



## Corporate Governance Report for the Year 2019

**Bahrain Car Parks Company B.S.C.**

Commercial Registration No. 11455 - 1

### **1. Description of the actions taken to complete the Corporate Governance Code during the year 2019 and how they were applied:**

Corporate Governance is about promoting corporate fairness, transparency and accountability. It is a continual process which aims at transforming corporations into more democratic entities with a view to enhance responsible corporate management geared towards long term value creation. Bahrain Car Parks Co B.S.C. is committed to continuously review and enhance its Corporate Governance policies.

The Company identifies, assesses, monitors, controls and manages the various risks on an on-going basis and has established systems, procedures and controls as are appropriate and commensurate to the nature, scale and complexity of its business operations. There are clearly defined underwriting and claims processes with appropriate authority limits and operational practices which are in line with market standards. The investment risks are clearly formulated and documented in an Investment Policy Manual which has been thoroughly revised and approved by the Board. The Executive Committee continuously monitors the investment portfolio and the risks involved and take proactive measures to mitigate the risks.

Internal control risks are controlled by having effective and adequate internal control systems in place which are tested on a regular basis. The Executive committee is charged with the responsibility of ensuring that adequate internal controls are in place to mitigate any existing or potential risks.

During year 2018, Bahrain Car Parks Company has appointed Corporate Governance Officer and registered officer's name in the MOICT online System "Sijilat" to disclose and ensures that the Company is complying with each rule of the governance. Corporate Governance Report will be prepared annually in conformity with the Ministry of Industry, Commerce and Tourism format and in accordance with the Corporate Governance Code 2018 and submitted electronically to the Corporate Governance Section for evaluation and measuring the extent to which the company complies with the rules of governance set out in the Code.

The Company has a written and approved corporate governance policies and procedures which is being reviewed and updated periodically.

The Company prepares the Governance report as per the format provided by the Ministry and the same is reviewed in the Company General Assembly meeting every year. Company ensures sufficient number of independent and non-executive directors in the Board. Company has different specialized committees as per the Code and regulations.

The Company ensures reporting of related party transactions and non-compliance of any rule with reasons of non-compliance. Also, the Company ensures rotation of Audit partners one in every three years.



**2. The Transactions of the Directors, their Spouses and Sons on the Company's Shares during the Year 2019 are as follows:**

**Board members until 18<sup>th</sup> July 2019**

Sr. No.	Name	Position/ kinship	Shares held as at 18.07.2019	Total Sale Transaction	Total Purchase Transaction
1	Ismaeel Abdul Nabi Al-Marhoon	Chairman	NIL	NIL	NIL
2	Nabeef Khaled Mohammed Kanoo	Vice –Chairman	NIL	NIL	NIL
3	Bader A.S Alhassawi	Director	NIL	NIL	NIL
4	Ali Mohammed Buhamood	Director	NIL	NIL	NIL
5	Ali Abdullah Mohamed Isa	Director	NIL	NIL	NIL
6	Mohammed Abdulelah Alkohejl	Director	NIL	NIL	NIL
7	Aamal Hamad Al-Zayani*	Director	NIL	NIL	NIL
8	Abdulla Nooruddin A. Nooruddin	Director	74,765	NIL	74,765
9	Yaser Abduljalil Ali Alsharifi	Director	NIL	NIL	NIL
10	Yusuf Abdulrahman Fakhro	Director	100,000	NIL	NIL

\* Passed away on 25 October 2018

**New Board members effective from 18<sup>th</sup> July 2019**

Sr. No.	Name	Position/ Kinship	Shares held as at 31.12.2019	Total Sale Transaction	Total Purchase Transaction
1	Amin Ahmed Salem Alarrayed	Chairman	NIL	NIL	NIL
2	Abdulla Ahmed Abdulla Kamal	Vice – Chairman	NIL	NIL	NIL
3	Yaser Abduljalil Ali AlSharifi **	Director	NIL	NIL	NIL
4	Fahad Abdulrahman Mohammed AlSaad	Director	NIL	NIL	NIL
5	Areej Abdulla Abdulghaffar Abdulla	Director	NIL	NIL	NIL
6	Bader Kassim Mohamed Buallay	Director	NIL	NIL	NIL
7	Wael Ezzeideen Mohamed Arafa	Director	NIL	NIL	NIL
8	Mohamed Rasheed Mohamed Almaraj	Director	NIL	NIL	NIL
9	Ali Ejaz Ahmed Murtaza	Director	NIL	NIL	NIL
10	Adnan Sayed Habib Maki Hashim	Director	NIL	NIL	NIL

\*\*Director in the previous Board term.



**3. Composition of the Board of Directors:**

**(a) Description of the Current Board of Directors Composition**

Sr. No	Name	Nationality/ Business Title	Type (Executive, Non-Executive or Independent)	Experience in years	Qualification	The Period of his term as a director of the Company starting from the date of his first Election or Appointment	Directorships and positions in other companies	Positions in any other key regulatory, Government or Commercial entities
1	Amin Ahmed Salem Alarrayed	Bahraini/ Chairman	Non-Executive / Non-Independent	24	1. Master's degree in Business Administration 2. Bachelor's Degree in Economics	W.E.F. 18 July 2019 5 Months	1. Board Member – Bilaj Al Jazayer Real estate Development S.P.C. 2. Board Member – Saada Real Estate Development S.P.C	1. Bahrain Real Estate Investment Company (Edamah) B.S.C. (c)
2	Abdulla Ahmed Abdulla Kamal	Bahraini/ Vice-Chairman	Non-Executive / Non-Independent	15	1. Bachelor's Degree in Accounting 2. Association of Chartered Certified Accountants (ACCA) 3. Certified Internal Auditors (CIA) 4. Certified Associate Professional Risk Manager (APRM)	W.E.F. 18 July 2019 5 Months	1. Board Member –Bahrain Islamic Bank (BISB) 2. Board Member –Osool Pension Fund	1. Head of Operations – Osool Asset Management B.S.C (C)
3	Yaser Abduljalli Ali AlSharifi	Bahraini/ Director	Non-Executive / Non-Independent	24	1. Bachelor's Degree in Business Administration	W.E.F. 18 July 2019 5 Months	1. Chief Strategy Officer - National Bank of Bahrain 2. Board Member –Bahrain Bourse 3. Board Member –Bahrain Clear 4. Board Member – Bahrain Real Estate Investment Company (Edamah) B.S.C. (c) 5. Board Member –Bahrain Institute for Pearls & Gemstones (Danat) 6. Board Member – KSK Holdings W.L.L.	NIL



Sr. No	Name	Nationality/ Business Title	Type (Executive, Non-Executive or Independent)	Experience in years	Qualification	The Period of his term as a director of the Company starting from the date of his first Election or Appointment	Directorships and positions in other companies	Positions in any other key regulatory, Government or Commercial entities
4	Fahad Abdulrahman Mohammed AlSaad	Bahraini/ Director	Non-Executive / Non-Independent	15	1. Doctorate's Degree in Business Administration 2. Master Degree's in Business Administration 3. Bachelor's Degree in Accounting	W.E.F. 18 July 2019 5 Months	NIL	1. Head of Business Development - Bahrain Real Estate Investment Company (Edamah) B.S.C. (c)
5	Areej Abdulla Abdulghaffar Abdulla	Bahraini/ Director	Non-Executive / Non-Independent	7	1. Master Degree's in Finance and investment 2. Bachelor's Degree in Accounting and Finance	W.E.E. 18 July 2019 5 Months	NIL	1. Senior Investment Manager – Osool Asset Management B.S.C (C)
6	Bader Kassim Mohamed Buallay	Babraini/ Director	Non-Executive / Non-Independent	12	1. Bachelors of Arts in Computing and Accounting & Finance 2. Chartered Financial Analyst (CFA)	W.E.F. 18 July 2019 5 Months	1. Board Member - Khereji Showrooms Company	1. Senior Investment Strategist – Osool Asset Management B.S.C (C)
7	Wael Ezzeldeen Mohamed Arafa	Egyptian/ Director	Non-Executive / Non-Independent	19	1. Master's Degree in Management 2. Certified Financial Assessor from International Association of Certified Businessmen 3. Bachelor's Degree in Accounting	W.E.F. 21 July 2019 5 Months	1. Managing Partner – Pillars Advisory Company 2. Board Member - Super Service for Cars Technical Examination, Kuwait	NIL



Sr. No	Name	Nationality/ Business Title	Type (Executive, Non-Executive or Independent)	Experience in years	Qualification	The Period of his term as a director of the Company starting from the date of his first Election or Appointment	Directorships and positions in other companies	Positions in any other key regulatory, Government or Commercial entities
8	Mohamed Rasheed Mohamed Almaraj	Bahraini/ Director	Non-Executive / Independent	10	1. Bachelor's Degree in Finance and Accounting	W.E.F. 18 July 2019 5 Months	1. Managing Partner – Pillars Advisory Company 2. Board Member – Finzo Co. B.S.C. (C)	NIL
9	All Eajaz Ahmed Murtaza	Bahraini/ Director	Non-Executive / Independent	16	1. Master's Degree in Business Administration 2. Bachelor's Degree of Finance and Decision Sciences and Management Information Systems (DMIS) 3. Certified Financial Risk Manager (FRM)	W.E.F. 18 July 2019 5 Months	1. Board Member – Hassan Ghulam Murtaza	1. Director, BD - Real Estate & Tourism - Bahrain Economic Development Board
10	Adnan Sayed Habib Maki Hashim	Bahraini/ Director	Non-Executive / Independent	20	1. Master of Business Administration 2. Fellow of the Chartered Association of Certified Accountants (FAAC)	W.E.F. 18 July 2019 5 Months	1. Managing Partner – Istishara Consultants 2. Board Member - United Facade Design and Services (UFDS) Company 3. Board Member - Mayoof Trading Company	NIL

**(b) Description of the following:**

1. Total remunerations paid to the directors for the (last) year 2018 is BD 30,332.030
2. The proposed total remunerations to be paid to the directors for the year 2019 which will be presented at the annual general meeting for approval is BD25,272.
3. Description of sitting fees paid to the directors for attendance of the Board's committees for the financial year 2019 according to the following table:



**Board Members until 18<sup>th</sup> July 2019**

Sr. No.	Name	Setting Fees Paid for The Attendance of The Board's Meeting		
		Name of Committee	Sitting Fee Amount	Number of Meetings
1	Ismaeel Abdulnabi AlMarhoon	Board Meetings	1,500	2
		NRGC	-	-
2	Nabeel Khaled Mohammed Kanoo	Board Meetings	500	1
		NRGC	-	-
3	Bader A.S Alhassawi	Board Meetings	500	1
		NRGC	-	-
4	Ali Mohammed Buhamood	Board Meetings	500	1
		Executive meeting	500	1
5	Ali Abdulla Mohamed Isa	Board Meetings	1,000	2
		Audit Committee Meeting	1,000	2
6	Mohammed Abdulrahman Alkoheji	Board Meetings	1,000	2
		Audit Committee Meeting	1,000	2
7	Aamal Hamad Al Zayani*	Board Meetings	-	-
		Executive meeting	-	-
8	Abdulla Nooruddin Abdulla Nooruddin	Board Meetings	1,000	2
		Executive Meeting	500	1
9	Yaser Abduljalil Ali Alsharifi	Board Meetings	1,000	2
		Executive Meeting	500	1
10	Yusuf Abdulrahman Fakhro	Audit Committee Meeting	1,000	2
		Board Meetings	1,000	2

\* Passed away on 25 October 2018

**New Board Members effective from 18<sup>th</sup> July 2019**

Sr. No.	Name	Setting Fees Paid for The Attendance of The Board's Meeting		
		Name of Committee	Sitting Fee Amount	Number of Meetings
1	Amin Ahmed Salem Alarrayed	Board Meetings	1,500	3
		NRGC	1,000	2
2	Abdulla Ahmed Abdulla Kamal	Board Meetings	1,000	3
		Executive Meetings	1,500	3
3	Yaser Abduljalil Ali Alsharifi **	Board Meetings	1,000	2
		Audit Committee Meeting	1,000	2
4	Fahad Abdulrahman Mohammed AlSaad	Board Meetings	1,000	3
		NRGC	1,000	2
5	Areej Abdulla Abdulghaffar Abdulla	Board Meetings	1,000	3
		Audit Committee Meeting	1,000	2
6	Bader Kassim Mohamed Bualay	Board Meetings	1,000	2
		Executive Meeting	1,500	3
7	Wael Ezzeldeen Mohamed Arafa	Board Meetings	1,000	2
		NRGC	1,000	2
8	Mohamed Rasheed Mohamed Almaraj	Board Meetings	1,000	3
		Executive Meeting	1,500	3
9	Ali Ejaz Ahmed Murtaza	Board Meetings	1,000	3
		Executive Meeting	1,500	3
10	Adnan Sayed Habib Maki Hashim	Board Meetings	1,000	2
		Audit Committee Meeting	1,000	2

\*\*Director in the previous Board term.



**(c) Number and dates of the Board's meetings held during the financial year 2019, in addition to the number of times directors attended in person or by visual communication and a description of the directors present by proxy.**

During the year ended 31 December 2019, six board meetings were held. The following table summarizes the information about Board of Directors meeting dates and attendance of directors at each meeting:

Sr. No.	Board Meeting Members	Designation	Status	13-Feb-2019	21-Apr-2019	16-Jul-2019	18-Jul-2019	15-Oct-2019	10-Dec-2019
1	Ismaeel Abdulnabi AlMarhoon	Chairman	Resigned on 18 July 2019	P	P	P	N/A	N/A	N/A
2	Nabeel Khaled Mohammed Kanoo	Vice - Chairman	Resigned on 18 July 2019	P	A	P	N/A	N/A	N/A
3	Bader A.S Alhassawi	Director	Resigned on 18 July 2019	P	P	A	N/A	N/A	N/A
4	Alli Mohammed Buhamood	Director	Resigned on 18 July 2019	P	P	A	N/A	N/A	N/A
5	Ali Abdulla Mohamed isa	Director	Resigned on 18 July 2019	P	P	P	N/A	N/A	N/A
6	Mohammed Abdulelah Alkoheji	Director	Resigned on 18 July 2019	P	P	P	N/A	N/A	N/A
7	Aamal Hamad Al Zayani	Director	Passed away on 25 Oct 2018	A	A	A	N/A	N/A	N/A
8	Abdulla Nooruddin Abdulla Nooruddin	Director	Resigned on 18 July 2019	P	P	P	N/A	N/A	N/A
9	Yaser Abduljalil Ali Alsharifi	Director	Resigned on 18 July 2019	P	P	P	N/A	N/A	N/A
10	Yusuf Abdulrahman Fakhro	Director	Resigned on 18 July 2019	P	P	P	N/A	N/A	N/A

Sr. No.	Board Meeting Members	Designation	Status	13-Feb-2019	21-Apr-2019	16-Jul-2019	18-Jul-2019 *	15-Oct-2019	10-Dec-2019
1	Amin Ahmed Salem Alarrayed	Chairman	W.E.F. 18 July 2019	N/A	N/A	N/A	P	P	P
2	Abdulla Ahmed Abdulla Kamal	Vice - Chairman	W.E.F. 18 July 2019	N/A	N/A	N/A	P	P	P
3	Yaser Abduljalil Ali Alsharifi **	Director	W.E.F. 18 July 2019	N/A	N/A	N/A	A	P	P
4	Fahad Abdulrahman Mohammed AlSaad	Director	W.E.F. 18 July 2019	N/A	N/A	N/A	P	P	P
5	Areej Abdulla Abduighaffar Abdulla	Director	W.E.F. 18 July 2019	N/A	N/A	N/A	P	P	P
6	Bader Kassim Mohamed Buallay	Director	W.E.F. 18 July 2019	N/A	N/A	N/A	A	P	P
7	Wael Ezzeldeen Mohamed Arafa	Director	W.E.F. 21 July 2019	N/A	N/A	N/A	A	P	P
8	Mohamed Rasheed Mohamed Almaraj	Director	W.E.F. 18 July 2019	N/A	N/A	N/A	P	P	P
9	Ali Ejaz Ahmed Murtaza	Director	W.E.F. 18 July 2019	N/A	N/A	N/A	P	P	P
10	Adnan Sayed Hahib Maki Hashim	Director	W.E.F. 18 July 2019	N/A	N/A	N/A	A	P	P

P = Present in Person A = Absent

\*Fourth Board meeting was held immediately following the AGM and there was no official invitation for it.

\*\*Director in the previous Board term.



One of the Board Members, Ms. Aamal Hamad AlZayani, didn't attend Board Meetings held during 2019 and hence her attendance has fallen below 75% minimum attendance as required by CBB Rule Book Volume 6 on HC-High Level controls. Ms. Aamal Hamad AlZayani passed away on 25<sup>th</sup> October 2018.

The Board of Directors Meeting was carried out smoothly by the rest of the Board Members in absence of Ms. Aamal Hamad AlZayani. The chairman of the Board ensured that the objectives of the Board meeting were met and the Company business were dealt appropriately.

**(d) 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:**

The members of the Board of Directors are appointed or elected by the shareholders and each Director has a term of 3 years, renewable, thereafter, by re-appointment. This year New Board of Directors have been appointed/ elected by the shareholders on 18<sup>th</sup> July 2019.

New members to the Board are inducted during the first Board meeting during which time, a brief about the Company and its operations are presented.

The duties and responsibilities of the Board include, but not limited to, the following:

1. Review and approval of the Company's business performance for the year including the overall strategies, budgets and business plans for the subsequent years;
2. Monitor, on an on-going basis, the operational performance of the Company;
3. Monitor the risks faced by the Company and assess measures to address those risks in respect of the risk management framework;
4. Ensure overall compliance of the Company to legal and statutory requirements;
5. Ensure the accuracy of the financial position of the Company;
6. Convening and preparing the agenda for shareholder meetings;
7. Monitoring conflicts of interest and preventing abusive related party transactions;
8. Selecting, compensating, monitoring and when necessary, replacing key executives and overseeing succession planning;
9. Ensuring a formal and trans-group board nomination and election process in accordance with the rules and regulations governing the Company;
10. Review of independence of the Board members at periodical intervals;
11. Ensuring the integrity of the Company's accounting and financial reporting systems, including the independent audit, and that appropriate systems of controls are in place, in particular, systems for risk management, financial and operational control and compliance with the law and relevant standards;
12. Assuring equitable treatment of shareholders including minority shareholders;
13. Monitor and evaluate the performance of the management;
14. Monitor and evaluate the performance of each committee and each of the directors at periodical basis; and
15. Review, on regular basis, the remuneration packages of senior management.





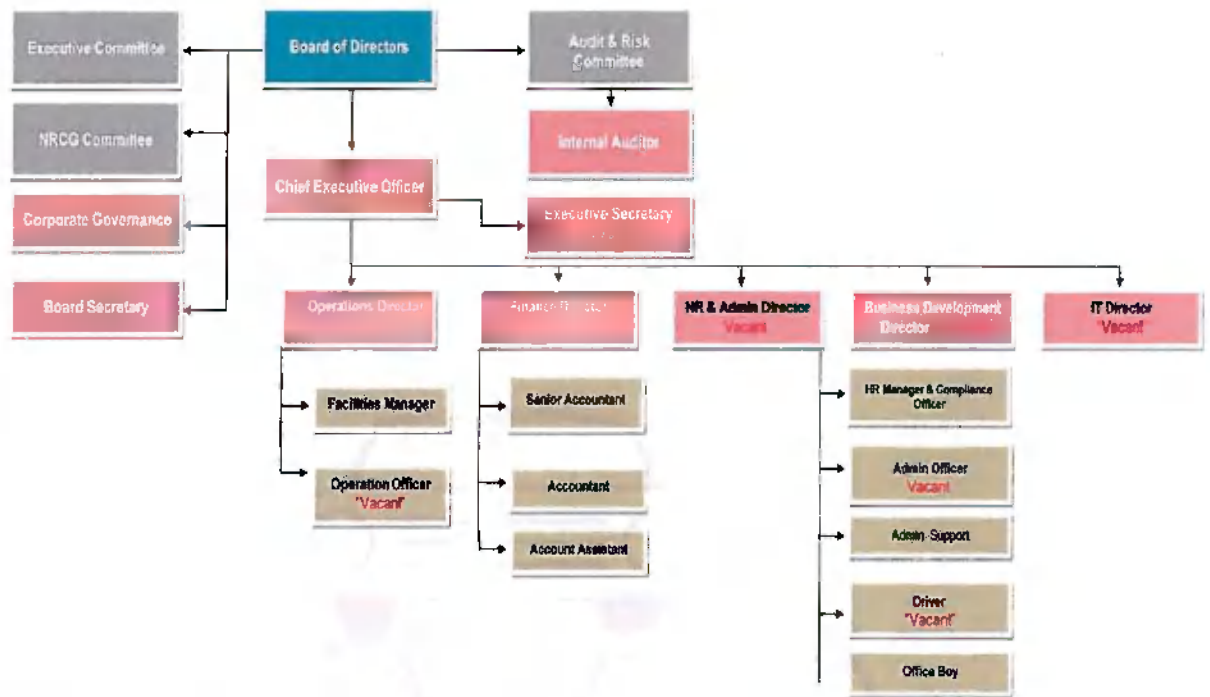
**(e) Details of transactions with related parties (stakeholders), indicating the nature of relationship and type of transaction are as follows:**

Type of Transaction	Nature of The Relationship	Name of The Related Party	Year Ended December 2019 (BD)
Other car park income	Shareholder	Bahrain Real Estate Investment (Edamah) B.S.C. (C)	46,254
Lease rent expense	Shareholder	Bahrain Real Estate Investment (Edamah) B.S.C. (C)	74,449
Directors remuneration	Key Management Personal*	Key Management Personal*	30,332
Directors sitting fees	Key Management Personal*	Key Management Personal*	35,000

(\* ) Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, including the directors of the Company.

**(f) The Company's Organisation Structure**



**(g) Total remunerations paid to the key executive officers (the top five employees), including salaries, benefits, allowances, increases, stock options, end-of-service benefits, pensions, etc. amounting to BD 222,250/-**

Name of the Executive Member	Designation in the Company	Number of years' Experience
Tariq Ali Aljowder	Chief Executive Officer	30
Aqeei Abdulrahim Hasan	Operation Director	19
Mahmood Sayed Hussain Yaseen	Finance Director	18



#### 4. External Auditors:

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

BDO is the auditor of the Company since 2002. BDO Bahrain was established in 1980. Today, BDO is one of the leading accounting and advisory firms in Bahrain with their strengths firmly rooted in the region they serve.

Their reputation is founded on providing services in audit & assurance, internal audit & risk advisory, business advisory, corporate legal and successfully won large assignments in operations outsourcing. BDO is a leading professional services organization with an impressive heritage and a fresh innovative approach that enables them to help their clients build value, manage risk and improve performance.

The Firm led by seven partners, have a diverse client base and their ability to tailor their services to the needs of public, private, government and international clients is fundamental to their approach.

BDO's global organization extends across 162 countries and territories, with 80,087 people working out of 1,591 offices – and they're all working towards one goal: to provide their clients with exceptional service

##### b. Fees and charges for the audit or services provided by the external auditor during the 31 December 2018, in addition to a description of the auditor's years of service as the Company's external auditor. According to the following table:

Name of the Audit Firm	BDO
Years of service as the company's external auditor	Since 2002, 17 years
Name of the partner in charge of the Company's audit	Mr. Nath Venkitachalam
The partner's years of service as the partner in charge of the company's audit	2 Years
Total audit fees for the financial statements for the year 2019 (BD)	The information will be kept at corporate office as confidential and can produce on request by the shareholders after approval of Board of Directors.
Other special fees and charges for non-audit services other than auditing the financial statements for the year 2019 (BD) if any. In the absence of such fees, this shall be expressly stated*	7,100/-

\* Non-audit services provided by BDO are:

- Agreed upon procedure report to the lease rent of the main car park building to Bahrain Real Estate Investment (EDAMAH).
- Physical Verification and Tagging of Assets.
- Agreed upon procedures relating to the Compliance Certification of Corporate Governance MOIC rules.

The fees for the non-audit service provided by external auditor during 2019 are BD 7,100.



## 5. Audit Committee:

### Roles and Responsibilities

Audit committee is formed with three members and at least two directors are to attend the meeting to ensure a quorum. The minimum number of meetings required each year is four. The duties of the audit committee are:

1. Recommends the appointment, compensation and oversight of the external and internal auditors and confirm their independence;
2. Ensures co-ordination among the internal and external auditors;
3. Discuss the significant accounting and reporting issues for the financial year;
4. Discuss the important findings of audit investigations, audit suggestions and management response;
5. Review the risk management and compliance with legal requirements;
6. Ensure existence of appropriate financial and accounting policies, procedures, systems, internal controls, guidelines in the Company; and
7. Ensure communication with the management that the interim and annual financial statements present a true and fair view in all material respects

The External Auditors, BDO Public Accountants, present the annual audited financial statements and management report to the Audit Committee upon invitation.

During the year ended 31 December 2019, five Audit Committee Meetings were held. The following table summarizes the information about Audit committee meeting dates and attendance of directors at each meeting:

Sr. No.	Audit Committee Members	Type (Executive, Non-Executive or Independent)	Designation	7-Feb-2019	18-Apr-2019	14-Jul-2019	14-Oct-2019	2-Dec-2019
1	Mohammed Abdulelah AlKoheji	Non-Executive / Non-Independent	Chairman Resigned on 18 Jul 19	P	P	P	N/A	N/A
2	Ali Abdulla Mohamed Isa	Non-Executive / Non-Independent	Director Resigned on 18 Jul 19	P	P	P	N/A	N/A
3	Yusuf Abdurahman Fakhro	Non-Executive / Independent	Director Resigned on 18 Jul 19	P	P	P	N/A	N/A

Sr. No.	Audit Committee Members	Type (Executive, Non-Executive or Independent)	Designation	7-Feb-2019	18-Apr-2019	14-Jul-2019	14-Oct-2019	2-Dec-2019
1	Yaser Abduljalil Ali Alsharifi**	Non-Executive / Non-Independent	Chairman w.e.f. 18 July 2019	N/A	N/A	N/A	P	P
2	Areej Abdulla Abdulghaffar Abdulla	Non-Executive / Non-Independent	Director w.e.f. 18 July 2019	N/A	N/A	N/A	P	P
3	Adnan Sayed Habbib Maki Hashim	Non-Executive / Independent	Director w.e.f. 18 July 2019	N/A	N/A	N/A	P	P

P = Present In Person      A = Absent

\*\*Director in the previous Board term.

**Total remuneration paid to the Audit committee members during 2019 is BD 7,500/- as basic fee.**



## 6. Nomination and Remuneration Committee (NRC) & Governance Committee (CG):

### Roles and Responsibilities

The Nomination, Remuneration and Corporate Governance Committee comprises of three Board members selected and appointed by the Board. The Committee meets at least twice a year. The role of the Committee is to assist the Board in fulfilling its responsibilities with regard to the nomination, Remuneration and Corporate Governance policy of our organization. The Committee also has the responsibility of reviewing and recommending the remuneration policies for the Board of Directors and staff.

During the year ended 31 December 2019, Three Nomination, Remuneration and Corporate Governance Committee Meetings were held. The following table summarizes the information about Nomination, Remuneration and Corporate Governance Committee meeting dates and attendance of directors at each meeting:

Sr. No.	NRCG committee Members	Type (Executive, Non-Executive or Independent)	Designation	13-Feb-2019	15-Oct-2019	10-Dec-2019
1	Ismaeel Abdulnabi AlMarhoon	Non-Executive/ Non-Independent	Chairman Resigned on 18 Jul 2019	P	N/A	N/A
2	Nabeel Khaled Mohammed Kanoo	Non-Executive/ Independent	Director Resigned on 18 Jul 2019	P	N/A	N/A
3	Bader A.S Alhassawi	Non-Executive/ Non-Independent	Director Resigned on 18 Jul 2019	P	N/A	N/A

Sr. No.	NRCG committee Members	Type (Executive, Non-Executive or Independent)	Designation	13-Feb-2019	15-Oct-2019	10-Dec-2019
1	Amin Ahmed Salem Alarrayed	Non-Executive/ Non-independent	Chairman w.e.f 18 Jul 2019	N/A	P	P
2	Fahad Abdulrahman Mohammed AlSaad	Non-Executive/ Non-Independent	Director w.e.f. 18 Jul 2019	N/A	P	P
3	Wael Ezzeideen Mohamed Arafa	Non-Executive/ Non-Independent	Director w.e.f. 18 Jul 2019	N/A	P	P

P = Present In Person      A = Absent

**Total remuneration paid to the Nomination, Remuneration and Corporate Governance Committee Members during 2019 amounted to BD 4,500/- as basic fee.**



## 7. Executive Committee:

### Roles and Responsibilities

Executive committee is formed with four members and at least two directors are to attend the meeting to ensure a quorum. The minimum number of meetings required each year is four. The role of the committee is to assist the Board in the discharge of its functions, assists the Board in reviewing quarterly Company performance, policies, practices, various operational controls and Corporate Governance with the support of Internal and external auditors. The executive committee also oversee the standards of quality and reliability of the financial information submitted to the Board by the management. The executive committee has the additional responsibility to ensuring strategic procurement objectives are developed and implemented through an annual procurement strategy to ensure that major investment decisions are procured strategically to enable prudent and efficient outcomes through market engagement.

One of the Board Members, Ms. Aamal Hamad AlZayani, didn't attend Executive Committee Meetings held during 2019 and hence her attendance has fallen below 75% minimum attendance as required by CBB Rule Book Volume 6 on HC-High Level controls. Ms. Aamal Hamad AlZayani passed away on 25<sup>th</sup> October 2018.

The Executive Committee Meeting was carried out smoothly by the rest of the Board Members in absence of Ms. Aamal Hamad AlZayani. The Chairman of the Executive Committee ensured that the objectives of the Executive Committee Meeting were met and the Company business were dealt appropriately.

For the year ended 31 December 2019, four Executive Committee Meetings were held. The following table summarizes the information about executive committee meeting dates and attendance of directors at each meeting.

Sr. No.	Executive Meeting Members	Type (Executive, Non-Executive or Independent)	Designation	3-Jul-2019	22-Sep-2019	28-Nov-2019	3-Feb-2020
1	Yaser Abduljalil Ali Alsharifi	Non-Executive / Independent	Chairman Resigned on 18 July 2019	P	N/A	N/A	N/A
2	Ali Mohammed Buhamood	Non-Executive / Non-Independent	Director Resigned on 18 July 2019	P	N/A	N/A	N/A
3	Aamal Hamad AlZayani	Non-Executive / Non-Independent	Director Passed away on 25 Oct 2018	A	N/A	N/A	N/A
4	Abdulla Nooruddin Abdulla Nooruddin	Non-Executive / Non-Independent	Director Resigned on 18 July 2019	P	N/A	N/A	N/A

Sr. No.	Executive Meeting Members	Type (Executive, Non-Executive or Independent)	Designation	3-Jul-2019	22-Sep-2019	28-Nov-2019	3-Feb-2020
1	Abdulla Ahmed Abdulla Kamal	Non-Executive / Non-Independent	Chairman w.e.f 18 July 2019	N/A	P	P	P
2	Bader Kassim Mohamed Buallay	Non-Executive / Non-Independent	Director w.e.f 18 July 2019	N/A	P	P	P
3	Mohamed Rasheed Mohamed Almaraj	Non-Executive / Independent	Director w.e.f 18 July 2019	N/A	P	P	P
4	Ali Ejaz Ahmed Murtaza	Non-Executive / Independent	Director w.e.f 18 July 2019	N/A	P	P	P

P = Present in Person      A = Absent

**Total remuneration paid to the executive committee members during 2019 is BD 7,500.000 as basic fee.**



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

Name	Qualification	Date of Appointment	Contact Details
Mr. Mahmood Sayed Husain Yaseen	B.Sc. In Accounting, Certified Public Accountant (CPA), Certified Internal Auditor (CIA)	24 July 2018	Tele: 17224477 Fax: 17224428 Email: myaseen@carparks,bh

**9. Details of any irregularities committed during the financial year:**

There were no irregularities committed or reported during the financial year 2019.

**10. Description of the cash and in-kind contributions made by the company during the year 2019 for the purpose of community development and environment preservation:**

An amount of BD10,000 has been allocated as a charity reserve during the year ended 31 December 2019 and no payments have been made towards charity during the year ended 31 December 2019.

**a. Statement of shareholders' equity as of 31/12/2019 (individuals, corporate, government or organizations) to be classified as follows: Local, Gulf, Arab, and foreign.**

Sr. No.	Shareholder Classification	Shareholding %			
		Individual	Corporate	Government or Organizations	Total
1	Local	9.42%	39.62%	33.58%	82.62%
2	Arab	0.61%	16.77%	-	17.38%
3	Foreign	-	-	-	-
	<b>Total</b>	<b>10.03%</b>	<b>56.39%</b>	<b>33.58%</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 31/12/2019 as follows:**

Sr. No.	Name	Number of Shares held	Shareholding %	Name of the natural person, the final beneficiary
1	Bahrain Real Estate Investment (Edamah) B.S.C. (C)	40,000,000	36.26	N/A
2	Social Insurance Organization (Pension)-Military	37,033,490	33.57	N/A
3	Kuwaiti Real Estate & Commercial Centre CO.	15,000,000	13.6	N/A



- c. Description of how shareholders are distributed according to their respective shareholding as at 31/12/2019 as follows:

Sr. No.	Share holding	No of shareholders	Number of Shares held	Share Holding (%)
1	< 50,000	1,266	3,229,396	2.89
2	50,000 to 500,000	47	5,880,575	5.37
3	500,000 to 5,000,000	10	24,223,769	21.96
4	>5,000,000	3	76,983,490	69.78
	<b>Total</b>	<b>1,326</b>	<b>110,317,230</b>	<b>100%</b>

- d. Description of the significant events that occurred during the year 2019:

The Company held an EGM on 21 May 2019 for shareholders to vote on the whitewash resolution and for increasing the authorized share capital from BD10 million (equivalent to 100 million ordinary shares) to BD12.5 million (equivalent to 125 million ordinary shares) along with issued and paid-up share capital from BD7,031,723 (equivalent to 70,317,230 ordinary shares) to BD11,031,723 (equivalent to 110,317,230 ordinary shares) through the issuance of 40 million new ordinary shares in consideration for securing the usufruct right in the Terminal Building.

Subsequently, on 20 June 2019, 40 million new ordinary shares were allotted and issued to Edamah having a nominal value of 100 fils each with a share premium of 50 fils per share. The transaction has been approved by the regulators in the Kingdom of Bahrain.



**11. Compliance with the provisions of the Corporate Governance Code, as follows:**

Sr. No.	Principle	Non-Compliant	Partially Compliant	Fully Compliant	Explanation in case of Non-Compliance
1	Principle 1: The Company shall be headed by an effective, qualified and expert board.		Yes		Explained below
2	Principle 2: The directors and executive management shall have full loyalty to the company.		Yes		Explained below
3	Principle 3: The Board shall have rigorous controls for financial audit and reporting, internal control, and compliance with law.		Yes		Explained below
4	Principle 4: The Company shall have effective procedures for appointment, training, and evaluation of the directors.		Yes		Explained below
5	Principle 5: The Company shall remunerate directors and senior officers fairly and responsibly.		Yes		Explained below
6	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		Explained below
7	Principle 7: The Company shall communicate with shareholders, encourage their participation, and respect their rights.			Yes	Explained below
8	Principle 8: The Company shall disclose its corporate governance.		Yes		Explained below
9	Principle 9: Companies which offer Islamic services shall adhere to the principles of Islamic Sharia. *			N/A	
10	Principle 10: The Board shall ensure the integrity of the financial statements submitted to shareholders through appointment of external auditors.			Yes	
11	Principle 11: The Company shall seek through social responsibility to exercise its role as a good citizen.	Yes			Explained below

\* Applicable only to the companies offering Islamic services.

Bahrain Car Parks Company B.S.C. currently complies with all the provisions of the Ministry of Industry and Commerce Code with the exception which are explained below of the following:

**Principle 1: The Company shall be headed by an effective, qualified and expert board.**

- Principle 1 requires that the Company's Articles of Association (AOA) contains requirements for executive, non-executive and independent directors and that at least half of the directors are non-executive directors and at least three of whom are independent directors who meet the requirements set forth in Appendix 1 of the Code. However, there is a general clause given in the Company's Articles of Association (AOA) relating to the requirement of executive, non-executive and independent directors. As per the current Board composition, all Board members are non-executive directors and three of them are independent. The Company is in the process of reviewing and amending the Articles of Association (AOA) to include the necessary statements.





2. Principle 1 requires that the Company's Chairman of the Board of Directors is an independent director and that he is not the Company's CEO. The Chairman of the BOD is a non-independent director and he is not the Company's CEO. Furthermore, the composition of the Board which is 70% appointed and 30% elected by the Shareholders, which making it difficult to have the Chairman of the Board of Directors to be an independent director.
3. Principle 1 requires that the Board of Directors should conduct an evaluation of its performances and the performance of all committees and directors at least once a year. The old Board members resigned on 18 July and on the same date the new Board member officially appointed and elected by the shareholders. The However, the Board of Directors has not conducted an annual evaluation of the Board performance and the performance of all its committees for the new Board members due to not completing full year of directorship with the company. Furthermore, the evaluation will be conducted for the fiscal year 2020.

**Principle 2: The directors and executive management shall have full loyalty to the company.**

1. Principle 2 requires the Company's to develop the code of ethics which meets the minimum requirements as set out in principle 2 of the Code. The Company is in the process of developing the code of ethics.

**Principle 3: The Board shall have rigorous controls for financial audit and reporting, internal control, and compliance with law.**

1. Principle 3 requires that the Board Audit Committee ("BAC") shall consist of at least 3 directors, majority of whom are independent, including the Chairman. However, the Board Audit Committee ("BAC") consists of three directors. Two directors are non-independent and one is independent. The current chairman of the Audit Committee is a non-independent director. The audit committee members and its Chairman are elected by Board of Directors and due to the composition of the Board which is 70% appointed and 30% elected by the Shareholders, which makes it difficult to have the majority of Board Audit Committee ("BAC") independent, including the Chairman.
2. Principle 3 requires that the Board should establish a whistleblowing program that allows the Company's employees to report internally their concerns about any improper or suspicious practices and make appropriate arrangements for an independent and fair investigation of such practices. The Board is in the process of establishing the whistleblowing policy.

**Principle 4: The Company shall have effective procedures for appointment, training, and evaluation of the directors.**

1. Principle 4 requires that the Nomination Committee ("NC") consists of at least 3 directors, all of whom are independent or non-executive. However, the Nomination Committee ("NC") consists of three directors. Out of three directors, two directors are non-independent and one is independent director. The Nomination committee members and its Chairman are elected by Board of Directors. Due to the composition of the Board which is 70% appointed and 30% elected by the Shareholders, which makes it difficult to have the Nomination Committee ("NC") all independent.
2. Principle 4 requires that the Chairman should ensure that each new director receives a formal and tailored induction to ensure effective participation in the Board's activities from the beginning of his term. Although there is no formal induction program. The Company gives presentation and briefing to its new Directors. The Company will develop a formal and tailored induction program for its board member.

**Principle 5: The Company shall remunerate directors and senior officers fairly and responsibly.**

1. Principle 5 requires that Remuneration Committee ("RC") consists of at least 3 directors, the majority of whom are independent or non-executive and that the Chairman is an independent director. However, the Remuneration Committee ("RC") consists of three directors. Out of three directors, two directors are non-independent and one is independent director. The Chairman of the Committee is also a non-independent director. The Remuneration committee members and its Chairman are elected by Board of Directors. Due to the composition of the Board which is 70% appointed and 30% elected by the Shareholders, which makes it difficult to have the majority of the Nomination Committee ("NC") independent.
2. Principle 5 requires that Remuneration Committee ("RC") Statement of Duties and Responsibilities should meet the minimum provisions as set out under Principle 5 of the Code as well as the purpose and duties set forth in Appendix 4 of the Code. However, the Company is in the process of reviewing and updating the Remuneration Committee statements of Duties and Responsibilities stated in the Corporate Governance report to ensure its in line with the provisions of Principle 5 of the Code.

**Principle 6: The Board shall establish a clear and efficient management structure for the Company and define the job titles, powers, roles and responsibilities.**

1. Principle 6 requires that Board of Directors should perform an annual review of the succession plan for the Chief Executive Officer ("CEO"). The Company is in the process of formulating a succession plan for the CEO which will be reviewed annually.

**Principle 8: The Company shall disclose its corporate governance.**

1. Principle 8 requires from the Company to publish its Code on their website. The Company has not published its Code on their website. The Company is in the process renovating and redesigning the website and all the required information to disclose the corporate governance will be included accordingly.
2. Principle 8 requires that the Board Corporate Governance Committee ("CGC") consists of at least 3 independent directors, who are responsible for developing and recommending changes from time to time in the Company's corporate governance policy framework. However, the Corporate Governance Committee ("CCG") consists of three directors. Out of three directors, two directors are non-independent and one is independent director. Corporate Governance Committee ("CGC") members and its Chairman are elected by Board of Directors. In coming years, Board will consider the independency requirements of the Corporate Governance Committee members. Due to the composition of the Board which is 70% appointed and 30% elected by the Shareholders, which makes it difficult to have majority of the Board Corporate Governance Committee ("CGC") are independent.

**Principle 11: The Company shall seek through social responsibility to exercise its role as a good citizen.**

1. Principle 11 requires that the Company's last annual report shall contain a section on the Company's corporate social responsibility activities. However, the annual report did not contain any specific section of the Company's corporate social responsibility activities. The Company is in the process of developing a policy for Corporate Social responsibilities which will be disclosed in the next year report.
2. Principle 11 requires the Company to develop an annual strategy or plan to implement the corporate social responsibility philosophy, policies and principles towards the community that include the minimum requirements as set out under Principle 11 of the Code. Currently, the Company in the process of formulating written strategy for corporate social responsibility and to be approved by the Board of Directors. However, each year the Company allocates BD 10,000/- for charity.

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**Amin Ahmed Alarrayed**  
Chairman  
10<sup>th</sup> March 2020