



# Regulating the Relationship with Stakeholders Policy 2021

**V.01**

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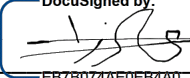
## 1. Approvals

The policy Regulating the Relationship with Stakeholders (“the Policy”) was approved on 8 November on behalf of the Board of Directors (“BOD”) by:

**Name: Dr. Abdulrazzaq Dawood BinDawood**

**Designation: Chairman of the Board of Directors**

**Signature:** \_\_\_\_\_

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## 2. Introduction

The BOD of BinDawood Holding Company (“the Company”) is vested with the responsibility to design, evaluate, review and approve the Policy by virtue of which the Company is committed to applying the highest ethical standards whilst creating sustainable and successful relationships with its stakeholders.

The Policy sets out the guiding principles that should govern the Company’s relationship with its stakeholders and also stipulates the mechanism for raising complaints and grievances and reporting violation of practices.

## 3. Definitions

**A stakeholder is defined as:** every natural or legal person who has a direct or indirect interest with the Company, and this includes, inter alia, shareholders / investors, regulatory entities, creditors, employees, suppliers and customers of the Company.

## 4. Purpose

The Company aims to develop an ethos of transparency and active engagement to achieve sustainable relationships with the stakeholders based on mutual trust. This entails furnishing information transparently to stakeholders on an as is needed basis and creating a mechanism to resolve any dispute or matter that may arise in the course of business by amicable means, in all cases, in a manner that does not contradict the laws and regulations of the country.

## 5. Basic Principles of Stakeholders Relations:

Set out below are the basic principles underpinning the management of stakeholder relationships:

- a. Developing and maintaining a robust and innovative business model, based on the principles of integrity and transparency, to create sustainable value for the stakeholders;
- b. Maintaining honest and effective communication with the stakeholders so as to engender mutual trust;
- c. Encouraging active participation of stakeholders in matters that affect them by activating suitable channels for receiving suggestions, complaints and feedback;
- d. Developing appropriate mechanisms for addressing the grievances of stakeholders in an efficient and effective manner;

- e. Systemically monitoring and evaluating the relationship with stakeholders and being prepared to make such changes as are necessary to manage stakeholder relationships more effectively.

## **6. Company responsibility for management of stakeholder relationship**

Adherence to the basic principles set out above entails the Company taking the following steps:

1. Establish standard operating procedures to regulate the Company's relationship with stakeholders with a view to safeguarding the rights of all parties;
2. Build a corporate governance culture that puts great emphasis on compliance with laws, regulations, standards and the Company's code of conduct;
3. Mandate the BOD, its Committees and the Executive Management with zero tolerance for unethical behavior;
4. Create channels of communication, electronic or otherwise, that encourage two-way communication between the Company and its stakeholders. Enable stakeholders to obtain information relevant to them, ensuring at all times that the information provided is up to date, complete, accurate and not misleading in any manner;
5. Ensure confidentiality and privacy of data relating to stakeholders;
6. Respect and protect the intellectual property right of others;
7. Where possible and practicable, formalize written contracts/agreements when carrying out any operations and transactions with others that should clearly specify the rights and obligation of each party, the consequences of the failure to fulfill those obligations and the procedures to quantify and settle any claims arising from breach of the contracts/agreements;
8. Honor any explicit or even implicit commitment given to its customers such as with respect to quality, pricing, weight, country of origin etc;
9. Facilitate notification processes, by establishing clear points of contact, and speed up handling of stakeholders' complaints;
10. Make efforts to mitigate any inevitable damage caused to stakeholders;
11. Seek to resolve disputes amicably, avoiding lengthy judicial processes except where necessary;
12. Arrange adequate insurance cover to address various risks to which the Company is exposed.

## **7. Social Contribution**

The Company is committed to developing an organizational strategy and policy to monitor and ensure compliance with social and international standards in this regard and to make a positive contribution to the development of the country by acting as a catalyst for development.



The pillars of the Company's Social Contribution Policy are:

- Hiring and Training
- Educational Activities and Conferences
- Appropriate Employee Environment
- Health Care Campaigns and Activities
- Environmental Protection
- Cooperation with Governmental and Civil Organizations
- Assisting Cooperative and Charitable Associations

(Please refer to BDH Governance manual for more details).

#### **8. The Company's transactions with the Board of directors and related parties**

The Company must ensure that transactions with Board members and related parties are carried out at arm's length and without any discrimination or bias. (Please refer to Related Party Transaction policy for more details in relation to the controls around such transactions)

#### **9. Treating Company Employees**

The Company must ensure treating the employees with justice and equality and non-discrimination. The Company's Governance Manual requires the Company to provide an ideal work environment for employees, in line with international standards and professional rules. The Company is committed to providing equal opportunity in all aspects of employment and to have zero tolerance for any illegal discrimination or harassment of any kind. (Please refer to BDH Governance manual for more details)

#### **10. Delegation of responsibility**

The primary responsibility for handling relationship with various types of stakeholders rests with the following functions/departments, including determining procedures and conditions to be followed when compensating stakeholders in the event of a breach of their rights resulting from their contractual relationships with the Company:

- **Government and Regulatory**

Governance/Audit Committee will be responsible for handling any Government and Regulatory related matters.



- **Customers**

Chief Operations Officer/Bindawood and Danube directors will be responsible for handling any customer related matters.

- **Suppliers**

Commercial Department will be responsible for handling any supplier related matters.

- **Investors**

Investor Relations Department will be responsible for handling any investors /shareholders related matters.

- **Banks and Other Lenders**

Finance Department will be responsible for handling the relationship with Banks and other lenders.

- **Employees**

HR Department will be responsible for handling employee related matters and for ensuring strict adherence to the Company's whistleblowing policy.

- **Board Members**

Chairman of the Board of Directors, and in his absence, the Deputy Chairman, will be responsible for handling matters related to Board members.

In the event that a stakeholder, other than a Board member, is unable to resolve a matter with the delegated department, the matter should be referred for resolution to the Company's Chief Executive Officer or a person delegated by him. All issues related to Board members will remain the sole responsibility of the Chairman of the Board.

Any enquiry by or dispute with stakeholders arising because of the Company's failure, real or alleged, to fulfill its obligations in accordance with any contractual relationship or to exercise necessary care or to adhere to laws and regulations, that could have a significant financial and/or reputational effect on the Company must be escalated to the BOD as soon as practicable.

## 11. Review and Amendment

The BOD or a person delegated by them will undertake a review of this policy at least annually or whenever deemed necessary by the BOD. Any amendments suggested by the person carrying out the review will become effective only after they have been approved by the BOD.



## 12. Publish and Announcement

This Policy should be communicated by the Company Secretary to board members, all Committees members and senior executives of the Company, including new joiners to the mentioned positions.

## 13. Effective Date

This policy shall come into force from the date of the approval by the BOD.