Corporate Governance
2024

BNH

Protecting Prosperity™

Board of Directors

Farooq Yusuf Almoayyed
Late Chairman

Since 2008 - 2024

Abdulhusain Khalil Dewani
Chairman

Appointed Chairman in 2024

Date of Appointment
Board Member since 1999

Status
Non-Executive Director

Educational Background
Certificate in Commercial Studies, University of Westminster, England

Nationality
Bahraini

Board & Committee memberships at BNH Group
- Chairman of Bahrain National Insurance Company (BNI)
- Chairman of Nomination, Remuneration and Corporate Governance Committee (NRCG) - Bahrain National Insurance Company (bni)
- Chairman of Nomination, Remuneration and Corporate Governance Committee of Bahrain National Holding Company (BNH)

Board memberships in other companies
- 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 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
- Chairman of Delmon Poultry Company W.L.L., Bahrain

Awards & Recognitions
Awarded with His Majesty the King, Hamad bin Isa Al Khalifa's Medal for Competence in 2010.

Ghassan Qasim Fakhroo
Vice Chairman

Appointed Vice Chairman in 2024

Date of Appointment
Board Member since 2008

Status
Non-Executive Director

Educational Background
BSc. in Electrical Engineering - University of Bahrain, Kingdom of Bahrain.
MBA, University of Bahrain, Kingdom of Bahrain

Nationality
Bahraini

Board & Committee memberships at BNH Group
- Director at Bahrain National Insurance Company (bni)
- Chairman of the Executive & Investment Committee (EIC) - Bahrain National Holding Company (BNH)
- Chairman of the Executive & Investment Committee (EIC) - Bahrain National Insurance Company (bni)
- Chairman of the Executive & Investment Committee (EIC) - Bahrain National Life Assurance Company (bnl)
- Member of the Nomination, Remuneration & Governance Committee (NRGC) - Bahrain National Insurance Company (bni)

Board memberships in other companies
- Chief Executive of Mohamed Fakhroo & Bros., Bahrain
- Managing Director & Partner of Fakhroo Information 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.

Abdulrahman Mohamed Juma
Director

Date of Appointment
Board Member since 1999

Status
Non-Executive Director

Educational Background
A Graduate in Mechanical Engineer, University of North London, England

Nationality
Bahraini

Board & Committee memberships at BNH Group
- Chairman of Bahrain National Life Assurance Company (bnl)
- Chairman of the Nomination, Remuneration & Corporate Governance Committee (NRCG) - Bahrain National Life Assurance Company (bnl)
- Member of the Audit, Compliance & Risks Committee (ACRC) – Bahrain National Holding Company (BNH)

Board memberships in other companies
- President of Abdulrahman bin Mohamed Juma & Sons W.L.L., Bahrain
- Chairman of UNEECO B.S.C. (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

Jehad Yusuf Ameen
Director

Date of Appointment
Board Member since 1999

Status
Independent Non-Executive Director

Nationality
Bahraini

Board & Committee memberships at BNH Group
- Director at Bahrain National Insurance Company (bni)
- Member of the Executive & Investment Committee (EIC) - Bahrain National Holding Company (BNH)
- Member of the Executive & Investment Committee (EIC) - Bahrain National Insurance Company (bni)
- Member of the Executive & Investment Committee (EIC) - Bahrain National Life Assurance Company (bnl)
- Vice Chairman of the Nomination, Remuneration & Governance Committee (NRGC) - Bahrain National Insurance Company (bni)
- Vice Chairman of the Nomination, Remuneration & Governance Committee (NRGC) - Bahrain National Holding Company (BNH)

Board memberships in other companies
- 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

Sami Mohamed Sharif Zainal
Director

Date of Appointment
Board Member since 2008

Status
Non-Executive Director

Educational Background
Bachelor of Business Administration - Saint Edward University in Texas, USA.
MBA, University of Bahrain, Kingdom of Bahrain

Nationality
Bahraini

Board & Committee memberships at BNH Group
- Vice Chairman of Bahrain National Insurance Company (bni)
- Vice Chairman of the Executive & Investment Committee (EIC) - Bahrain National Holding Company (BNH)
- Vice Chairman of the Executive & Investment Committee (EIC) - Bahrain National Insurance Company (bni)
- Vice Chairman of the Executive & Investment Committee (EIC) - Bahrain National Life Assurance Company (bnl)
- Member of the Audit, Compliance & Risks Committee (ACRC) – Bahrain National Insurance Company (bni).

Board memberships in other companies
- Chairman of General Poultry Company, Bahrain.
- Vice Chairman – Bahrain Food Holding Company (Ghitha)
- Director at Zainal Enterprises, Bahrain
- Director at National Poultry Company
- Marketing Director of Mohamed Ali Zainal Abdulla (MAZA), Bahrain

Other key positions:
- Member of Commercial Arbitration Committee, Bahrain Chamber of Commerce

Board of Directors

Sameer Ebrahim AlWazzan
Director

Date of Appointment
Board Member since 2024

Status
Non-Executive Director

Educational Background
- Higher Diploma - Swansea Polytechnic, UK
- BSc. Huddersfield Polytechnic, UK
- Diploma in Executive Management - University of Bahrain
- Executive Development Program - Manchester Business School
- Executive program for small companies - Graduate School of Business Stanford University

Nationality
Bahraini

Board & Committee memberships at BNH Group
- Member of the Nomination, Remuneration & Governance Committee (NRGC) - Bahrain National Holding Company (BNH)

Board memberships in other companies
- Vice Chairman - United Insurance Co. B.S.C
- Vice Chairman - Arabian Sheild Cooperative Insurance Co. - Saudi Arabia

Ali Hasan Mahmood
Director

Date of Appointment
Board Member since 1999 & Re-elected in 2011

Status
Non-Executive Director

Educational Background
Bachelor's in Business Administration and Marketing, North Western College, London England

Nationality
Bahraini

Board memberships in other companies
- 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 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

Ayad Saad Algosaibi
Director

Date of Appointment
Board Member since 2008

Status
Independent Non-Executive Director

Educational Background
- BSBA in International Business, American University, Washington D.C., USA
- MBA in International Finance and Marketing, American University, Washington D.C., USA

Nationality
Bahraini

Board & Committee memberships at BNH Group
- Director at Bahrain National Insurance Company (bni)
- Director at Bahrain National Life Assurance Company (bnl)
- Vice Chairman of the Audit, Compliance & Risks Committee (ACRC) – Bahrain National Holding Company (BNH), Bahrain National Insurance Company (bni) & Bahrain National Life Assurance Company (bnl)
- Member of the Executive & investment Committee (EIC)- Bahrain National Life Assurance Company (BNL)

Board memberships in other companies
- Chairman of Khalifa A. Algosaibi Investment Co. CJSC, Dammam, Saudi Arabia

Talal Fuad Kanoo
Director

Date of Appointment
Board Member since 2008

Status
Non-Executive Director

Educational Background
Bachelor of Business Administration - Management, The American University, Washington D.C., USA

Nationality
Bahraini

Board membership in other companies
- Chairman of National Finance House B.S.C. (c), Bahrain
- Managing Director of E. K. Kanoo B.S.C (c), Bahrain

Abbas Abdul Mohsen Radhi
Director

Date of Appointment
Board Member since 2023

Status
Independent Non-Executive Director

Educational Background
- Certified Public Accountant (CPA)- USA
- Certified Arab Accountant
- Certificate by INSEAD as a Board Director with a high level of Corporate Governance Competence
- M.B.A. Financing & Business Law, University of Maine, USA
- M.S.B. Accounting, Husson College, Maine, USA
- BSc. Accounting, Kuwait University

Nationality
Bahraini

Board & Committee memberships at BNH Group
- Director at Bahrain National Insurance Company (bni)
- Director at Bahrain National Life Assurance Company (bnl)
- Chairman of the Audit, Compliance & Risks Committee (ACRC) - Bahrain National Holding Company (BNH), Bahrain National Insurance Company (bni) & Bahrain National Life Assurance Company (bnl)
- Member of the Nomination, Remuneration & Governance Committee (NRGC)- Bahrain National Life Assurance Company (bnl)

Board memberships in other companies
- Director at BMMI BSC, Bahrain
- Director at Shaheen Group Holding B.S.C Closed, Bahrain
- Director at Al Kindi Hospital

Other Key Positions
- Chairman of Bahrain Accountants Association
- Chairman of Schools of Business Qualifications

Husain Abdulhameed Al Shehab
Director

Date of Appointment
Board Member since 2023

Status
Independent Non-Executive Director

Educational Background
- Master in International Business Management, Leeds Metropolitan University, United Kingdom
- BEng (Hons) Mechanical Engineering University of Bradford, United Kingdom
- Leaders for Democracy Fellowship, Syracuse University, USA
- Executive Education Sustainable Business Strategy, Harvard University
- GCC Board of Directors Institute, Best Practices or Audit & Risk Committees
- GCC Board of Directors Institute, Building Better Boards: Global Best Practices
- Associate Value Specialist, SAVE International

Nationality
Bahraini

Board & Committee memberships at BNH Group
- Director at Bahrain National Life Assurance Company (bnl)
- Member of the Nomination, Remuneration & Governance Committee (NRGC) – Bahrain National Life Assurance Company (bnl)

Board membership in other companies:
- Board Member, Gulf Hotel Group B.S.C.
- Board Member, Delmon Poultry Company B.S.C.
- CEO at Growth Consultancy and Management
- Founder of Vorganica Perfumes
- Founder of Dukan Café

Board of Directors' Report

Abdulhusain Khalil Dewani
Chairman

With key strategic portfolio initiatives carrying over into 2025, BNH is well positioned for continued growth. We are optimistic about the future and continue to adhere to our long-term investment philosophy.

Dear Shareholders

On behalf of the Board of Directors of Bahrain National Holding B.S.C. ("BNH") we are pleased to present the annual report for the year ended 31 December 2024, highlighting the Group's annual performance.

Tribute to Our Late Chairman, Farooq AlMoayyed

It is with deep sorrow and profound respect that we acknowledge the passing of our esteemed Chairman, Farooq AlMoayyed, whose leadership, vision, and unwavering commitment laid the foundation of this company.

Farooq AlMoayyed was not only the cornerstone of our corporate success, but also a guiding force behind the growth of each individual within the organization. His dedication to excellence, integrity, and innovation inspired us all to push boundaries and achieve new heights. Throughout his tenure, he demonstrated an exceptional ability to navigate challenges with grace and strategic insight, leaving an indelible mark on the company's legacy.

Under his stewardship, we achieved significant milestones, and the values he instilled in us continue to guide the direction of our business. His leadership was characterized by a rare blend of wisdom, empathy, and decisiveness. He believed in the power of teamwork and fostered an environment where collaboration and respect were paramount.

While his loss is deeply felt, we are determined to honor his memory by upholding the principles he held dear. As we move forward, we remain committed to advancing the vision he set in motion, striving for excellence, and making a meaningful impact on the communities we serve.

Economic Overview of Bahrain – 2024

Bahrain's economy is anticipated to remain resilient, bolstered by continuous efforts to diversify beyond oil dependency. The Government's "Economic Vision 2030" continue to be a cornerstone of economic policy, with a clear emphasis on developing non-oil sectors such as finance, tourism, information technology, and manufacturing. This strategy is anticipated to gain further traction in the coming year, positioning Bahrain as a leading regional hub for financial services, particularly in fintech. Investments in digital banking and technological infrastructure are likely to further strengthen this trajectory, providing long-term growth opportunities for the country.

While the oil sector continues to play a role in Bahrain's economy, it is no longer the dominant driver of growth. The government has been proactive in enhancing its oil production capabilities, but challenges related to global energy transitions and fluctuations in oil prices persist. These external factors will remain influential, yet Bahrain's diversification initiatives are expected to buffer the economy against significant volatility in global oil markets.

Board of Directors' Report
(Continued)

Bahrain's financial sector remains a key pillar of its economy, with the country's banking industry well-established as a regional leader, particularly in Islamic finance. The Central Bank of Bahrain continues to focus on strengthening the regulatory environment, and, alongside significant investments in fintech, is expected to drive further growth in the sector.

Geopolitical stability remains a key strength for Bahrain, providing a secure and predictable environment for investment. This stability, coupled with a strong regulatory framework, continues to attract foreign capital, particularly in the financial services and real estate sectors. Bahrain's position as a reliable base for businesses seeking to expand into the Middle East further supports its long-term economic growth prospects.

In summary, Bahrain's economic outlook remains positive, supported by ongoing diversification efforts, robust financial sector, and strategic investments in tourism and technology. While challenges such as oil price volatility and inflationary pressures persist, Bahrain's long-term economic trajectory is poised for continued growth, presenting attractive opportunities for investment.

BNH Financial Performance

Our financial performance in 2024 was impacted by lower insurance service results and nonrecurring adjustments from the previous year. Net profit decreased by 26% year-on-year, to BD 5.36 million from BD 7.23 million in the previous year.

Total comprehensive income declined to BD 6.15 million from BD 8.48 million in the previous year. Total comprehensive income attributable to the parent company amounting to BD 5.94 million, compared to BD 8.12 million in 2023.

Despite the growth of insurance revenue by 20% in 2024, the insurance service results declined due to increased claims and insurance service expenses. Nevertheless, our profitability remained supported by higher investment income from the fixed income portfolio and increased profits from our associate companies. This year has demonstrated the extent of resilience BNH has achieved through its strong financial position and diversified portfolio management.

Based on our 2024 performance and strong capital position, we have recommended a dividend payout to our shareholders of 35 fils per share, consistent with the previous year's dividend distribution.

Strategic Developments and Growth Initiatives

Over the past year, we have made significant progress in executing our long-term growth strategy, positioning the company for sustained value creation and enhanced total shareholder returns.

A notable highlight of the year was the acquisition of a 25% stake in bnl, increasing our ownership to 100%. This will further enable bni and bnl to drive synergies and capitalize on new opportunities.

In line with our commitment to growth, we also announced the acceptance of a binding offer for the acquisition of 100% of the issued share capital of bni and bnl, from Solidarity Group Holding, following the successful completion of the confirmatory due diligence process.

As we look ahead, the Board of Directors and Management are actively formulating a new strategic roadmap designed to accelerate growth, deepen our market presence, diversify our portfolio of investments and income sources, and further enhance shareholder value. This strategy will focus on optimizing existing assets, pursuing high-potential investments, and ensuring adaptability in a fast-evolving business environment. Our goal is to continue delivering strong returns to our shareholders while positioning BNH for future success.

We remain committed to creating lasting value and are excited about the opportunities that lie ahead.

Board of Directors' Report
(Continued)

Remunerations of the Board Members and Senior Executives

Transparent and comprehensive reporting on the Board of Directors' compensation and benefits is an essential element of good corporate governance. Following is Board of directors' remuneration and sitting fees and top 6 senior executives' salaries and benefits:

Name	Fixed remunerations					Variable remunerations							
	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	End-of-service award	Aggregate amount (Does not include expense allowance)	Expenses Allowance
First: Independent Directors:													
1 Farooq Yusuf Almoayyed	-	6,200	-	1,617	**7,817**	20,000	-	-	-	**20,000**	-	**27,817**	-
2 Jehad Yusuf Amin	-	9,500	-	1,767	**11,267**	10,000	-	-	-	**10,000**	-	**21,267**	-
3 Ayad Saad Algosaibi	-	8,000	-	601	**8,601**	10,000	-	-	-	**10,000**	-	**18,601**	-
4 Abbas Abdulmohsen Radhi	-	8,600	-	1,617	**10,217**	10,000	-	-	-	**10,000**	-	**20,217**	-
5 Hussain Alshehab	-	5,000	-	601	**5,601**	10,000	-	-	-	**10,000**	-	**15,601**	
Second: Non-Executive Directors:													
1 Abdulhussain Khalil Dewani	-	7,000	-	1,617	**8,617**	10,792	-	-	-	**10,792**	-	**19,409**	-
2 Abdulrahman Mohamed Juma	-	7,500	-	1,767	**9,267**	10,000	-	-	-	**10,000**	-	**19,267**	-
3 Sami Mohamed Sharif Zainal	-	7,500	-	1,601	**9,101**	10,000	-	-	-	**10,000**	-	**19,101**	-
4 Ghassan Qassim Fakhroo	-	8,000	-	1,751	**9,751**	10,000	-	-	-	**10,000**	-	**19,751**	-
5 Ali Hasan Mahmood	-	5,000	-	1,617	**6,617**	10,000	-	-	-	**10,000**	-	**16,617**	-
6 Talal Fuad Kanoo	-	5,000	-	601	**5,601**	10,000	-	-	-	**10,000**	-	**15,601**	-
7 Sameer AlWazzan	-	-	-	-	**-**	-	-	-	-	-	-	**-**	-
Third: Executive Directors:													
-	-	-	-	-	**-**	-	-	-	-	-	-	**-**	-
Total	**-**	**77,300**	**-**	**15,157**	**92,457**	**120,792**	**-**	**-**	**-**	**120,792**	**-**	**213,249**	**-**

Executive management	Total paid salaries and allowances	Total paid remuneration (Bonus)	Any other cash/ in kind remuneration for 2024	Aggregate Amount
Top 6 remunerations for executives, including CEO and CFO	591,420	307,057	52,977	**951,454**

Other remunerations:

* It includes in-kind benefits – specific amount - remuneration for technical, administrative and advisory works (if any).

** It includes the board member's share of the profits - Granted shares (if any).

Notes:

1. Remuneration earned if the executives are also on the Board of Directors of subsidiaries or other entities of the Group are excluded.
2. Disclosure is for the top 6 executives who are employees of the entity as on the reporting date.

On behalf of the Board of Directors, I would like to extend our heartfelt appreciation and gratitude to His Majesty King Hamad bin Isa Al Khalifa and His Royal Highness Prince Salman bin Hamad Al Khalifa, Crown Prince and Prime Minister, for their visionary leadership and unwavering support of the Kingdom's financial sector. We also wish to express our thanks to the ministries, institutions, and government agencies, particularly the Ministry of Industry and Commerce, the Central Bank of Bahrain, the Ministry of Finance, Tamkeen, and the Bahrain Bourse, for their valuable guidance and ongoing support.

Furthermore, we would like to acknowledge and thank our shareholders, customers, and business partners for their steadfast confidence in us. Our gratitude also goes to the Board of Directors, Executive Management, and all employees for their dedication and commitment throughout 2024.

Abdulhussain Khalil Dawani
Chairman of the Board
25 February 2025

Ghassan Qasim Fakhroo
Vice Chairman of the Board

Corporate Governance

CORPORATE GOVERNANCE COMMITMENT

Bahrain National Holding ("BNH" or the "Group") commits to implement a system that is in line with the Bahrain Commercial Companies Law ("BCCL") No. 21 of 2001 and its amendments, Corporate Governance Code of Bahrain, which was enacted by the Ministry of Industry & Commerce ("MOIC") and endorsed by the Central Bank of Bahrain ("CBB") in 2010; that was amended in 2018 and later in 2022, in particular to High-Level Controls (HC) Module of CBB Rulebook in relation to Companies' Corporate Governance and the Company's relevant policies and guidelines, which are subject to periodic reviews, noting that the last updated version was adopted and implemented on February 2022.

BNH implements the corporate governance requirements in every aspect of its operations and responsibilities and recognizes it as a system whereby the Group's business operations are financially and commercially directed and controlled.

The governance organizational structure defines the distribution of rights and responsibilities among the various parties involved in the Group, such as Shareholders, Board of Directors, Board Committees, Executive Management, and other stakeholders. In addition, it acts as a guideline for the Group's decision-making and strategy in order to set a model that determines its objectives, and the means that should be followed to achieve these objectives and a measure to monitor its performance.

Regulatory Authorities

BNH and its subsidiaries: (Bahrain National Insurance Company B.S.C.(c) ("bni"), Bahrain National Life Assurance Company B.S.C.(c) ("bnl") and iAssist Middle East W.L.L. ("iAssist") maintained their full commitment to all applicable rules and regulations issued by the Central Bank of Bahrain and other regulatory authorities, without reporting any monetary penalties during the year 2024.

Ownership of Shares

BNH shares are listed on the Bahrain Bourse. The Group has issued 119,175,000 ordinary shares, each with a nominal value of 100 fils. All shares are fully paid.

Statement of shareholders equity classification

		Shareholding %			
#	Shareholder classification	Individuals	Corporate	Government or Organizations	Total
1	Local	56.166%	29.481%	0.229%	85.876%
2	Arab	0.528%	13.138%	-	13.666%
3	Foreign	0.091%	0.367%	-	0.458%
4	**Total**	**56.785%**	**42.986%**	**0.229%**	**100.00%**

Description of shareholders according to their Nationality

Nationality	No. of shareholders	No. of shares	% of shareholding
Bahraini	671	102,341,821	85.88%
Iraqi	3	15,617,467	13.10%
Saudi	8	562,168	0.47%
Virgin Islands (British)	1	437,881	0.37%
Indian	6	98,277	0.08%
Emarati	4	81,500	0.07%
Kuwaiti	2	15,133	0.01%
Qatari	3	10,210	0.01%
American	1	10,000	0.01%
Egyptian	1	543	0.00%
Total	**700**	**119,175,000**	**100.00%**

Description of shareholders according to their respective shareholding

#	Shareholding (share)	No. of shareholders	No. of shares held	Shareholding %
1	<50,000	513	6,195,697	5.199%
2	50,000 to 500,000	139	23,825,909	19.992%
3	500,001 to 5,000,000	46	73,168,657	61.396%
4	>5,000,000	2	15,984,737	13.413%

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

#	Name	No. of shares held	Shareholding %	Name of the natural person, the final	Nationality
1	Abdulhameed Zainal Mohamed Zainal	8,176,003	6.86%	NA	Bahraini
2	National Insurance Company	7,808,734	6.55%	NA	Iraqi

Corporate Governance
(Continued)

The Board

BNH's Board of Directors consists of 11 non-executive members, with ten (10) members elected by the shareholders and one (1) appointed member. All selections, both elected and appointed, were approved by the Central Bank of Bahrain in March 2023 for a three- year term. 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. The names and profiles of Directors are listed on pages (10 to 13).

Leadership Changes at BNH

In the past year, BNH mourned the loss of its esteemed Chairman, Mr. Farooq Almoayyed, whose leadership and dedication greatly contributed to the company's success. In accordance with the 2023 election results, Mr. Sameer Alwazzan was appointed to the Board. A new Chairman and Vice Chairman were also selected, ensuring the continued stewardship of the company.

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 2024, four 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.

Corporate Governance
(Continued)

Board Duties

- Adopting the commercial and financial policies associated with the company's performance and achievement of its objectives, and drawing, overseeing reviewing the company's plans, policies and strategies.
- Setting and supervising the regulations and systems of the company's internal control.
- Determining the company's optimal capital structure, strategies and financial objectives and approving annual budgets.
- Approving the company's quarterly and annual financial statements.
- Monitoring the executive management's activities.
- Forming specialized committees emerging from the Board of Directors.
- Setting a mechanism to regulate transactions with related parties in order to minimize conflicts of interests.
- Assuring equitable treatment of shareholders including the minority shareholders.

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.

Membership statistics by gender in the Board of Directors

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

There was a female nominee last election (2023) but did not obtain sufficient votes for a seat in the Board.

Ownership of BNH shares by the Board of Directors and Executive Management – from January to December 2024

Name of Shareholder	Title	No. of Shares As At 01/01/2024	No. of Shares As At 31/12/2024	Changes
Directors				
Abdulhussain Khalil Dewani	Chairman	1,427,152	1,427,152	-
Ghassan Qasim Fakhroo	Vice Chairman	105,000	105,000	
Abdulrahman Mohamed Juma	Board Member	865,398	915,398	50,000
Jehad Yusuf Amin	Board Member	3,487,762	3,578,000	90,238
Ali Hasan Mahmood	Board Member	530,881	904,999	374,118
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	-
Sameer Ebrahim Alwazzan	Board Member	114,741	114,741	-
Hussain Abdulhameed Alshehab	Board Member	577	577	-

Description of the transactions made by the Directors, their spouses, and their sons on the Group's shares during the year 2024:

#	Name	Position/Kinship	Shares held as at 31/12/2024	Total sale transaction	Total purchase transaction
1	Abdulrahman Mohamed Juma	Board Member	915,398	-	50,000
2	Jehad Yusuf Amin	Board Member	3,578,000	-	90,238
3	Ali Hasan Mahmood	Board Member	904,999	-	374,118

Corporate Governance
(Continued)

Directors' Attendance at Board Meetings in 2024

Board Members	Title	Meeting No. 1 31 Jan	Meeting No. 2 25 Feb	Meeting No. 3 9 May	Meeting No. 4 11 Aug	Meeting No. 5 13 Nov	Meeting No. 6 3 Dec	Attendance percentage
Farooq Yusuf AlMoayyed	Chairman (Independent Non-Executive Director)	✓	✓	✓	✓(R)	×	-	80%
Abdulhusain Khalil Dewani	Chairman (Non-Executive Director)	✓	✓	✓	✓	✓	✓	100%
Ghassan Qasim Fakhroo	Board Member (Non-Executive Director)	✓	✓	✓	✓	✓	✓	100%
Jehad Yusuf Amin	Board Member (Independent Non-Executive Director)	✓	✓	✓	✓	✓	✓(R)	100%
Sami Mohamed Sharif Zainal	Board Member (Non-Executive Director)	✓	✓	✓	✓(R)	✓	✓	100%
Ayad Saad Algosaibi	Board Member (Independent Non-Executive Director)	✓	✓	✓	✓(R)	✓	✓(R)	100%
Abdulrahman Mohamed Juma	Board Member (Non-Executive Director)	✓	✓	✓	✓	✓	✓	100%
Talal Fuad Kanoo	Board Member (Non-Executive Director)	✓	✓	✓	✓(R)	✓	✓(R)	100%
Ali Hasan Mahmood	Board Member (Non-Executive Director)	✓	✓	✓	✓	✓	✓	100%
Abbas Abdulmohsen Radhi	Board Member (Independent Non-Executive Director)	✓	✓	✓	✓	✓	✓	100%
Hussain Abdulhameed Alshehab	Board Member (Independent Non-Executive Director)	✓	✓	✓	✓	✓	✓(R)	100%
Sameer Ebrahim Alwazzan	Board Member (Non-Executive Director)	-	-	-	-	-	-	-

(R) Attended remotely

- Mr. Abdulhusain Khalil Dewani is the Chairman of the Board, succeeding the late Mr. Farooq Yusuf Almoayyed.
- The induction and orientation process is carried out for the Board of Directors with the assistance of the Group's Chief Executive Officer and the Corporate Secretary. The process is managed by means of continuous meetings and discussions with the Senior Management, and both External and Internal Auditors, for the purpose of increasing awareness of current issues and market trends.
- The Board of Directors is required to meet at least four times in a financial year, and Board Members must attend at least 75% of meetings held during a financial year.
- The remuneration for Directors is determined by the Shareholders at the Annual General Meeting.
- BNH's Board held six meetings during the year 2024.

Description of the remunerations including sitting fees to the directors for their membership and attendance of the Board and Board's committees in the financial year 2024 according to the following table:

Name	Fixed remunerations					Variable remunerations							
	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	End-of-service award	Aggregate amount (Does not include expense allowance)	Expenses Allowance
First: Independent Directors:													
1 Farooq Yusuf Almoayyed	-	6,200	-	1,617	**7,817**	20,000	-	-	-	**20,000**	-	**27,817**	-
2 Jehad Yusuf Amin	-	9,500	-	1,767	**11,267**	10,000	-	-	-	**10,000**	-	**21,267**	-
3 Ayad Saad Algosaibi	-	8,000	-	601	**8,601**	10,000	-	-	-	**10,000**	-	**18,601**	-
4 Abbas Abdulmohsen Radhi	-	8,600	-	1,617	**10,217**	10,000	-	-	-	**10,000**	-	**20,217**	-
5 Hussain Alshehab	-	5,000	-	601	**5,601**	10,000	-	-	-	**10,000**	-	**15,601**	-
Second: Non-Executive Directors:													
1 Abdulhussain Khalil Dewani	-	7,000	-	1,617	**8,617**	10,792	-	-	-	**10,792**	-	**19,409**	-
2 Abdulrahman Mohamed Juma	-	7,500	-	1,767	**9,267**	10,000	-	-	-	**10,000**	-	**19,267**	-
3 Sami Mohamed Sharif Zainal	-	7,500	-	1,601	**9,101**	10,000	-	-	-	**10,000**	-	**19,101**	-
4 Ghassan Qassim Fakhroo	-	8,000	-	1,751	**9,751**	10,000	-	-	-	**10,000**	-	**19,751**	-
5 Ali Hasan Mahmood	-	5,000	-	1,617	**6,617**	10,000	-	-	-	**10,000**	-	**16,617**	-
6 Talal Fuad Kanoo	-	5,000	-	601	**5,601**	10,000	-	-	-	**10,000**	-	**15,601**	-
Third: Executive Directors:													
-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	**-**	**77,300**	**-**	**15,157**	**92,457**	**120,792**	**-**	**-**	**-**	**120,792**	**-**	**213,249**	**-**

Corporate Governance
(Continued)

BOARD COMMITTEES

Audit, Compliance & Risks Committee (ACRC)

Responsibilities

- Oversee the selection and compensation of the External Auditors, as well as their professionalism, as required for their appointment and approval by the Board at the Annual General Meeting.
- Approve the Head of Internal Audit's appointment, replacement, reassignment or dismissal.
- Review and approve the annual plans for Internal Audit, Compliance and Risk.
- Review the audited annual, quarterly, and semi-annual Financial Statements, and discuss them 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 the instructions of the Board for all investigations.
- Review the 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's personnel, procedures, internal controls. In addition the compliance function's procedures, and any risk management systems.
- Ensure processes are established and maintained to address critical financial reporting risks and increase the transparency of financial reporting.
- Assess the independence, accountability, and effectiveness of External Auditors.

Directors' Attendance at ACRC Meetings in 2024

Members	Title	Meeting No. 1 11 Jan **	Meeting No. 2 22 Feb	Meeting No. 3 24 March ***	Meeting No. 4 5 May	Meeting No. 5 8 Aug	Meeting No. 6 6 Nov	Attendance percentage	Sitting Fees per Meeting (BD)	Aggregate Sitting Fees (BD)
Abbas Abdulmohsen Radhi	Chairman (Independent Non-Executive Director)	✓	✓	✓	✓	✓	✓	100%	600	3,600
Ayad Saad AlGosaibi	Vice Chairman (Independent Non-Executive Director)	✓	✓	✓	✓	✓(R)	✓	100%	500	3,000
Abdulrahman Mohamed Juma	Member (Non-Executive Director)	✓	✓	×	✓	✓	✓	84%	500	2,500

(R) Attended remotely

** The following Members attended the meeting by invitation:

- Ghassan Fakhroo – by invitation in his capacity as EIC Chairman
- Sami Zainal - by invitation in his capacity as BNI ACRC Member

*** The following Members attended the meeting by invitation:

- Ghassan Fakhroo – by invitation in his capacity as EIC Chairman
- Sami Zainal - by invitation in his capacity as BNI ACRC Member
- Abdulla AlAnsari – by invitation in his capacity as BNL ACRC Member

- Mr. Abbas Abdulmohsen Radhi is the Chairman of the ACRC.
- The ACRC is required to meet at least four times in a financial year.
- BNH's ACRC held six meetings during the year 2024.

Corporate Governance
(Continued)

Executive & Investment Committee (EIC)

Responsibilities

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

Directors' Attendance at EIC Meetings in 2024

Members	Title	Meeting No. 1 30 Jan	Meeting No. 2 12 Feb	Meeting No. 3 7 May	Meeting No. 4 6 Aug	Meeting No. 5 11 Nov	Attendance percentage	Sitting Fees per Meeting (BD)	Aggregate Sitting Fees (BD)
Ghassan Qasim Fakhroo	Chairman (Non-Executive Director)	✓	✓	✓	✓	✓	100%	600	3,000
Sami Mohamed Sharif Zainal	Vice Chairman (Non-Executive Director)	✓	✓	✓	✓(R)	✓	100%	500	2,500
Jehad Yusuf Amin	Member	✓	✓	✓	✓	✓	100%	500	2,500

(R) Attended remotely

- Mr. Ghassan Fakhroo is the Chairman of the EIC.
- The EIC is required to meet at least four times in a financial year.
- BNH's EIC held five meetings during the year 2024.

Nomination, Remuneration & Corporate Governance Committee (NRCG)

Responsibilities

- Monitor the establishment of an appropriate Corporate Governance framework.
- Nomination of Board and Sub-committees' members, in addition to the Group's CEOs, Deputy Group CEOs, CFO and Corporate Secretary.
- Make necessary recommendations to the Board as to changes 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 Board members', Committees' and Senior Executives' performance.

Directors' Attendance at NRCG Meetings in 2024

Members	Title	Meeting No. 1 25 Feb	Meeting No. 2 7 Nov	Meeting No. 3 2 Dec	Attendance Percentage	Sitting Fees per Meeting (BD)	Aggregate Sitting Fees (BD)
Farooq Yusuf AlMoayyed	Chairman (Independent Non-Executive Director)	✓	×	-	33%	600	1,200
Abdulhusain Khalil Dewani	Chairman (Non-Executive Director)	✓	✓	✓	100%	500	2,000
Jehad Yusuf Amin	Member (Independent Non-Executive Director)	✓	✓	✓	100%	500	2,000

- Mr. Abdulhusain Khalil Dewani is the Chairman of the NRCG, succeeding the late Mr. Farooq Yusuf Almoayyed.
- The NRCG is required to meet at least twice a year.
- BNH's NRCG held three meetings during the year 2024.

Corporate Governance
(Continued)

Performance Evaluation of Board & Committees

Based on the Corporate Governance requirements, the Board conducts a self-evaluation on its performance, the performance of each committee, and the individual Director on an annual basis.

The evaluation process is carried out through the completion of a structured questionnaire against certain pre-defined rating criteria.

At BNH Group, the Nomination, Remuneration and Governance Committee is responsible for overseeing the process and results that indicate that the Board and its sub-committees have accomplished the tasks assigned to them to the fullest and have considered appropriately any recommendations arising out of such evaluation.

The Annual General Meeting

As per the Commercial Companies Law Decree No. 21 of 2001 (and as amended), all shareholding companies shall hold an annual general meeting (AGM). AGMs are yearly meetings arranged for shareholders to discuss company matters and address raised solutions. BNH's highest decision- making body are AGMs in which shareholders have the opportunity to be aware of and evaluate the Company's participate in management of the Company. The Corporate Governance Framework encourages BNH's Directors to attend AGMs to present the annual accounts and the Board of Directors' Report. The AGM platform for the Board gather official approval from shareholders on resolutions and votes on Board elections. At the Company's last annual shareholders meeting dated 26th March 2024, 11 Directors attended the AGM. 35 Fils dividend per share were approved by the shareholders and paid in April 2024.

There are statutory rules that govern the notice period to convene the AGM. All notices convening AGMs must be to the shareholders, representatives and Bahrain Bourse at least 21 days before the meeting. BNH's notice to convene the AGM is published in local newspapers and as a Bahrain Bourse announcement. The notice includes the invitation to the AGM and the agenda items.

AGMs must meet the legal quorum requirements as per the Commercial Companies Law to confirm the validity of the voting results.

BNH made the minutes of the AGM available to the shareholders and the competent authority within 15 days from the date of the meeting.

The Extraordinary General Meeting

An extraordinary general meeting (EGM) refers to any shareholders meeting called by a company other than its scheduled annual general meeting and for specific events as stated in article (210) of the BCCL. BNH convened an EGM on 3rd October 2024, to address matters of significance as part of the company's ongoing governance process.

Shareholders' Rights

BNH continuously observes the statutory obligations enforced by the BCCL and its amendments in respect of shareholder rights and general assemblies. We have dedicated a section on the Group's website, www.bnhgroup.com to highlight the shareholders' rights to convene, participate and vote at each shareholder meeting and to communicate openly with the group.

The Management

The Board has delegated responsibility for the day-to-day management of the Group's business to the Group Chief Executive Officer (Group CEO), who is supported by an experienced Senior Management team and a number of operational committees which are presented in this report. The Group CEO and Senior Management team's names and profiles are listed at the front of this annual report (18).

The total of the top 6 remunerations paid in 2024 to the Key Management staff including salaries, privileges, allowances and annual bonus: BD 951,454.

Executive Management	Total paid salaries and allowances	Total paid remuneration (Bonus)	Any other cash/ in kind remuneration for 2024	Aggregate Amount
Top 6 remunerations for Executives, including CEO and CFO	591,420	307,057	52,977	**951,454**

Notes:

1. Remuneration earned if the Executives are also on the Board of Directors of subsidiaries or other entities of the Group are excluded.
2. Disclosure is for the top 6 Executives who are employees of the entity as on the reporting date.

Corporate Governance
(Continued)

OPERATIONAL COMMITTEES

Management Committee (“MC”)

Objectives and Responsibilities

- The purpose of the MC is to oversee the day-to-day operations of BNH and ensure that it is meeting its goals and objectives.
- This includes monitoring BNH’s performance, identifying areas for improvement, and making recommendations to the Board of Directors on, among other matters, the following:

1. **Monitoring the Organisation’s Performance**
   - Monitor BNH’s performance on a regular basis.
   - Review financial statements, operational reports, and other relevant data.
2. **Identifying Areas for Improvement**
   - Identify areas where the organisation can improve its performance, including opportunities for growth, cost savings, and process improvements.
3. **Recommendations to the Board of Directors and Board Committees**
   - Recommend to the Board of Directors on matters related to the BNH’s operations, including budgets, staffing, and other operational matters.
   - Provide regular updates to the Board of Directors and relevant committees on its activities and recommendations.

Composition:

Function Title	Name	Role
Group Chief Executive Officer	Raed Fakhri	Chairman
Chief Financial Officer	Basil Ghali	Member
Chief Investment Officer – Private Equity	Ahmed Al-Aseeri	Member
Chief Investment Officer – Marketable Portfolio	Anand Subramanian	Member
Corporate Services – Director	Dr. Maryam Al Ahmed	Member
Planning & Performance – Manager	Dalia Al Shebli	MC Secretary

Management Investment Committee (“MIC”)

Objectives and Responsibilities

- The primary objective of the MIC is to oversee and guide the investment strategy and management of the portfolio of assets of BNH and its subsidiaries.
- This includes the prudent oversight of the designated Marketable Portfolio and the Private Equity portfolio.
- The MIC’s objective is to ensure that these portfolios are managed effectively in a manner that is consistent with BNH’s overall investment goals, risk tolerance, and financial objectives as stated in its Board-approved investment policies, thereby contributing to the BNH’s long-term financial stability and growth, through the following:

1. **Strategic Investment Oversight and Recommendations to the Board of Directors:**
    - Formulate and periodically review BNH’s investment strategy for both the Marketable Portfolio and the Private Equity portfolio.
    - Provide recommendations to the Board of Directors and the relevant Board committee(s) regarding investment decisions and strategies.
    - Propose actions or changes in strategy based on market analysis, performance outcomes, and risk assessments.
    - Ensure alignment of the investment strategies with the BNH’s overall financial goals and risk appetite.
    - Oversee the asset allocations and diversification strategies within the Board-approved limits, to optimise the balance between risk and return.
2. **Performance Monitoring:**
    - Regularly review and assess the performance of the investment portfolios against established benchmarks and objectives.
    - Analyse performance reports and provide insights into the results, identifying areas for improvement or adjustment.
    - Ensure that performance metrics are relevant, accurate, and provide a clear picture of the portfolios’ status.
3. **Risk Management:**
    - Oversee the identification, evaluation, and management of investment risks across both portfolios.
    - Ensure that risk management strategies and tools are effectively employed to minimise adverse impacts on the portfolios.

Corporate Governance
(Continued)

4. **Policy and Guidelines Review:**
   - Develop and maintain comprehensive investment policies and guidelines that govern the management of the Marketable Portfolio and the Private Equity portfolio.
   - Provide recommendations to the Board of Directors to update these policies periodically to reflect changes in market conditions, Company strategy, and regulatory requirements.
   - Ensure that investment decisions are made within the framework of these established policies and guidelines.
5. **Legal, Compliance and Regulatory Oversight:**
   - Monitor investment activities for compliance with legal, regulatory, and ethical standards.
   - Stay abreast of changes in the legal and regulatory environment and ensure that investments are managed accordingly.
6. **Limitations and Exclusions:**
   - While the MIC has a broad scope of responsibilities, it is not directly involved in the day-to-day management of investment operations, which is delegated to respective investment teams or external managers.

Composition:

Function Title	Name	Role
Group Chief Executive Officer	Raed Fakhri	Chairman
Chief Financial Officer	Basil Ghali	Member
Chief Investment Officer – Private Equity	Ahmed Al-Aseeri	Member
Chief Investment Officer – Marketable Portfolio	Anand Subramanian	Member
Planning & Performance – Manager	Dalia Al Shebli	MIC Secretary

Procurement Committee ("PC")

Objectives and Responsibilities

- Develop and review the procurement policies and procedures to align with BNH's strategic goals, legal requirements and industry best practices, while supporting the national economy (local vendors and suppliers). This includes appropriate processes for vendor registration and submissions of conflict-of-interest declarations.
- Ensure procurement processes follow best practice procurement guidelines to promote fairness, transparency and competitiveness.
- Provide recommendations to the Board of Directors to update these policies and procedures periodically as may be required from time-to-time.

- Work with business units to develop an annual procurement plan and procurement budget. Ensure budgeting is accurate and reflects business and operational requirements.
- Ensure the proposed procurement activities are executed according to the procurement plan and in line with budgets.
- Review the annual procurement plan to ensure alignment with key KPIs and targets set, including identifying cost savings and revenue generation (where applicable) by leveraging economies of scale, negotiating favourable contract terms and promoting efficient procurement practices.
- Monitor and evaluate vendor and supplier performance against deliverables, to ensure value-for-money for BNH and shareholders.
- Identifying potential risks associated with procurement activities and implementing strategies to minimise such risks to BNH and its portfolio companies.

Composition:

Function Title	Name	Role
Corporate Services – Director	Dr. Maryam Al Ahmed	Chairwoman
Chief Financial Officer	Basil Ghali	Member
Chief Investment Officer – Private Equity	Ahmed Al-Aseeri	Member
Finance – VP	Mohsin Ali	Member
Finance – Financial Controller (bni and bnl)	Mohamed Taher	Member
Corporate Services – Senior Specialist	Mohamed Al Kooheji	PC Secretary

Compliance

BNH and its subsidiaries are fully aware of their responsibilities and commitment toward regulatory requirements to ensure compliance across all business activities with the applicable rules, regulations, and guidelines of the Central Bank of Bahrain and other regulatory authorities. The responsibility for overseeing the Group's compliance lies with the independent Risk, Compliance & AML Department that directly reports to the Board's ACRC, in addition to its role of acting as a focal point with regulators. As part of its responsibility to ensure Group compliance and assess the adequacy and effectiveness of systems and controls in place, the Compliance Department has an in-house built Matrix for conducting an ongoing monitoring process (Compliance Monitoring Programme). Moreover, the Risk, Compliance & Department maintains a compliance calendar to ensure timely submission of date-sensitive regulatory requirements. Compliance activities are performed in accordance with an established plan, approved by the ACRC of the Board.

Corporate Governance
(Continued)

Anti-Money Laundering (AML)

The Group is fully committed to complying with its obligations to combat money laundering, terrorist financing, and the proliferation of weapons. Accordingly, the Group has in place defined policies and procedures that are in line with the AML Law Decree No. (4) of 2001 and the regulations of the Central Bank of Bahrain to prohibit, prevent, detect, and report any money laundering, terrorist financing and proliferation of weapons activities through the implementation of appropriate systems, processes, and controls.

On an annual basis, the Group conducts a thorough review of its policies, procedures, and internal directives, in addition to arranging specialized courses to ensure ongoing compliance. The Group subsidiaries have submitted their 2023 external auditors' report in 2024 in accordance with the CBB requirements.

The Group subsidiaries' automated AML solution, live since 2022, facilitates seamless interdepartmental workflows, enhances AML investigations, and improves sanctions and AML/CFT/CPF screenings. It also assists in tracking customer behavioral patterns and ensures proper escalation mechanism is in place.

Internal Audit

The Board of Directors appointed Protiviti Member Firm Bahrain W.L.L. as the Group's Internal Auditor in June 2024. The internal auditors have assessed the quality of the internal control system and prepared a comprehensive internal audit plan, which was subsequently approved by the Audit, Compliance and Risk Committee (ACRC). Protiviti Auditors are fully compliant with all international auditing principles and standards, and contribute 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.

External Auditors

At the recommendation of the Board of Directors, the shareholders appointed KPMG as auditor for the 2024 individual and consolidated financial statements, the auditor's review of the 2024 quarterly, half-yearly and year-end financial report.

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 Group's consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes their 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 these consolidated financial statements.

KPMG auditors are independent of the Group 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 consolidated financial statements in the Kingdom of Bahrain, and they have fulfilled other ethical responsibilities in accordance with these requirements and the IESBA Code. In addition to external audit services, our external auditors provide number audit-related services, including Agreed-Upon procedures in accordance with the International Standard on Related Services applicable as requested by Central Bank of Bahrain and Ministry of Industry & Commerce.

Audit and non-audit fees paid by the Group for 2024

	Amount
Audit and review fees	50,500
Non-audit fees	28,100

Whistleblowing Policy

In its commitment to the highest standard of good governance practice, the Group has in place a Whistleblowing policy designed to enable employees, vendors, service providers, customers or any third party to raise any misconduct or concern with high level of confidentiality. The policy explains process for reporting any misconduct or concerns to the concerned officials without fear of any retaliation. The policy is accessible to all employees and customers or third parties through the Group's intranet and website, respectively.

Transparency & Efficiency

In developing its Corporate Governance process guiding principles, the Group aims to maximize transparency and efficiency of the whole process for the benefit of all Stakeholders, particularly in the areas of insider/key person trading, anti-money laundering, information security and the sound management of financial assets.

Corporate Governance
(Continued)

Employment of Relatives

The Management, in general, does not allow the employment of "closely related" persons. However, if there is no apparent conflict of interest stemming from personal or a business relationship, such employment may be permitted by the Group CEO / Subsidiary CEO / Board of Directors, looking into the circumstances of each case.

"Closely related" in this context will include spouses, parents, children, siblings, and in-laws (Father-in-law, Mother-in-law, Brother-in-law, Sister-in-law, Son-in-law & Daughter-in-law). Such relationships should be declared to the Group prior to the commencement of employment. Failure to do so may result in termination of the services of the concerned employee, "Employee" in this context will include all CBB approved persons, such as Board of Directors, Subsidiary CEO's, Head of Compliance ...etc. Relatives cannot be employed within the organisation in the same department.

In case of marriage between two employees working in the same company within the Group, approval of the Group CEO/ Subsidiary CEO must be obtained to continue employment in the Group after the marriage.

Policies & Procedures

During 2024, BNH continued to regularly review and update all key policies and procedures manuals, covering critical operational areas in the Group's subsidiaries and across all functions of the organization.

Directors & Officers Liability Insurance

The Group is insured under a Directors & Officers Insurance Policy. The adequacy of the cover is measured in terms of size of the assets and future growth expectations of the Group. It is worth mentioning that no claims have been reported during the last 10 years.

Key Persons Trading

The Group's compliance with the latest Key Persons Trading regulations of the Central Bank of Bahrain is supervised by the ACRC which reports to the Board of Directors. The Group has submitted its Internal Audit report for the year 2024 in accordance with the requirement of the Central Bank of Bahrain.

Code of Conduct

The Group has developed a Code of Business Ethics that governs the behavior and working practices of the Directors, Management, and staff. The compliance with the code of Business Ethics by the staff is being monitored, while Board Members collectively or individually monitor compliance.

Penalties

The Group did not pay any monetary penalties to the Central Bank of Bahrain during the year.

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.

Corporate Secretary

In accordance with the Corporate Governance Code and Kingdom of Bahrain principles, the Group has a separate section dealing with the Group corporate secretariat function. The function resides with the Group corporate secretary is responsible for ensuring the integrity of the governance framework, being responsible for the efficient administration of the Group, ensuring compliance with statutory and regulatory requirements and implementing decisions made by the Board of Directors.

The Corporate secretariat extends its support to the Board by maintaining a smooth functioning of the Board Committees and ensuring meetings are properly called and organized, and that minutes are accurately recorded.

Succession plan

In accordance with the requirements and principles of Corporate Governance, the Board of Directors has reviewed and approved the succession plan, including the policies and principles of selecting the successor to the Group CEO, whether in case of emergency or in the context of normal business. In addition, the management in coordination with the Board of Directors has put in place a succession plan for the Senior Management individuals of the Group, which is being implemented in accordance with the plan.

Complaints

The Group subsidiaries always strive for a convenient and phenomenal customer experience while providing suitable insurance services for customers. Consequently, we have adopted a customer complaint approach for concerns accessible to all customers through various channels including our branches, call centre, complaints unit and online via our websites or WhatsApp.

For handling the customer complaints, the subsidiaries have a dedicated independent Customer Complaints' Officer to perform duties such as receiving and acknowledging complaints, recording customer information and details pertaining to complaints, objectively investigating and communicating to the departments related to the complaints, tracking the progress of complaints, and finally communicating to the customers on the resolution of their complaints. In the case where the customer is not satisfied with the resolution of the complaint, they have the right to escalate the case to the Central bank of Bahrain.

To facilitate the engagement process with our customers, we have published an easy-to-use guide which can be found in hard copy at branches and an online version on our websites, which also assists in providing transparency on the complaint's procedure and reassurance to customers that we recognize their rights to express concerns.

Corporate Governance
(Continued)

Conflict of Interests

Directors, Key Shareholders, Senior Executives, and other employees of the Company shall avoid cases that lead to conflicts of interest with the Company and deal with such cases in accordance with the provisions of the Commercial Companies Law and the Corporate Governance Code of Bahrain. The Board of Directors internal regulations state that any Director or Member of the Executive Management who enters a transaction involving a conflict of interest shall need the approval of the Board of Directors. Any Officer or Director in the company who, himself or the party he represents in the Board of Directors, have a joint or conflicting interest in a transaction presented to the Board for a decision shall disclose it to the Board of Directors and prove it in the minutes of meeting. The concerned person shall not be entitled to participate in the deliberation, discussion and voting of the decision on these transactions. The disclosure shall include the essence of the transaction and its impact on the integrity of the Group's decisions and transactions, rather than the legal form. The Chairman shall report to the General Assembly the results of the related-party transactions approved by the Board of Directors at the first meeting following the implementation of the transaction, and the reporting shall be on a case-by-case basis (i.e according to transaction and related parties) and accompanied by a report from the external auditor. Details of the related-party transactions and the classification of the amounts due to these parties and the receivables therefrom are disclosed to the Shareholders herein. The Group's Auditors shall ensure that the related parties perform all their obligations relating to these transactions and any transactions to which they were a party in the following year. Reference shall also be made to international standards and other laws relevant to financial reporting to calibrate and disclose such transactions.

Related Parties Transactions

The Commercial Companies Law, Central Bank of Bahrain 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 have 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 2024 are disclosed in Note 28 of the 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:

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

Status of compliance with Central Bank of Bahrain High Level Controls Module

BNH as a Bahrain Bourse listed company and the Group subsidiaries (bni and bnl) as a Central Bank of Bahrain regulated entities are required to comply with the HC Module of the Central Bank of Bahrain Rulebook, Volumes 6 and 3. The HC Module contains both Rules and Guidance; Rules must be complied with, but Guidance may either be complied with or noncompliance explained to the Shareholders by way of an annual report and to the Central Bank of Bahrain.

BNH has provided the following explanations in relation to the below Guidance in Module HC Volume 6:

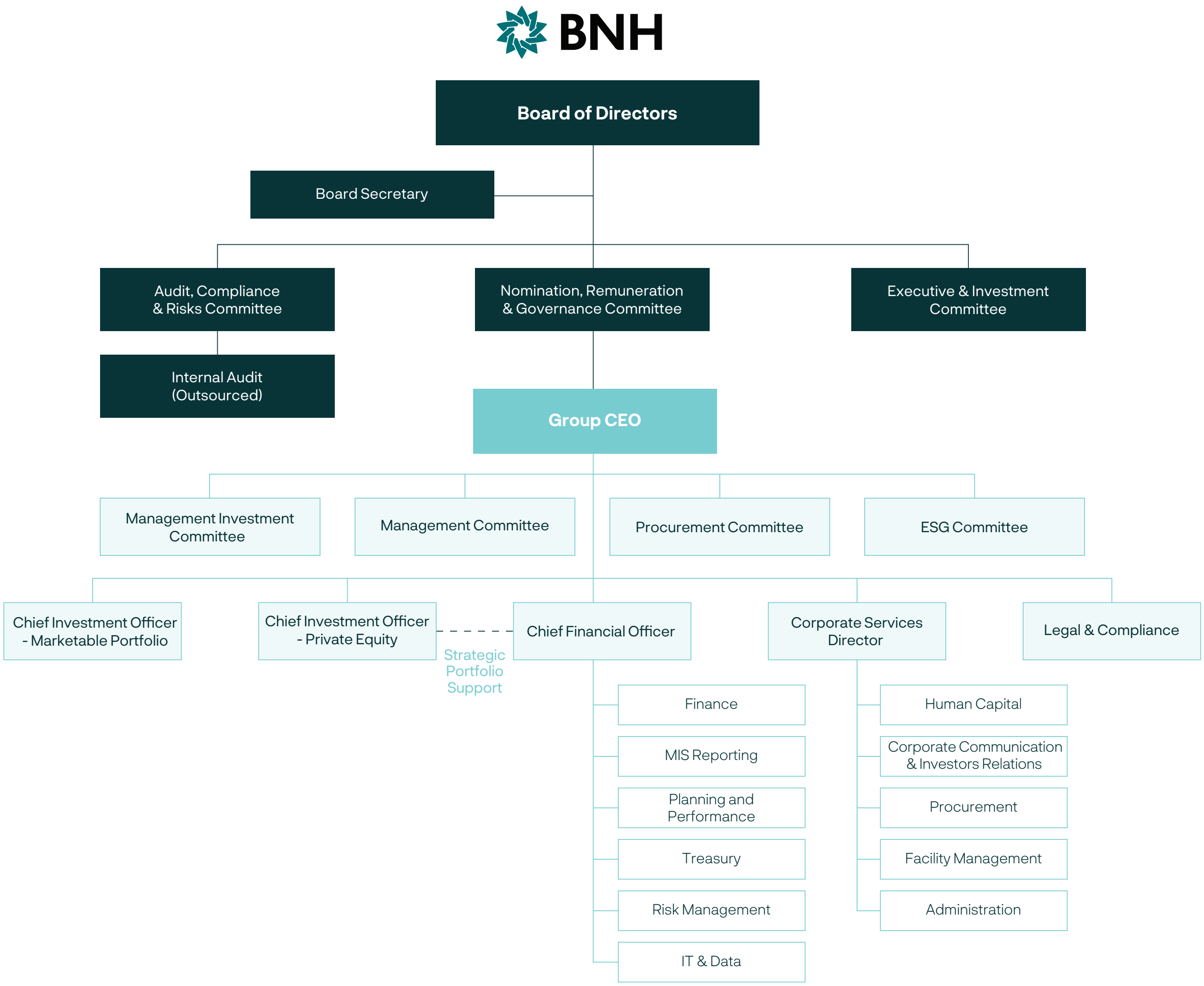
HC-1.3.6 states that No Director holds more than 3 Directorships in public companies in Bahrain with the provision that no conflict of interest may exist (which includes having an interest in companies in the same line of business), and the Board should not propose the election or re-election of any Director who does. One of BNH Directors, Mr. Jehad Amin hold more than three but not more than 5 directorships in public companies in Bahrain which is in compliance with principle 1 of the Corporate Governance Code 2018 and there is no conflict of interests between their other Directorships and that of the Group.

Corporate Governance Officer

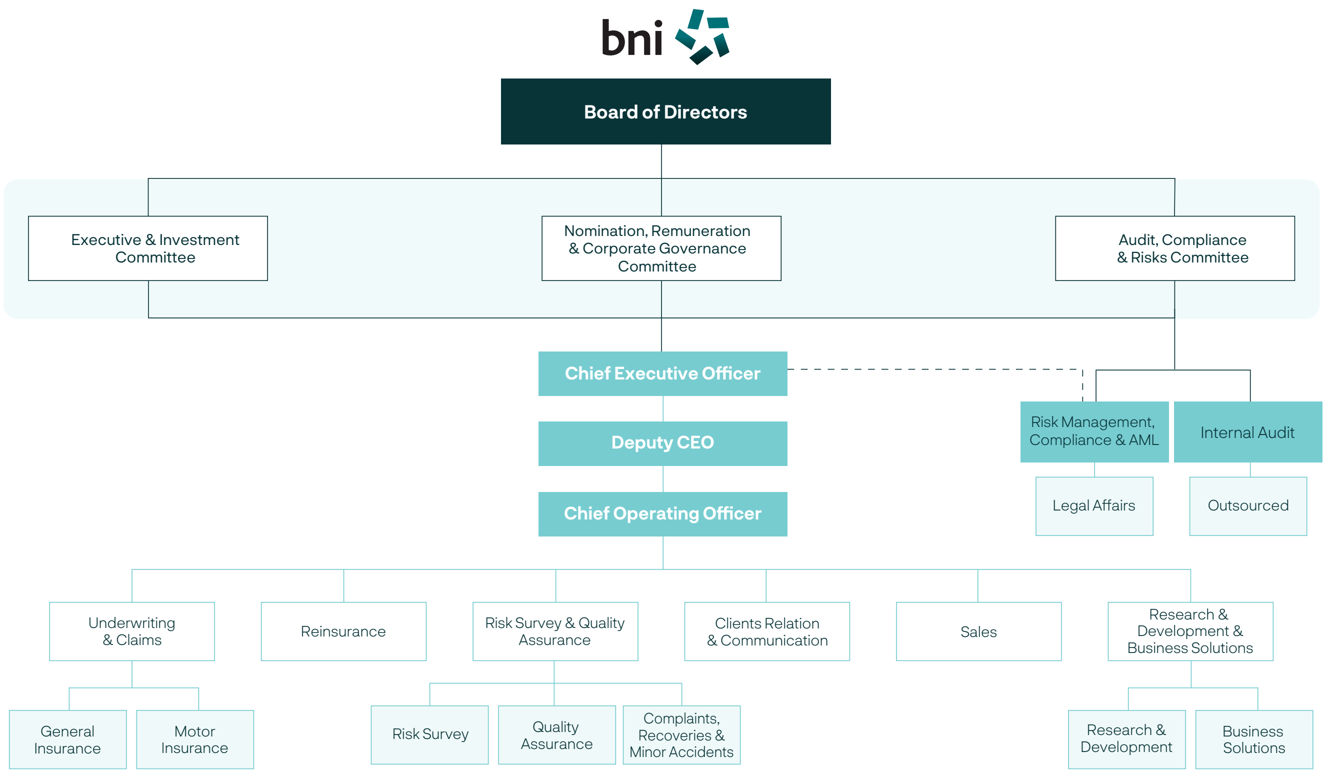
BNH has an appointed Corporate Governance Officer in accordance to the Corporate Governance Code.

Name	Date of Appointment	Contact Details
Amina Jasim Bushaar	14-January-2025	Tel: 17587308 Email: amina.bushaar@bnhgroup.com

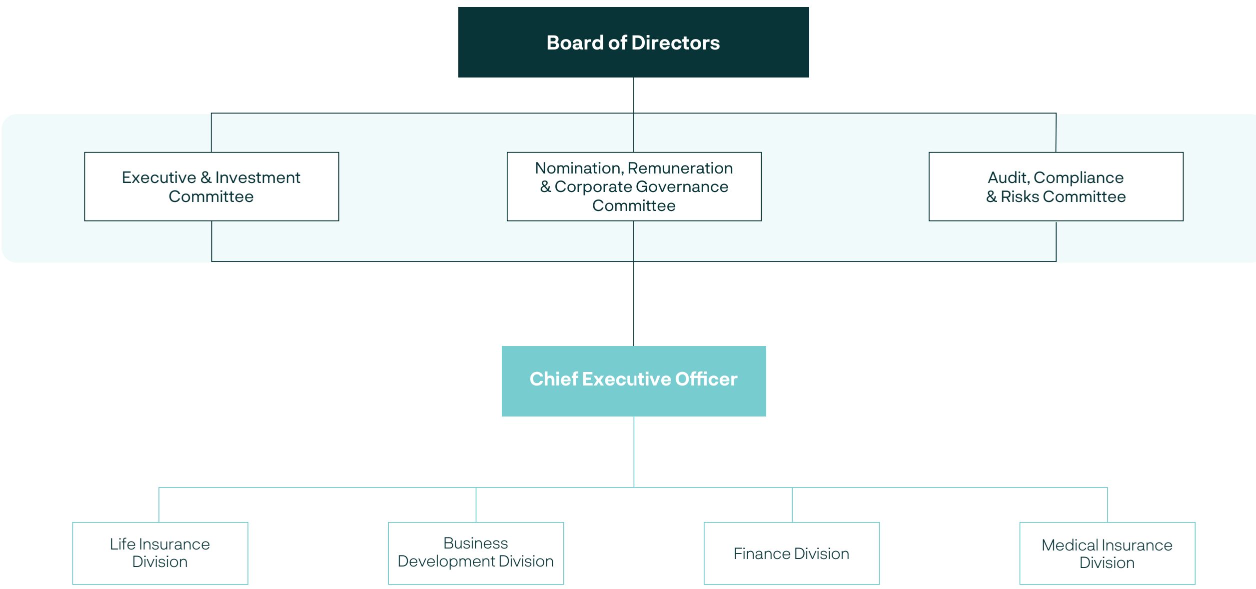
Organization Structure



Notes:
1. Board Committees formed individually at each respective Company.
2. Management Committees are jointly formed for the Group; Parent and subsidiaries included.
3. Support functions are provided by BNH to bni and bnl through SLA agreement, as applicable to the operation of that company.
4. Risk, Compliance and AML is provided through SLA agreement between bni and BNH effective till October 2024.


Board of Directors
Executive & Investment Committee
Nomination, Remuneration & Corporate Governance Committee
Audit, Compliance & Risks Committee
Chief Executive Officer
Deputy CEO
Chief Operating Officer
Risk Management, Compliance & AML
Internal Audit
Legal Affairs
Outsourced
Underwriting & Claims
Reinsurance
Risk Survey & Quality Assurance
Clients Relation & Communication
Sales
Research & Development & Business Solutions
General Insurance
Motor Insurance
Risk Survey
Quality Assurance
Complaints, Recoveries & Minor Accidents
Research & Development
Business Solutions

Organization Structure
(Continued)



Notes:
Risk, Compliance and AML is provided through Service Level Agreement between bni and bnl.

Bahrain National Holding B.S.C.
9th Floor, BNH Tower,
Seef Business District
P.O Box. 843, Kingdom of Bahrain
bnhgroup.com