



Dhiraagu Corporate Governance Code

02 February 2023
V.1.2

POLICY INFORMATION

Name	Dhiraagu Corporate Governance Code	
Number	DRG/CS/2011/01	
Owner	Director Legal and Company Secretary	
All queries to	Director Legal and Company Secretary	
Reviewed by	Hazrath Rasheed Hussain, Director Legal and Company Secretary	Signature: 
Authorised by	Ismail Rasheed, CEO & MD	Signature: 

VERSION CONTROL			
This is a controlled Document. The following table records all versions of the Document.			
Version	Date	Details	Author
1.0	01 October 2011	Implementation of Dhiraagu CG Code.	Corporate Services
1.1	14 December 2014	Revisions were made to and adopted the "Asset Transfer Policy for items provided for Board Related Purposes".	Corporate Services
1.2	02 February 2023	Review and update of CG Code	Corporate Services

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BOARD MATTERS

1. EFFECTIVE BOARD

- 1.1. Dhivehi Raajjeyge Gulhun PLC ("**Dhiraagu**" or the "**Company**") shall be headed by an effective board of Directors (the "**Board**"), which is collectively responsible for the long-term success of the Company.
- 1.2. The Board shall:
 - (a) serve the legitimate interests of the Shareholders and be accountable to the Shareholders and, as circumstances may require, to other stakeholders including creditors and Dhiraagu employees;
 - (b) ensure that Dhiraagu complies with all relevant laws and regulations, including the Code of Corporate Governance of the Capital Market Development Authority, and all other applicable codes of best business practice;
 - (c) ensure that technology and information systems used by the Company are sufficient to ensure strong internal control systems and to maintain competitiveness;
 - (d) establish sound commercial and financial policies to secure and maintain major investments necessary to achieve the Dhiraagu's objectives as well as increase the value of Shareholders' equity;
 - (e) establish a policy formalising the approach to Board diversity to ensure that different perspectives are brought to bear on issues and catalyse efforts to recruit, retain and promote the best staff;
 - (f) adopt internal procedures and regulations to conduct the Company's affairs;
 - (g) adopt a disclosure policy for Dhiraagu and the Board, and ensure its follow-up and implementation as required by law;
 - (h) review the Company's performance;
 - (i) form committees as required, provided that any sub-committee formed has clearly defined tasks, rights and obligations;
 - (j) evaluate the performance and work of the Board and its committees;
 - (k) approve appointment and monitor the evaluation of key executives reporting to the Chief Executive Officer;
 - (l) seek to upgrade the level of proficiency and skills of the Board members through inductions and regular formal training;



- (m) adopt the annual and interim financial statements, recognizing that the final responsibility for the preparation of proper accounts is not able to be delegated and lies with the Board, not the external auditors; and
 - (n) ensure that the annual report submitted by the Board contains a statement confirming that the Company is able to carry on its activities, implement its proposed plans and achieve its forecast results.
- 1.3. The Board shall meet regularly to discharge its duties effectively. Such meetings can be held in person, by simultaneous attendance as satellite meetings or through electronic means including telephonic and videoconference meetings, as determined by the Board.
- 1.4. To ensure that the Board is effective, any quorum for Board meetings must comprise a majority of Non-Executive and or Independent Directors.
- 1.5. The Non-Executive and Independent Directors must meet at least once a year without the presence of the Company's Management and the Executive Directors.
- 1.6. The number of Board and Board committee meetings held during the year, and the attendance of every board member, must be disclosed in the Company's annual report.
- 1.7. Directors must be suitably qualified to carry out their duties. The following sets out the basic qualifications and professional competencies that each Director must exhibit:
- (a) integrity both in professional and personal dealings;
 - (b) wisdom and ability to take appropriate decisions;
 - (c) an ability to read and understand financial statements;
 - (d) an acknowledged record of business acumen and achievement so as to effectively contribute to the Company's management;
 - (e) an ability to interact with others whilst exercising responsibility, firmness and cooperation;
 - (f) an ability to interact with Dhiraagu's employees in order to achieve and maintain high management standards; and
 - (g) a range of skills and experience as well as the ability to think strategically and with foresight.



- 1.8. All Directors shall act in the best interests of the Company in accordance with their statutory duties.
- 1.9. Each Director shall:
 - (a) devote sufficient time and effort to his duties as a Director. To ensure a Director has sufficient time to undertake his or her respective duties, a Director shall not hold more than three (3) directorships of public listed companies;
 - (b) add value to the Board and bring an independent and objective judgement to bear on their duties and decisions; and
 - (c) disclose any conflict of interest such Director may face and abstain from any decision making process where he is so conflicted.

2. STRUCTURE AND COMPOSITION OF THE BOARD

- 2.1. The Board shall consist of a maximum of nine (9) Directors, inclusive of the Chairperson of the Board, the Deputy Chairperson of the Board, and the CEO & Managing Director.
- 2.2. To ensure active, unbiased and diverse advice is rendered, the Board shall include Executive, Non-Executive and Independent Directors.
- 2.3. At least half the Board should comprise Non-Executive Directors, with a majority of such Non-Executive Directors being Independent Directors.
- 2.4. The Board should periodically review its size and composition.
- 2.5. For the purposes of this Code, the following definitions shall apply:
 - (a) **'Executive Directors'** are persons who are appointed to the Board and concurrently hold a senior management position in Dhiraagu (including the Managing Director/Chief Executive Officer).
 - (b) **'Independent Directors'** are persons who are appointed/elected to the Board and who:
 - (i) have not held, or whose Immediate Family Members have not held, during the past one (1) year, a key position in Dhiraagu, such as the Chief Executive Officer, or any immediate employment position; or
 - (ii) have not, or their Immediate Family Members have not, during the past one (1) year had any substantial financial dealings, including the receipt of remuneration, commissions, professional fees, payment for goods and services, etc. with Dhiraagu.
 - (iii) For the avoidance of doubt, any person who was employed by the Company in the past one (1) year, does not qualify to be an Independent Director of the Company.



- (c) **'Non-Executive Directors'** are persons who are appointed or elected to the Board and those who are not currently employed by Dhiraagu.
- 2.6. Independent Directors who have served more than six (6) consecutive years on the Board, will not be considered an Independent Director, unless such Director does not serve as a member of the Board for at least one (1) year following the consecutive directorship period.
- 2.7. Subject to Section 3 of this Code, the Company must not appoint a person to any post or role, if the person has served on the board of a Competitor or a Regulator, unless a minimum period of 12 (twelve) months have passed since the person has left the aforementioned role or position. However, this section does not restrict the Company from appointing such directors of Competitors during the cooling off period, subject to the prior written consent from the board of the respective Competitor.

3. NOMINATIONS, APPOINTMENTS OR ELECTION TO THE BOARD

- 3.1. Any person who is willing to act as a Director, and is permitted by the Companies Act to do so, shall be appointed to the Board in accordance with Article 70 (B) of the Articles of Association, as set out below:
- (a) any Government Director shall be appointed in writing to the Company signed on behalf of the Government;
 - (b) any Majority Shareholder Director shall be appointed in writing to the Company signed on behalf of the Majority Shareholder; and
 - (c) any Public Director shall be elected by the Shareholders (where Shareholders exclude the Government and the Majority Shareholder) at a general meeting.
 - (d) As Government Directors and Majority Shareholder Directors are appointed by the respective Shareholders in accordance with Article 70 (B) of the Articles of Association and as set out in Sections 3(A)(i) and 3(A)(ii) above, the Remuneration Nomination & Governance Committee is only responsible for the appointment and evaluation of Public Director(s) as per the terms set out in this Section 3 of this Code.
- 3.2. The Remuneration, Nomination & Governance Committee shall identify suitable candidates for appointments or reappointments of the Public Director and make recommendations to the Board. In accordance with Article 70 (B) of the Articles of Association, the Remuneration, Nomination & Governance Committee shall develop and agree upon clear terms of reference for screening candidates prior to election as well as specific criteria which all candidates must meet. For candidates standing for re-election, such criteria shall include an evaluation of past performance by such individual as director against specified performance criteria which must be met.



- 3.3. When proposing their recommendations to the Board with regard to new candidates for Public Directors, the Remuneration, Nomination & Governance Committee shall consider each candidate's experience, diverse perspectives and skills that are most appropriate for the Company.
- 3.4. All candidates seeking to be a Public Director must submit the following details to the Remuneration, Nomination & Governance Committee:
 - (a) academic background;
 - (b) professional experience;
 - (c) current directorships;
 - (d) any interests in Dhiraagu; and
 - (e) in the case of candidates for Independent Directors and Non-Executive Directors any affiliations that may affect the Director's ability to make independent, impartial decisions.
- 3.5. The Board must release at least the information provided in the preceding subparagraph 3.4 submitted by the respective candidates to all Shareholders. This information will assist in comparing director candidates and identifying the most suitable person, as well as enable Shareholders to make informed decisions.
- 3.6. Shareholders shall also have the opportunity to nominate themselves or other Shareholders of the Company as Public Directors, at least twenty-eight (28) days prior to the date the notice of is issued for the relevant annual general meeting or extraordinary general meeting to allow them to make their nominations. All Shareholder nominations will be reviewed by the Nominations Committee Remuneration, Nomination & Governance Committee in accordance with the process described in paragraph 3.2 above.
- 3.7. Public Director(s) shall hold their office from the general meeting in which they are elected to the second (2) Annual General Meeting following their election. That is however on the condition that such Public Director has either not resigned or has not been removed from office during the intervening period.

4. SEPARATION OF CHAIRPERSON AND THE MANAGING DIRECTOR / CHIEF EXECUTIVE OFFICER

- 4.1. The roles of Chairperson and the Managing Director/Chief Executive Officer shall not be exercised by the same individual.
- 4.2. Should the Chairperson and the Managing Director/Chief Executive Officer be related to each other in any way, Dhiraagu must disclose such a relationship.
- 4.3. The Chairperson must meet the criteria for Independent Directors.



- 4.4. The division of responsibilities between the Chairperson and the Managing Director/Chief Executive Officer shall be clearly established and set out in writing and agreed by the Board.

5. ROLES OF THE BOARD, THE CHAIRPERSON AND THE NON-EXECUTIVE DIRECTORS

- 5.1. The role of the various parties as set out below are for guidance only and are not exhaustive. For the avoidance of doubt, the Board acts collectively and no individual Director can seek to issue policies or other directions without first raising such matters at a Board meeting for discussion and to obtain consensus.

- 5.2. The Board's role is to:

- (a) provide entrepreneurial leadership, set strategic aims, provide direction to Management and ensure that the necessary financial and human resources are in place for the Company to meet its objectives;
- (b) ensure that a framework of prudent and effective internal controls is established which enable risk to be fully assessed, monitored and managed, including the monitoring and assessment of the effective of such internal controls; review Management performance and determine its remuneration; and
- (c) set the Company's values and standards, and ensure that obligations to Shareholders and other stakeholders are understood and adhered to.

- 5.3. The Board must always act in the best interests of the Company and Shareholders as a whole.

- 5.4. If the Board delegates its authority to make decisions to any other Board Committee or Management, such delegation should be disclosed.

- 5.5. The Chairperson's role shall include the following:

- (a) leading the Board to ensure its effectiveness on all aspects of its role as well as set the Board agenda;
- (b) ensuring that the Directors receive accurate, timely and clear information on all pertinent matters;
- (c) encouraging constructive relations between the Board and Management;
- (d) facilitating the effective contribution of Non-Executive Directors during and outside Board meetings;
- (e) encouraging constructive relations between Executive Directors and Non-Executive Directors;
- (f) unilaterally issuing policies after consulting and discussing with the Board;
- (g) maintaining effective communication with Shareholders; and



(h) promoting high standards of corporate governance.

5.6. As part of their role as members of a unitary Board, Non-Executive Directors, and the Independent Directors shall:

(a) review all relevant Board papers to ensure thorough understanding of the Company and Management's performance;

(b) constructively challenge the Company's business directions and Management's performance as necessary;

(c) develop long term strategy proposals for the Company; and

(d) review Management's performance in meeting agreed goals and objectives and monitor the reporting of performance.

6. TRAINING

6.1. Dhiraagu recognises the importance of its Board and as such shall provide individual opportunities for training to ensure the development of its Directors.

6.2. Each newly appointed Director shall attend a corporate governance orientation or training regarding the law, accounting rules or other business matters from a reputed institution.

6.3. On a continuous basis and at least once a year, the Board Directors shall undertake a refresher course in relation to the latest legal, accounting and taxation developments in the Maldives.

7. BOARD COMMITTEES

Audit Committee

7.1. The Board shall establish an Audit Committee.

7.2. The Audit Committee shall comprise of at least three (3) Non-Executive Directors and majority of whom, including the Chairperson of the Audit Committee, must be Independent Directors.

7.3. The Board must ensure that the members of the Audit Committee are duly qualified with at least two (2) members holding accounting or related financial expertise or experience.

7.4. The Audit Committee shall meet at least once every quarter to monitor internal and external audits, with one meeting necessary before finalisation of annual accounts.

7.5. The role and responsibilities of the Audit Committee shall include the following:

(a) reviewing the effectiveness of Dhiraagu's internal risk controls and risk management systems;

(b) monitoring the integrity of Dhiraagu's annual and interim financial statements, the clarity of disclosure and the context by which such statements are made;



- (c) reviewing and challenging where necessary the consistency of, and any changes to, accounting policies;
- (d) investigating any matter within its terms of reference. Full access to and co-operation by Management and full discretion to invite any Director or executive officer to attend its meetings, and reasonable resources shall be provided to enable the Audit Committee to discharge its functions properly;
- (e) reviewing the internal and external audit functions; and
- (f) evaluating the independence and effectiveness of the work of the external auditors.
- (g) The Audit Committee shall prepare reports on all meetings for the Board, which shall be published in Dhiraagu's Annual Report for the benefit of the Shareholders.

Remuneration, Nomination & Governance Committee

- 7.6. The Board shall establish a Remuneration, Nomination & Governance Committee to make recommendations to the Board and to the Shareholders on the appointment of the Public Director after evaluating the skills, knowledge and experience of the persons whose candidacy are being considered for the Board position. The Remuneration, Nomination & Governance Committee shall also recommend remuneration packages for each Director and the Chief Executive Officer. The Remuneration Nomination & Governance Committee is also responsible for monitoring the performance of the Company's corporate governance framework and its compliance with applicable legislation.
- 7.7. The Remuneration, Nomination & Governance Committee should comprise of at least three (3) Directors, all of whom must be Non-Executive Directors, majority of whom, including the Chairperson of the Remuneration, Nomination & Governance Committee, must be Independent Directors.
- 7.8. The Remuneration, Nomination & Governance Committee must review annually whether the constitution of the Board remains appropriate, and whether all Directors are spending sufficient time to fulfil their duties.
- 7.9. If the Non-Executive Directors are offered appointments elsewhere, the chairperson of the Remuneration, Nomination & Governance Committee must be informed before any new appointments are accepted and the Board should subsequently be informed of any potential conflicts.
- 7.10. The Remuneration, Nomination & Governance Committee must establish remuneration packages which are sufficient to attract, retain and motivate Directors to carry out their duties effectively. The level of remuneration must strike a balance between the interests of the Company and its Shareholders. For more information, please refer to Remuneration Matters (Section 8) below.



- 7.11. The Board must provide clear terms of reference to the Remuneration, Nomination & Governance Committee in respect of the frequency, length and agenda of committee meetings.
- 7.12. The Remuneration, Nomination & Governance Committee must issue a statement in Dhiraagu's Annual Report detailing its activities and the following:
- (a) the process it has used to nominate appointments of the Public Director;
 - (b) an overview of the remuneration policy, and global remuneration package of the Board of Directors and top Management; and
 - (c) disclosure of fixed component and performance-linked incentives; service contracts, notice period, severance fees and stock options, if any.

REMUNERATION MATTERS

8. REMUNERATION POLICY

- 8.1. The Board shall establish a formal and transparent procedure for developing policy on Board and senior Management remuneration.
- 8.2. The Remuneration, Nomination & Governance Committee shall be responsible for arranging the structure and amount involved in each remuneration package for individual Directors. No Director must be involved in deciding his/her own remuneration.
- 8.3. The Remuneration, Nomination & Governance Committee must provide packages which shall attract, retain and motivate high calibre Executive Directors, but must avoid paying more than is necessary for this purpose.
- 8.4. The performance-related elements of remuneration shall form a significant proportion of the total remuneration package of Executive Directors and senior Management and must be designed to incentivise them to perform their duties at a high calibre level and must be designed to align their interests with those of Shareholders.
- 8.5. The levels of remuneration for all Directors shall reflect the time commitment and responsibilities of the role.
- 8.6. The Remuneration, Nomination & Governance Committee must be aware of what comparable companies are paying and should take account of relative performance.

9. EVALUATION OF BOARD PERFORMANCE

- 9.1. There shall be a formal assessment of the effectiveness of the Board as a whole and the contribution by each Director to the effectiveness of the Board.



- 9.2. The Board shall evaluate its own performance, both collectively and individually at least once a year, including the performance of the Chairperson, to ensure it is operating effectively and adjust its constitution and policies accordingly. The exact process of evaluation can be determined by the Remuneration, Nomination & Governance Committee.
- 9.3. The Board shall conduct a formal, rigorous, and transparent evaluation of its Managing Director and Chief Executive Officer and the key top Management based on the Company's performance and their success in meeting personal development and leadership plan, in order to monitor their performance.
- 9.4. The Board may consider using an independent consultant to conduct an external evaluation of the Board and its performance, which independent consultant shall make recommendations based on its evaluation.

10. BOARD REMUNERATION DISCLOSURE

- 10.1. Dhiraagu shall provide an overview of its remuneration policy in the Company's annual report.
- 10.2. The Company's remuneration policies shall be available for review to enable investors to understand the link between the remuneration paid to Directors, key executives, and their performance.
- 10.3. Dhiraagu shall provide details on a yearly basis of its Directors and Executive Management's global remuneration, in its Annual Report.

MANAGEMENT MATTERS

11. CONSTITUTION

- 11.1. The Management shall comprise of the Managing Director/Chief Executive Officer, any Executive Directors and the key managers of Dhiraagu who are involved in the day-to-day activities of the Company.

12. ROLES AND RESPONSIBILITIES OF MANAGEMENT

- 12.1. The Board shall clarify the roles and responsibilities of Senior Management in order to facilitate Board and Management accountability to both the Company and its Shareholders.
- 12.2. The Board shall ensure that the Management is responsible for implementing the principles of corporate governance provided under this Code, as framed by the Board.
- 12.3. The Board shall ensure that the Management maintains a sound system of internal control to safeguard the Shareholders' investments and the Company's assets.
- 12.4. The Board shall ensure that there is a procedure in place that requires all managers of the Company to immediately disclose to the Board any situation involving a conflict of interest, upon such a conflict arising, whether potential or real.



13. ACCESS TO INFORMATION

- 13.1. The Management must disclose to the Board all material, financial and commercial transactions which may involve an actual or potential conflict with the interests of the Company at large.
- 13.2. The Board may invite Management and such other appropriate persons to Board meetings, as required, to provide information which is deemed appropriate or necessary in order to effectively deliberate on decisions and perform its duties.
- 13.3. The Board may obtain, at the Company's expense, outside legal or other professional advice on any matter deemed necessary for it to effectively perform its duties.

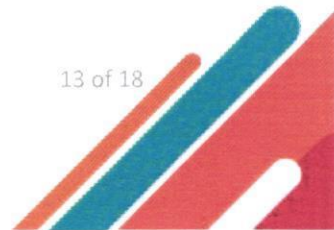
AUDIT, EXTERNAL AUDIT AND INTERNAL CONTROLS

14. INTERNAL AUDIT

- 14.1. Dhiraagu shall establish an internal audit function empowered to perform internal audits.
- 14.2. The Audit Committee shall approve the appointment and removal of the internal auditor.
- 14.3. The internal audit department shall have the authority to independently investigate all levels of the Company whenever necessary and shall have direct access to the Board of Directors and the Audit Committee.
- 14.4. The Audit Committee shall monitor and review the effectiveness of Internal Audit activities, including the review of all internal audit reports and plans. The Audit Committee shall monitor Management's responsiveness to any current internal audit issue/investigation and ensure that they are adequately resourced to respond effectively.
- 14.5. The Internal Audit shall be supervised by the Audit Committee.
- 14.6. The Audit Committee shall, at least annually, ensure the adequacy of the internal audit function.
- 14.7. The Audit Committee shall, at least annually, meet the Internal Auditor and External Auditor without the presence of the Management.

15. EXTERNAL AUDITORS

- 15.1. The Audit Committee shall have primary responsibility for making recommendations regarding the appointment, re-appointment and removal of its external auditors. The Audit Committee shall further be responsible for approving the remuneration and terms of engagement of its external auditors with regard to their qualifications, expertise and resources.
- 15.2. The Shareholders must confirm the external auditors' appointment at the Annual General Meeting.



- 15.3. External auditors must be independent, duly qualified and free of any conflict of interests.
- 15.4. The Audit Committee must annually review the independence and objectivity of the external auditors.
- 15.5. Appointed external auditors must not hold more than 5% of shares of the Company. If external auditors hold shares in the Company, the shareholding amount should be disclosed.
- 15.6. The Audit Committee must review and approve the annual audit plan and meet regularly with the external auditor.
- 15.7. The external audit partners shall be rotated at least every five (5) years as is the case for all listed companies.
- 15.8. The Company should not hire as external auditors any party that has provided internal audit services to the Company in the previous three (3) years. External Audit firms must not be engaged in accounting or non-audit consulting including but not limited to tax computations/advisory, internal audit, advisory services related to financial reporting and valuation in the Company.

16. INTERNAL CONTROLS

- 16.1. The Board shall maintain an adequate system of internal control to safeguard Shareholders' investment and the Company's assets.
- 16.2. The Audit Committee shall, at least annually, conduct a review of the effectiveness of the Company's system of internal controls, including financial, operational and compliance controls and risk management systems.
- 16.3. The Board must comment on the adequacy of the internal controls, including financial, operational and compliance controls, and risk management systems in the Company's annual report.

COMPANY SECRETARY

17. ROLE AND RESPONSIBILITY

- 17.1. Dhiraagu shall employ a full-time qualified Company Secretary to perform all compliance functions of the Company.
- 17.2. The Company Secretary must advise Management and the Board on their responsibilities and liability with regard to legal and regulatory requirements and compliance with this Code.
- 17.3. The Company Secretary must keep an annual record of the Company's compliance/non-compliance with this Code and all other relevant laws, and in the event of non-compliance an explanation should be sought for the record from the Board.



SHAREHOLDER RIGHTS

18. SHAREHOLDER COMMUNICATIONS

- 18.1. Dhiraagu shall make an effort to educate its Shareholders as to their rights and responsibilities.
- 18.2. Dhiraagu shall engage in regular, effective and fair communication with Shareholders at general meetings or through other means.
- 18.3. Dhiraagu shall regularly convey pertinent information, gather views or inputs, and address Shareholders' concerns. In disclosing information, Dhiraagu shall be as descriptive, detailed and forthcoming as possible.
- 18.4. Dhiraagu shall disclose information equally to all Shareholders. Where there is inadvertent disclosure made to a selected group, Dhiraagu shall make the same disclosure publicly to all others as soon as practicable.

19. GENERAL MEETINGS

- 19.1. General meetings (particularly the Annual General Meeting) shall be the main means of communication between Shareholders, Management and the Board.
- 19.2. Dhiraagu shall encourage greater Shareholder participation at Annual General Meeting by arranging to allow Shareholders the opportunity to communicate their views on various matters affecting the Company.
- 19.3. Shareholders shall be well-informed regarding general meetings through issue of notices and such meetings shall be organised in a manner that allows for maximum Shareholder participation (subject to reasonable limitations) and equitable treatment of Shareholders.
- 19.4. The notice of the Annual General Meeting shall include information about the agenda items to be discussed, including a description of auditor candidates, director candidates, and the text of proposed resolutions. The information provided about the agenda items for any general meeting shall be detailed enough to allow Shareholders to make an informed decision. The agenda should be presented in the order items will be addressed in the meeting.
- 19.5. The outcome and proceedings of general meetings shall be recorded and be verifiable.
- 19.6. The chairpersons of the Audit, Nomination and Remuneration Committees shall be present and available to address questions at general meetings. The external auditors should also be present to address shareholders' queries about the conduct of audit and the preparation and content of the auditors' report.

20. VOTING RIGHTS

- 20.1. Voting rights and procedures must be clearly explained to Shareholders so they may fully assert their rights in general meetings.



- 20.2. In establishing the voting procedures and rights, the principle of one share, one vote shall apply. Within a class of shares, Shareholders must have the same voting rights. Information regarding the voting rights of all classes of shares must be available to potential shareholders.
- 20.3. To facilitate voting by Shareholders, proxy voting rules must be simple and easy to follow.
- 20.4. There shall be separate resolutions at general meetings on each substantially separate issue.

DISCLOSURE

21. TRANSPARENCY AND COMPLIANCE

- 21.1. Dhiraagu shall ensure that it issues an Annual Report that complies with the provisions of the Companies Act and the Listing Manual and explain how the Company has achieved compliance with the provisions of this Code. Where there has been non-compliance, the Company must explain why the compliance could not be achieved. Disclosure should cover the application of the Code in the context of the particular circumstances of the company and how the board has set the company's purpose and strategy, met objectives and achieve outcomes through the decisions it has taken.

22. FINANCIAL STATEMENTS

- 22.1. Dhiraagu must ensure that their financial statements and accounts conform to reporting standards specified under the Regulation on Continuing Disclosure Obligations of Issuers (CDOI).
- 22.2. The Balance Sheet and Profit and Loss Statement must be reviewed and signed-off by the Audit Committee, Chairperson of the Board, Managing Director/Chief Executive Officer and the Chief Financial Officer to certify that the accounts reflect a true and fair picture of the Company, and that there are no post balance sheet events or off-balance sheet items, the non- disclosure of which can affect the ability of the users of the financial statements to evaluate the Company or make decisions.

23. NON-FINANCIAL STATEMENTS

- 23.1. The Company must ensure that all current or potential conflicts of interests and interested third party transactions by the Directors or the Management are disclosed in the Annual Report.
- 23.2. The Company must on an annual basis inform the Shareholders of the remuneration of Directors and key executives of the Company. This annual remuneration report shall form part of, or be annexed to the Company's annual report of its Directors.



RAISING CONCERNS

24. SYSTEMS TO RAISE CONCERNS

- 24.1. The Board shall introduce a system of ensuring that an appropriate process is put in place to enable employees or Management to raise any concerns they may have, whether on a confidential basis or otherwise, with regards to any non-compliance or fraud or other misdemeanour within Dhiraagu.
- 24.2. All employees must be made aware of the system and process available for raising concerns within Dhiraagu. All employees must also be assured that they will not be penalised for raising their concern.
- 24.3. Dhiraagu shall disclose that it implemented a system for raising concerns in its Annual Report.

SUSTAINABILITY REPORTING

25. REPORTING

- 25.1. In order to provide stakeholders with a deeper understanding of the Company's performance, strategies and practices beyond the financial reporting, the Company shall annually measure, analyse and disclose information relating to its non-financial aspects, including its Corporate Social Responsibility (CSR) activities and initiatives relating to the environment local communities and society, human and labour rights, and other economic factors. Sustainability report can be either a separate report or an integral part of the Annual Report.
- 25.2. The Company shall formulate and disclose its 'Sustainability Policy', including mitigation of risks, performance data and other material information and shall provide a balanced and objective view of their performances by including both positive and negative impacts.
- 25.3. In formulating and presenting its sustainability report, the Company may either use any of the internationally accepted reporting guidelines, including Global Reporting Initiative (GRI) sustainability reporting guidelines, United Nations Global Compact (UNGC) reporting principles and OECD guidelines, or it may use its own internal framework for sustainability reporting.



GLOSSARY

About the Glossary: this Glossary is to help readers understand the Board Code. Words are explained as they are used in the Code.

Act	means the Companies Act of the Republic of Maldives 1996 (Law No. 10/96) which may be amended from time to time;
Adjourn	Where a meeting breaks up and is to be continued at a later time or day, at the same or at a different venue;
Applicable legislation	means every law or statute, order, regulation or subordinate legislation, code of practice or guidance laid down or required by any professional body or law enforcement agency having regulatory authority or supervisory authority or control over the Company and to which the Company is subject;
Articles	means these Articles of Association of the Company as altered from time to time and the expression "this Article" will be construed accordingly;
Auditors	means the External Auditors of the Company;
Chairperson	means the chairperson of the Board of Directors;
Code	means this Corporate Governance Code adopted by the Company;
Company	means the Company incorporated and registered under the Act, namely Dhivehi Raajjeyge Gulhun Public Limited Company (Dhiraagu);
Company Secretary	means any person or persons (if there are joint secretaries) appointed to perform the duties of Secretary of the Company inclusive of a person so appointed temporarily and the Assistant Company Secretary;
Executive Officer	The term Executive Officer includes the Chief Executive Officer, Chief Executive, Chief Financial Officer, Internal Auditor, and the Company Secretary or any other person who the Directors decide should be an Executive Officer;
Competitor	means business entities whose main business activity/activities can be referred to as substantial in terms of revenue, market share, customer group or any similar anti-competitive characteristics, to that of the Company;
Government	means the Government of the Republic of the Maldives;
Directors	means the Directors of the Company or the Directors present at a duly convened Board meeting at which a quorum is present including non-executive, executive and Independent Directors;
Immediate Family Member	means the spouse and children of the particular director or candidate;
Independent Director	means a Director who is appointed in accordance with Article 70 B (iii) and Article 70 (C) of the Articles of Association;
"in writing" or "written"	means and includes words printed, lithographed, represented or reproduced in any mode in a visible form;
Management	means the Company's executive management team;
Majority Shareholder	means a person or entity that owns more than 50% of the Company's shares;
Public Director	means a Director who is appointed in accordance with Section 3.1 (iii) of this Code;
Quorum	The minimum number of Directors who must be present before a Board meeting can start. When this number is reached, the meeting is said to be "quorate";
Regulator	refers to any institution or governing body that is mandated or licensed to regulate the listed companies or the securities market;
Shareholder	means a holder of the Company's shares.

