

BAHRAIN FLOUR MILLS COMPANY B.S.C.

COMMERCIAL REGISTRATION NO. 1170-1

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDING 31 DECEMBER 2023

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 and Commerce, 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 2023 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 and Commerce under Resolution No. (19) of 2018 dated March 19, 2018.
- High Level Controls Module of the Central Bank of Bahrain (‘CBB’) Rulebook, Volume 6.

However, there were no updates during the year.

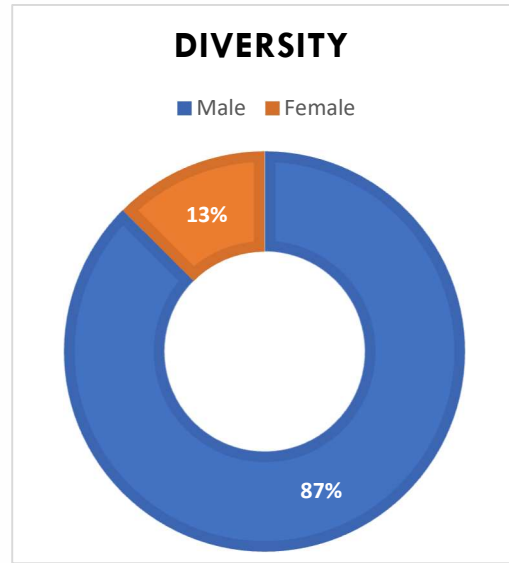
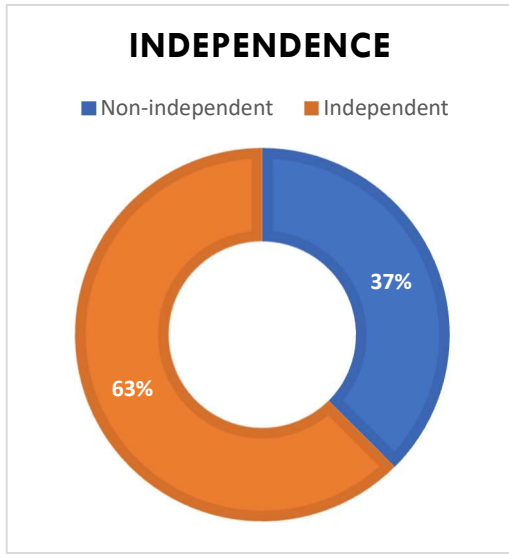
2- Description of the transactions of the directors, their spouses, and sons on the Company’s shares during the year 2023 according to the following table:

There were no transactions related to the Board of Directors of the Company, their spouses and or sons on the Company’s shares during 2023.

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 2023, the total number of Directors appointed / Elected to BFM's Board of Directors was 8:



* All Directors are Non-Executive Directors

b. Board's Duties and Responsibilities:

The functions of the Board are those established by the Corporate Governance Code 2018, and the amendments made thereafter, the Commercial Companies' Law of the Kingdom of Bahrain and the CBB Rulebook, Volume 6 – Module HC, as well as the Memorandum and Articles of Association of the Company (the "Articles").

The Board's duties, as per their terms of reference, include but not limited to:

- overseeing the Company's performance, strategy and business plan
- ensuring that financial statements are prepared which accurately disclose the Company's financial position
- setting up a mechanism to regulate transactions with related parties in order to minimize conflicts of interest and prevent abusive related party transactions
- selecting, monitoring and, when necessary, replacing key executives and overseeing succession planning
- aligning key Executive and Directors remuneration with the longer-term interests of the Company and the Shareholders
- ensuring the integrity of the Company's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards
- assuring equitable treatment of shareholders, including minority shareholders
- adopting the financial and operational policies associated with the Company's business performance and achievement of its objectives
- drawing, overseeing and periodically reviewing the Company's plans, policies, strategies, and key objectives
- determining the Company's optimal capital structure, strategies and financial objectives and approving annual budgets
- Reviewing and approving the Authority Matrix and Delegation of Authority Limits.

c. Types of Material Transactions Requiring the Board's Approval

The Delegation of Authority Levels (DAL) summarizes areas relating to strategies, long-term commitments, and policies where approval of the Board is necessary.



Mr. Basim Mohamed Al Saie

Non - Executive / Independent Since 2023

- Chairman of the Board of Directors
- Chairman of the Nomination, Remuneration and Governance Committee
- Vice-Chairman of the Purchasing and Projects Committee
- Chairman of the Subsidy and Commercialization Committee

Experience

- Founder and director of Installux Gulf company since 1997.

Qualifications

- Bachelor of Science in Mechanical Engineering from Boston University, USA.

Directorships and positions in other companies

- Board Member – Real Estate Regulatory Authority
- Board Member – Tamkeen
- Board Member – Creative Closets
- Vice-Chairman of the Board – Gulf Aluminium Rolling Mill (GARMCO)
- Member of the Executive Board – Bahrain Chamber of Commerce & Industry
- Board Member – Kalaam Telecom
- Managing Director & Board Member – Polycon Bahrain



Mr. Salah Mushari Al Kulaib

Non - Executive / Independent Since 2015

- Vice-Chairman of the Board of Directors
- Chairman of the Purchasing and Projects Committee
- Member of the Subsidy and Commercialization Committee

Experience

- More than 40 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
- Chairman – Kuwait Supply Company



Mr. Ayman Abdulhameed Zainal

Non - Executive / Independent Since 2017

- Member of the Board of Directors
- Vice-Chairman of the Audit, Compliance 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.



Mr. Eyad Redha Faraj

Non - Executive / Independent Since 2020

- Member of the Board of Directors
- Chairman of the Audit, Compliance and Risk Committee
- Member of the Nomination, Remuneration and Governance Committee

Experience

- Partner – Head of MENA Investor Support / Head of Bahrain Office - Roland Berger Middle East Bahrain
- Worked as Director of Investments and Structured Finance in SAYACORP B.S.C (c)
- 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

- Partner – Head of MENA Investor Support / Head of Bahrain Office - Roland Berger Middle East Bahrain
- Board lead on governance and strategic growth objectives for global pasta exporter, Turkey



Ms. Raghda Saleh Abdulrasool

Non - Executive / Independent Since 2020

- Member of the Board of Directors
- Member of the Audit, Compliance and Risk Committee
- Vice-Chairman of the Subsidy and Commercialization Committee
- Member of the Purchasing and Projects Committee

Experience

- Worked 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

- Deputy CE for Policies and Foreign Relations at the National Bureau for Revenue



Mr. Ahmad Mazhar

Non - Executive / Non-Independent (Since October 2022)

- Member of the Board of Directors
- Vice-Chairman of the Nomination, Remuneration and Governance Committee
- Member of the Audit, Compliance and Risk Committee
- Member of the Subsidy and Commercialization Committee

Experience

- Over 15 years of experience in private equity with a strong track record in sourcing, executing, and managing portfolio companies across a diverse range of industries in MENA, Southeast Asia, and Sub Saharan Africa.
- Prior joining Mumtalakat, he was a Managing Director at Helios Fairfax Partners (HFP), overseeing new investments and portfolio management for the Southern Africa region.
- He also served as an interim Chief Restructuring Officer of AFGRI Group, a portfolio company of HFP and one of the largest Agri services company in Southern Africa.
- He has also held various positions at several international organisations such as the Abraaj Group, Fairfax Africa Holdings and Emerging Capital Partners.

Qualification

- MBA in Finance and Entrepreneurship from the University of Pennsylvania, The Wharton School.
- BEng in Electrical Engineering from Georgia Institute of Technology.

Directorships and positions in other companies

- Executive Director – Strategic Investments at Bahrain Mumtalakat Holding Company (BMHC), Bahrain



Mr. Wael Ahmed Itani

Non-Executive / Non-Independent (Since 2023)

- Member of the Board of Directors
- Member of the Nomination, Remuneration and Governance Committee

Experience

- 31 years in FMCG industry.
- Specialized with Distributor Management Model with a proven track record in developing purpose-led brands and driving consumer centric sales across various geographic regions: GCC, MEA & India.
- Worked as Business Director for Edgewell Personal Care (EPC) – MEA
- Previously worked as Commercial Director for Energizer Holdings Inc. - MEA/India
- Served as Project Team Leader to launch Imperial Tobacco – North Africa
- Previously Launched Sony Consumer Electronics Levant and Headed Beirut Office
- Joined P&G in 1993 as credit sales executive– UAE

Qualification

- **LAU** (Lebanese American University) Masters in International Affairs (International Political Economy), Lebanon (1998 – 2000)
- **AUB** (American University of Beirut) Bachelor of Science in Political Science and Public Administration, Lebanon (1990 – 1993)

Directorships and positions in other companies

- CEO – General Poultry Company – Kingdom of Bahrain



Mr. Fahad Almudhahka

Non - Executive / Non - Independent Since 2023

- Member of the Board of Directors
- Member of the Purchasing and Projects Committee

Experience

- Working as Director of Government & Parliamentary Affairs - Bahrain Mumtalakat Holding Company
- Worked as Manager in the Legal Department – Tamkeen
- Worked as Liaison Assistant - Education & Training Quality Authority

Qualifications

- Masters of Commercial Law from Applied Science University, Bahrain
- Bachelor of Law from Al Yarmook University, Jordan

Directorships and positions in other companies

- Director of Government and Parliamentary Affairs - Bahrain Mumtalakat Holding Company

d. Description of the following:

1. Total remunerations paid to the directors for the year 2022.

The total remuneration paid to the Board of Directors of the Company for services during year 2022 was, in the aggregate, BHD 60,000.

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

The proposed remuneration of the Board of Directors of the Company for services during year 2023 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 2023 according to the following table:

In 2023, a new Board of Directors was elected by shareholders at the Annual General Meeting held on 28 March 2023. The tables below show the fees for the previous and newly elected Board of Directors:

Board of Directors (2023-2026)			
#	Name	Aggregate amount of the sitting fees paid for attendance of the Board and Board Committees	
		Board / Committee*	Sitting Fees (BHD)**
1	Mr. Basim Mohamed Al Saie	BOD, NRG, SCC and PPC	9,000
2	Mr. Salah Mushari Al Kulaib	BOD, PPC and SCC	8,200
3	Mr. Fahad Almudhahka	BOD and PPC	6,000
4	Mr. Eyad Redha Faraj	BOD, ACRC and NRG	5,400
5	Ms. Raghdan Saleh Abdulrasool	BOD, ACRC, PPC and SCC	10,000
6	Mr. Ayman Abdulhameed Zainal	BOD and ACRC	4,000
7	Mr. Ahmad Mazhar	BOD, SCC, NRG and ACRC	6,500
8	Mr. Wael Ahmed Itani	BOD and NRG	3,000
Total			52,100

* **BOD:** Board of Directors, **ACRC:** Audit, Compliance and Risk Committee, **PPC:** Purchasing and Projects Committee, **NRG:** Nomination, Remuneration and Governance Committee **SCC:** Subsidy and Commercialization Committee

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

BAHRAIN FLOUR MILLS Co. شركة البحرين لمطاحن الدقيق

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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, NRG, and SCC	4,200
2	Mr. Salah Mushari Al Kulaib	BOD, PPC and SCC	3,700
3	Mr. Khalid Abdulaziz Al Jassim	BOD, ACRC, NRG, and SCC	4,700
4	Mr. Eyad Redha Faraj	BOD, ACRC, NRG and PPC	5,000
5	Ms. Raghdan Saleh Abdulrasool	BOD, ACRC, PPC and SCC	4,500
6	Mr. Ayman Abdulhameed Zainal	BOD and ACRC	3,000
7	Mr. Ahmad Mazhar	BOD, SCC, NRG and ACRC	4,000
8	Mr. Basil Ghali	BOD and PPC	2,000
Total			31,100

* **BOD:** Board of Directors, **ACRC:** Audit, Compliance and Risk Committee, **PPC:** Purchasing and Projects Committee, **NRG:** Nomination, Remuneration and Governance Committee **SCC:** Subsidy and Commercialization Committee

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

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

In 2023, a new Board of Directors was elected by shareholders at the Annual General Meeting held on 28 March 2023. The tables below show the fees for the previous and newly elected Board of Directors:

1. Board of Directors (2023 – 2026):

The new Board held a total of six meetings in 2023, which were held on March 28, May 2, May 14, August 13, November 13 and December 14. The Six meetings were held in person:

Mr. Basim Mohamed Al Saie	(6 Meetings)
Mr. Salah Mushari Al Kulaib	(6 Meetings)
Mr. Ayman Abdulhameed Zainal	(5 Meetings)
Mr. Fahad Almudhahka	(5 Meetings)
Mr. Eyad Redha Faraj	(5 Meetings)
Ms. Raghdan Saleh Abdulrasool	(6 Meetings)
Mr. Ahmad Mazhar	(6 Meetings)
Mr. Wael Ahmed Itani	(5 Meetings)

2. Board of Directors (2020 – 2023):

The previous Board held a total of four meetings in 2023, which were held on January 30, February 22, March 27 and March 28.

Mr. Marwan Khalid Tabbara	(4 Meetings)
Mr. Salah Mushari Al Kulaib	(4 Meetings)
Mr. Khalid Abdulaziz Al Jassim	(3 Meetings)
Mr. Eyad Redha Faraj	(4 Meetings)
Ms. Raghdan Saleh Abdulrasool	(4 Meetings)
Mr. Ayman Abdulhameed Zainal	(4 Meetings)
Mr. Ahmad Mazhar	(4 Meetings)
Mr. Basil Ghali	(2 Meetings)

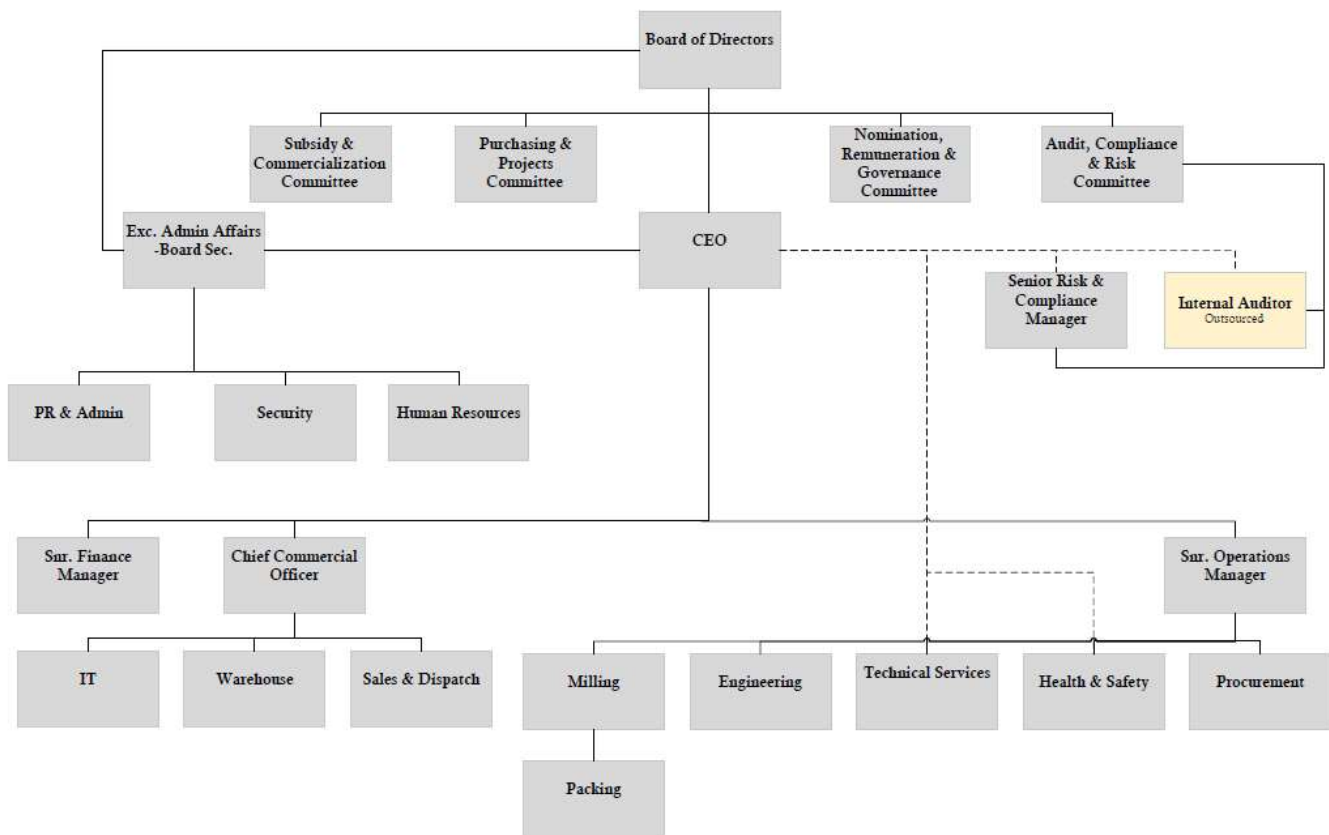
f. Description of the Board's duties and competences carried out on its behalf by the Executive Management by delegation of authority, specifying the duration and validity of the delegation.

There were no tasks and mandates delegated by the Board of Directors to the Executive Management during the year 2023.

g. 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. 24 of the audited financial statements for the year ended 31 December 2023.

h. 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.



i. 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 435,034. Please refer to Note 24 of the audited financial statements for the year ended 31 December 2023 for the details.

4- External Auditors:

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

Ernst & Young provides audit, consulting, tax, business risk, technology and security risk services, and human capital services worldwide. The company, one of the Big Four accounting firms, dates back to the early twentieth century. Scotsman Arthur Young and American Alwin Ernst founded their separate companies in 1906 and 1903, respectively. The companies merged in 1989. Today the company employs over 200,000 people and operates in over 150 countries.

The review is conducted in accordance with International Standard on Auditing No. 2410, "Review of interim financial information by an auditor independent of the organization." A review of interim financial information consists primarily of making inquiries of personnel responsible for financial and accounting matters and performing analytical reviews and other review procedures. The scope of the audit is much less than the scope of an audit conducted in accordance with international auditing standards.

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

Name of the audit firm	EY
Years of service as the Company's external auditor	1 year
Name of the partner in charge of the Company's audit	Kazim Merchant
The partner's years of service as the partner in charge of the Company's audit	1 year
Total audit fees for the financial statements for the year 2023 (BHD)	17,000
Other special fees and charges for non-audit services other than auditing the financial statements for the year 2023 (BHD) if any.	2,000 (AUP)

5- Audit, Compliance and Risk Committee ('ACRC'):

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

ACRC Members:

- Mr. Eyad Redha Faraj, Chairman
- Mr. Ayman Abdulhameed Zainal, Vice Chairman
- Ms. Raghdan Saleh Abdulrasool, Member
- Mr. Ahmad Mazhar, Member

The Purpose of the Audit, Compliance and Risk Committee ('ACRC') 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. The ACRC shall meet at least four times a year.

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 (2023 – 2026):

The Committee emerged from the new Board of Directors held a total of four meetings in 2023, which were held on May 10, August 10, October 30 and November 12, 2023. The 4 meetings were held in person:

Mr. Eyad Redha Faraj, Chairman	(4 Meetings)
Mr. Ayman Abdulhameed Zainal, Vice Chairman	(4 Meetings)
Ms. Raghdan Saleh Abdulrasool, Member	(4 Meetings)
Mr. Ahmad Mazhar, Member	(4 Meetings)

2. Board of Directors (2020 – 2023):

The Committee of the previous Board of Directors held a total of two meetings in 2023, which were held on February 21 and March 26, 2023. The two meetings were held in person:

Mr. Khalid Abdulaziz Al Jassim, Chairman	(2 Meetings)
Mr. Eyad Redha Faraj, Vice Chairman	(2 Meetings)
Ms. Raghdan Saleh Abdulrasool, Member	(2 Meetings)
Mr. Ayman Abdulhameed Zainal, Member	(2 Meetings)

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 4th 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

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

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

NRGC Members:

- Mr. Basim Mohamed Al Saie, Chairman
- Mr. Ahmad Mazhar, Vice Chairman
- Mr. Eyad Redha Faraj, Member
- Mr. Wael Ahmed Itani, Member

The purpose of the Nomination, Remuneration and Governance Committee ('NRGC') 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, (f) 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. The NRGC shall meet at least twice a year.

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 (2023 – 2026):

The committee emerged from the new Board of Directors held a total of one meeting in 2023, which was held on 22 June 2023. The meeting was held in person:

Mr. Basim Mohamed Al Saie, Chairman	(1 Meeting)
Mr. Ahmad Mazhar, Vice-Chairman	(1 Meeting)
Mr. Eyad Redha Faraj, Member	(1 Meeting)
Mr. Wael Ahmed Itani, Member	(1 Meeting)

2. Board of Directors (2020 – 2023):

The Committee of the previous Board of Directors held a total of two meetings in 2023, which were held on January 17 and February 14, 2023. The two meetings were held in person:

Mr. Marwan Khalid Tabbara, Chairman	(2 Meetings)
Mr. Khalid Abdulaziz Al Jassim, Vice-Chairman	(2 Meetings)
Mr. Eyad Redha Faraj, Member	(2 Meetings)
Mr. Ahmad Mazhar, Member	(2 Meetings)

c. Summary of the committee performance report with regard to the Governance during the year 2023.

The NRGCC reviewed and updated the Company's Corporate Governance Guidelines, including the charters of the Board and Board's Committees as per the Resolution No. (91) of 2022 concerning the amendments to certain provisions of the Corporate Governance Code Issued by Resolution No. (19) of 2018.

7- Purchasing and Projects Committee ('PPC'):

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

PPC Members:

- Mr. Salah Mushari Al Kulaib, Chairman
- Mr. Basim Mohamed Al Saie, Vice-Chairman
- Ms. Raghdan Saleh Abdulrasool, Member
- Mr. Fahad Almudhahka, 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. The PPC shall meet at least twice a year.

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 (2023 – 2026):

The committee emerged from the new Board of Directors held a total of seven meetings in 2023, which were held on May 21, May 30, July 13, October 22, October 31, November 13 and November 21, 2023. The seven meetings were held in person:

Mr. Salah Mushari Al Kulaib, Chairman	(7 Meetings)
Mr. Basim Mohamed Al Saie, Vice-Chairman	(6 Meetings)
Ms. Raghdan Saleh Abdulrasool, Member	(7 Meetings)
Mr. Fahad Almudhahka, Member	(7 Meetings)

2. Board of Directors (2020 – 2023):

The Committee of the previous Board of Directors held a total of two meetings in 2023, which were held on February 21 and February 28, 2023. The two meetings were held in person:

Mr. Salah Mushari Al Kulaib, Chairman	(2 Meetings)
Mr. Eyad Redha Faraj, Vice-Chairman	(2 Meetings)
Ms. Raghdan Saleh Abdulrasool, Member	(2 Meetings)
Mr. Basil Ghali, Member	(2 Meetings)

8- Subsidy and Commercialization Committee ('SCC')

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

SCC Members:

- Mr. Basim Mohamed Al Saie, Chairman
- Ms. Raghdan Saleh Abdulrasool, Vice-Chairman
- Mr. Salah Mushari Al Kulaib, Member
- Mr. Ahmad Mazhar, Member

The purpose of the Subsidy and Commercialization Committee ('SCC') is to assist the Company's Board of Directors in fulfilling its oversight responsibilities with respect to (a) overseeing the review of the subsidy arrangements and finalization of the subsidy framework/contract with the Government of Bahrain ("GOB"), (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, (c) review and provide guidance on the development and execution of the Company's pricing strategies, and (d) review and provide guidance on the management's activities in relation to the acquisition and analysis of market and competitive intelligence. The SCC shall meet at least twice a year.

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 (2023 – 2026):

The Committee emerged from the new Board of Directors held a total of three meetings in 2023, which were held on May 21, July 13 and November 6, 2023. The three meetings were held in person:

Mr. Basim Mohamed Al Saie, Chairman	(3 Meetings)
Mr. Raghdan Saleh Abdulrasool, Vice-Chairman	(3 Meetings)
Mr. Salah Mushari Al Kulaib, Member	(3 Meetings)
Mr. Ahmad Mazhar, Member	(3 Meetings)

2. Board of Directors (2020 – 2023):

The Committee of the previous Board of Directors held a total of one meeting in 2023, which was held on February 12, 2023. The meeting was held in person:

Mr. Marwan Khalid Tabbara, Chairman	(1 Meeting)
Ms. Raghdan Saleh Abdulrasool, Vice-Chairman	(1 Meeting)
Mr. Khalid Abdulaziz Al Jassim, Member	(1 Meeting)
Mr. Ahmad Mazhar, Member	(1 Meeting)

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

There are no irregularities committed during the year 2023.

10- Description of the cash and in-kind contributions made by the Company during the year 2023 for the purpose of community development and environment preservation, indicating the recipients of these contributions.

Our priorities focused on supporting the community of which we are a part of. These priorities included the following:

1. The company's annual contribution in cooperation with the Royal Charity Organization to distribute 8,000 Ramadan baskets to needy families during the holy month of Ramadan.
2. Our company also donated gifts to the Alia Center for Early Intervention in their celebration of National Day. In addition to supporting the center's project to train and empower people with autism to cook and bake by donating some of the company's products on a monthly basis.
3. Donating an amount of 4,580 Bahraini dinars to the Bahrain Red Crescent Society as urgent relief assistance to the Syrian people for their emergency living needs.

11- Ownership Structure

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

#	Shareholder classification	Shareholding %			
		Individuals	Corporate	Government or Organizations	Total
1	Local	22.82%	3.01%	65.73%	91.46%
2	Arab	0.78%	7.65%	-	8.43%
3	Foreign	0.02%	-	-	0.02%
Total		23.62%	10.66%	65.73%	100%

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 December 2023 as follows:

#	Name	Number of shares held	Shareholding %	Name of the natural person, the final beneficiary
1	Bahrain Investment Holding Company - Istithmar	16,322,806	65.73%	Bahrain Government
2	Kuwait Flour Mills & Bakeries Co.	1,848,000	7.44%	Kuwait Flour Mills & Bakeries
3	Abdulhameed Zainal Mohamed Zainal	1,897,157	7.64%	Abdulhameed Zainal

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

#	Shareholding (share)	No of shareholders	Number of shares held	Shareholding %
1	<50,000	1,756	3,600,562	14.5%
2	50,000 to >500,000	13	1,163,975	4.69%
3	500,000 to 5,000,000	2	3,745,157	15.08%
4	>5,000,000	1	16,322,806	65.73%

BAHRAIN FLOUR MILLS Co. شركة البحرين لمطاحن الدقيق

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d. Shareholding by Members of the Board of Directors and Executive Management as at 31 December 2023

As at 31 December 2023, none of Board of Directors and Executive Management hold any shares of the Company.

e. Description of the significant events that occurred during the year 2023.

Please refer to the Board of Directors Report enclosed with the annual audited financial statements for the year ending 31 December 2023.

12- 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

13- Any disclosures required by the regulatory authorities.

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



Basim Mohamed Al Saie
Chairman of the Board

Date: 27 February 2024