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Report on the Company's compliance with the Corporate Governance – 2023

Bahrain National Holding Company B.S.C.

Bahrain National Holding Company BSC (BNH), is keen to follow and implement the Corporate Governance principles issued by the Ministry of Industry, Commerce and Tourism in 2018 and its amendments in 2022, and other regulations related to Corporate Governance, giving such principles a top priority and adherence to its implementation, taking into consideration the importance of such practices and principles in governing the control, administrative and institutional work, to increase confidence in the Company and protect the interests of all stakeholders. Corporate Governance Committee implements Corporate Culture of the organization, commitment of the board and senior management towards the corporate governance framework and approach of the company to adhere to the code principles. Regular meetings of the committee are held, and annual evaluation of the entire team, Board and Committees undertaken.

Furthermore, the Company is committed to continuous review and monitoring the implementation of these principles by a specialized team that prepares periodic and regular reports and whenever necessary, as well as updating the internal regulations in accordance with the latest relevant laws and rules.

The Board

BNH's Board of Director consists of 11 non-executive members, with 10 elected by the shareholders and 1 appointed member. All selections, both elected and appointed were approved by the Central Bank of Bahrain in March 2023 for a term of 3 years. The primary purpose of the Board of Directors is to serve as representatives of the shareholders, safeguarding their rights and interests. Upon appointment, The Board acknowledged the duties, responsibilities, attendance requirements, adherence to the code of conduct, and confidentiality associated with such a role.

Furthermore, in line with the corporate governance laws, rules, and regulations, the Board members are subject to periodic training courses, which are organized by the Group either internally or in cooperation with external training and education institutions. In addition, the Board, and Board Committees' members are subjected to an annual evaluation system in accordance with the relevant rules of governance to regularly assess the members' effectiveness and contribution.

The Board is committed to following and adhering to the Group's internal policies in relation to the business code of ethics as it is responsible for the stewardship of the Group's business and affairs on behalf of the shareholders, with a view to enhancing long-term shareholders' value while protecting the rights and interests of other stakeholders while maintaining high standards of transparency and accountability. This has been achieved through the monitoring system that the Board has put in place via its Audit, Compliance and Risk Committee (ACRC), whose Chairman represents to the Board the matters discussed in relation to compliance with the applicable laws and regulations. Moreover, in order for the Board to ensure the implementation of the transparency policy, the Board is devoted to providing open communication channels with the Group's shareholders via the Group's website, emails, the press, and its social networking sites, as well as at the periodic shareholders' meetings.

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Directors Onboarding Program

BNH proactive approach in welcoming newly appointed Board of Directors members, as part of the Company's induction process, BNH organizes dedicated sessions to introduce the directors to the company's operations and culture.

These sessions include comprehensive briefings by heads of departments, outlining the functions, responsibilities, and duties within their respective departments. This ensures that new members have a clear understanding of their roles and how each department contributes to the company's overall objectives.

In addition to the informative sessions, the Company introduces the directors to various training programs offered by external institutions that are relevant to their new roles. This emphasizes the Company's commitment to supporting their professional development and ensuring they have the necessary skills and knowledge to excel in their positions.

Overall, BNH induction process is designed to provide new Board members with a comprehensive introduction to the company, its operations, and their roles, setting them up for success from the outset.

Independence of Directors

An independent director is a member of the Board of Directors who does not have a material relationship with the company that can interfere with a director's judgement and is not involved with the day-to-day operations of the company. In line with the obligations of the CBB's HC Module and the Corporate Governance Code, BNH has adopted comprehensive procedures to review and determine the independence of directors on an annual basis. In 2023, five members of the Board have met the legal requirements to be categorized as 'Independent Directors'.

Election system of Directors

The Board of Directors are elected through the secret cumulative voting in the General Assembly meeting, and cumulative voting is a method where each shareholder shall be granted voting power in proportion to number of shares he/she holds. This method ensures the achievement of the company's objectives and increase the opportunity for the minority shareholders to be represented in the Board of Directors.

Termination of the Director(s)

Termination:

BNH follows the regulations and laws set forth by MOIC, CBB, BHB, and the group's article and memorandum of association in respect to the termination of a Board Member.

Accordingly, the Director's membership of the Board may terminate in the following events:

- In accordance with Article (18) and (197) of the BCCL.
- If he was appointed or elected contrary to the provisions of the Central Bank of Bahrain rules and regulations, the Commercial Companies Law and/or the Company's article of association.
- If he forfeits any of the conditions of Membership of the Board of Directors as stated in the Company's article of association and Article (25)
- If he misuses his position as Director in carrying on personal matters or business in which he has a personal interest, or that is competitive to that of the Company or if he causes any type of actual

damage to the Company or adversely affected its reputation. Termination from the Board of Directors shall not prejudice the Company's right to compensation.
- If he fails to attend at least 75% of all the Board meetings in a given financial year without lawful excuse notified in writing to the Board, and the Board shall resolve on this matter as it may deem fit.
- If he resigns or withdraws from his office, provided the foregoing shall be done in an opportune and suitable time, otherwise he shall be liable to pay compensation to the Company.
- If he accepts appointment in any other office in the Company for which he would receive salary or remuneration other than that which the Board of Directors may decide from time to time to remunerate him because of the executive nature of his duties.

Removal of Directors:
- The general assembly may remove all, or some, of the members of the board of directors even if the company's Articles of Incorporation provides otherwise. A request for this purpose shall be submitted by a number of shareholders representing at least ten percent (10%) of the capital, and the board of directors shall submit the request to the general assembly within no more than one month from the date it is submitted, or else the Ministry of Commerce and Industry shall send out the invitation. The general assembly may not debate the removal request if it is not listed on its agenda, unless serious developments take place during the meeting. The member removed may claim compensation from the company if his removal is made without an acceptable reason or at an inopportune time.
- The member of the board of directors may resign his office provided that this should be at a suitable time, or else he shall be liable to pay compensation.

Transactions for Board approval

To carry out the daily operations of the company that required the Board approval, it has been in the Board's best interest to delegate approval authorities to its sub-committees and Members of Management; all material transactions falling outside the delegated limits are referred to the Board for approval.

Material Transactions that require the Board's approval

Material transactions requiring approval by the Board include large credit transactions in accordance with the authority matrix approved by the Board, related party transactions and any other significant strategic, investment or major funding decisions in accordance with Board approved policies and procedures".

Evaluation of the Board and Committees

Based on the Corporate Governance requirements the Board of Directors conducted a Board evaluation on the Board, members of the Board and Committees for the year under review. The results of the evaluation indicate that all Board members have done the tasks assigned to them to the fullest, in compliance with the Corporate Governance requirements and measures required.

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Formulation of Social Responsibility Policy

Since its establishment, the company has exercised its social role by monitoring certain sums with the approval of the General Assembly to address this social and humanitarian role. The company has also in place a written internal code to deal with the requirements of this social responsibility in accordance with the requirements of the corporate governance Code.

Communications

The Group is committed to communicating effectively with all its Stakeholders – both Internal and External – in a timely, transparent, and professional manner. The Group's main communications channels include the annual general meeting, quarterly/annual report, consolidated financial statements, corporate brochure, corporate website, Group intranet, press releases and announcements in the local and regional media.

Compliance Responsibility

The responsibility for ensuring the Group's compliance with the rules, regulations and guidelines of the Central Bank of Bahrain & other regulatory authorities resides with the Compliance Officer who is responsible for managing the Group's dedicated Compliance & AML department, in which a continuous compliance monitoring program is conducted to ensure effective compliance.

Internal Audit

The quality of the internal control system is assessed by the Group's Internal Audit function. This function conducts independent, objective assurance activities, analyzing the structure and efficiency of the internal control system as a whole. In addition, it also examines the potential for additional value and improvement of the organization's operations. Fully compliant with all international auditing principles and standards, Internal Audit contributes to the evaluation and improvement of the effectiveness of the risk management, control, and governance processes. Therefore, internal audit activities are geared towards helping the Group to mitigate risks, and further assist in strengthening its governance processes and structures.

The following Governance report includes detailed information related to the Corporate Governance of the Company.

شركة البحرين الوطنية القابضة ش.م.ب، رأس المال المدفوع 11.918 مليون د.ب، رأس المال المصرح 20 مليون د.ب، س.ت 42210-1
Bahrain National Holding Company B.S.C, With Paid Up Capital BD 11.918m, Authorized Capital BD 20m, C.R 42210-1
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Corporate Governance Report for the year 2023

Bahrain National Holding Company B.S.C. - CR No. 42210

1- Description of the actions taken to complete the Corporate Governance Code during the year 2023 and how they were applied.

Requirements	BNH Compliance Status
Appointing Corporate Governance Officer	A Corporate Governance officer has been appointed
Preparing annual Corporate Governance Report	Done
Submitting a yearly Corporate Governance Report on the MOICT website	Already in practice
Having a Corporate Governance policies and procedures	Done
Discussing the Corporate Governance report during AGM's and adding it as an item in the meeting agenda	Done
Independent Directors, subject to 3 as minimum	Complied
Update definition of "Independent Director"	Done
All Directors must sign a Directors Acknowledgment form (provided by the MOICT)	Done
Each Director should only have 5 memberships in Public Shareholding companies	Complied
Forming Audit, Nomination and Remuneration, Corporate Governance committee and Assigning a secretary for each committee	Complied
Issued template evaluation forms as a guidance	Done
Enhanced procedures for related parties' transactions	Complied
Mentioning each Agenda item separately and note combining more than one topic in one item	Already in practice
Companies must start using accumulative voting starting from August 2018	Complied
Appointing external auditors on a yearly basis for a maximum of 5 times	Noted and will be followed

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Board of Directors & Executive Management Shares – January to December 2023

Name of Shareholder	Title	Number of Shares As At 01/01/2023	Number of Shares As At 31/12/2023	Changes
Directors				
Farooq Yusuf Almoayyed	Chairman	1,395,792	1,395,792	-
Abdulhussain Khalil Dewani	Vice Chairman	1,427,152	1,427,152	-
Abdulrahman Mohamed Juma	Board Member	730,398	865,398	135,000
Jehad Yusuf Amin	Board Member	3,487,762	3,487,762	-
Ali Hasan Mahmood	Board Member	530,881	530,881	-
Ayad Saad Algosaibi	Board Member	105,000	105,000	-
Sami Mohamed Sharif Zainal	Board Member	64,058	64,058	-
Talal Fuad Kanoo	Board Member	152,037	152,037	-
Ghassan Qasim Fakhroo	Board Member	105,000	105,000	-
Husain Abdulhameed Alshehab	Board Member	577	577	-
Sameer Ebrahim Alwazzan	Board Advisor	114,741	114,741	-

2- Description of the transactions of the directors, their spouses and sons on the Company's shares during the year 2023 according to the following table:

#	Name	Position/kinship	Shares held as at 31/12/2023	Total sale transaction	Total purchase transaction
1	Abdulrahman Mohamed Juma	Board Member	865,398	-	135,000

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3- Composition of the Board:

a. **Description of the current Board composition according to the following table:**

#	Name	Type (executive, non-executive or independent)	Experience	Qualification	The period of his term as a director of the Company starting from the date of his first election or appointment	Directorships and positions in other companies	Positions in any other key regulatory, government or commercial entities.
1	**Farooq Yusuf Almoayyed**	(Independent Non-Executive Director)	Around 40 years in Business Chairmanship and Directorship in different sectors	-B.E. (Mechanical), Louhborough (Engg) college, England (1966)	March 2008 till date	• Chairman of Y.K. Almoayyed & Sons B.S.C. (c), Bahrain • Chairman of Y.K. Almoayyed & Sons Property Co W.L.L., Bahrain • Chairman of Almoayyed Contracting Group B.S.C. (c), Bahrain • Honorary Chairman, Almoayyed International Group, Bahrain • Chairman of National Bank of Bahrain B.S.C., Bahrain • Chairman of Ashrafs, Bahrain • Chairman of Bahrain Duty Free Shop Complex, Bahrain • Chairman of Gulf Hotels Group, Bahrain	• Representative of the Chamber of Commerce & Industry : Real Estate Regulatory Authority (RERA)

						• Chairman of Ahlia University, Bahrain • Chairman, Board of Trustees of Ibn Khuldoon National School, Bahrain • Chairman of Small & Medium Enterprises • Director at Economic Development Board, Bahrain	
2	**Abdulhusain Khalil Dewani**	(Non-Executive Director)	Around 40 years in Business Chairmanship and Directorship in different sectors	Certificate in Commercial Studies, The University of Westminster	March 1999 till date	• Chairman of Dawani Group Holding B.S.C., Bahrain • Chairman of Deeko Bahrain W.L.L., Bahrain • Chairman of Dawanco W.L.L., Bahrain • Chairman of Dawani Properties W.L.L., Bahrain • Chairman of Al Jazira Group, Bahrain • Chairman of American Cultural & Educational Centre, Bahrain • Chairman of Collection W.L.L., Bahrain • Chairman of Capital Laundry W.L.L. • Chairman of Legend Paints Company W.L.L., Bahrain	

						• Chairman of Tomina Trading W.L.L., Bahrain • Chairman of Bahrain Surface Coating Company W.L.L. • Chairman of Bahrain Foundation Construction Company, Bahrain • Vice Chairman of Delmon Poultry Company W.L.L., Bahrain • Director of The Bahrain Business Angels Holding Company Tenmou • Director of Bahrain Chamber of Commerce and Industry (BCCI)	
3	**Abdulrahman Mohamed Juma**	(Non-Executive Director)	- More than 20 years in insurance business - Director in Bahrain Insurance for 3 years, then in Bahrain National Insurance since 1999 till date	Mechanical Engineer Graduate of 1975 from North London University, England	March 1999 till date	• President of Abdulrahman bin Mohamed Juma & Sons W.L.L., Bahrain • Chairman & Managing Director of UNEECO BSC (c) • Chairman of Prudent Solutions W.L.L. • Chairman of Universal Laboratories W.L.L	

						• Chairman of Prudent, Saudi Arabia J/V • Director at Bin Juma Holdings	
4	**Jehad Yusuf Amin**	(Independent Non-Executive Director)	20 years	Businessman	March 1999 till date	• Director of Banader Hotels Company B.S.C • Director at General Company for Trading & Food industries (TRAFCO), Bahrain • Director at Bahrain Maritime & Mercantile International Company (BMMI), Bahrain • Director at Bahrain Livestock, Bahrain • Director at Bahrain Cinema Company B.S.C, Bahrain • Director at United Insurance Company, Bahrain • Director at Bahrain Duty Free Complex, Bahrain	
5	**Ghassan Qasim Fakhroo**	(Non-Executive Director)	-System Engineer, ARESCON (1989-1991) -Senior System Engineer, YOKOGAWA (1991-1993)	- BSc, University of Bahrain - MBA, University of Bahrain	March 2008 till date	• Chief Executive of Mohamed Fakhroo & Bros., Bahrain • Managing Director & Partner of Fakhroo Information	

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			-Chief Executive, Mohamed Fakhroo & BROS. (1993-present)			Technology Services, Bahrain • Director & Partner of Qasim Mohamed Fakhroo & Sons W.L.L., Bahrain. • Director & Partner of Fakhroo Investment Company, Bahrain. • Director & Partner of Areej Trading Establishment, Bahrain • Director at General Poultry Company B.S.C., Bahrain. • Director at National Poultry Company B.S.C, Bahrain.	
6	**Sami Mohamed Sharif Zainal**	(Non-Executive Director)	-Credit Officer, Arab Investment Company (1988-1991) -Marketing Director, MAZA (1991-present)	-BBA, ST. Edward's University, USA (1988) -MBA, Bahrain University (1994)	March 2008 till date	• Chairman of General Poultry Company, Bahrain • Director at Zainal Enterprises, Bahrain • Director at Tony Luke's, Bahrain • Marketing Director of Mohamed Ali Zainal Abdulla (MAZA), Bahrain	• Member of Commercial Arbitration Committee, Bahrain Chamber of Commerce
7	**Ayad Saad Algosaibi**	(Independent Non-Executive Director)	- Chairman, Columbus IT Middle East (2005-present)	- BSBA in International Business, The American	March 2008 till date	• Chairman of Khalifa A. Algosaibi Investment Co. CJSC,	

			- Managing Director, Algosaibi Information System Company W.L.L (1998-present)	University (1988-1992) - MBA in International Finance and Marketing, The American University (1995-1997)		Dammam, Saudi Arabi	
8	**Talal Fuad Kanoo**	(Non-Executive Director)	- Member of the Board of Directors: Ebrahim Khalil K. Kanoo BSC (c) - Budget Director: Ebrahim K. Kanoo BSC (c) - General Manager: Human Resources & Administration, Ebrahim K. Kanoo BSC (c) - Sales Manager: Toyota & Lexus	- Bachelor of Business Administration – Management, The American University, Washington D.C.	March 2008 till date	• Chairman of National Finance House B.S.C. (c), Bahrain • Managing Director of E. K. Kanoo B.S.C (c), Bahrain • Director at Supreme Council for Youth & Sports, Bahrain • Director of Motor City, Bahrain	
9	**Ali Hasan Mahmood**	(Non-Executive Director)	- Managing Director & Partner, Hasan Habib s/o Mahmood (1975-present) - Managing Director & Owner / Partner, Al Jazeera Shipping Company	-Bachelor's in Business Administration and Marketing, UK	March 1999 till date	• Chairman of Euro Gulf Oil Energy Services, Bahrain • Chairman of United International Décor W.L.L., Bahrain • Chairman of Bed Center W.L.L., Bahrain • Chairman of United Marketing International	• Vice Chairman of Jaffaria Waqf Directorate

			(1987-present)			Company W.L.L., Bahrain • Chairman and Managing Director of Hasan & Habib s/o Mahmood Group of Companies, Bahrain • Chairman and Managing Director of Al Jazeera Shipping Company. W.L.L., Bahrain • Chairman and Managing Director of Al Jazeera Marine Services L.L.C, Sharjah, UAE • Chairman and Managing Director of Al Jazeera Shipping Agencies, Bahrain • Director at Bahrain Specialist Hospital, Bahrain • Director at Bahrain Businessmen Association, Bahrain	
10	**Abbas Abdulmohsen Radhi**	(Independent Non-Executive Director)	more than 40 years of experience in auditing major public and private sector organizations	• M.B.A. Financing & Business Law, University of Maine, USA • M.S.B. Accounting, Houston	March 2023 till date	• Director at BMMI BSC, Bahrain • Director at Shaheen Group Holding B.S.C Closed, Bahrain • Director at AlKindi Hospital	• Chairman of Bahrain Accountants Association • Chairman of

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				College, Maine, USA • BSc. Accounting, Kuwait University			Schools of Business Qualifications
11	**Husain Abdulhameed Alshehab**	(Independent Non-Executive Director)	20 years of entrepreneurial experience	• MA International Business Management Leeds Metropolitan University, United Kingdom • BEng (Hons) Mechanical Engineering University of Bradford, United Kingdom	March 2023 till date	• CEO at Growth Consultancy and Management • Founder of Vorganica Perfumes • Founder of Dukan Cafe	

b. A statement of the membership statistics by gender in the Board of Directors, including the percentage of representation of both genders on the Board of Directors for each financial year (in the event that there is no representation of either gender in the Board of Directors either for women or for men kindly state that there is no representation)

No. of members of the BOD	Male	Percentage	Female	Percentage
11	11	100%	-	-

c. Description of the following:

1. Total remunerations paid to the directors for the (last) year 2022 (BD 115,000).

2. The proposed total remunerations to be paid to the directors for the year 2023, which will be presented at the annual general meeting for approval (BD 175,000).

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3. Description of the sitting fees paid to the directors for attendance of the Board's committees for the financial year 2023 according to the following table:

#	Name	Sitting fees paid for attendance of the Board's committees		
		Name of committee	Sitting fees amount	No. of meetings
1	Redha Abdulla Faraj	Audit, Compliance and Risk Committee (ACRC)	BD 600	1
2	Abbas Abdulmohsen Radhi	Audit, Compliance and Risk Committee (ACRC)	BD 1,800	3
3	Ayad Saad Algosaibi	Audit, Compliance and Risk Committee (ACRC)	BD 2,000	4
4	Abdulrahman Mohamed Juma	Audit, Compliance and Risk Committee (ACRC)	BD 2,000	4
5	Ali Hasan Mahmood	Audit, Compliance and Risk Committee (ACRC)	BD 1,500	3

#	Name	Sitting fees paid for attendance of the Board's committees		
		Name of committee	Sitting fees amount	No. of meetings
1	Farooq Yusuf Almoayyed	Nomination, Remuneration and Corporate Governance Committee (NRCG)	BD 600	2
2	Abdulhusain Khalil Dewani	Nomination, Remuneration and Corporate Governance Committee (NRCG)	BD 500	2
3	Jehad Yusuf Amin	Nomination, Remuneration and Corporate Governance Committee (NRCG)	BD 500	2
4	Abdulrahman Mohd Juma	Nomination, Remuneration and Corporate Governance Committee (NRCG)	BD 500	1
5	Redha Abdulla Faraj	Nomination, Remuneration and Corporate Governance Committee (NRCG)	BD 500	1

- The sitting fees for the 2nd NRCG meeting were paid in January 2024.

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#	Name	Sitting fees paid for attendance of the Board's committees		
		Name of committee	**Sitting fees amount**	**No. of meetings**
1	Ghassan Qasim Fakhroo	Executive and Investment Committee (EIC)	BD 4,800	8
2	Sami Mohamed Sharif Zainal	Executive and Investment Committee (EIC)	BD 4,000	8
3	Jehad Yusuf Amin	Executive and Investment Committee (EIC)	BD 4,000	8
4	Ayad Saad Khalifa Algosaibi	Executive and Investment Committee (EIC)	BD 500	1

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Name	Fixed remunerations					Variable remunerations					End-of-service award	Aggregate amount	Expenses Allowance
	Remunerations of the chairman and BOD	Total allowance for attending Board and committee meetings	Salaries	Others	Total	Remunerations of the chairman and BOD (Proposed)	Bonus	Incentive plans	Others	Total			
First: Independent Directors:													
1- Farooq Yusuf AlMoayyed	-	5,600	-	1,382	6,982	25,000	-	-	-	25,000	-	31,982	-
2- Jehad Yusuf Amin	-	9,500	-	514	10,014	15,000	-	-	-	15,000	-	25,014	-
3- Ayad Saad AlGosaibi	-	7,500	-	514	8,014	15,000	-	-	-	15,000	-	23,014	-
4- Abbas Abdulmohsen Radhi	-	1,800	-	765	2,565	15,000	-	-	-	15,000	-	17,565	
5- Hussain Abdulhameed Alshehab		-		284	284	15,000				15,000		15,284	
6- Redha Abdulla Faraj (Term ended)	-	6,100	-	1,382	7,482	-	-	-	-	-	-	7,482	
Second: Non-Executive Directors:													
1- Abdulhussain Khalil Dewani	-	5,500	-	1,382	6,882	15,000	-	-	-	15,000	-	21,882	-
2- Abdulrahman Mohamed Juma	-	7,500	-	1,382	8,882	15,000	-	-	-	15,000	-	23,882	-
3- Sami Mohamed Sharif Zainal	-	9,000	-	514	9,514	15,000	-	-	-	15,000	-	24,514	-
4- Ghassan Qassim Fakhroo	-	9,800	-	514	10,314	15,000	-	-	-	15,000	-	25,314	-
5- Ali Hasan Mahmood	-	6,500	-	1,382	7,882	15,000	-	-	-	15,000	-	22,882	-
6- Talal Fuad Kanoo	-	5,000	-	514	5,514	15,000	-	-	-	15,000	-	20,514	-
Third: Executive Directors:													
NA	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	73,800	-	10,529	84,329	175,000	-	-	-	175,000	-	259,329	-

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d. **Number and dates of the Board's meetings held during the financial year 2023, in addition to the number of times directors attended in person or by visual communication and a description of the directors present by proxy.**

Board members	**Title**	**Meeting No. 1** **21 Feb**	**Meeting No. 2** **5 June**	**Meeting No. 3** **10 Aug**	**Meeting No. 4** **8 Nov**	**Attendance percentage**
Farooq Yusuf Almoayyed	Chairman (Independent Non-Executive Director)	✓	✓	✓v	✓	100%
Abdulhusain Khalil Dewani	Vice Chairman (Non-Executive Director)	✓	✓	✓	✓	100%
Abdulrahman Mohamed Juma	Board Member (Non-Executive Director)	✓	✓	✓	✓	100%
Jehad Yusuf Amin	Board Member (Independent Non-Executive Director)	✓	✓	✓	✓	100%
Sami Mohamed Sharif Zainal	Board Member (Non-Executive Director)	✓	✓	✓	✓	100%
Ayad Saad Khalifa Algosaibi	Board Member (Independent Non-Executive Director)	✓	✓	✓v	✓	100%
Ghassan Qasim Mohd Fakhroo	Board Member (Non-Executive Director)	✓	✓	✓	✓	100%
Talal Fuad Kanoo	Board Member (Non-Executive Director)	✓	✓	✓v	✓	100%

Ali Hasan Mahmood	Board Member (Non-Executive Director)	✓	✓	✓v	✓	100%
Redha Abdulla Faraj *	Board Member (Independent Non-Executive Director)	✓	-	-	-	100%
Abbas Abdulmohsen Radhi **	Board Member (Independent Non-Executive Director)	-	✓	✓	✓	100%
Husain Abdulhameed Alshehab ***	Board Member (Independent Non-Executive Director)	-	✓	✓	✓	100%

** Board Member till March 2023*
*** Board Member, effective March 2023*
**** Board Member, effective March 2023*

e. Description of the Board's duties and competences carried out on its behalf by the Executive Management by delegation of authority, specifying the duration and validity of the delegation.

Responsibilities:

1- Adopting the commercial and financial policies associated with the company's business performance and achievement of its objectives.
2- Drawing, overseeing and periodically reviewing the company's plans, policies, strategies and key objectives.
3- Setting and generally supervising the regulations and systems of the company's internal control.
4- Determining the company's optimal capital structure, strategies and financial objectives and approving annual budgets.
5- Monitoring the company's major capital expenditures and possessing and disposing assets.
6- Approving the company's quarterly and annual financial statements and presenting them to the general assembly.
7- Monitoring the executive management's activities, and ensuring that the operations run smoothly to achieve the company's objectives and that they do not conflict with the applicable Laws and Regulations.
8- Forming specialized committees emerging from the BOD as required by the nature of the company's activity as provided in the regulatory requirements, and issuing the regulations of these committees.
9- Determining the types of remunerations for senior executives and directors, subject to the approval of the shareholders' general assembly.

10- Setting a mechanism to regulate transactions with related parties in order to minimize conflicts of interest.

11- Setting standards and values governing the company's business.

12- Ensuring the application of an appropriate control and risk management systems by setting framework of the risks that the company might face, creating an environment that is aware of risk management knowledge at the company level, and transparently presenting it to company's related parties and stakeholders.

13- Assuring equitable treatment of shareholders, including the minority shareholders.

14- Setting internal regulations which determine the Board's duties and responsibilities, including the obligations and responsibilities of the directors.

f. Details of transactions with related parties (stakeholders), indicating the nature of relationship and type of transaction.

The Commercial Companies Law, CBB's regulations and the Group's corporate governance policy emphasize on Director's duty to avoid situations in which they may have conflicts of interest. This includes potential conflicts that may arise when a Director has other duties and business interest(s) with another company. In addition, a declaration of a conflict of interest including all material facts in a contact or a transaction. The Director's concerned then must abstain from the deliberations and voting on the relevant matter(s).

As stipulated in the Group's Corporate Governance, the concerned Directors do not participate in decisions in which they have or may have a potential conflict of interest.

Details of related party transactions involving the Group in 2023 are disclosed below and in Note 28 of the consolidated financial statements. The company applies enhanced procedures for related parties' transactions and has set a mechanism to regulate transactions with related parties in order to minimize conflicts of interest.

Process of approval for related-party transactions includes:

1. Identifying the accounts of all related party including personal and associate companies
2. Identifying and listing all transactions and balances related to the identified accounts
3. Obtain the approval of the Board on quarterly basis
4. Discussed and approved by the shareholders annually at the Annual General Assembly Meeting (AGM)

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- **Related party balances (in thousands of BHD)**

2023	Associates	Key management personnel	Companies in which Directors control	Total
Insurance receivables	250	3	599	**852**
Other assets	13	-	-	**13**
Retirement and saving plan obligation	701		90	**791**
Insurance payables	135	-	898	**1,033**
Other liabilities	-	-	204	**204**

- **Transactions with related parties (in thousands of BHD)**

2023	Associates	Key management personnel	Companies in which Directors control	Total
Gross insurance premiums	610	11	1,809	**2,430**
Gross claims paid	387	1	332	**720**
Claims recoveries	277	-	-	**277**
Retirement and saving plan contributions received	75	-	5	**80**
Retirement and saving plan benefits paid	23	-	-	**23**
General and administration expenses	246	1,386	214	**1,846**
Dividend received	974	-	-	**974**
Purchases of property and equipment	-	-	5	**5**

- **Material Transactions that require the Board's approval:**

Material transactions requiring approval by the Board include large credit transactions in accordance with the authority matrix approved by the Board, related party transactions and any other significant strategic, investment or major funding decisions in accordance with Board approved policies and procedures".

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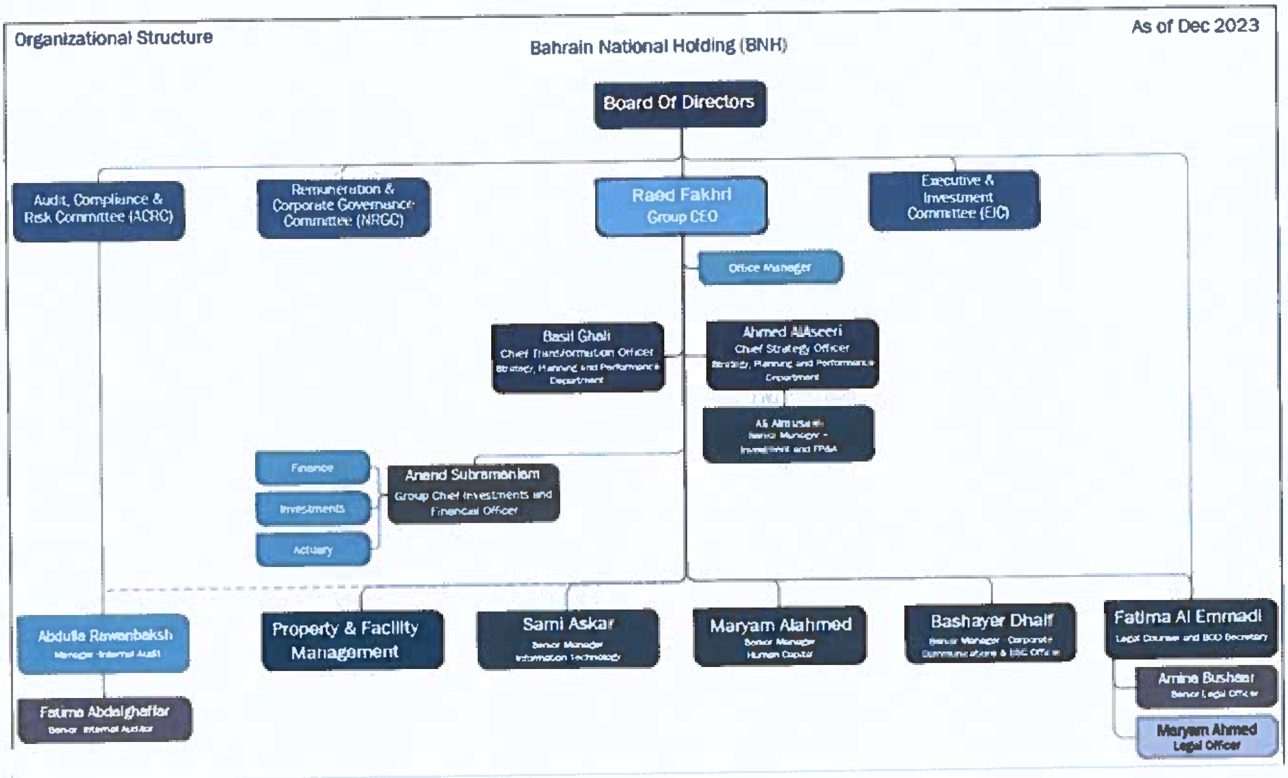
g. **The Company's organizational structure, including the first and second grades at a minimum and including the Company's general manager and/or chief executive officer, deputy general manager and managers.**



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Protecting Prosperity ™

Senior executives and their profiles

Raed Abdulla Fakhri
Group Chief Executive Officer
(Effective 14th February 2023)

Raed has over 30 years of experience in Investments, Business Development & Engineering. Prior to his recent position as Advisor of Local Impact Investments at Mumtalakat, he held several senior leadership roles, including Managing Director of Local Impact Investments and Vice President of Investments at Mumtalakat, Investment Director at Capivest Investment Bank, Senior Manager at Batelco, and Engineer at Gulf Petrochemical Industries. He is also the Co-Founder of BDI Partners, which was established in 2010; he has headed the firm as its Managing Director.

Raed has served on various boards throughout his career, including the Gulf Air Group, The Cranemere Group, and the American University of Bahrain. He also held the position of a Board Member and Deputy Chairman at BEYON. Currently, he serves on the boards of Investrade and National Finance House (NFH).

Raed holds an Executive MBA from the University of Bahrain and a Bachelor of Science in Electronics Engineering Technology from the University of Central Florida in Orlando, USA.

Anand Subramaniam
Group Chief Investment & Financial Officer

Anand Subramaniam has over 28 years of experience in the field of investments and asset management. He holds a Chartered Financial Analyst designation from the CFA Institute, USA and an MBA and BBA from Sardar Patel University, Gujarat, India. He also holds a Chartered Alternative Investment Analyst designation from the CAIA Association, USA. Prior to joining BNH, he was the Head of Investments at Bahraini Saudi Bank BSC and a Fund Manager at TAIB Bank BSC. He has previously worked with Fincorp SAOG as VP-Asset Management and Oman Arab Bank as an Investment Officer. He started his career as an equity researcher in India focusing on the IT, banking and cement sectors. He joined BNH in 2010, where he is responsible for managing the group's investment portfolio and overseeing the groups' finance functions.

He currently holds board memberships in iAssist Middle East.

Ahmed Adnan Al-Aseeri
Chief Strategy Officer
(Effective 1st April 2023)

Ahmed has over 16 years of experience in consulting and investment management, with a track record of investments in startups, greenfield projects, mature companies, and turnarounds of distressed assets. He started his career at KPMG and then progressed across roles in real estate and private equity investments at Investate, Oasis Capital, and Mumtalakat, before his current role at Bahrain National Holding.

Ahmed served on various boards throughout his career, including Silah Gulf, Southern Tourism Company, The Royal Golf Club, FAI rent-a-jet, Mueller Middle East and others. Currently, he serves on the board of National Finance House.

He holds a Bachelor's degree in Computer Science from Trinity College Dublin and an MBA from Cass Business School.

Basil Ghali
Chief Transformation Officer
(Effective 1st April 2023)

Basil brings 17 years of experience across Finance, Restructuring and Portfolio Operations. Prior to joining BNH, Basil was most recently a Senior Director of Local Impact Investments at Mumtalakat and served as Chief Financial Officer of Shoaibi Group in Saudi Arabia. Basil's career started at Macquarie Capital in London, UK.

He currently holds board memberships in Al Kindi Hospital B.S.C and iAssist Middle East W.L.L.. Prior to joining BNH, Basil held several leadership roles and board memberships, most recently serving on the boards of BIC Holding, Bahrain International Circuit W.L.L., Al Dana Amphitheatre B.S.C. and Bahrain Flour Mills B.S.C..

Basil holds a Bachelor's degree in Accounting and Finance from the London School of Economics, and a Master's degree in Management from the London School Economics.

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h. Total remunerations paid to the key executive officers (the top six employees), including salaries, benefits, allowances, increases, stock options, end-of-service benefits, pensions, etc.

Executive management	Total paid salaries and allowances	Total paid remuneration (Bonus)	Any other cash/ in kind remuneration for 2021	Aggregate Amount
Top 6 remunerations for executives, including CEO and Senior Financial Officer	482,860	45,625	17,891	**546,376**

4- External Auditors:

a. Providing shareholders with the auditor's profile and overview of its professional performance.

KPMG Fakhro

12th Floor, Fakhro Tower

P.O. Box 710, Manama

Kingdom of Bahrain

At the recommendation of the Board of Directors, the shareholders appointed KPMG as external auditors for the 2023, the auditor's review of the 2023 quarterly and half-yearly and audit the year-end consolidated financial statements.

As external auditors, KPMG audit is performed in accordance with International Standards on Auditing (ISAs) with the objectives to obtain reasonable assurance about whether the Company's financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes auditors' opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

KPMG auditors are independent of the Company in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to the audit of the financial statements in the Kingdom of Bahrain, and they have fulfilled other ethical responsibilities in accordance with these requirements and the IESBA Code.

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In addition to external audit services, the external auditors provide number of audit-related services, including Agreed-Upon procedures in accordance with the International Standard on Related Services applicable as requested by Central Bank of Bahrain.

b. Fees and charges for the audit or services provided by the external auditor during the year 2023, in addition to a description of the auditor's years of service as the Company's external auditor. According to the following table:

Name of the audit firm	KPMG Fakhro
Years of service as the Company's external auditor	25 years
Name of the partner in charge of the Company's audit	Mr. Jaffar AlQubaiti
The partner's years of service as the partner in charge of the Company's audit	3 years
Total audit fees for the consolidated financial statements for the year 2023 (BD)	BD 67,000
Other special fees and charges for non-audit services other than auditing the consolidated financial statements for the year 2023 (BD)	BD 16,100

5- Audit, Compliance and Risk Committee:

a. Names, competences and duties of the audit committee's members.

Committee members:

1- Abbas Abdulmohsen Radhi – Chairman

2- Ayad Saad Algosaibi – Vice Chairman

3- Abdulrahman Mohamed Juma – Member

Responsibilities:

- Oversee the selection and compensation of external auditor for appointment and approval at the Board and Annual General Meeting.
- Approve the appointment, replacement, reassignment or dismissal of the Head of Internal Audit.
- Review and approve the annual internal audit, risk and compliance plans.
- Review audited annual, quarterly and half-yearly financial statements, and discuss with the Board and obtain its approval.
- Assist in developing the risk management framework.
- Ensure compliance with all relevant regulatory and legal rules.
- Carry out instructions of the Board for all investigations.
- Review arrangements for whistle blowing and ensure that whistle blowers are heard and their rights are safeguarded.
- Oversee procedures and internal controls consistent with the corporate governance structure.
- Monitor the effectiveness and integrity of internal control systems.
- Ensure that all ACRC members are familiar with significant accounting and reporting issues, practices and management estimates including recent professional and regulatory pronouncements, and understand their impact on the financial statements.
- Review and discuss the adequacy of internal audit personnel, procedures, internal controls and compliance procedures, and any risk management systems.
- Ensure processes are established and maintained to address critical financial reporting risks and transparency of financial reporting.
- Assess independence, accountability and effectiveness of external auditor.

b. Number and dates of meetings held by the audit committee during the year to discuss issues related to financial statements and any other matters and the number of times members attended the meetings in person.

Audit, Compliance and Risk Committee shall meet at least four (4) times a year

Members	Title	Meeting No. 1 14 Feb	Meeting No. 2 29 May	Meeting No. 3 8 Aug	Meeting No. 4 5 Nov	Attendance percentage
Redha Abdulla Faraj *	Chairman (Independent Non-Executive Director)	✓	-	-	-	100%
Abbas Abdulmohsen Radhi **	Chairman (Independent Non-Executive Director)	-	✓	✓	✓	100%
Ayad Saad Algosaibi	Vice Chairman (Independent Non-Executive Director)	✓	✓	✓v	✓	100%
Abdulrahman Mohamed Juma	Member (Non-Executive Director)	✓	✓v	✓	✓	100%
Ali Hasan Mahmood ***	Member (Non-Executive Director)	✓	✓	✓v	-	100%

** Committee Member till March 2023*
*** Committee Member, effective March 2023*
**** Committee Member till August 2023*

6- Nomination, Remuneration and Governance Committee (NRGC):

a. Names, competences and duties of the NRGC committee's members.

Committee members:

1- Farooq Yusuf Almoayyed
2- Abdulhussain Khalil Dewani
3- Jehad Yusuf Amin

Responsibilities:

- Monitor the establishment of an appropriate Corporate Governance Framework.
- Nomination of members of Board and Sub-committees CEO/GM, CFO and Corporate Secretary.
- Make necessary recommendations to the Board as to the Board and its Committees.
- Assist in designing a succession plan for the Board and Senior Executives.
- Recommend to the Board the remuneration policy and individual remuneration packages for all Senior Executives.
- Evaluate the performance of Board members, Committees and Senior Executives.

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b. Number and dates of meetings held by the committee during the financial year and the number of times members attended the meetings in person.

Nomination, Remuneration and Corporate Governance Committee (NRCG) shall meet at least twice a year.

Members	Title	Meeting No. 1 21 Feb	Meeting No. 2 24 Jan	Attendance Percentage
Farooq Yusuf AlMoayyed	Chairman (Independent Non-Executive Director)	✓	✓	100%
Abdulhussain Khalil Dewani	Vice Chairman (Non-Executive Director)	✓	✓	100%
Jehad Yusuf Amin	Member (Independent Non-Executive Director)	✓	✓	100%
Redha Abdulla Faraj *	Member (Non-Executive Director	✓	-	100%
Abdulrahman Mohd Juma**	Member (Independent Non-Executive Director)	✓	-	100%

** Committee member till March 2023*
*** Committee member till March 2023*

c. Summary of the committee performance report during the year 2023.

The committee has met twice during 2023 as follows:

- First meeting held on 21st February 2023.
- Second meeting held on 24th January 2024.

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7- Executive and Investment Committee (EIC)

a. Names, competences, and duties of the EIC committee's members.

Committee members:

1. Ghassan Qasim Fakhroo
2. Sami Mohamed Sharif Zainal
3. Jehad Yusuf Amin

Responsibilities

- Monitor the development of Group strategy in accordance with the 3-year business plan.
- Guide, monitor and coordinate the management and performance of the Group in line with approved strategies, business plan and budget.
- Develop and monitor investment policy as part of the overall business plan.
- Review and recommend business and investment opportunities.
- Assist in maintaining oversight of the financial requirements of the Group. To ensure that the Group has in place tools to monitor performance and that its Key Performance Indicators (KPI) are being checked and achieved.

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b. Number and dates of meetings held by the committee during the financial year and the number of times members attended the meetings in person.

Executive and Investment Committee (EIC) shall meet at least four (4) times a year.

Members	Title	Meeting No. 1 23 & 25 Jan	Meeting No. 2 9 May	Meeting No. 3 10 July	Meeting No. 4 3 Aug	Meeting No. 5 1 Nov	Meeting No. 6 19 Nov	Meeting No. 7 20 Nov	Meeting No. 8 21 Nov	Attendance percentage
Ghassan Qasim Fakhroo	Chairman (Non-Executive Director)	✓	✓	✓	✓	✓	✓	✓	✓	100%
Sami Mohamed Sharif Zainal	Vice Chairman (Non-Executive Director)	✓	✓	✓	✓	✓	✓	✓	✓	100%
Jehad Yusuf Amin	Member (Independent Non-Executive Director)	✓	✓	✓	✓	✓	✓	✓	✓	100%
Ayad Saad Algosaibi *	Member (Independent Non-Executive Director)	✓	-	-	-	-	-	-	-	100%

** Committee Member till March 2023*

8- Corporate governance officer's name, qualifications, date of appointment, and contact details.

Name	Qualifications	Date of Appointment	Contact Details
Amina Jasim Bushaar	B.Sc. in Law	10-January-2024	Tel : 17587308 Email : amina.bushaar@bnhgroup.com

9- Details of any irregularities committed during the financial year, their causes (if any), and the plan to address them in order to avoid future recurrence.

Nil.

10- Description of the cash and in-kind contributions made by the Company during the year 2023 for the purpose of community development and environment preservation (In the absence of contributions, it should be stated that the Company did not make any contributions), indicating the recipients of these contributions.

CAUSE	AMOUNT
2023 MEIRA ANNUAL CONFERENCE AND AWARDS	3,761
BTV's Ramdhan show sponsorship.	8,333
DRAFTING THE ESG REPORT FOR THE YEAR 2022	9,800
One big recycling bin to collect the paper waste in and 15 Recycling bins for collecting metal	335
Participation in the National campaign for supporting Palestinians in Gaza	20,000
Phase 1 of designing BNH 2024 Annual Report and ESG Report	450
Two sustainability training sessions for all Group staff	768
Sacred Heart School fun day	500

a. **Statement of shareholders' equity as of 31/12/2023 (individuals, corporate, government or organizations) to be classified as follows: Local, Gulf, Arab, and foreign.**

#	Shareholder classification	Shareholding %			
		Individuals	Corporate	Government or Organizations	Total
1	Local	58.481%	25.704%	0.229%	84.414%
2	Arab	1.962%	13.105%	-	15.067%
3	Foreign	0.504%	0.015%	-	0.519%
4	Total	60.947%	38.824%	0.229%	100.00%

- **Description of shareholders according to their Nationality**

Nationality	No of shareholders	No of shares	% of shareholding
BAHRAINI	653	100,600,498	84.414%
EMARATI	4	81,500	0.068%
KUWAITI	2	15,133	0.013%
QATARI	2	4,318	0.004%
SAUDI	8	2,237,025	1.877%
AMERICAN	2	19,530	0.016%
EGYPTIAN	1	543	0.000%
INDIAN	6	58,377	0.049%
IRAQI	3	15,617,467	13.105%
VIRGIN ISLANDS (BRITISH)	1	540,609	0.454%
Total	682	119,175,000	100.00%

b. Description of the shareholders who hold 5% or more of the Company's share capital, indicating the name of the natural person who holds the shares, the final beneficiary, as at 31/12/2023 as follows:

- **Major shareholders (shareholders who hold 5% or more of BNH share capital)**

#	Name	Number of shares held	Shareholding %	Name of the natural person, the final	Nationality
1	National Insurance Company	7,808,734	6.55%	NA	Iraqi
2	Abdulhameed Zainal Mohamed Zainal	7,625,839	6.40%	NA	Bahraini

c. Description of how shareholders are distributed according to their respective shareholding as at 31/12/2023 as follows:

#	Shareholding (share)	No of shareholders	Number of shares held	Shareholding %
1	<50,000	500	6,005,866	5.039%
2	50,000 to 500,000	131	22,709,658	19.056%
3	500,001 to 5,000,000	49	75,024,903	62.954%
4	>5,000,001	2	15,434,573	12.951%

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i. **Description of the significant events that occurred during the year 2023.**

Annual General Assembly Meeting.

11- Compliance with the provisions of the Corporate Governance Code, as follows:

Principle	Non-compliant	Partially Compliant	Fully Compliant	Explanation in case of non-compliance
Principle 1: The Company shall be headed by an effective, qualified and expert board.			✓	
Principle 2: The directors and executive management shall have full loyalty to the company.			✓	
Principle 3: The Board shall have rigorous controls for financial audit and reporting, internal control, and compliance with law.			✓	
Principle 4: The Company shall have effective procedures for appointment, training, and evaluation of the directors			✓	
Principle 5: The Company shall remunerate directors and senior officers fairly and responsibly.			✓	
Principle 6: The Board shall establish a clear and efficient management structure for the Company and define the job titles, powers, roles and responsibilities.			✓	
Principle 7: The Company shall communicate with shareholders, encourage their participation, and respect their rights.			✓	
Principle 8: The Company shall disclose its corporate governance.			✓	
Principle 10: The Board shall ensure the integrity of the financial statements submitted to shareholders through appointment of external auditors.			✓	

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Principle 11: The Company shall seek through social responsibility to exercise its role as a good citizen.			✓	
Principle 9: Companies which offer Islamic services shall adhere to the principles of Islamic Shari'a. *				NA

12- Any disclosures required by the regulatory authorities.

Nil.

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Bahrain National Holding Co. B.S.C

Farooq Yusuf Almoayyed
Chairman

Official Seal of the Company

Date: 7/3/2024