undertake effective decision making and actions;
- » developing an on-going relationship with the Group CEO. As the major point of contact between the Group CEO and the Board, the Chairman should be kept fully informed of the day-to-day matters of interest to directors;
- » ensuring effective communication with shareholders and ensuring that the directors develop an understanding of the views of major investors;
- » taking the lead in providing a properly constructed induction programme for new directors; and
- » facilitating, in identifying and addressing the development needs of individual directors, with a view to enhancing the overall effectiveness of the Board.

Role of Non-Executive Directors

Depa expects its non-executive directors to:

- » give an opinion in respect of strategic issues, policy, performance, accounting, resources, basic appointments and standards of operation;
- » give priority to the interests of Depa and its shareholders in respect of any conflicts of interest;
- » monitor Depa's performance in order to achieve agreed objectives and purposes and oversee performance reports; and
- » empower the Board and different Committees through the utilisation of their skills and experience, the diversity of their competencies and qualifications through regular attendance, effective participation and attendance of shareholders' meetings and developing a balanced understanding of shareholders' views.

Independent Directors

The Board considers a director to be independent upon an assessment of the objective criteria set out in Depa's confirmation of independence exercise.

The "Sound Judgement Rule"

At Depa, the "Sound Judgement Rule" provides that, if a director makes a decision in relation to the business of Depa and meets a number of specific requirements, then the director will be taken to have discharged his duty to act with care and diligence.

The specific requirements that must be met are that:

- » A decision made must be in good faith for a proper purpose and be in the best interests of Depa;
- » a director should not have a material personal interest in the subject matter of the decision; and
- » a director shall take steps to inform themselves on the subject matter of the decision to the extent that he reasonably believes to be appropriate.

Director's Access to Officers

Directors have full and free access to officers of Depa. All directors also have access to the advice and services of the Company Secretary, who is responsible to the Board in ensuring that Board procedures are followed and that the applicable rules and regulations are complied with.

Independent Advice and Judgement

The Board and its Committees may request an external consultation (including but not limited to legal, financial or other expert advice) on any issues related to Depa, provided that conflicts of interest are avoided.

At Depa, all directors are expected to bring an independent judgement to bear on issues of strategy, performance, resources, including key appointments and standards of conduct.

Outside Board Memberships

While Depa acknowledges the value in having directors with significant experience in other businesses and activities, each director is expected to ensure that other commitments, including outside board memberships, do not interfere with their duties and responsibilities as a member of Depa's Board and that no director shall sit on a board of Depa's competitors.

Board Meetings

Board meetings are conducted in an open and inclusive atmosphere that allows for healthy debate between all directors. Meetings are held upon written convocation of the Chairman (or the Company Secretary on behalf of the Chairman) or upon the written request of at least two-thirds of the directors.

Board Appointments

Board appointments, since the Company's most recent general meeting, of the Chairman and non-executive directors were made on the recommendation of the Nomination and Remuneration Committee. Neither an external consultancy nor an open advertising process was used; rather, nominations for appropriate individuals were invited from each Director. Subject to a rigorous vetting procedure, the Board considered this to be the most effective and expedient method to meet its requirements.

Board Agenda, Information Packs and Board Papers

The Chairman establishes the agendas for Board meetings and circulates them to other directors and/or other relevant persons through the Company Secretary.

Each director is free to suggest items for the agenda (although inclusion is at the discretion of the Chairman), and each director is free to raise, at any Board meeting, subjects that are not on the agenda for that meeting.

Information packs regarding Depa's business and performance are distributed to all directors prior to Board meetings. In addition, business updates and information regarding recommendations for action by the Board at a meeting are made available to the Board within a reasonable period of time before the meeting to allow review, consideration and follow-up of any pertinent items.

Board papers are concise stand-alone documents that present the information the Board will require to fully understand the issues being raised and, where required, to make an appropriately informed decision.

Senior Management papers may provide the basis for a Board paper, but the Board papers are prepared with the Board's needs in mind.

Frequency of Meetings

Pursuant to Depa's articles of association, the Board shall meet at least once every three months (on a quarterly basis). The Board has, however, resolved to meet at least six times in every financial year.

Duration of Meetings

The length of Board meetings is always sufficient to give appropriate attention to the issues at hand. Accordingly, Board meetings can vary in duration as appropriate. The key is that the meeting is long enough to cover all matters in appropriate detail.

Matters Arising

The Board may often identify additional information it requires, initiatives it would like Senior Management to implement or other matters for Senior Management action or attention.

In order to keep track of these matters, an action items list is maintained by the Company Secretary, updated after each meeting and distributed along with the minutes of the meeting. The action item list contains a brief description of the action to be taken, cross-referenced to the relevant item in the minutes.

A review of the action items is a standing item on the Board's agenda to ensure Senior Management is progressing with specific tasks in line with the Board's expectations.

Voting

Board resolutions are adopted by a simple majority of votes of those present or represented. In case of a tie, the Chairman has a casting vote.

Director Continuing Education

All directors are encouraged to attend, at Depa's expense, director continuing education programmes. The Company Secretary informs directors of the exact dates of such programmes.

Director Remuneration

The remuneration of the Board consists of fixed attendance fees as follows:

- » Retainers can be paid annually, bi-annually or quarterly. Expenses are reimbursed at cost and administrative support is provided for Board and Committee duties. Executive Directors waive their remuneration.
- » Depa may pay additional amounts to the extent determined by the Nomination and Remuneration Committee for any director. Such additional fees are approved by the shareholders at the Annual General Meetings.

Role	Delivered Via	Annual Remuneration (AED)
Board Chairman	Fixed Base Retainer	160,000
Director		160,000
Audit and Compliance Committee Chairman	Additional Chairman Retainer	50,000
Nomination and Remuneration Committee Chairman		25,000
Investment and Risk Committee Chairman		50,000
Audit and Compliance Committee Member	Additional Member Retainer	100,000
Nomination and Remuneration Committee Member		50,000
Investment and Risk Committee Member		100,000

Company Secretary

The Company Secretary plays a significant role in ensuring that meetings are run efficiently and resolutions of the Board are actioned on a timely basis.

The Company Secretary is generally responsible for carrying out the administrative and legislative requirements of the Board. In particular:

- » ensuring the timely dissemination of information as it is received;
- » ensuring that the Board agenda is developed in a timely and effective manner for review and approval by the Chairman;
- » ensuring, in conjunction with the Group CEO, that Board papers are developed in a timely and effective manner;
- » ensuring standardised formats for all Board papers and reports;
- » coordinating, organising and attending meetings of the Board and shareholders and ensuring that correct procedures are followed;
- » drafting and maintaining minutes of Board meetings;
- » distributing Board resolutions in an appropriate and timely manner;
- » in conjunction with the Group CEO and other Senior Management, carrying out the instructions of the Board and giving practical effect to the Board's decisions;
- » meeting statutory reporting requirements in accordance with relevant legislation; and
- » working with the Chairman and the Group CEO to establish and deliver governance practices which are fit for purpose.

Corporate Governance and Risk Management

Board Committees

Depa recognises that Committees allow directors to give closer attention to important issues facing the organisation than is possible for the full Board in a scheduled Board meeting.

Committees are an effective way to distribute work between directors and allow more detailed consideration of specific matters.

The Board decides upon appropriate Committees which always include, but are not be limited to, the Audit and Compliance Committee and the Nomination and Remuneration Committee. These Committees function on behalf of the Board. The Board is responsible for constituting, assigning, co-opting and fixing terms of service for Committee members and issues the Board “Reserved Matters and Delegations” from time to time. This sets out the specific matters on which each Committee is authorised to make decisions on.

Each Committee reports to the Board, setting forth the procedures, results and the recommendations that the Committee reaches.

Access to Information and Independent Advice

Each Committee has the authority to seek any information it requires from any Depa officer and all officers must comply with such requests.

Each Committee may take such independent legal, financial, remuneration or other advice as it reasonably considers necessary.

Reporting Policy

Each Committee reports on its meetings to the Board.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee’s role is to evaluate the balance of skills, knowledge and experience on the Board and, in light of this evaluation, prepare a description of the role and capabilities required for a particular appointment.

The Nomination and Remuneration Committee is responsible for the review of Depa’s HR framework and compensation programmes. The Committee makes recommendations to the Board on the remuneration, allowances and terms of service of other Depa officers and directors to ensure they are fairly rewarded for their individual contribution to Depa.

The role of the Nomination and Remuneration Committee is to assist the Board in fulfilling its responsibilities by:

- » verifying on-going suitability of directors;
- » organising and following-up on procedures of nomination to the membership of the Board in line with applicable laws and regulations;
- » advising on individuals qualified to become Senior Managers by recommendation to the Board;
- » reviewing each proposed nominee’s qualifications. Each nominee should be a person of integrity and be committed to devoting the time and attention necessary to fulfil their duties to Depa;
- » formulating and annually reviewing the policy on granting remunerations, benefits, incentives and salaries to the directors and Senior Management. The Nomination and Remuneration Committee verifies that remunerations and benefits granted to Senior Management are reasonable and in line with Depa’s performance. The Nomination and Remuneration Committee may seek input from individuals on remuneration policies, but no individual is directly involved in deciding their own remuneration;
- » determining Depa’s needs for qualified staff at the level of Senior Management and officers and the basis of their selection;
- » formulating and supervising the application and annual review of Depa’s HR and training policy;
- » reviewing trends in compensation, overseeing the development of new compensation plans and, when necessary, recommending the revision of existing plans; and

- » cross-checking the remuneration and entitlements of the Group CEO and Senior Management to ensure they are reasonable and commensurate with the performance of Depa.

Without limitation to the role and responsibilities of the Nomination and Remuneration Committee as set out above, a list of specific matters on which the Nomination and Remuneration Committee is authorised to make decisions and specific matters on which the Nomination and Remuneration Committee may only make recommendations (and for which only the Board may make final decisions) is set out in the “Board Reserved Matters and Delegations”.

With respect to Senior Management, the Nomination and Remuneration Committee reviews and recommends, as appropriate, to the Board:

- » succession planning for the Group CEO; and
- » recommendations made by the Group CEO for appointments, terminations and succession planning of Senior Management.

The composition of the Nomination and Remuneration Committee is as follows:

- » H.E. Abdullah Al Turifi
- » Mr. Khalifa Al Romaiti
- » Mr. Ahmed Ramdan

Audit and Compliance Committee

The Audit and Compliance Committee monitors the integrity of Depa’s financial statements, compliance with DFSA Markets Rules and other significant market regulation applicable to Depa, the internal systems and controls for financial reporting, the adequacy of financial risk management processes, the independence and qualifications of Depa’s auditors, and the performance of the internal auditors of Depa, the Internal Audit Function and the Compliance and Governance Function.

The Audit and Compliance Committee maintains free and open communication between its members, external auditors, internal auditors and Senior Management. The other responsibilities of the Audit and Compliance Committee include:

- » monitoring the integrity of the financial statements of Depa, and any formal announcements relating to Depa’s financial performance, and reviewing significant financial reporting judgements contained in them;

- » monitoring and reviewing the effectiveness of the Internal Audit Function and Depa’s internal financial risk management controls and systems;
- » making recommendations to the Board, in relation to the appointment, re-appointment and removal of the external auditor and approving the remuneration and terms of engagement of the external auditor and ensuring timely reply by the Board on the matters contained in the external auditor’s letter;
- » reviewing and monitoring the external auditor’s independence and objectivity and the effectiveness of the audit process, taking into consideration relevant professional and regulatory requirements;
- » developing and implementing policies on the engagement of the external auditor to supply non-audit services, taking into account relevant ethical guidance regarding the provision of non-audit services by the external audit firm;
- » reporting to the Board on matters that in the Audit and Compliance Committee’s opinion require action or improvement and to provide recommendations on the necessary steps to be taken;
- » coordinating with the Board, Senior Management and auditors, to meet with the auditors at least once a year;
- » ensuring coordination between the internal and external auditors, the availability of necessary resources for proper verification, monitoring the adequacy of internal controls and discussing the same with Senior Management;
- » ensuring that a framework of strong corporate governance and best practice is in place that is believed to be suitable for Depa; and
- » establishing such a system whereby officers of Depa can anonymously notify their doubts on potential abnormalities in the financial report or internal controls or any other matter and ensuring proper arrangements for independent and fair investigations of such matters.

Without limitation to the role and responsibilities of the Audit and Compliance Committee as set out above, a list of specific matters on which the Audit and Compliance Committee is authorised to make decisions and specific matters on which the Audit and Compliance Committee may only make recommendations (and for which only the Board may make final decisions) is set out in the “Board Reserved Matters and Delegations”.

The composition of the Audit and Compliance Committee is as follows:

- » Mr. Edward Quinlan
- » Mr. Khalifa Al Romaihi
- » Mr. Saba Sindaha

Investment and Risk Committee

The Investment and Risk Committee monitors and ensures the adequacy of operational and investment risk management processes.

The Investment and Risk Committee is responsible for reviewing internal operational and investment risk matters, including internal policies and procedures on operational and investment risks and matters relating to potential conflicts of interest. The other responsibilities of the Investment and Risk Committee include:

- » reviewing and monitoring Depa’s internal operational and investment risk management controls and systems;
- » reviewing and either approving or making recommendations to the Board for projects with an overall value greater than the threshold set out in the “Board Reserved Matters and Delegations”;
- » reviewing and either approving or making recommendations to the Board in relation to any proposals to enter into a new jurisdiction outside the approved annual business plan and in which Depa does not currently operate, in accordance with the “Board Reserved Matters and Delegations”;
- » monitoring and evaluating the corporate group structure and all material investment risks, in particular any strategic material acquisitions or disposals above the materiality threshold in the “Board Reserved Matters and Delegations”;

- » stepping in to make operational and management decisions on behalf of the Group CEO in circumstances when the Group CEO is subject to a material conflict of interest and for which the Board has not approved the Group CEO to continue to make decisions;
- » reviewing any internal audits to the extent that such audits cover any operational risk matters; and
- » reviewing Depa’s capability to identify and manage new types of operational and investment risks.

Without limitation to the role and responsibilities of the Investment and Risk Committee as set out above, a list of specific matters on which the Investment and Risk Committee is authorised to make decisions on and specific matters on which the Investment and Risk Committee may only make recommendations (and for which only the Board may make final decisions) is set out in the “Board Reserved Matters and Delegations”.

The composition of the Investment and Risk Committee is as follows:

- » Mr. Abdullah Al Mazuri
- » Mr. Ahmed Ramdan
- » Mr. Marwan Shehadeh

The Group CEO and Senior Management

Depa’s business is conducted by its officers and Senior Management, under the direction of the Group CEO. In carrying out Depa’s business, the Group CEO and Senior Management are accountable to the Board and ultimately to the shareholders.

Role of the Group CEO

The primary role of the CEO is to define and execute Depa’s vision, mission, values and strategy.

The Group CEO is responsible for Depa’s overall operations, profitability and sustainable growth. The Group CEO supervises and develops the operational and business plan, directs Depa and

aligns its employees towards the achievement of its objectives.

The Group CEO is expected to achieve sensible business objectives, forecasts and targets set by the Board, and to ensure that all operations are managed efficiently in terms of key resource allocation and profitability.

At Depa, the Group CEO's specific responsibilities include, but are not limited to, the following:

Strategic Performance:

- » defining and advocating Depa's vision, mission and values;
- » executing Depa's overall strategic plans and ensuring that objectives set by the Board are met;
- » providing input and ensuring the development of an effective and dynamic organisational and corporate structure that is well suited to Depa's strategic goals;
- » leading critical negotiations and agreements that have a strategic/crucial impact on Depa's continuity, success or development;
- » reviewing proposed acquisitions of business ventures, in conjunction with the Board;
- » promoting Depa's image and business objectives to the external community and acting as the public relations officer with regard to establishing and maintaining relations with the market and third parties;
- » coordinating with Senior Management in formulation of goals and objectives for their respective functions as well as development of budgets;
- » reviewing operating results of Depa, comparing results to established objectives and ensuring appropriate measures are taken to correct deviations, if any;
- » overseeing the adequacy and soundness of Depa's financial structure;
- » establishing and maintaining relationships with key shareholders; and
- » reviewing the developing organisation structures and policies and procedures and endorsing them to the Board.

Reporting Policy:

- » endorsing the monthly, quarterly, and year-end financial reports and management reports;
- » endorsing and recommending financial statements to the Audit and Compliance Committee;
- » reviewing the reports, recommendations and issues presented by Senior Management, and providing feedback and direction as required;
- » managing a regular reporting process to the Board on Depa's plans, performance, issues and other important matters;
- » performing periodic evaluation of direct reports and ensuring the existence of a continuous self-development programme for Senior Management; and
- » preparing periodic and ad hoc reports to the Board as deemed necessary and reviewing reports prepared by direct reports and other concerned entities and taking actions as necessary.

Internal Audit and Risk Management:

- » ensuring the existence of proper corporate-wide risk management activities and supporting the Investment and Risk Committee in its activities relating to investment and operational risk, and the Audit and Compliance Committee in its activities relating to financial risk;
- » supporting the Audit and Compliance Committee to ensure the effectiveness and adequacy of implemented internal audit programmes; and
- » overseeing the implementation of IT systems and ensuring their effectiveness.

Other Requirements:

- » ensuring appropriateness of the legal status of Depa and the adherence to the applicable legal, labour, quality and business requirements and regulations;
- » communication and performance evaluation;
- » performing the duties of the primary spokesperson for Depa;
- » communicating business progress to the Board, shareholders and officers on a regular

basis;

- » serving as a primary contact for the Board and Committees. In doing so, the Group CEO communicates with the Board and Committees on a regular basis regarding the overall performance and plans of Depa;
- » encouraging and regulating internal and external communication and creating a transparent and collaborative working environment;
- » ensuring the existence of proper and effective communication across Depa;
- » deciding on the recruitment of Senior Management in consultation with the Nomination and Remuneration Committee; establishing performance measures for Senior Management; managing the performance of Senior Management and assuming responsibility for their development, including regular performance reviews and development plans;
- » ensuring the existence of succession plans for all key managerial positions not within the remit of the Nomination and Remuneration Committee; and
- » performing other duties as delegated by the Board and its Committees.

Role of Senior Management

Senior Management's primary responsibilities broadly cover the oversight of the day-to-day operations of Depa's business, strategic planning, budgeting, financial reporting and risk management. In fulfilling these responsibilities, Senior Management must balance the unique relationships between and amongst Depa, its network of officers, investors and partners.

The primary role of Senior Management is to make decisions about the overall purpose and direction of Depa and to ensure that resources are properly utilised to meet the aims and objectives of Depa. Senior Management plays an important role in Depa as both leaders and decision-makers.

Performance Evaluation

Board Performance Evaluation

The Board is evaluated by the Nomination and Remuneration Committee pursuant to the "Board Self Evaluation Test", which enables the directors to anonymously evaluate their collective performance on an annual basis.

Group CEO and Senior Management Performance Evaluation

The Board expects the Group CEO and Senior Management to achieve annually set business objectives (KPIs), forecasts and targets and ensure that all key business units are managed efficiently in terms of key resource allocation and profitability.

As the Board and Senior Management strive for a balance between stakeholder value, growth, and its protection, the key hurdle they face is how to translate this vision into reality. It is the practice of Depa to operationalise the strategic objectives into measurable (S.M.A.R.T.) KPIs to ensure clear alignment between achievement of the KPIs (performance) and remuneration.

(S.M.A.R.T.) KPIs, including both financial and non-financial measures, are used to provide a useful snapshot of the performance of Depa and link this to the Group CEO's and Senior Management's annual remuneration via Board-approved short-term and long-term incentive plans. The KPIs for 2017 were:

- » revenue growth;
- » profit growth;
- » return on capital and/or equity;
- » backlog growth;
- » net cash improvement; and
- » general and administrative expense reduction.

Risk Management and Internal Control

Depa has established tailored processes for identifying, analysing and managing risks which would prevent the Company from achieving its business objectives or strategies.

Delegation of Authority Matrix

Depa's delegation of authority matrix is intended to be the guidance for authorisation and

empowerment for decisions that have a financial and/or operational impact on Depa and its key business units. The key objective of the DoA is to delegate the Group CEO powers and authorities in a formal manner suitable to the businesses' requirements. Cascading the Group CEO's powers and authorities appropriately throughout Depa and its key business units ensures:

- » decisions are taken at the correct level of responsibility; and
- » Scopes of authority are clearly defined for each position, thereby empowering positions to undertake their roles properly.

Enterprise Risk Management

Depa is a projects business. Key business units manage enterprise risk through a stage-gate process by which each project is divided into stages or phases, separated by gates. At each gate, the continuation of the process is decided by an appropriately defined level of authority.

Depending on the value of the project, the ultimate decision to proceed to the final stage may be made by a key business unit MD, the Group CEO, the Investment and Risk Committee or the Board only.

The decision is based on the information available at the time, including the business case, risk analysis, and availability of necessary resources.

Internal Audit Function

A progressive Internal Audit Function plays a critical role in providing Senior Management with an objective and comprehensive view of the business. Internal auditors seek to understand and document business processes, identify risk and controls, and validate that the controls are effective in mitigating risk. Through their reviews, internal auditors confirm adherence to policies, ethical standards and requirements and recommend areas for improvement.

Compliance and Governance Function

Effective corporate governance and compliance is essential in ensuring the integrity and transparency of Depa's operations and maintaining the confidence of stakeholders such as investors, clients and officers of Depa. The objective of the Compliance and Governance Function is to take all appropriate measures to prevent Depa suffering

any losses due to non-compliance with applicable rules and regulations, codes of conduct, Depa's policies and procedures and standards of best practice. The Compliance and Governance Function provides guidance to the Board and Senior Management on matters relating to corporate governance and compliance. The Compliance and Governance Manager is authorised to implement all necessary actions to ensure the achievement of the objectives of an effective Compliance and Governance Function.

During 2017, all Compliance and Governance Function policies were reviewed and refreshed and all Senior Management completed the Depa Compliance and Governance training programme.

Share Trading Policy

Rules and procedures implemented by the Board relating to dealing in Depa's shares are found in the Share Trading Policy. The Share Trading Policy applies to all Board Members, Senior Management and employees at all levels.

The Compliance and Governance Function maintains a list of insiders as per the DFSA Market Rules. All insiders are required to commit to the Policy's obligations and prohibition on the sharing of inside information.

The Share Trading Policy sets out the restricted conditions under which insiders may trade in Depa's shares. Any Board Member or employee wishing to trade in Depa shares must notify the Compliance and Governance Manager. All insider share dealings in Depa shares during 2017 have been disclosed as per the DFSA Market Rules.

As specified in the Share Trading Policy, share trading blackout periods are maintained prior to the release of Depa's full year and half year financial results announcements.

Related Party Policy

Depa has obligations to ensure appropriate processes are in place to control related party transactions and potential conflicts of interest which may arise from such transactions. The related party Policy sets out the requirements that all employees must comply with in relation to related party transactions. The Compliance and Governance Function maintains an updated list of Related Parties which is available on the Group's

portal and incorporated into the Group's procurement and proposal management platforms.

Investor Relations and Disclosure Policy

Depa is committed to the highest level of transparency and communication both with shareholders and the wider market. The Group and its employees have an obligation to keep the market and shareholders accurately and promptly informed of inside information, including material events. The Investor Relations and Disclosure Policy sets out the disclosure obligations of the Group and the material events that trigger a disclosure obligation.

Employee Conduct and Whistleblowing Policy

Sound conduct is essential for the long-term continuity and success of Depa. The Employee Conduct and Whistleblowing Policy, sets out the guiding principles by which Depa must operate its business in order to achieve honesty and integrity in its dealings with its shareholders, officers, customers and vendors. The Employee Conduct and Whistleblowing Policy applies to the Board, Senior Management and all employees of Depa.