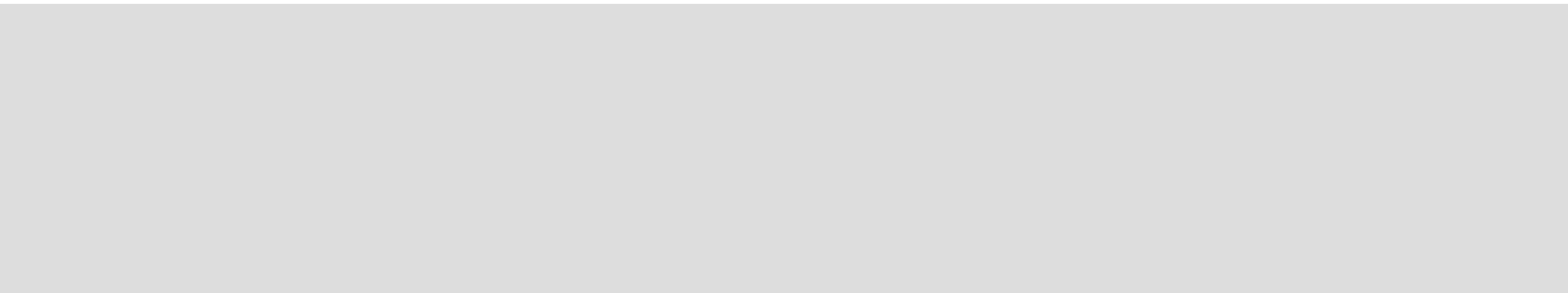


# **BMMI BSC**



## **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, and its succeeding Regulations.

## 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 29 March 2022.

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 2022 (2021: 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	56	2004
Mr. Shawki Fakhroo	Businessman	Vice-Chairman	Non-executive/ independent	49	1992
Mr. Ahmed Yateem	Businessman	Director	Non-executive/ non- independent	19	2018
Mr. Jihad Amin	Businessman	Director	Non-executive/independent	45	2004
Mr. Abbas Radhi	Businessman	Director	Non-executive/independent	40	2022
Mr. Mohammed Almoayyed	Businessman	Director	Non-executive/non-independent	25	2004
Mr. Ahmad Al Saad	Businessman	Director	Non-executive/ independent	19	2021
Mr. Suhail Hajee	Banker	Director	Non-executive/ independent	35	2011
Mr. Abdulla Fakhro	Businesswoman	Director	Non-executive/non-independent	25	2021



As of 31 December 2022, there is 0% representation of women on the Board of Directors, and as of this date is composed of 100% male representation.

- As of November 22<sup>nd</sup>, 2022, Mr. Abdulla Fakhro resigned due to his official appointment as Minister of Industry and Commerce (MOIC).

### 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
<b>Mr. Abbas Radhi</b>	0	0	none
Mr. Ahmed Yateem	1	1	none
Mr. Abdulla Fakhro	0	0	none

### 3.4. Directors and immediate Family trading of the Company's shares during the year 2022

Name	Position/Kinship	Shares Held as at 31/12/2022	Shares held as at 31 /12/ 2021	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
<b>Abbas Radhi</b>	Director	nil	nil	nil	nil



Ahmed Mohammed Yateem	Director	61,000	61,000	nil	nil
Mohammed Farouq Moayyed Al	Director	637,273	637,273	nil	nil
Suhail Hajee	Director	nil	nil	nil	nil
Abdulla Adel Fakhro	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 of 31 December 2022:

Name of Executive member	Designation / Business title	Experience in years	Qualification
Mr. Marek Sheridan	Chief Executive Officer	39	Master of Business Administration.
Mr. Robert Smith	Chief Operations Officer - Contracting & Logistics	38	Bachelor's Degree in Business Administration and Diploma in Hotel and Catering operations. Global Supply Chain Management
Mr. Hasan Al Sharaf	Head of Finance	19	BA Honours (Accounting & Finance) ACCA
Mr. Basel Al Madani	Chief Commercial Officer	29	Diploma in A/C Technician
Mrs. Masooma Al Turkumani	Chief People Officer	28	Master of Business Administration (MBA) Chartered MCIPD

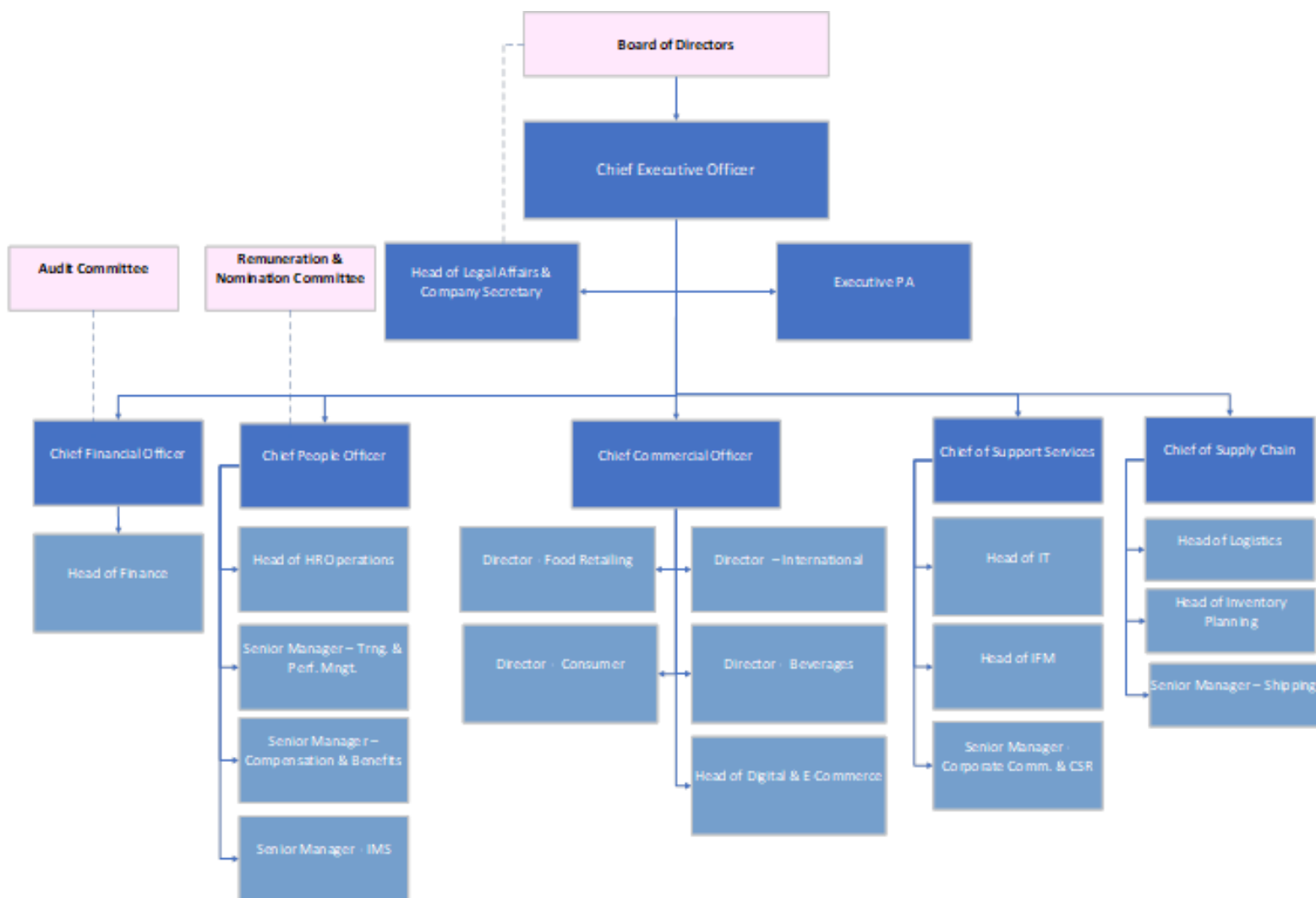
The following table summarises the total remuneration paid to members of the Executive Management during the year 2022:



Executive Management Remuneration	<b>2022</b>	<b>2021</b>
	BD	BD
<b>Total</b>	<b>806,599</b>	<b>771,280</b>

- As of October 6<sup>th</sup>, 2022, Mr. Hasan Al Sharaf officially resigned from his position as Head of Finance.

**Group Organizational Structure;**



## 4. COMMITTEES

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

Board committee	Objective	Members	Executive/non-Executive	
			Independent/Independent	non-Independent
<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: 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. 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.

### 2022 Board remuneration

Name	Fixed remunerations					Variable remunerations					End-of-service award	Aggregate amount (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	11,000	-	-	29,000	-	-	-	-	-	-	-	-
2- Mr. Shawqi Fakhro	20,000	22,500	-	-	42,500	-	-	-	-	-	-	-	-
3- Mr. Jehad Amin	20,000	21,000	-	-	41,000	-	-	-	-	-	-	-	-
4- Mr. Abdulla Fakhro	15,000	10,000	-	-	25,000	-	-	-	-	-	-	-	-
5- Mr. Ahmed Al Saad	15,000	11,000	-	-	26,000	-	-	-	-	-	-	-	-
6- Mr. Abbas Radhi	15,000	14,000	-	-	29,000	-	-	-	-	-	-	-	-
<b>Second: Non-Executive / Non-Independent Directors:</b>													
1- Mr. Abdulla Buhindi	30,000	15,500	-	-	45,500	-	-	-	-	-	-	-	-
2- Mr. Mohammed Al Moayyed	15,000	14,000	-	-	29,000	-	-	-	-	-	-	-	-
3- Mr. Ahmed Yateem	15,000	6,000	-	-	21,000	-	-	-	-	-	-	-	-
<b>Total</b>	<b>163,000</b>	<b>125,000</b>	<b>-</b>	<b>-</b>	<b>288,000</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 2022, nine meetings (2021: 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>27-Jan-22</b>	Mr. Shawki Fakhroo	
	Mr. Jehad Ameen	
	Mr. Mohammed Almoayyed	
<b>22-Mar-22</b>	Mr. Shawki Fakhroo	
	Mr. Jehad Ameen	
	Mr. Mohammed Almoayyed	
<b>21-Apr-22</b>	Mr. Shawki Fakhroo	
	Mr. Mohammed Almoayyed	
	Mr. Jehad Ameen	
<b>25-May-22</b>	Mr. Shawki Fakhroo	
	Mr. Mohammed Almoayyed	
	Mr. Jehad Ameen	
<b>22-Jun-22</b>	Mr. Shawki Fakhroo	
	Mr. Mohammed Almoayyed	
	Mr. Jehad Ameen	
<b>25-Jul-22</b>	Mr. Shawki Fakhroo	
	Mr. Mohammed Almoayyed	
	Mr. Jehad Ameen	
<b>26-Sep-22</b>	Mr. Shawki Fakhroo	
	Mr. Mohammed Almoayyed	
	Mr. Jehad Ameen	
<b>24-Oct-22</b>	Mr. Shawki Fakhroo	
	Mr. Mohammed Almoayyed	
	Mr. Jehad Ameen	
<b>17-Nov-22</b>	Mr. Shawki Fakhroo	
	Mr. Mohammed Almoayyed	
	Mr. Jehad Ameen	

The total remuneration for the Executive Committee amounted to BD 31,500 (2021: 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 2022, two meetings (2021: four 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:

<b>Date</b>	<b>Members attended</b>	<b>Members not attended</b>
<b>24-Feb-22</b>	Mr. Abdulla Hassan Buhindi	
	Mr. Ahmed Yateem	
	Mr. Jehad Ameen	
	Mr. Shawki Fakhro	
	Mr. Suhail Hajee	
<b>23-Nov-22</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 10,000 (2021: BD 22,000).

\*Justified absence.



#### 4.3. Audit Committee

The Group should hold a minimum of five Audit Committee meetings each year. During the year ended 31 December 2022, six meetings (2021: 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>20-Feb-22</b>	Mr. Abbas Radhi	
	Mr. Ahmed AlSaad	
	Mr. Abdulla Fakhroo	
<b>26-Apr-22</b>	Mr. Abbas Radhi	
	Mr. Ahmed AlSaad	
	Mr. Abdulla Fakhroo	
<b>26-Jun-22</b>	Mr. Abbas Radhi	
	Mr. Ahmed AlSaad	
	Mr. Abdulla Fakhroo	
<b>04-Aug-22</b>	Mr. Abbas Radhi	
	Mr. Ahmed AlSaad	
	Mr. Abdulla Fakhroo	
<b>02-Nov-22</b>	Mr. Abbas Radhi	
	Mr. Ahmed AlSaad	
	Mr. Abdulla Fakhroo	
<b>21-Nov-22</b>	Mr. Abbas Radhi	
	Mr. Ahmed AlSaad	
	Mr. Abdulla Fakhroo	

The total remuneration for the Audit Committee amounted to BD 21,000 (2021: 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 2022, five meetings (2021: seven 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>12-Jan-22</b>	Mr. Abdulla Hassan Buhindi	
	Mr. Shawki Fakhroo	
	Mrs. Mona Almoayyed (delete)	
	Mr. Jehad Ameen	
	Mr. Suhail Hajee	
<b>22-Feb-22</b>	Mr. Abdulla Hassan Buhindi	
	Mr. Shawki Fakhroo	
	Mr. Jehad Ameen	
	Mr. Suhail Hajee	
<b>19-Jun-22</b>	Mr. Abdulla Hassan Buhindi	
	Mr. Shawki Fakhroo	
	Mr. Jehad Ameen	
	Mr. Suhail Hajee	
<b>11-Aug-22</b>	Mr. Abdulla Hassan Buhindi	
	Mr. Shawki Fakhroo	
	Mr. Jehad Ameen	
	Mr. Suhail Hajee	
<b>25-Sep-22</b>	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 18,000 (2021: BD 28,000). No Sitting fees were paid for the meeting held on 11 August 2022 as per the Committee's' resolution.



## 5. CORPORATE GOVERNANCE OFFICER

Name	Mr. Jad Moukheiber
Qualification	Bachelors at Law Masters in Political Sciences & 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	15 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	4 Year
Total Audit Fees for the year ended 31 December <b>2022</b>	BD34,025
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 2022

Name	Country of incorporation	Transactions/ balances	Relationship	
<b>Banz Group B.S.C.</b>	Kingdom of Bahrain	Revenue Receivables	BD 1,877 BD 1,533	Other related party
<b>UQLC Facility Management Company Limited</b>	Kingdom of Bahrain	Receivables	BD 456,563	Joint Venture
<b>Metro Market (TRAFCO) Budaiya'a</b>	Kingdom of Bahrain	Revenue Receivables	BD 13,164 BD 4,239	Other related party
<b>Almoayyed Security</b>	Kingdom of Bahrain	General and administrative expenses	BD 153,452	Other related party
<b>Ashraf's</b>	Kingdom of Bahrain	Payables General and administrative expenses/Project	BD 71,327 BD 263,943	Other related party
<b>Almoayyed Cleaning &amp; Maintenance W.L.L.</b>	Kingdom of Bahrain	General and administrative expenses	BD 98,445	Other related party
<b>Almoayyed Distribution W.L.L.</b>	Kingdom of Bahrain	Payables General and administrative expenses	BD 2,619 BD 13,514	Other related party
<b>Shutdown Maintenance Services W.L.L.</b>	Kingdom of Bahrain	Payables General and administrative expenses	BD 30,910 BD 85,440	Other related party
<b>Almoayyed Car Leasing - Division of Yousif Khalil &amp; Sons</b>	Kingdom of Bahrain	Payables General and administrative expenses	BD 36,480 BD 411,761	Other related party
<b>Almoayyed Interiors</b>	Kingdom of Bahrain	Payables General and administrative expenses/Project	BD 1,796 BD 37,229	Other related party
<b>Trafco Group B.S.C.</b>	Kingdom of Bahrain	Payables General and administrative expenses	BD 40,908 BD 129,556	Other related party
<b>Bahrain Cinema Company B.S.C.</b>	Kingdom of Bahrain	Receivables Revenue	BD 6,805 BD 39,761	Other related party
<b>Bahrain Duty Free Complex</b>	Kingdom of Bahrain	Receivables Revenue	BD 2,289 BD 48,944	Other related party
<b>Bahrain Electromechanical Services Co. W.L.L.</b>	Kingdom of Bahrain	Payables General and administrative expenses/Project	BD 1,961 BD 250,714	Other related party
<b>Bahrain National Holding</b>	Kingdom of Bahrain	Receivable Revenue	BD 3,300 BD 13,200	Other related party



<b>Yateem Airconditioning Company W.L.L</b>	<b>Kingdom of Bahrain</b>	General and administrative expenses	BD 424	Other related party
<b>Almoayyed Computers</b>	Kingdom of Bahrain	Payables General and administrative expenses	BD 111 BD 424,412	Other related party
<b>Almoayyed &amp; sons</b>	Kingdom of Bahrain	Payables General and administrative expenses	BD 736 BD 59,180	Other related party
<b>Banz</b>	Kingdom of Bahrain	Payables General and administrative expenses	BD 688 BD 33,767	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 2022 Corporate CSR Activities & Contributions:

<b>2022 Corporate Sponsorships</b>			
<b>Busaiteen Sports &amp; Cultural Club</b>	<i>Annual support of club's sports and social activities and orphan support initiatives.</i>	January 17, 2022	<b>BHD 2,200.00</b>
<b>Arab Voluntary Union</b>	<i>Sponsoring Arab Voluntary Union to host the fifth forum of Specialized Arab Federations</i>	January 17, 2022	<b>BHD 5,000.00</b>
<b>Future Society for Youth</b>	<i>Supporting 'Smile' initiatives annual report 2021.</i>	January 25, 2022	<b>BHD 500.00</b>
<b>Shamsaha</b>	<i>Sponsoring Sahmsa'thon, an event focusing on the health and wellness of women in celebration of International Women's Day.</i>	February 6, 2022	<b>BHD 500.00</b>
<b>Rotary Club of Adliya</b>	<i>RYLA Bahrain Project for Bahrain's Youth (One weekend of high impact RYLA Bahrain activities under the name of Leadership for All, total target number of 250 youth participants).</i>	February 16, 2022	<b>BHD 500.00</b>
<b>Rotary Club of Manama</b>	<i>Sponsoring 6-A-Side Football Tournament.</i>	March 28, 2022	<b>BHD 1,000.00</b>
<b>Children &amp; Mother Welfare Society</b>	<i>Supporting Children &amp; Mother Welfare Society's 2022 social activities.</i>	March 30, 2022	<b>BHD 500.00</b>
<b>Alwane Bahrain Society</b>	<i>Sponsoring the "No Food Waste" campaign during Ramadan&gt;</i>	April 19, 2022	<b>BHD 500.00</b>
<b>Indian Ladies Association</b>	<i>Contributing towards SNEHA, a free recreation centre for mentally challenged children of all nationalities.</i>	April 27, 2022	<b>BHD 1,500.00</b>
<b>Alwane Bahrain Society</b>	<i>Sponsoring the 'Go Green' initiative for World Environment Day.</i>	June 19, 2022	<b>BHD 500.00</b>
<b>Bahrain Paralympic Committee</b>	<i>Sponsoring the Bahrain Goalball Championship – 2022.</i>	June 21, 2022	<b>BHD 2,000.00</b>
<b>Sitra Cultural &amp; Sports Club</b>	<i>Sponsoring the eighth summer activity of Sitra Club 2022.</i>	July 3, 2022	<b>BHD 500.00</b>
<b>Bahrain Weightlifting Federation</b>	<i>Sponsoring Asian Weightlifting Championships.</i>	September 22, 2022	<b>BHD 5,000.00</b>
<b>Capital Governorate</b>	<i>Sponsoring National Day 2022 celebrations, an event for the community and population of the Capital Governorate and beyond, which will include entertainment, competitions, prize draws and fireworks.</i>	October 3, 2022	<b>BHD 3,000.00</b>
<b>Rotary Club Seef</b>	<i>Bronze sponsorship of " Complete Your Tournaments" event.</i>	October 23, 2022	<b>BHD 300.00</b>
<b>Rotary Club of Adliya</b>	<i>Sponsoring Dining In The Dark, a fundraiser for the Blind and Visually Impaired.</i>	November 3, 2022	<b>BHD 150.00</b>
<b>Creo Innovative Solutions</b>	<i>Sponsoring the Eighth Edition of Manama Entrepreneurship Week 2022.</i>	November 8, 2022	<b>BHD 2,000.00</b>
<b>The Alumni club Bahrain</b>	<i>Sponsoring Entertainment program for the club members during the 2022 FIFA World Cup.</i>	November 9, 2022	<b>BHD 3,000.00</b>
<b>Bahrain Breast Cancer Society (Think Pink)</b>	<i>Sponsoring Breast Cancer Awareness Month activities.</i>	November 15, 2022	<b>BHD 500.00</b>
			<b>Total BD 29,150.0</b>



## 12. STATEMENT OF SHAREHOLDERS EQUITY

Consolidated Shareholding Pattern as on 31/12/2022				
Category	No.of Holders	Total Shares	% to Equity	
INDIVIDUAL	307	52871314	36.107244	
PRIVATE COMPANIES	39	37249737	25.438849	
CLOSED LOCAL COMPANIES	12	26125800	17.842012	
PUBLIC LOCAL COMPANIES REGISTERED IN BHB	6	25315810	17.288849	
BOARD MEMBERS	6	3755408	2.564669	
INSURANCE COMPANIES	1	805255	0.549930	
INDIVIDUAL PRIVATE COMPANIES	3	247425	0.168973	
PROF,CUL.,WOMEN,CHARITY AND RELIGN.SOCIETY	1	52800	0.036059	
LOCAL INVESTOR	1	5000	0.003415	
	<b>Total</b>	<b>376</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 31/12/2022.

Shareholders holding 5% and above Shares as on 31/12/2022								
#	Shareholder No	Name	Previous Holdings	Buying (+)	Selling (-)	Present Holdings	% Of Equity	Category
1	BAH34201CR	A.M. Yateem Bros. W.L.L.	14646989	0	0	14646989	10.002823	PRIVATE COMPANIES
2	BAH2350901CR	Bahrain Duty Free Shop Complex	11108513	0	0	11108513	7.586303	PUBLIC LOCAL COMPANIES REGISTERED IN BHB
3	BAH142701CR	Y.K. Almoayyed & Sons B.S.C.(C)	8742189	0	0	8742189	5.970276	CLOSED LOCAL COMPANIES



Dispersion of distribution of Shareholders to their respective holding as at 31/12/2022.

<b>Distribution Schedule - Consolidated as on 31/12/2022</b>					
<b>Shares Category</b>	<b>No. of Holders</b>	<b>% of Holders</b>	<b>Total Shares</b>	<b>Amount</b>	<b>% of Amount</b>
<b>1 - 500</b>	<b>20</b>	<b>5.319149</b>	<b>2555</b>	<b>256</b>	<b>0.001748</b>
<b>501 - 1000</b>	<b>5</b>	<b>1.329787</b>	<b>4420</b>	<b>442</b>	<b>0.003019</b>
<b>1001 - 2000</b>	<b>23</b>	<b>6.117021</b>	<b>35420</b>	<b>3542</b>	<b>0.024189</b>
<b>2001 - 3000</b>	<b>10</b>	<b>2.659574</b>	<b>25014</b>	<b>2501</b>	<b>0.017080</b>
<b>3001 - 4000</b>	<b>11</b>	<b>2.925532</b>	<b>39932</b>	<b>3993</b>	<b>0.027269</b>
<b>4001 - 5000</b>	<b>10</b>	<b>2.659574</b>	<b>47230</b>	<b>4723</b>	<b>0.032255</b>
<b>5001 - 10000</b>	<b>28</b>	<b>7.446809</b>	<b>195296</b>	<b>19530</b>	<b>0.133376</b>
<b>10001 &amp; Above</b>	<b>269</b>	<b>71.542553</b>	<b>146078682</b>	<b>14607868</b>	<b>99.761064</b>
<b>Total</b>	<b>376</b>	<b>100.00</b>	<b>146428549</b>	<b>14642855</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>
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**Abdulla Buhindi**

Chairman

