



## **BAHRAIN FLOUR MILLS COMPANY B.S.C.**

### **COMMERCIAL REGISTRATION NO. 1170-1**

#### **CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDING 31 DECEMBER 2020**

This report outlines the Bahrain Flour Mills Company B.S.C. adherence to the Principles of the Corporate Governance Code (“**Governance Code**”) as issued by the Bahrain Ministry of Industry, Commerce and Tourism and the Central Bank of Bahrain’s Rulebook Volume 6 High Level Controls Module (“**CBB Module HC**”), as well as the Company’s Corporate Governance Guidelines.

#### **1- Description of the actions taken to complete the Corporate Governance Code during the year 2020 and how they were applied.**

Bahrain Flour Mills Company B.S.C. (**BFM**) is adhering to adopting and applying the highest standards related to corporate governance, whereby the Company’s Corporate Governance Guidelines including the charters of the Board of Directors and its committees are periodically reviewed and updated in accordance with the requirements of:

- Corporate Governance Code issued by the Ministry of Industry, Commerce and Tourism under Resolution No. (19) of 2018 dated March 19, 2018; and
- High Level Controls Module of the Central Bank of Bahrain (‘CBB’) Rulebook, Volume 6.

#### **2- Description of the transactions of the directors, their spouses and sons on the Company’s shares during the year 2020 according to the following table:**

There were no transactions related to the Board of Directors of the Company, their spouses and or sons on the Company’s shares during 2020.

#### **3- Composition of the Board:**

##### **a. Description of the current Board composition:**

Article 24 of the Articles of Association of the Company states that the company shall be administered by a Board of Directors consisting of no less than 5 and no more than 15 members. As of 31 December 2020, the total number of Directors appointed / Elected to BFM’s Board of Directors was 8.



**Mr. Marwan Khalid Tabbara**

*Non - Executive / Independent Since 2014*

Chairman of the Board of Directors

Chairman of the Nomination & Remuneration Committee

Chairman of the Subsidy Committee

**Experience**

- Represents over 20-years of experience in strategic, financial, and transaction advisory.
- Currently the Managing Partner of Stratum, a Bahrain based advisory boutique.
- Previously worked in the Global Corporate & Investment Banking division of Citigroup in New York, London, and Bahrain where he supported large private and public sector clients on financing transactions within the Middle East and internationally.

**Qualifications**

- Master of Engineering Management from Duke University, USA.
- Bachelor of Science in Electrical Engineering and Economics from Duke University, USA.

**Directorships and positions in other companies**

- Managing Partner – Stratum
- Board Member and Risk Committee Chairman – Bahrain Development Bank
- Board Member and Risk Committee Chairman – Bahrain Islamic Bank
- Ex-Vice Chairman – Bahrain Bourse



**Mr. Salah Mohamed Mshary Al Kulaib**  
*Non - Executive / Independent Since 2015*

Vice - Chairman of the Board of Directors  
Chairman of the Purchasing & Projects Committee

### **Experience**

- 42 years of experience in Mechanical Engineering and Boards.

### **Qualifications**

- Bachelor of Mechanical Engineering

### **Directorships and positions in other companies**

- Ex-Chairman - Kuwait Flour Mills and Bakeries Company
- Vice Chairman - Industrial Bank of Kuwait



### **Mr. Khalid Abdulaziz Abdulla Aljassim**

*Non - Executive / Independent Since 2020*

Member of the Board of Directors

Chairman of the Audit, Compliance, Governance, and Risk Committee

Member of the Nomination & Remuneration Committee

Member of the Subsidy Committee

### **Experience**

- Professional career commenced as Head of Marketing of National Chemical Industries Corporation.
- Joined Arthur Andersen, Bahrain, in the consultancy division as head of high-profile engagements.
- In 1998, joined Arcapita and promoted to the Executive Directorship title in less than four years.
- In 2013, formed Ark Proventus company and Afkar Holding company.

### **Qualifications**

- Executive MBA from Pepperdine University, California.
- Bachelor of Applied Science with a double major in Computer Science & Mathematics, California State University, Long Beach, USA

### **Directorships and positions in other companies**

- Board Member & Audit Committee Chairman - Bahrain Islamic Bank
- Board Member – SICO
- Board Member – Ark Proventus
- Chairman - Afkar Holding company
- Former Member of the Management Investment Committee, Management Administration Committee, and Head of Placement MENA Region – Arcapita



**Mr. Eyad Redha Faraj**

*Non - Executive / Independent Since 2020*

Member of the Board of Directors

Vice-Chairman of the Audit, Compliance, Governance, and Risk Committee

Member of the Purchasing & Projects Committee

**Experience**

- Works as Director of Investments and Structured Finance in First Energy Bank
- Previously worked as MENA Equities Analyst - Executive Director in Goldman Sachs International
- Served as Equity Analyst at Bank of America Merrill Lynch
- Joined Gulf International Bank in 2004 as Credit Analyst and promoted to Relationship Manager
- Worked in Altus Pharmaceuticals as accountant and business development executive

**Qualification**

- INSEAD MBA Class of December 2008
- Bachelor of Science in Accounting, Bentley University, USA

**Directorships and positions in other companies**

- Director of Investments and Structured Finance in First Energy Bank
- Board lead on governance and strategic growth objectives for global pasta exporter, Turkey



**Mr. Ayman Abdulhameed Zainal**

*Non - Executive / Independent Since 2017*

Member of the Board of Directors

Member of the Audit, Compliance, Governance, and Risk Committee

**Experience**

- Chief Commercial Officer - Bahrain Airport Company from 2017 to Present.
- More than 23 years of experience in the managerial and financial fields in the GCC
- Chief Executive Officer - Real Capita from 2012 to 2015
- Acting Head of Finance and Admin, Advisor to CEO - Bahrain Chamber for Dispute Resolution from 2011 to 2012, Bahrain
- Board Member of Oman Development Company from 2005 to 2007, Oman
- Chairman of Al Batinah Development & Investment Holding from 2004 to 2007, Oman
- Computer Engineer - BAE SYSTEMS from 1996 to 2000, USA

**Qualification**

- Master of Business Administration, Webster University, College of Business, Orlando, USA
- Bachelor's Degree in Computer Science, University of South Florida, College of Engineering, USA

**Directorships and positions in other companies**

- Chief Commercial Officer - Bahrain Airport Company from 2017 to Present.



**Ms. Raghda Saleh Qasim Abdurassool**

*Non - Executive / Independent Since 2020*

Member of the Board of Directors

Member of the Audit, Compliance, Governance, and Risk Committee

Member of the Subsidy Committee

**Experience**

- Currently serving as the Director of Public Revenues Policy at the Ministry of Finance and National Economy, Kingdom of Bahrain
- More than 11-years of experience in public finance, management, policy making and procedural frameworks.

**Qualification**

- Master's in Public Management at Aix-Marseille in cooperation with the University of Bahrain and Bahrain Institute of Public Administration
- Bachelor of Science in Accounting and Finance at Ahlia University

**Directorships and positions in other companies**

- Director of Public Revenues Policy at the Ministry of Finance and National Economy



**Mr. Jasim Salman Abdulla Alshaikh**  
*Non - Executive / Independent Since 2020*

Member of the Board of Directors

Member of the Nomination & Remuneration Committee

Member of the Subsidy Committee

### **Experience**

- Over 22 years of experience in the manufacturing and financial industries
- Began his career in 1998 with Aluwheel, an Aluminum Alloy wheel manufacturer as a development engineer and rose through the ranks to become the General Manager
- In 2006, he joined International Investment Bank as Investment Principal
- In 2013, he joined Awal Dairy Company as the Chief Executive Officer

### **Qualification**

- Bachelor of Engineering in Integrated Engineering from University of Reading, UK.

### **Directorships and positions in other companies**

- CEO - Awal Dairy Company





**Dr. Marwa Khalid Al Sabbagh**

*Non-Executive / Non-Independent Since 2020*

Member of the Board of Directors

Vice-Chairman of the Purchasing & Projects Committee

Vice-Chairman of the Nomination & Remuneration Committee

Member of the Subsidy Committee

**Experience**

- More than 7 years of experience in investments, healthcare, and education

**Qualification**

- PhD in Clinical Medicine Research
- BSc (Hons) Biology - First Class Honours - University of Nottingham, UK

**Directorships and positions in other companies**

- Investment Manager – Bahrain Mumtalakat Holding Company (BMHC), Bahrain



## b. Description of the following:

### 1. Total remunerations paid to the directors for the year 2019.

The total remuneration paid to the Board of Directors of the Company for services during year 2019 was, in the aggregate, BHD 60,000.

### 2. The proposed total remunerations to be paid to the directors for the year 2020, which will be presented at the annual general meeting for approval.

The proposed remuneration of the Board of Directors of the Company for services during year 2020 is, in the aggregate, BHD 60,000. This amount is subject to the approval of the shareholders.

### 3. Description of the sitting fees paid to the directors for attendance of the Board and Board's committees for the financial year 2020 according to the following table:

In 2020, a new Board of Directors has been elected by the shareholders on the Annual General Meeting ("AGM") which was held on 19 April 2020. The below tables illustrated the fees for old and newly elected Board:

Board of Directors (2020-2023)			
#	Name	Aggregate amount of the sitting fees paid for attendance of the Board and Board Committees	
		Board / Committee*	Sitting Fees (BHD)**
1	Mr. Marwan Khalid Tabbara	BOD, NRC, and SC	9,000
2	Mr. Salah Mohamed Al Kulaib	BOD and PPC	5,000
3	Mr. Khalid Abdulaziz Aljassim	BOD, ACGRC, NRC, and SC	10,000
4	Mr. Jasim Salman Alshaikh	BOD, PPC, and NRC	6,500
5	Mr. Eyad Redha Faraj	BOD, ACGRC, and PPC	7,500
6	Ms. Raghdan Saleh Abdulrasool	BOD, ACGRC, and SC	8,500
7	Dr. Marwa Khalid Al Sabbagh	BOD, NRC, PPC, and SC	9,500
8	Mr. Ayman Abdulhameed Zainal	BOD and ACGRC	5,500

\* **BOD:** Board of Directors, **ACGRC:** Audit, Compliance, Governance, and Risk Committee, **PPC:** Purchasing & Projects Committee, **NRC:** Nomination & Remuneration Committee **SC:** Subsidiy Committee

\*\* Please refer to Section 3.C, 5, 6, 9, 10 and 11 below for the attendance details.



Board of Directors (2017-2020)			
#	Name	Aggregate amount of the sitting fees paid for attendance of the Board and Board Committees	
		Board / Committee*	Sitting Fees (BHD)**
1	Mr. Abdullatif Khalid Al Aujan	BOD, NRC, PC, & IC	4,200
2	Mr. Salah Mohamed Al Kulaib	BOD, NRC, & PC	3,000
3	Mrs. Afnan Rashid Al Zayani	BOD, AC, and GC	3,500
4	Mr. Abbas Abdulmohsen Radhi	BOD, AC, GC, and NRC	4,000
5	Mr. Adel Ahmed Abdulmalik	BOD, AC, and GC	3,500
6	Mr. Marwan Khalid Tabbara	BOD, PC, and IC	4,000
7	Dr. Marwa Khalid Al Sabbagh	BOD, NRC, and IC	3,000
8	Mr. Ayman Abdulhameed Zainal	BOD, AC, and GC	3,000

\* **BOD:** Board of Directors, **AC:** Audit Committee, **PC:** Purchasing Committee, **NRC:** Nomination & Remuneration Committee **GC:** Governance Committee, **IC:** Investment Committees

\*\* Please refer to Section 3.C, 5, 6, 9, 10 and 11 below for the attendance details.

**c. Number and dates of the Board's meetings held during the financial year 2020, in addition to the number of times directors attended in person or by visual communication and a description of the directors present by proxy.**

In 2020, a new Board of Directors has been appointed /elected by the shareholders in the Annual General Meeting ("AGM") on 19 April 2020. The below illustrated the attendance for the new and previous Board.



## 1. Board of Directors (2020 -2023)

The new Board held a total of six meetings in 2020, which were held on 5 May, 20 May, 16 July, 12 August, 10 November, and 15 December. All meetings were held virtually via Zoom:

Mr. Marwan Khalid Tabbara	(6 Meetings)
Mr. Salah Mohamed Al Kulaib	(6 Meetings)
Mr. Khalid Abdulaziz Aljassim	(6 Meetings)
Mr. Jasim Salman Alshaikh	(6 Meetings)
Mr. Eyad Redha Faraj	(6 Meetings)
Ms. Raghdan Saleh Abdulrasool	(6 Meetings)
Dr. Marwa Khalid Al Sabbagh	(6 Meetings)
Mr. Ayman Abdulhameed Zainal	(6 Meetings)

## 2. Board of Directors (2017 -2020)

The previous Board held a total of four meetings in 2020, which were held on 22 January, 29 February, 19 March, and 18 April 2020:

Mr. Abdullatif Khalid Al Aujan	(4 Meetings)
Mr. Salah Mohamed Meshary Al Kulaib	(3 Meetings, of which 1 was attended virtually)
Mrs. Afnan Rashid Al Zayani	(4 Meetings, of which 1 was attended virtually)
Mr. Abbas Abdulmohsen Radhi	(4 Meetings of which 1 was attended virtually)
Mr. Adel Ahmed Abdulmalik	(4 Meetings, of which 1 was attended virtually)
Mr. Marwan Khalid Tabbara	(4 Meetings, of which 3 was attended virtually)
Dr. Marwa Khalid Al Sabbagh	(4 Meetings, of which 2 was attended virtually)
Mr. Ayman Abdulhameed Zainal	(3 Meetings, of which 1 was attended virtually)

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

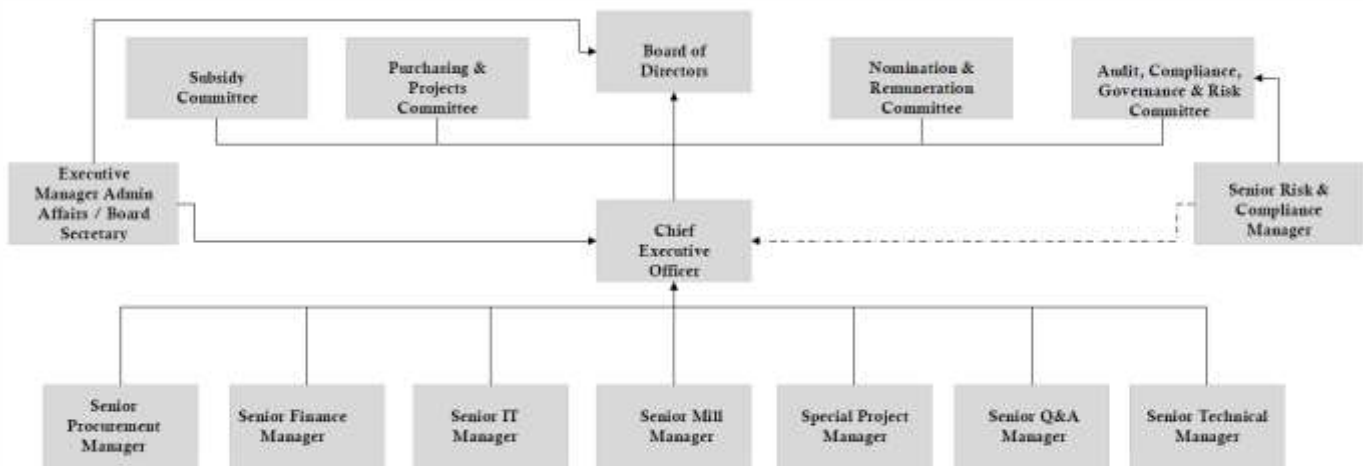
There were no tasks and mandates delegated by the Board of Directors to the Executive Management during the year 2020.



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

Details of transactions with related parties are included in Note No. (23) of the audited financial statements for the year ended 31 December 2020.

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



**g. Total remunerations paid to the key executive officers, including salaries, benefits, allowances, increases, stock options, end-of-service benefits, pensions, etc.**

The total paid remuneration to the key executive officers (including salaries and other benefits) is, in the aggregate, BHD 175,872. Please refer to note (23) of the audited financial statements for the year ended 31 December 2020 for the details.

**4- External Auditors:**

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

KPMG has had a presence in the kingdom of Bahrain for more than 50 years. From a small local accounting firm, founded in 1968 by university friends late Jassim M. Fakhro and Mr. Hussain Kasim, KPMG in Bahrain has become one of the largest and most prestigious global professional services firms in the country. KPMG in Bahrain employs over 380 professional staff and partners. Bahrainis represent over 60% of their total workforce and occupy many of their senior leadership and professional positions.

**BAHRAIN FLOUR MILLS Co. شركة البحرين لمطاحن الدقيق**

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KPMG auditors have undertaken the audit of the financial statements for the ended year 31 December 2019 in accordance with International Standards on Auditing ("ISA").

The auditors are required by the ISA to communicate audit matters of governance interest arising from audit with those charged with governance including either the directors of the company or the members of the audit committee.

The audit is conducted in such a manner as the auditors deem necessary to enable them to fully accomplish their professional responsibilities without any interference or influence from any of the executive management or members of the board of directors. The auditors are committed to obtain an understanding of the accounting system of the company and the internal control system to assess its adequacy. The nature and extent of the tests done by the auditor are vary according to the assessment of the company's accounting system and the system of internal control.

**b. Fees and charges for the audit or services provided by the external auditor during the year 2019, in addition to a description of the auditor's years of service as the Company's external auditor. According to the following table:**

<b>Name of the audit firm</b>	KPMG Fakhro
<b>Years of service as the Company's external auditor</b>	7 years
<b>Name of the partner in charge of the Company's audit</b>	Jaffer Alqubaiti
<b>The partner's years of service as the partner in charge of the Company's audit</b>	7 years
<b>Total audit fees for the financial statements for the year 2020 (BHD)</b>	BD 17,750
<b>Other special fees and charges for non-audit services other than auditing the financial statements for the year 2020 (BHD) if any.</b>	BD 2,750

**5- Audit, Compliance, Governance and Risk Committee ('ACGRC'):**

After the election of the new Board of Directors in 2020, the 'Audit Committee' was re-established with different roles and responsibilities under the name of Audit, Compliance, Governance and Risk Committee ('ACGRC'), and the roles and responsibilities of the Governance Committee ('GC') of the previous Board of Directors have been assumed by the ACGRC.



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

### ACGRC Members:

- Mr. Khalid Abdulaziz Aljassim, Chairman
- Mr. Eyad Redha Faraj, Vice Chairman
- Ms. Raghdan Saleh Abdulrasool, Member
- Mr. Ayman Abdulhameed Zainal, Member

The Purpose of the Audit, Compliance, Governance and Risk Committee ('**ACGRC**') is to assist the Company's Board of Directors in fulfilling its oversight responsibilities to (a) select, appoint, remunerate or, where appropriate, terminate the external auditor, subject to ratification by the Board and the Shareholders, (b) review the Company's accounting and financial practices, and the integrity of the financial control, internal control and financial statements, (c) select, appoint and terminate, where appropriate, of the internal auditor and the budget allocated to the internal audit (d) oversee the implementation and effective operation of the risk management framework; and ensure that the Company has in place adequate controls to identify, monitor and report the risk (d) develop and recommend to the Board changes from time to time in BFM's written corporate governance guidelines, which shall constitute BFM's corporate governance policy framework and shall include or refer to the principles and numbered directives of the Corporate Governance Code of the Kingdom of Bahrain ("**Bahrain Code**") and CBB Rulebook.

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

### 1. Board of Directors (2020 -2023)

The ACGRC of the new Board held a total of five meetings in 2020, which were held on 3 June, 22 June, 10 August, 18 October, and 8 November 2020. All Meetings were held virtually via Zoom:

Mr. Khalid Abdulaziz Aljassim, Chairman	(5 Meetings)
Mr. Eyad Redha Faraj, Vice Chairman	(5 Meetings)
Ms. Raghdan Saleh Abdulrasool, Member	(5 Meetings)
Mr. Ayman Abdulhameed Zainal, Member	(5 Meetings)



## 2. Board of Directors (2017 -2020)

The Audit Committee of the previous Board held a total of two meetings in 2020, which were held on 14 January and 27 February 2020:

Mr. Abbas Abdulmohsen Radhi, Chairman	(2 Meetings)
Mrs. Afnan Rashid Al Zayani, Vice Chairman	(2 Meetings)
Mr. Adel Ahmed Abdulmalik, Member	(2 Meetings)
Mr. Ayman Abdulhameed Zainal, Member	(2 Meetings)

The Governance Committee of the previous Board held one meeting in 2020 on 14 January:

Mr. Abbas Abdulmohsen Radhi, Chairman	(1 Meeting)
Mrs. Afnan Rashid Al Zayani, Vice Chairman	(1 Meeting)
Mr. Adel Ahmed Abdulmalik, Member	(1 Meeting)
Mr. Ayman Abdulhameed Zainal, Member	(1 Meeting)

## 6- Nomination and Remuneration Committee (NRC):

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

#### NRC Members:

- Mr. Marwan Khalid Tabbara, Chairman
- Dr. Marwa Khalid Al Sabbagh, Vice Chairman
- Mr. Khalid Abdulaziz Aljassim, Memeber
- Mr. Jasim Salman Alshaikh, Member

The Purpose of the Nomination and Remuneration Committee ('**NRC**') is to assist the Company's Board of Directors in fulfilling its oversight responsibilities to (a) review all candidates for board membership recommended by the shareholders (b) make recommendations to the board from time-to-time as to changes the committee believes to be desirable to the size and composition of the board or any committee of the board, (c) coordinate and organize the annual evaluation of the Board and Board Committees (d) recommend the appointment of specific executive managers vacancies including the CEO, (e) approve, monitor and review the Company's remuneration policy, and evaluation of the executive management.





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

### 1. Board of Directors (2020 -2023)

The NRC of the new Board held a total of three meetings in 2020, which were held on 16 June, 14 July, 26 October 2020. All Meetings were held virtually via Zoom:

Mr. Marwan Khalid Tabbara, Chairman	(3 Meetings)
Dr. Marwa Khalid Al Sabbagh, Vice Chairman	(3 Meetings)
Mr. Khalid Abdulaziz Aljassim, Member	(3 Meetings)
Mr. Jasim Salman Alshaikh, Member	(3 Meetings)

### 2. Board of Director (2017 -2020)

The NRC of the previous Board held one meeting in 2020 on 14 January:

Mr. Abdullatif Khalid Al Aujan, Chairman	(1 Meeting)
Mr. Salah Mohamed Meshary Al Kulaib, Vice Chairman	(1 Meeting)
Mr. Abbas Abdulmohsen Radhi, Member	(1 Meeting)
Dr. Marwa Khalid Al Sabbagh, Member	(1 Meeting)

## 7- Corporate Governance Committee (CGC):

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

After the election of the new Board of Directors in 2020, the roles and responsibilities of the Governance Committee ('CG') of the previous Board of Directors have been assumed by the newly established ACGRC, and the GC was dissolved accordingly.

Please refer to Section (5) above for the ACGRC's composition, roles, and responsibilities regarding the corporate governance aspects.

### b. Summary of the committee performance report during the year 2020.

The ACGRC reviewed and updated the Company's Corporate Governance Guidelines, including the charters of the Board and Board's Committees.



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

Mr. Ali Abdulelah Almoalem has been appointed as the Corporate Governance Officer of Bahrain Flour Mills Company B.S.C. effective 4<sup>th</sup> November 2018. Mr. Almoalem holds bachelor's degree in Computer Engineering from the University of Bahrain. Below are the contact details:

- Office No.: +973- 17729984/ Ext: 105
- Mobile number: +97339244610
- E-mail Address: ali.a@bfm.bh

In addition to the above-board committees, the Company has formed the following committees:

## 9- Purchasing and Projects Committee ('PPC')

After the election of the new Board of Directors in 2020, the 'Purchasing Committee' was re-established with different roles and responsibilities under the name of Purchasing and Projects Committee ('PPC').

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

#### PPC Members:

- Mr. Salah Mohamed Meshary Al Kulaib, Chairman
- Dr. Marwa Khalid Al Sabbagh, Vice Chairman
- Mr. Jasim Salman Alshaikh, Member
- Mr. Eyad Redha Faraj, Member

The Purpose of the Purchasing and Projects Committee ('PPC') is to assist the Company's Board of Directors in fulfilling its oversight responsibilities with respect to (a) wheat procurement, and other general procurements, and (b) major project and capital expenditures.

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

### 3. Board of Directors (2020 -2023)

The PPC of the new Board held a total of four meetings in 2020, which were held on 4 June, 12 July, 25 August, and 26 November 2020. All Meetings were held virtually via Zoom:

Mr. Salah Mohamed Meshary Al Kulaib, Chairman	(4 Meetings)
Dr. Marwa Khalid Al Sabbagh, Vice Chairman	(4 Meetings)
Mr. Jasim Salman Alshaikh, Member	(4 Meetings)
Mr. Eyad Redha Faraj, Member	(4 Meetings)



#### 4. Board of Directors (2017 -2020)

The Purchasing Committee (“PC”) of the previous Board held a total of three meetings in 2020, which were held on 3 February, 11 February, and 19 March 2020:

Mr. Abdullatif Khalid Al Aujan, Chairman	(1 Meetings)
Mr. Salah Mohamed Meshary Al Kulaib, Vice Chairman	(2 Meetings)
Mr. Marwan Khalid Tabbara, Member	(3 Meetings, of which 2 attended virtually)

### 10- Subsidy Committee (‘SC’)

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

##### SC Members:

- Mr. Marwan Khalid Tabbara, Chairman
- Dr. Marwa Khalid Al Sabbagh, Member
- Mr. Khalid Abdulaziz Aljassim, Member
- Ms. Raghdan Saleh Abdulrasool, Member

This is a temporary committee that was established during 2020 to assist the Company’s Board of Directors in fulfilling its oversight responsibilities with respect (a) overseeing the review of the subsidy arrangements and finalization of the subsidy framework/contract with the Government of Bahrain (“GOB”), and (b) ensuring that the Board has a clear understanding of the commercial aspects that will form the basis of the subsidy framework/contract with the GOB.

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

The SC of the new Board held a total of six meetings in 2020, which were held on 30 June, 9 July, 11 August, 9 September, 14 September, and 18 October 2020. All Meetings were held virtually via Zoom:

Mr. Marwan Khalid Tabbara, Chairman	(6 Meetings)
Dr. Marwa Khalid Al Sabbagh, Member	(6 Meetings)
Mr. Khalid Abdulaziz Aljassim, Member	(6 Meetings)
Ms. Raghdan Saleh Abdulrasool, Member	(6 Meetings)



## 11- Investment Committee ('IC')

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

After the election of the new Board of Directors in 2020, the Investment Committee was dissolved, and the oversight of the investments is now being undertaken by the Board.

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

The IC of the previous Board held one meeting in 2020 on 19 March, which was held virtually:

Mr. Abdullatif Khalid Al Aujan, Chairman	(1 Meeting)
Mr. Marwan Khalid Tabbara, Vice Chairman	(1 Meeting)
Dr. Marwa Khalid Al Sabbagh, Member	(1 Meeting)

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

There are no irregularities committed during the year 2020.

## 13- Description of the cash and in-kind contributions made by the Company during the year 2020 for the purpose of community development and environment preservation (In the absence of contributions, it should be stated that the Company did not make any contributions), indicating the recipients of these contributions.

Our priorities focused on supporting the community that we are a part of. These priorities included the annual contribution of the company in cooperation with the Royal Charitable Organization to distribute 8,000 Ramadan baskets to needy families during the holy month of Ramadan. We also donated BD 20,000 in 2020 to the "Fina Khair" campaign to support the national efforts in our beloved kingdom. In addition, we provided 4,000 bags of flour to support expatriate workers affected by the pandemic through one of their charities, which in turn distributed it to the largest possible number of those affected.



**a. Statement of shareholders' equity as of 31/12/2020 (individuals, corporate, government or organizations) to be classified as follows: Local, Gulf, Arab, and foreign.**

#	Shareholder classification	Shareholding %			
		Individuals	Corporate	Government or Organizations	Total
1	Local	23.16%	2.56%	65.90%	91.62%
2	Arab	7.71%	0.67%	-	8.38%
3	Foreign	0.005%	-	-	0.005%
<b>Total</b>		<b>30.87%</b>	<b>3.23%</b>	<b>65.90%</b>	<b>100%</b>

**b. Description of the shareholders who hold 5% or more of the Company's share capital, indicating the name of the natural person who holds the shares, the final beneficiary, as at 31/12/2020 as follows:**

#	Name	Number of shares held	Shareholding %	Name of the natural person, the final beneficiary
1	Bahrain Mumtalakat Holding Co.	16,322,806	65.73%	Bahrain Government
2	Kuwait Flour Mills & Bakeries Co.	1,848,000	7.44%	Kuwait Flour Mills & Bakeries
3	Abdul Hamid Zainal	1,664,430	6.70%	Abdulhameed Zainal

**c. Description of how shareholders are distributed according to their respective shareholding as at 31/12/2020 as follows:**

#	Shareholding (share)	No of shareholders	Number of shares held	Shareholding %
1	<50,000	1,685	3,668,915	14.77%
2	50,000 to 500,000	15	1,443,849	5.81%
3	500,000 to 5,000,000	2	3,396,930	13.68%
4	>5,000,000	1	16,322,806	65.73%



#### d. Description of the significant events that occurred during the year 2020.

Please refer to the Board of Directors Report enclosed with the annual audited financial statements for the year ending 31 December 2020.

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

Principle	Non-compliant	Partially Compliant	Fully Compliant	Explanation in case of non-compliance
Principle 1: The Company shall be headed by an effective, qualified and expert board.			Yes	
Principle 2: The directors and executive management shall have full loyalty to the company.			Yes	
Principle 3: The Board shall have rigorous controls for financial audit and reporting, internal control, and compliance with law.			Yes	
Principle 4: The Company shall have effective procedures for appointment, training, and evaluation of the directors			Yes	
Principle 5: The Company shall remunerate directors and senior officers fairly and responsibly.			Yes	
Principle 6: The Board shall establish a clear and efficient management structure for the Company and define the job titles, powers, roles and responsibilities.			Yes	
Principle 7: The Company shall communicate with shareholders, encourage their participation, and respect their rights.			Yes	
Principle 8: The Company shall disclose its corporate governance.			Yes	
Principle 8: Companies which offer Islamic Services shall adhere to the principles of Islamic Shari'a*			N/A	




Principle	Non-compliant	Partially Compliant	Fully Compliant	Explanation in case of non-compliance
Principle 10: The Board shall ensure the integrity of the financial statements submitted to shareholders through appointment of external auditors.			Yes	
Principle 11: The Company shall seek through social responsibility to exercise its role as a good citizen.			Yes	

\* Applicable only to the companies offering Islamic Services

### 15- Any disclosures required by the regulatory authorities.

Please refer to the company's disclosures on the Bahrain Bourse website.

DocuSigned by:  
  
 6CD0D94263F4430

**Marwan Khalid Tabbara**  
**Chairman of the Board**

Official Seal of the Company



Date: 28 February 2021

**BAHRAIN FLOUR MILLS Co. شركة البحرين لمطاحن الدقيق**

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