



# **BMMI BSC**

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## **Annual Corporate Governance Disclosure**



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## 1. CORPORATE GOVERNANCE CODE

The Board and the Group's employees are expected to maintain the highest level of corporate ethics and personal behaviour. The Group has established a BMMI Code of Business Conduct ('the Code') which provides an ethical and legal framework for all employees in the conduct of its business. The Code defines how the Group relates to its employees, shareholders, and the communities in which the Group operates.

The Board of Directors has adopted the Code and a Group's Whistle-blower policy to monitor compliance with Group ethics. The Code provides clear directions on conducting business internationally, interacting with governments, communities, business partners and general workplace behaviour, in line with the best practice corporate governance models. The Code sets out a behavioural framework for all employees in the context of a wide range of ethical and legal issues. The Code is published in the 'Corporate Governance' section of the Company's website.

## 2. CORPORATE GOVERNANCE DEVELOPMENTS DURING THE YEAR

During the year, BMMI has revisited its corporate governance framework and guidelines to ensure compliance with the Corporate Governance Law enacted in 2018.

## 3. COMPANY'S BOARD, DIRECTORS AND MANAGEMENT

### 3.1. Board Procedure

The Board of Directors is accountable to shareholders for the proper and prudent investment and preservation of shareholders' interests. The Board of Directors' role and responsibilities include but are not limited to:

- Monitoring the overall business performance;
- Monitoring management's performance and succession plan for senior management;
- Monitoring conflicts of interest and preventing abusive related party transactions;
- Accurate preparation of the annual and quarterly consolidated financial statements;
- Convening and preparing for the shareholders' meetings;
- Recommend dividend to shareholders and ensure its execution;
- Adopt, implement and monitor compliance with the Group's Code of Conduct;
- Review the Group's objectives and policies relating to social responsibilities; and
- Select, interview, and appoint Chief Executive Officer and other selected members of the senior management.



In this respect, the Directors remain individually and collectively responsible for performing all the Board of Director's responsibilities.

### 3.2. Material transactions requiring board approval

The following material transactions require the Board's review, evaluation and approval:

- The Company's strategy;
- The annual budget;
- Major resource allocations and capital investments; and
- Management responsibilities and training, development, and succession plan for senior management.

### Election system of directors and termination process

Election / re-election of the Board members takes place every three years at the meeting of the shareholders. The last election of Board members was held on 30 March 2021.

Termination of a Board member's mandate usually occurs by dismissal at the meeting of the shareholders or by the member's resignation from the Board of Directors.

### 3.3. Board Members

The Board of Directors consist of 8 members as of 31 December 2021 (2020: 8 members).

The Board has been elected on 30 March 2021 for a period of 3 years.

The following table summarises the information about the profession, business title, experience in years and start date of the current Board members:

| Name of Board Member       | Profession    | Business Title | Executive/non-Executive Independent/ non-Independent | Experience in years | Start date |
|----------------------------|---------------|----------------|--|---------------------|------------|
| Mr. Abdulla Hassan Buhindi | Businessman   | Chairman       | Non-executive/non-independent                        | 55                  | 2004       |
| Mr. Shawki Fakhroo         | Businessman   | Vice-Chairman  | Non-executive/ independent                           | 48                  | 1992       |
| Mr. Ahmed Yateem           | Businessman   | Director       | Non-executive/ non- independent                      | 18                  | 2018       |
| Mr. Jehad Amin             | Businessman   | Director       | Non-executive/independent                            | 44                  | 2004       |
| Mr. Abdulla Fakhro         | Businesswoman | Director       | Non-executive/non-independent                        | 24                  | 2021       |
| Mr. Mohammed Almoayyed     | Businessman   | Director       | Non-executive/non-independent                        | 24                  | 2004       |
| Mr. Ahmad Al Saad          | Businessman   | Director       | Non-executive/ independent                           | 18                  | 2021       |
| Mr. Suhail Hajee           | Banker        | Director       | Non-executive/ independent                           | 34                  | 2011       |



### 3.4. Board members directorship

| Name of the Board member | Number of directorships in other listed companies in Bahrain | Number of directorships in other related commercial entities in Bahrain | Position in Key Regulatory/ Government entities |
|--------------------------|--|---|---|
| Mr. Abdulla Buhindi      | 3  | 2   | none  |
| Mr. Shawki Fakhroo       | 2  | 1   | none  |
| Mr. Jehad Amin           | 5  | 0   | none  |
| Mr. Mohammed Almoayyed   | 1  | 1   | none  |
| Mr. Ahmad El Saad        | 0  | 1   | none  |
| Mr. Suhail Hajee         | 1  | 0   | none  |
| Mr. Abdulla Fakhro       | 0  | 0   | none  |
| Mr. Ahmed Yateem         | 1  | 1   | none  |

### 3.5. Directors and immediate Family trading of the Company's shares during the year 2021

| Name                       | Position/Kinship | Shares Held as at 31/12/2021 | Shares held as at 31 /12/ 2020 | Total transfer/Purchase Transaction | Total Sale Transaction |
|----------------------------|------------------|------------------------------|--------------------------------|-------------------------------------|------------------------|
| Abdulla Hassan Buhindi     | Chairman         | 133,100                      | 133,100                        | nil                                 | nil                    |
| Shawki Ali Fakhroo         | Vice-Chairman    | 587,882                      | 587,882                        | nil                                 | nil                    |
| Ahmad Ebrahim Al Saad      | Director         | nil                          | nil                            | nil                                 | nil                    |
| Jehad Yousif Ameen         | Director         | 2,000,000                    | 2,000,000                      | nil                                 | nil                    |
| Abdulla Adel Fakhro        | Director         | nil                          | nil                            | nil                                 | nil                    |
| Ahmed Mohammed Yateem      | Director         | 61,000                       | 42,000                         | 19,000                              | nil                    |
| Mohammed Farouq Al Moayyed | Director         | 637,273                      | 637,273                        | nil                                 | nil                    |
| Suhail Hajee               | Director         | nil                          | nil                            | nil                                 | nil                    |



### Code of conduct and procedures adopted by the Board for monitoring compliance

The Board of Directors and the Group's employees are expected to maintain the highest level of corporate ethics and personal behaviour. The Group has established a BMMI's Code of Conduct which provides an ethical and legal framework for all employees in the conduct of its business. The BMMI's Code of Conduct defines how the Group relates to its employees, shareholders, and the community in which the Group operates.

The Board of Directors has adopted the BMMI Code of Business Conduct and a Company's Whistleblower Policy to monitor compliance with the Group's ethics. The Code of Business Conduct provides clear directions on conducting business internationally, interacting with governments, communities, business partners and general workplace behaviour, in line with the best practice of corporate governance models and ethics.

### 4.3 Management

The following table summarises the information about the business title, experience in years and the qualifications of each member of the Executive Management as at 31 December 2021:

| Name of Executive member  | Designation / Business title                       | Experience in years | Qualification   |
|---------------------------|--|---------------------|---|
| Mr. Marek Sheridan        | Chief Executive Officer                            | 38                  | Master of Business Administration.  |
| Mr. Robert Smith          | Chief Operations Officer - Contracting & Logistics | 37                  | Bachelor's Degree in Business Administration and Diploma in Hotel and Catering operations. Global Supply Chain Management |
| Mr. Hasan Al Sharaf       | Head of Finance                                    | 18                  | BA Honours (Accounting & Finance)<br>ACCA   |
| Mr. Christopher Charters  | Head of Nader Trading / Consumer                   | 18                  | B.Sc. (Hons), Applied Sciences, Higher National Diploma, Hotel, Catering & Institutional Management                       |
| Mr. Basel Al Madani       | Acting Chief Commercial Officer                    | 28                  | Diploma in A/C Technician   |
| Mrs. Masooma Al Turkumani | Chief People Officer                               | 27                  | Master of Business Administration (MBA)<br>Chartered MCIPD  |

The following table summarises the total remuneration paid to members of the Executive Management during the year 2021:

| Executive Management Remuneration | 2021           | 2020           |
|-----------------------------------|----------------|----------------|
|                                   | BD             | BD             |
| Total                             | <b>771,280</b> | <b>733,693</b> |



**Group Organizational Structure;**



## 4. COMMITTEES

The following table summarizes the information about Board's Committees, their members and objectives:

| Board committee   | Objective  | Members                    | <i>Executive/non-Executive</i>           |
|---|--|----------------------------|--|
|   |  |                            | <i>Independent/ non-Independent</i>      |
| <b>Executive Committee</b>  | The Executive Committee is formed to discuss matters with the Group's management regarding senior staffing, financial performance, operational performance, strategies and all other issues as directed by the Board.  | Mr. Shawki Fakhro          | Non-executive/ independent, Chairman     |
|   |  | Mr. Mohammed Almoayyed     | Non-executive/non-independent            |
|   |  | Mr. Jehad Amin             | Non-executive/independent                |
| <b>Investment and Finance Committee</b>                                 | The Investment and Finance Committee of BMMI is responsible for approving the Group's investment policies, strategies, transactions and reviewing the performance of the Group's investments. The Committee is also to provide assistance to the Board in the review and oversight of the Group's objectives, strategies and policies.   | Mr. Jehad Amin             | Non-executive/independent, Chairman      |
|   |  | Mr. Ahmed Yateem           | Non-executive/non-independent            |
|   |  | Mr. Abdullah Buhindi       | Non-executive/non-independent            |
|   |  | Mr. Shawki Fakhro          | Non-executive/independent                |
|   |  | Mr. Suhail Hajee           | Non-executive/independent                |
| <b>Audit Committee</b>  | The Audit Committees is responsible for:<br>1) Monitoring the integrity of the Financial Reporting Process, BMMI's systems of Internal Control, review of the consolidated financial statements and reports, compliance of the Board with legal and regulatory requirements and the performance of the Group's Internal Audit function.<br>2) To recommend the appointment of External Auditors, agreeing their compensation, overseeing their independence and preparing reports required to be prepared by the Audit Committee pursuant to Central Bank of Bahrain, Bahrain Bourse, Bahrain Commercial Companies Law and other regulatory authorities in the Kingdom of Bahrain. | Mr. Abbas Radhi            | Board Advisor/ Chairman                  |
|   |  | Mr. Ahmad Al Saad          | Non-executive/independent                |
|   |  | Mr. Abdulla Fakhro         | Non-executive/independent                |
| <b>Remuneration and Nomination &amp; Corporate Governance Committee</b> | Review and advise the Board on the Board's Composition, new director's nominations and Corporate Governance in addition to Board and Senior Management remuneration.   | Mr. Abdulla Hassan Buhindi | Non-executive/ non-independent, Chairman |
|   |  | Mr. Shawki Fakhro          | Non-executive/independent                |
|   |  | Mr. Jehad Amin             | Non-executive/independent                |
|   |  | Mr. Suhail Hajee           | Non-executive/independent                |





## Board remuneration

The table below sets out the remuneration of Board members consistent with the Company's Compensation policy.

### 2021 Board remuneration

| Name  | Fixed remunerations                   |  |          |          |                | Variable remunerations                |          |                 |          |          | End-of-service award | Aggregate amount<br>(Does not include expense allowance) | 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 | Bonus    | Incentive plans | Others   | Total    |                      |  |                    |
| <b>First: Independent / Non-Executive Directors:</b>      |                                       |  |          |          |                |                                       |          |                 |          |          |                      |  |                    |
| 1- Mr. Suhail Hajee                                       | 18,000                                | 15,000   | -        | -        | 33,000         | -                                     | -        | -               | -        | -        | -                    | -  | -                  |
| 2- Mr. Shawqi Fakhro                                      | 20,000                                | 28,500   | -        | -        | 48,500         | -                                     | -        | -               | -        | -        | -                    | -  | -                  |
| 3- Mr. Jehad Amin   | 20,000                                | 26,000   | -        | -        | 46,000         | -                                     | -        | -               | -        | -        | -                    | -  | -                  |
| 4- Mr. Abdulla Fakhro                                     | 15,000                                | 8,000  | -        | -        | 23,000         | -                                     | -        | -               | -        | -        | -                    | -  | -                  |
| 5- Mr. Ahmed Al Saad                                      | 15,000                                | 8,000  | -        | -        | 23,000         | -                                     | -        | -               | -        | -        | -                    | -  | -                  |
| 6- Mr. Redha Faraj  | -                                     | 3,000  | -        | -        | 3,000          | -                                     | -        | -               | -        | -        | -                    | -  | -                  |
| <b>Second: Non-Executive / Non-Independent Directors:</b> |                                       |  |          |          |                |                                       |          |                 |          |          |                      |  |                    |
| 1- Mr. Abdulla Buhindi                                    | 30,000                                | 20,500   | -        | -        | 50,500         | -                                     | -        | -               | -        | -        | -                    | -  | -                  |
| 2- Mr. Mohammed Al Moayyed                                | 15,000                                | 13,000   | -        | -        | 28,000         | -                                     | -        | -               | -        | -        | -                    | -  | -                  |
| 3- Mr. Ahmed Yateem                                       | 15,000                                | 9,000  | -        | -        | 24,000         | -                                     | -        | -               | -        | -        | -                    | -  | -                  |
| 4- Mrs. Mona Al Moayyed                                   | -                                     | 5,000  | -        | -        | 5,000          | -                                     | -        | -               | -        | -        | -                    | -  | -                  |
|   |                                       |  |          |          |                |                                       |          |                 |          | -        |                      |  |                    |
| <b>Total</b>  | <b>148,000</b>                        | <b>136,000</b>   | <b>-</b> | <b>-</b> | <b>284,000</b> | <b>-</b>                              | <b>-</b> | <b>-</b>        | <b>-</b> | <b>-</b> | <b>-</b>             | <b>-</b>   | <b>-</b>           |

#### 4.1. Executive Committee

The Group should hold a minimum of eight Executive Committee meetings each year. During the year ended 31 December 2021, nine meetings (2020: nine meetings) of the Executive Committee were held. The following table summarises the information about Committee meetings dates and attendance of directors at each meeting:

| <b>Date</b>      | <b>Members attended</b> | <b>Members not attended</b> |
|------------------|-------------------------|-----------------------------|
| <b>21-Jan-21</b> | Mr. Shawki Fakhroo      |                             |
|                  | Mrs. Mona Almoayyed     |                             |
|                  | Mr. Jehad Ameen         |                             |
| <b>24-Mar-21</b> | Mr. Shawki Fakhroo      |                             |
|                  | Mrs. Mona Almoayyed     |                             |
|                  | Mr. Jehad Ameen         |                             |
| <b>20-Apr-21</b> | Mr. Shawki Fakhroo      |                             |
|                  | Mr. Mohammed Almoayyed  |                             |
|                  | Mr. Jehad Ameen         |                             |
| <b>25-May-21</b> | Mr. Shawki Fakhroo      |                             |
|                  | Mr. Mohammed Almoayyed  |                             |
|                  | Mr. Jehad Ameen         |                             |
| <b>22-Jun-21</b> | Mr. Shawki Fakhroo      |                             |
|                  | Mr. Mohammed Almoayyed  |                             |
|                  | Mr. Jehad Ameen         |                             |
| <b>14-Jul-21</b> | Mr. Shawki Fakhroo      |                             |
|                  | Mr. Mohammed Almoayyed  |                             |
|                  | Mr. Jehad Ameen         |                             |
| <b>23-Sep-21</b> | Mr. Shawki Fakhroo      |                             |
|                  | Mr. Mohammed Almoayyed  |                             |
|                  | Mr. Jehad Ameen         |                             |
| <b>21-Oct-21</b> | Mr. Shawki Fakhroo      |                             |
|                  | Mr. Mohammed Almoayyed  |                             |
|                  | Mr. Jehad Ameen         |                             |
| <b>18-Nov-21</b> | Mr. Shawki Fakhroo      |                             |
|                  | Mr. Mohammed Almoayyed  |                             |
|                  | Mr. Jehad Ameen         |                             |

The total remuneration for the Executive Committee amounted to BD 31,500 (2020: BD 31,500).



#### 4.2. Investment and Finance Committee

The Group should hold a minimum of four Investment and Finance Committee meetings each year. During the year ended 31 December 2021, four meetings (2020: Three meetings) of the Investment and Finance Committee were held. The following table summarises the information about the Committee meetings dates and attendance of directors at each meeting:

| Date             | Members attended           | Members not attended |
|------------------|----------------------------|----------------------|
| <b>21-Jan-21</b> | Mr. Abdulla Hassan Buhindi |                      |
|                  | Mrs. Mona Almoayyed        |                      |
|                  | Mr. Jehad Ameen            |                      |
|                  | Mr. Shawki Fakhro          |                      |
|                  | Mr. Suhail Hajee           |                      |
| <b>30-Jun-21</b> | Mr. Shawki Fakhro          |                      |
|                  | Mr. Abdulla Hassan Buhindi |                      |
|                  | Mr. Suhail Hajee           |                      |
|                  | Mr. Jehad Ameen            |                      |
|                  | Mr. Ahmed Yateem           |                      |
| <b>7-Oct-21</b>  | Mr. Shawki Fakhro          |                      |
|                  | Mr. Abdulla Hassan Buhindi |                      |
|                  | Mr. Suhail Hajee           |                      |
|                  | Mr. Jehad Ameen            |                      |
| <b>24-Nov21</b>  | Mr. Shawki Fakhro          |                      |
|                  | Mr. Abdulla Hassan Buhindi |                      |
|                  | Mr. Suhail Hajee           |                      |
|                  | Mr. Jehad Ameen            |                      |
|                  | Mr. Ahmed Yateem           |                      |

The total remuneration for the Investment and Finance Committee amounted to BD 22,000 (2020: BD 27,500).



#### 4.3. Audit Committee

The Group should hold a minimum of five Audit Committee meetings each year. During the year ended 31 December 2021, five meetings (2020: five meetings) of the Audit Committee were held. The following table summarises the information about the Committee meetings dates and attendance of directors at each meeting:

| <i>Date</i>      | <i>Members attended</i> | <i>Members not attended</i> |
|------------------|-------------------------|-----------------------------|
| <b>23-Feb-21</b> | Mr. Redha Faraj         |                             |
|                  | Mr. Ahmed Yateem        |                             |
|                  | Mr. Mohammed Almoayyed  |                             |
| <b>26-Apr-21</b> | Mr. Abbas Radhi         |                             |
|                  | Mr. Ahmed AlSaad        |                             |
|                  | Mr. Abdulla Fakhroo     |                             |
| <b>24-Jun-21</b> | Mr. Abbas Radhi         |                             |
|                  | Mr. Ahmed AlSaad        |                             |
|                  | Mr. Abdulla Fakhroo     |                             |
| <b>27-Oct-21</b> | Mr. Abbas Radhi         |                             |
|                  | Mr. Ahmed AlSaad        |                             |
|                  | Mr. Abdulla Fakhroo     |                             |
| <b>22-Nov-21</b> | Mr. Abbas Radhi         |                             |
|                  | Mr. Ahmed AlSaad        |                             |
|                  | Mr. Abdulla Fakhroo     |                             |

The total remuneration for the Audit Committee amounted to BD 17,500 (2020: BD 17,500).

#### *Key Activities of the Committee:*

##### 1. External Audit and Financial Reporting

External audit is an examination of the Group's financial statements in accordance with the applicable laws, regulations, and reporting standards.

The Committee recommends the appointment of external auditors, in conjunction with the Management, to the Board of Directors and General Assembly.

The Committee reviews BMMI's quarterly reviewed Financial Statements and Annual Audited Financial Statements and recommends to the Board.

The Committee oversees the independence of the External Auditors.

##### 2. Internal Audit

Internal audit is an independent, objective assurance function, appointed to evaluate and improve the effectiveness of risk management, control, and governance processes.

The Group has outsourced its internal audit function, which reports to the Audit and Risk Committee.



The Committee shall discuss with the Internal Auditor the overall scope, methodology, plans and budget for the internal audit. The risk-based internal audit plan includes a significant emphasis on audit review of areas where major risks have been identified (based on risk ranking) under the risk management mechanism.

The Committee reviews the deliverables submitted by the internal auditors and monitors the performance.

### 3. Enterprise Risk Management

The objective of the Enterprise Risk Management (ERM) is to coordinate activities to maximise opportunities, and reduce the likelihood and the impact of threats, with the goal of optimising value. The objective of the Enterprise Risk Management is to:

- Embed the management of risk as an integral part of business processes;
- Establish an effective system of risk identification, analysis, evaluation and treatment within all areas and segments of the Group;
- Avoid exposure to significant loss;
- Contribute to the achievement of the Group objectives; and
- Assess the benefits and costs of implementing available options and controls to manage risk.

The Group has developed an ERM framework which includes the policy, procedures, risk appetite and tolerance etc. The Group has also established an executive level ERM Committee, headed by the Chief Executive Officer, which reports to the Audit and Risk Committee on a quarterly basis.

### 4. Compliance

The Group has established an in-house Compliance process, which oversees the regulatory compliance framework and functionally reports to the Audit and Risk Committee.

The Group has established Compliance policies and procedures, which include, but are not limited to, policies regarding anti-money laundering, whistleblowing, personal data protection, customer complaints etc.

The Committee periodically reviews with the Executive Management, including the General Counsel and the Internal Auditors, any correspondence with, or other action by, regulators or governmental agencies and any employee complaints or published reports that raise concerns regarding the Company's financial statements, accounting or auditing matters or compliance with the laws.



#### 4.4. Remuneration and Nomination and Corporate Governance Committee

The Group should hold a minimum of two Remuneration and Nomination Committee meetings during each year. During the year ended 31 December 2021, seven meetings (2020: three meetings) of the Remuneration and Nomination Committee were held. The following table summarises the information about Committee meetings dates and attendance of directors at each meeting:

| <i>Date</i>      | <i>Members attended</i>    | <i>Members not attended</i> |
|------------------|----------------------------|-----------------------------|
| <b>25-Feb-21</b> | Mr. Abdulla Hassan Buhindi |                             |
|                  | Mr. Shawki Fakhroo         |                             |
|                  | Mrs. Mona Almoayyed        |                             |
|                  | Mr. Jehad Ameen            |                             |
|                  | Mr. Suhail Hajee           |                             |
| <b>30-Mar-21</b> | Mr. Abdulla Hassan Buhindi |                             |
|                  | Mr. Shawki Fakhroo         |                             |
|                  | Mr. Jehad Ameen            |                             |
| <b>30-Jun-21</b> | Mr. Suhail Hajee           |                             |
|                  | Mr. Abdulla Hassan Buhindi |                             |
|                  | Mr. Shawki Fakhroo         |                             |
|                  | Mr. Jehad Ameen            |                             |
| <b>16-Sep-21</b> | Mr. Suhail Hajee           |                             |
|                  | Mr. Abdulla Hassan Buhindi |                             |
|                  | Mr. Shawki Fakhroo         |                             |
|                  | Mr. Jehad Ameen            |                             |
| <b>7-Oct-21</b>  | Mr. Suhail Hajee           |                             |
|                  | Mr. Abdulla Hassan Buhindi |                             |
|                  | Mr. Shawki Fakhroo         |                             |
|                  | Mr. Jehad Ameen            |                             |
| <b>24-Nov-21</b> | Mr. Suhail Hajee           |                             |
|                  | Mr. Abdulla Hassan Buhindi |                             |
|                  | Mr. Shawki Fakhroo         |                             |
|                  | Mr. Jehad Ameen            |                             |
| <b>5-Dec-21</b>  | Mr. Suhail Hajee           |                             |
|                  | Mr. Abdulla Hassan Buhindi |                             |
|                  | Mr. Shawki Fakhroo         |                             |
|                  | Mr. Jehad Ameen            |                             |
|                  | Mr. Suhail Hajee           |                             |

The total remuneration for the Remuneration and Nomination Committee amounted to BD 28,000 (2020: BD 11,000). No Sitting fees were paid for the meeting held on 5-Dec-2021 as per the Committee's' resolution.



## 5. CORPORATE GOVERNANCE OFFICER

|                     |  |
|---------------------|--|
| Name                | Mr. Jad Moukheiber   |
| Qualification       | Bachelors at Law<br>Master's in Political Sciences &<br>International Affairs. |
| Date of Appointment | 2012   |
| Office Number       | +973 17746113  |
| Office email        | <a href="mailto:jmukheiber@bmmi.com.bh">jmukheiber@bmmi.com.bh</a>             |

## 6. EXTERNAL AUDITORS

Ernest & Young (EY) is one of the Largest International Audit Firms with extensive blue-chip experience in Audit, Assurance, Advisory, Tax and Transaction Advisory Services.

|  |                    |
|--|--------------------|
| Name of Audit Firm   | Ernst & Young (EY) |
| Years of Service as the Company's external Auditors        | 14 years           |
| Name of Partner in Charge of the Company's Audit           | Kazim Merchant     |
| The Partner's years of service as in-charge of the company | 3 Year             |
| Total Audit Fees for the year ended 31 December 2020       | BD 31,025          |
| Other Special fees for non-audit Services                  | None               |

## 7. CONFLICT OF INTEREST

In the instance of a conflict of interest arising because of any business transaction or any type of resolution to be taken, the concerned Board member shall refrain from participating at the discussion of such transaction or resolution to be taken. In this respect, BMMI's Board members usually inform the Board of a potential conflict of interest prior to the discussion of any transaction or resolution. The concerned Board member(s) also refrain from voting in any instances where conflict of interest may arise. The abstention of Board members from voting is also recorded in the minutes of the meeting where the conflict of Interest has occurred. On the other hand, the Board hereby recognises some exceptions mainly pertaining to the Board, Board Committees' composition and Board Members whereby such exceptions remain necessary and vital to the Company's Sound Governance, Interest Safeguard and Continuity. With regard to Third Party related Transactions, the below list stipulates the details of such transactions that, prior to closure, were subject to the Group's Rigorous policy for Contracts Tendering & Award.





## 8. RELATED PARTY TRANSACTIONS 2021

| Name  | Country of incorporation | Transactions/ balances                                  | Relationship                  |                     |
|---|--------------------------|---|-------------------------------|---------------------|
| <b>Banz Group B.S.C.</b>  | Kingdom of Bahrain       | Revenue<br>Receivables                                  | BD 859.53<br>BD 859.53        | Other related party |
| <b>UQLC Facility Management Company Limited</b>                     | Kingdom of Bahrain       | Receivables   | BD 355,923                    | Joint Venture       |
| <b>Metro Market (TRAFCO) Budaiya'a</b>                              | Kingdom of Bahrain       | Revenue<br>Receivables                                  | BD 32,484.31<br>BD 2,665.42   | Other related party |
| <b>Almoayyed Security</b>   | Kingdom of Bahrain       | General and administrative expenses                     | BD 105,376.32                 | Other related party |
| <b>Ashraf's</b>   | Kingdom of Bahrain       | Payables<br>General and administrative expenses/Project | BD 78,923.51<br>BD 268,217.72 | Other related party |
| <b>Almoayyed Cleaning &amp; Maintenance W.L.L.</b>                  | Kingdom of Bahrain       | General and administrative expenses                     | BD 157,982.67                 | Other related party |
| <b>Almoayyed Distribution W.L.L.</b>                                | Kingdom of Bahrain       | Payables<br>General and administrative expenses         | BD 4,545.23<br>BD 16,055.82   | Other related party |
| <b>Shutdown Maintenance Services W.L.L.</b>                         | Kingdom of Bahrain       | Payables<br>General and administrative expenses         | BD 315.00<br>BD 28,696.71     | Other related party |
| <b>Almoayyed Car Leasing - Division of Yousif Khalil &amp; Sons</b> | Kingdom of Bahrain       | Payables<br>General and administrative expenses         | BD 87,140.53<br>BD 395,598.04 | Other related party |
| <b>Almoayyed Interiors</b>  | Kingdom of Bahrain       | General and administrative expenses/Project             | BD Nil                        | Other related party |
| <b>Trafco Group B.S.C.</b>  | Kingdom of Bahrain       | Payables<br>General and administrative expenses         | BD 27,035.55<br>BD 165,157.55 | Other related party |
| <b>Bahrain Cinema Company B.S.C.</b>                                | Kingdom of Bahrain       | Receivables<br>Revenue                                  | BD 3,695.78<br>BD 9,205.68    | Other related party |
| <b>Bahrain Duty Free Complex</b>                                    | Kingdom of Bahrain       | Receivables<br>Revenue                                  | BD 4,503.80<br>BD 43,500.62   | Other related party |
| <b>Bahrain Electromechanical Services Co. W.L.L.</b>                | Kingdom of Bahrain       | Payables<br>General and administrative expenses/Project | BD 2,604.00<br>BD 278,617.18  | Other related party |
| <b>Bahrain National Holding</b>                                     | Kingdom of Bahrain       | Receivable<br>Revenue                                   | BD 3,300<br>BD 13,200         | Other related party |
| <b>Yateem Airconditioning Company W.L.L.</b>                        | Kingdom of Bahrain       |   |                               | Other related party |



|                                    |                    |   |                               |                     |
|------------------------------------|--------------------|---|-------------------------------|---------------------|
|                                    |                    | Payables<br>General and<br>administrative<br>expenses | BD 1,365<br>BD 4,242          |                     |
| <b>Almoayyed Computers</b>         | Kingdom of Bahrain | Payables<br>General and<br>administrative<br>expenses | BD 26,775.55<br>BD 334,897.06 | Other related party |
| <b>Almoayyed Fire &amp; Safety</b> | Kingdom of Bahrain | Payables<br>General and<br>administrative<br>expenses | BD 110.25<br>BD 1,390.73      | Other related party |
| <b>Almoayyed &amp; sons</b>        | Kingdom of Bahrain | Payables<br>General and<br>administrative<br>expenses | BD 1,213.79<br>BD 43,774.04   | Other related party |
| <b>Banz</b>                        | Kingdom of Bahrain | Payables<br>General and<br>administrative<br>expenses | BD Nil<br>BD 3,564.75         | Other related party |

## 9. MEANS OF COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

The Group is committed to providing relevant and timely information to its shareholders in accordance with its continuous disclosure obligations under the Code of Corporate Governance.

Information is communicated to shareholders through the distribution of the Group's Annual Report and other communications. All releases are posted on the Group's website and released to the shareholders and Bahrain Bourse in a timely manner.

The Company Secretary is responsible for communications with the shareholders and Bahrain Bourse and ensuring that the Company meets its continuous disclosure obligations.

## 10. EVALUATION OF BOARD PERFORMANCE

The Annual General Meeting of these shareholders evaluates on annual basis the Board of Directors' performance and absolves it from liabilities.

## 11. SOCIAL RESPONSIBILITY

### Review of internal control processes and procedures



The review of internal control process and procedures is performed regularly by the Group's internal auditors, which is outsourced, to ensure independence, transparency, and efficiency.

The Group discharges its social responsibilities through corporate donations and sponsorships and Alosra Charity Foundation's expenditure on projects aiming at social sustainable development and relief. Below is a list of 2021 Corporate CSR Activities & Contributions:



| <b>2021 Corporate Sponsorships</b>                    |  |                   |                        |
|---|--|-------------------|------------------------|
| Busaiteen Sports & Cultural Club                      | Annual support of club sports and social activities  | January 21,2021   | BD 2,000               |
| Confident Children out of Conflict & Calouh Orphanage | Food items donation  | February 2, 2021  | BD 2,000               |
| Future Society for Youth                              | Psychological and social support services for children with cancer under the 'Smile' initiative  | February 2, 2021  | BD 500                 |
| The Charity Capital Association                       | Donation to support the annual activities of the charity especially towards its upcoming Ramadan initiatives   | March 7, 2021     | BD 300                 |
| Indian Ladies Association                             | SNEHA (a free recreation centre for mentally challenged children of all nationalities)   | May 3, 2021       | BD 1500                |
| Rotary Club of Salmaniya                              | Supporting the 'Helping Hnds' initiative where we will dedicate the upcoming Rotary year supporting those who have substantially and negatively affected focusin on Youth, Community and Environment | May 3, 2021       | BD 500                 |
| Rotary Club of Manama                                 | Gold sponsorship of the Rotary International 8 <sup>th</sup> District Conference   | May 20, 2021      | BD 5,000               |
| Dar Albilad for Journalism, Publishing & Distribution | Al Bilad Video Documentation promoting BMMI as an employer of choice on World Youth Day  | August 29, 2021   | BD 350                 |
| The Art Space   | Solo exhibition to portray and celebrate Women in the Middle East with all proceeds going to Shamsaha  | August 30, 2021   | BD 1,200               |
| Bahrain Trust Foundation                              | Supporting 20 students with electronics  | October 10, 2021  | BD 3,500               |
| Mashq gallery   | 2021-2022 events calendar sponsorship  | November 21, 2021 | BD 500                 |
| Confident Children out of Conflict                    | Food items donation  | November 29, 2021 | BD 500                 |
| Calouh Orphanage                                      | Food items donation  | November 29, 2021 | BD 500                 |
|   |  |                   | <b>Total BD 18,350</b> |

## 12. STATEMENT OF SHAREHOLDERS EQUITY

| <b>Consolidated Shareholding Pattern as on 31/12/2021</b> |                      |                     |                    |
|---|----------------------|---------------------|--------------------|
| <b>Category</b>   | <b>No.of Holders</b> | <b>Total Shares</b> | <b>% To Equity</b> |
| INDIVIDUAL  | 310                  | 53433057            | 36.490874 %        |
| PRIVATE COMPANIES   | 40                   | 36582389            | 24.983099 %        |
| CLOSED LOCAL COMPANIES                                    | 12                   | 26188800            | 17.885037 %        |
| PUBLIC LOCAL COMPANIES REGISTERED IN BHB                  | 7                    | 25358415            | 17.317945 %        |
| BOARD MEMBERS   | 6                    | 3755408             | 2.564669 %         |
| INDIVIDUAL PRIVATE COMPANIES                              | 3                    | 247425              | 0.168973 %         |
| INSURANCE COMPANIES                                       | 1                    | 805255              | 0.549930 %         |
| PROF,CUL.,WOMEN,CHARITY AND RELIGN.SOCIETY                | 1                    | 52800               | 0.036059 %         |
| LOCAL INVESTOR  | 1                    | 5000                | 0.003415 %         |
| <b>Total</b>  | <b>381</b>           | <b>146428549</b>    | <b>100.00 %</b>    |



Description of the Shareholders who hold 5% or more of the Company's Share Capital as at 31/12/2021.

| Shareholders holding 5 % and above Shares as on 31/12/2021 |  |                              |            |             |                  |             |  |
|--|--|------------------------------|------------|-------------|------------------|-------------|--|
| Shareholder No   | Name                                     | Previous Holdings 31/12/2020 | Buying (+) | Selling (-) | Present Holdings | % of equity | Category   |
| BAH34201CR   | A.M.<br>Yateem<br>Bros.<br>W.L.L.        | 14646989                     | 0          | 0           | 14646989         | 10.00%      | PRIVATE<br>COMPANIES                                 |
| BAH2350901CR   | Bahrain<br>Duty Free<br>Shop<br>Complex  | 11108513                     | 0          | 0           | 11108513         | 7.59%       | PUBLIC<br>LOCAL<br>COMPANIES<br>REGISTERED<br>IN BHB |
| BAH142701CR  | Y.K.<br>Almoayyed<br>& Sons<br>B.S.C.(C) | 8742189                      | 0          | 0           | 8742189          | 5.97%       | CLOSED<br>LOCAL<br>COMPANIES                         |



Dispersion of distribution of Shareholders to their respective holding as at 31/12/2021.

| Distribution Schedule - Consolidated as on 31/12/2021 |                |               |                  |                 |                 |  |
|---|----------------|---------------|------------------|-----------------|-----------------|--|
| Shares Category                                       | No. of Holders | % of Holders  | Total Shares     | Amount          | % of Amount     |  |
| 1 - 500   | 20             | 5.249344      | 3658             | 366             | 0.002500        |  |
| 501-1000  | 2              | 0.524934      | 1520             | 152             | 0.001038        |  |
| 1001 - 2000   | 23             | 6.036745      | 35420            | 3542            | 0.024189        |  |
| 2001 - 3000   | 9              | 2.362205      | 22014            | 2201            | 0.015031        |  |
| 3001 - 4000   | 12             | 3.149606      | 44904            | 4490            | 0.030663        |  |
| 4001 - 5000   | 11             | 2.887139      | 51297            | 5130            | 0.035034        |  |
| 5001 - 10000  | 28             | 7.349081      | 200492           | 20049           | 0.136920        |  |
| 10001 & Above   | 276            | 72.440945     | 146069244        | 14606924        | 99.754624       |  |
| <b>TOTAL</b>  | <b>381</b>     | <b>100.00</b> | <b>146428549</b> | <b>14642854</b> | <b>100.00 %</b> |  |



### 13. Compliance with the provisions of the Corporate Governance Code

| 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.               |               |                     | √               |                                       |
| 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. * |  |  |  | <b>Not Applicable</b> |
|--|--|--|--|-----------------------|



**Abdulla Buhindi**

Chairman

