

1. CORPORATE GOVERNANCE APPROACH

Seef Properties B.S.C. ("**Company**") continuously strives to be a leading, innovative and diversified real estate company driven by the highest standards and values in its quest for excellence. The Company's commitment to fairness, transparency, accountability and responsibility remains at the forefront of its operations to the ultimate benefit of its shareholders, customers, employees and other stakeholders.

The Company's corporate governance framework is based on the guidelines of the Corporate Governance Code as introduced by the Ministry of Industry, Commerce and Tourism ("**Code**"), the Commercial Companies Law and its Implementation Regulations ("**CCL**"), the regulations of the Central Bank of Bahrain ("**CBB**") as specified in Volume 6 of its Rulebook - High Level Controls (Module HC) and the laws, regulations and related guidelines of Bahrain Bourse, including but not limited to, the Listing Rules.

The Company has implemented an effective and transparent management framework developed in accordance with the applicable laws and regulations in the Kingdom of Bahrain and operates under the Company's Corporate Governance Guidelines. The Board of Directors ("**Board**") is responsible for strategic plans, policies and supervision of business performance/operations, overseeing the functions of the Executive Management and ensuring effective discharge of its duties. The Board delegates the day to day running of the Company to the Chief Executive Officer and the Executive Management in accordance with approved discretionary authority limits, policies and procedures, plans and regulatory requirements. The Company's External Auditor, Ernst & Young, conduct audit and other statutory reviews quarterly and annually to ensure compliance with regulatory requirements.

2. ONGOING INITIATIVES IN 2021

The Company continues to recognise the significance of an effective corporate governance culture corporate governance issues remain on agenda of the Company's Board, with committees such as the Nomination, Remuneration and Governance Committee being tasked with the review of the corporate governance framework and all related matters. Accordingly, the Board, through the Nomination, Remuneration and Governance Committee has proactively reviewed the Company's compliance with the Code throughout the year and implemented steps to ensure compliance with any outstanding provisions, where applicable.

In an effort to further enhance its corporate governance internal framework, the Company commenced a comprehensive review of its policies and procedures, which included a gap assessment intended on identifying areas of potential improvement and alignment with best industry practices. Each Board Committee is reviewing the relevant policy and procedure documents that are within its area of responsibility for onward recommendation to the Board in due course. This exercise is ongoing and is scheduled for completion within 2022.

Furthermore, the Company has amended its constitutional documents to reflect updates in line with the recent amendments to the CCL and other applicable laws and regulations. Additionally, the Company added the activity of "Real Estate Activities on a Fee or Contract Basis - Management of Real Estate" in compliance with the Real Estate Regulatory Authority laws and regulations.

3. COMMUNICATION WITH INVESTORS AND SHAREHOLDERS

The Company is committed to the provision of timely, accurate and transparent information to its shareholders, investors, regulators and other stakeholders in accordance with the disclosure requirements prescribed in the applicable laws and regulations. The Company ensures that key financial materials and other disclosures are maintained on its website at all times and disclosed in a timely manner in accordance with the prescribed regulatory timeframes, thereby ensuring that all shareholders have access to material information required prior to any General Meeting. The Company has launched its new and improved website in 2021 in line with the full requirements of the Code, Listing Rules and CBB Disclosure Standards and

to further enhance the shareholders' accessibility to all relevant information about the Company. The Company's website is accessible on <http://www.seef.com.bh/>.

The Company's main means of communication with the shareholders are the Annual Report and the Annual General Meeting, the latter of which is attended by the Directors and the shareholders are afforded the opportunity to discuss and question the Board. Furthermore, the Company has published on its website the rights and obligations of shareholders to ensure they are able to exercise the same effectively.

4. SHAREHOLDING AND OWNERSHIP STRUCTURE

4.1 Company's Share Capital

As of 31 December 2021, the Company had issued 460,000,000 ordinary shares of a nominal value of BD 0.100 each, all of which are fully paid.

4.2 Ownership Structure by Nationality and Category:

The table below shows the distribution of the Company's share ownership by nationality and category:

No.	Shareholder Classification	Number of Shares Held			TOTAL
		Individuals	Corporate	Government or Organisations	
1.	Bahraini	159,456,039	122,055,052	169,262,986	450,774,077
2.	Arab	3,972,593	2,840,328	-	6,812,921
3.	Foreign	1,403,672	1,009,330	-	2,413,002
	TOTAL	164,832,304	125,904,710	169,262,986	460,000,000

4.3 Ownership Structure by Size (5% or More):

The table below shows the distribution of Ownership of the Company's shares by size (5% and above):

No	Name	Number of Shares Held	Shareholding %
1.	Social Insurance Organisation (Pension, Military and Civil Funds)	122,735,695	26.682%
2.	Royal Humanitarian Foundation	56,790,624	12.346%
3.	Baytik Bahrain Real Estate Holding Co. W.L.L. (100% indirectly owned by Kuwait Finance House K.S.C.P. (Kuwait))	39,756,895	8.643%
4.	Bayan Group for Property Investment W.L.L. 100% indirectly owned by Kuwait Finance House K.S.C.P. (Kuwait))	31,842,988	6.922%

4.4 Ownership Structure by Size of Ownership (Number of Shares):

The table below shows the distribution of ownership of the Company's shares by size of ownership in terms of number of shares:

Shareholding (Shares)	No. of Shares Held	No. of Shareholders	Shareholding %
Less than 50,000	92,648,823	16,372	20.14%
50,000 to less than 500,000	63,067,727	760	13.71%
500,000 to less than 5,000,000	32,076,764	26	6.97%
More than 5,000,000	272,206,686	7	59.18%
TOTAL	460,000,000	17,165	100%

4.5 Ownership Structure by Size of Ownership (% of Shareholding):

The table below shows the distribution of ownership of the Company's shares by size of ownership in terms of percentage of shareholding:

Shareholding (%)	No. of Shares Held	No. of Shareholders	Shareholding %
Less than 1%	187,823,314	17,158	40.83%
1% up to less than 5%	20,750,484	3	4.51%
5% up to less than 10%	71,899,883	2	15.63%
10% up to less than 20%	56,790,624	1	12.35%
20% up to less than 50%	122,735,695	1	26.68%
TOTAL	460,000,000	17,165	100%

4.6 Ownership by Directors and Executive Management (including their Connected Persons):

The table below shows the Director's and Executive Management shareholding:

No	Name	Relationship	Number of Shares Held	Shareholding %
1.	Essa Mohamed Najibi		0	0
	Mohamed Essa Najibi	Son	50,000	0.011%
	Najibi Investment Company B.S.C.(C).	Related Company	530,854	0.115%
	United Commercial Services B.S.C.(C).	Related Company	574,530	0.125%
	Al Souq Real Estate Co. W.L.L.	Related Company	256,500	0.056%
	Bahrain International Travel	Related Company	121,073	0.026%
	Al Khulood Capital Co. W.L.L.	Related Company	100,500	0.022%
2.	Sattam Sulaiman Al Gosaibi		0	0%
	Fareeda A.Rahman Al Moayyed	Mother	240,000	0.052%
3.	Hesham Abdulrahman Jaffar Al Rayyes		100,000	0.022%
4.	Ahmed Yusuf Abdulla Yusuf		100,000	0.022%
5.	Fuad Ali Taqi		40,000	0.009%
6.	Hamed Yousef Mashal		18,400	0.004%
7.	Abduljalil Mohamed Janahi		5,000	0.001%
	TOTAL		2,136,857	0.465%

Note: No other Directors or Members of Executive Management hold shares.

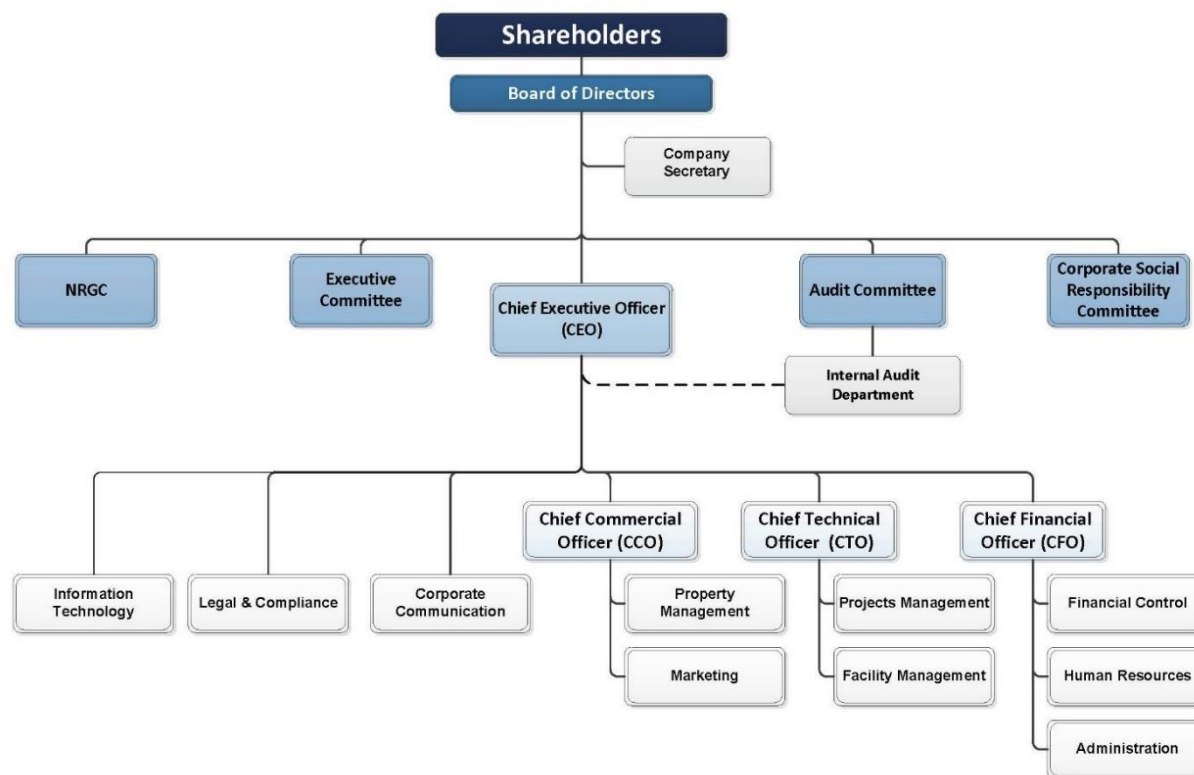
4.7 Directors and Executive Management (including their Connected Persons) Trading during 2021:

The table below shows the Director's and Executive Management trading for 2021:

Name	Position/ Kinship	Shares at 31 December 2020	Sale Transaction	Purchase Transaction	Shares at 31 December 2021
Essa Mohamed Najibi*	Chairman	100,500	100,500	0	0
Fuad Ali Taqi	Director	30,000	0	10,000	40,000

Note: Mr. Essa Mohamed Najibi transferred his entire shareholding to Al Khulood Capital Co. W.L.L., a company wholly owned by him.

5. GOVERNANCE AND ORGANISATIONAL STRUCTURE



6. BOARD OF DIRECTORS

6.1 Board Composition and Status of Directors

As per the Company's Articles of Association, the Company shall be administered by a Board comprising of at least five (5) directors and not exceeding thirteen (13) directors ("**Directors**"). As of 31 December 2021, the total number of Directors is ten (10). The Board also elected by secret ballot from its Directors in 2019 a chairman ("**Chairman**"), and a vice chairman ("**Vice Chairman**") for its term, which expires in March 2022. For the financial year ending 31 December 2021, the Company' Board and status of membership was as follows:

DIRECTOR	DESIGNATION	STATUS
Mr. Essa Mohamed Najibi	Chairman	Non-Executive/Independent
Dr. Mustafa Ali Al Sayed	Vice Chairman	Non-Executive/Independent
Mr. Sattam Sulaiman Al Gosaibi	Director	Non-Executive/Independent
Mr. Fuad Ali Taqi	Director	Non-Executive/Independent
Mr. Yusuf Ahmed Al Hammadi	Director	Executive/Non-Independent
Mr. Abduljalil Mohamed Janahi	Director	Executive/Non-Independent
Mr. Hesham Abdulrahman Jaffar Al Rayyes	Director	Non-Executive/Non-Independent
Mrs. Eman Mustafa Al Murbati	Director	Non-Executive/Independent
Mr. Mohamed Ebrahim Al Bastaki	Director	Non-Executive/Independent
Mr. Hamed Yousef Mashal	Director	Executive/Non-Independent

The Company is in compliance with HC-1.4.4 of Volume 6 of the CBB Rulebook, where at least half of a Company's Board are non-executive directors and at least three (3) of those persons are independent directors. Furthermore, and seeing as the Company has controlling shareholders, the Company is in compliance with the requirements of the Code and HC-1.5.2 of Volume 6 of the CBB Rulebook, whereby more than a third of the Company's Board are independent Directors.

6.2 Directorships in Other Listed Companies

For the financial year ending 31 December 2021, the following Director was also a director in another listed company in the Kingdom of Bahrain:

DIRECTOR	NAME OF LISTED COMPANY	DESIGNATION
Dr. Mustafa Ali Al Sayed	Nass Corporation B.S.C.	Director

6.3 Director Profiles

Mr. Essa Mohamed Najibi - Chairman	
Nationality	Bahraini
Status/ Appointed By	Non-Executive/Independent
Current Membership Duration	12 years
Current Committee Membership	<ul style="list-style-type: none"> Chairman of the Nomination, Remuneration and Governance Committee Member of Corporate Social Responsibility Committee
Qualification	Bachelor of Civil Engineering
Experience	Over 36 years of experience in directorship and executive positions in the real estate sector, in addition to managing the family businesses.
Board Memberships	<ul style="list-style-type: none"> Chairman - Fraser Suites Seef-Bahrain W.L.L. Chairman - Seef Entertainment W.L.L. Chairman - Lama Real Estate W.L.L. Chairman - Najibi Investment Company B.S.C.(C). Chairman - United Commercial Services Co. Chairman - AlKhulood Capital Co. W.L.L. Co-Chairman - AlSouq Real Estate Company W.L.L. Vice Chairman - Bahrain Scrapmould Company W.L.L. Vice Chairman - Crown Industries B.S.C.(C). Director - Binaa Al Bahrain W.L.L. Director - Gulf Air B.S.C.(C) Director - The Malls Real Estate Development B.S.C.(C) Director - Lona Real Estate B.S.C.(C) Member of the Board of Trustees, Director and Chairman of Executive Committee - Royal University for Women
Positions in other key regulatory, government or commercial entities	Founding Member and Chairman of Najibi Investments B.S.C.(C).
Dr. Mustafa Ali Al Sayed - Vice Chairman	
Nationality	Bahraini
Status/ Appointed By	Non-Executive/Independent (Royal Humanitarian Foundation)
Current Membership Duration	12 years
Committee Membership	<ul style="list-style-type: none"> Chairman of Social Responsibility Committee Member of the Nomination, Remuneration and Governance Committee
Qualification	<ul style="list-style-type: none"> Doctorate in Industrial Management (PhD) - University of London (UK) Master of Industrial Management - University of Dublin (Ireland) Bachelor of Mechanical Engineering - University of Portsmouth (UK)
Experience	Over 46 years of experience in executive positions in key governmental and private institutions
Board Memberships	<ul style="list-style-type: none"> Vice Chairman - Fraser Suites Seef - Bahrain W.L.L. Vice Chairman - Seef Entertainment W.L.L. Vice Chairman - Family Microfinance House B.S.C.(C) Director - Nass Corporation B.S.C. Member of the Board of Trustees - Egyptian Zakat House Director - Bahrain Health and Safety Society
Positions in other key regulatory, government or commercial entities	Secretary General of Royal Humanitarian Foundation

Mr. Sattam Sulaiman Al Gosaibi - Director

Nationality	Bahraini
Status/ Appointed By	Non-Executive/ Independent
Membership Duration	12 years
Current Committee Membership	<ul style="list-style-type: none"> Chairman of the Executive Committee Member of the Nomination, Remuneration and Governance Committee
Qualification	<ul style="list-style-type: none"> Bachelor of Accounting (BSc) - King Fahad University (KSA) Master of Business Administration (MBA) - DePaul University (USA)
Experience	Over 26 years of experience in Islamic banking and directorship in the real estate sector
Board Memberships	<ul style="list-style-type: none"> Director - Fraser Suites Seef-Bahrain W.L.L. Director - Seef Entertainment W.L.L. Director - LAMA Real Estate W.L.L. Director - Binaa Al Bahrain W.L.L. Director - Gulf Real Estate Development Company S.S.C.(C) Vice Chairman - Capital Real Estate Company B.S.C.(C) Director - Gulf Holding Company K.S.C. Director - Naseej B.S.C.(C). Director - Locata Corporation PTY Limited Director - Bahrain International Golf Course Company B.S.C.(C) Director - Al Areen Hotels W.L.L. Director - INJAZ Bahrain Member of the Board of Trustees - Ibn Khuldoon National School
Positions in other key regulatory, government or commercial entities	Chief Executive Officer of Khaleeji Commercial Bank B.S.C.

Mr. Fuad Ali Taqi - Director

Nationality	Bahraini
Status/ Appointed By	Non-Executive/ Independent
Membership Duration	6 years
Committee Membership	Chairman of the Audit Committee
Qualification	Master of Business Administration (MBA) - University of South Wales (UK)
Experience	Over 34 years of experience in conventional and Islamic banking
Board Memberships	<ul style="list-style-type: none"> Director - Fraser Suites Seef-Bahrain W.L.L. Director - Seef Entertainment W.L.L. Vice Chairman of the Board of Directors, Member of the Board of Trustees and Member of the Finance Committee-Ibn Khuldoon National School
Positions in other key regulatory, government or commercial entities	N/A

Mr. Yusuf Ahmed Al Hammadi - Director

Nationality	Bahraini
Status/ Appointed By	Executive/Non-Independent
Current Membership Duration	15 years
Committee Membership	Member of the Audit Committee
Qualification	<ul style="list-style-type: none"> • Master of Business Administration (MBA) - University of Bahrain • Leadership Development Programme - University of Virginia (USA) • CFO Strategic Leadership Programme - Ivey Business School (Canada)
Experience	Over 32 years of experience in conventional and Islamic banking
Board Memberships	<ul style="list-style-type: none"> • Chairman - Muharraq Mall Co. W.L.L. • Director - Lama Real Estate W.L.L. • Director - Fraser Suites Seef-Bahrain W.L.L. • Director - Seef Entertainment W.L.L. • Director - Delmon 1 Co. W.L.L. • Director - PK Development Co. W.L.L. • Member of the Board of Trustees, Director and Head of Finance Committee - Ibn Khuldoon National School • Director - WAQF Fund (Central Bank of Bahrain)
Positions in other key regulatory, government or commercial entities	Executive Manager - Head of Financial Control and Administration at Kuwait Finance House (Bahrain) B.S.C.(C)

Mr. Abduljalil Mohamed Janahi - Director

Nationality	Bahraini
Status/ Appointed By	Executive/ Non-Independent
Current Membership Duration	12 years
Current Committee Membership	Member of the Executive Committee
Qualification	<ul style="list-style-type: none"> • Master of Civil Engineering/ Construction Management (MSc) - The Catholic University of America (USA) • Bachelor of Civil Engineering - University of Bahrain • Diploma in Building Management - City & Guilds of London Institute (UK)
Experience	Over 37 years of experience in project management and civil engineering
Board Memberships	<ul style="list-style-type: none"> • Director - Muharraq Mall Co. W.L.L. • Director - Fraser Suites Seef-Bahrain W.L.L. • Director - Seef Entertainment W.L.L. • Director - Diyar Al Muharraq W.L.L. • Director - Diyar Al Muharraq Housing Development Co. W.L.L. • Director - Diyar Al Bareh Real Estate W.L.L. • Director - Diyar Al Naseem Real Estate W.L.L.
Positions in other key regulatory, government or commercial entities	Senior Manager - Head of Real Estate Projects Management at Kuwait Finance House (Bahrain) B.S.C.(C).

Mr. Hesham Abdulrahman Jaffar Al Rayyes - Director

Nationality	Bahraini
Status/ Appointed By	Non-Executive/Non-Independent
Current Membership Duration	9 years
Committee Membership	Member of the Nomination, Remuneration and Governance Committee
Qualification	<ul style="list-style-type: none"> • Bachelor of Quantity Surveying - Portsmouth Polytechnic University (UK) • Member of The Council for Regulating the Practice of Engineering Professions (CRPEP) • Member of Royal Institute Chartered Surveyors (UK)
Experience	Over 36 years of experience in quantity surveying and project management.
Board Memberships	<ul style="list-style-type: none"> • Director - Fraser Suites Seef-Bahrain W.L.L. • Director - Seef Entertainment W.L.L. • Owner and Managing Director - Dar Al Huda Apartments W.L.L. • Director - Sheikh Essa Bin Salman Al Khalifa Educational Trust
Positions in other key regulatory, government or commercial entities	Owner and Chief Executive Officer of HAJ Quantity Surveyors W.L.L.

Mrs. Eman Mustafa Al Murbati - Director

Nationality	Bahraini
Status/ Appointed By	Non-Executive/Independent (Social Insurance Organisation)
Current Membership Duration	6 years
Committee Membership	<ul style="list-style-type: none"> • Member of the Audit Committee • Member of Corporate Social Responsibility Committee
Qualification	Bachelor of Accounting - Cairo University (Egypt)
Experience	Over 38 years of experience in key positions in the Social Insurance Organisation
Board Memberships	<ul style="list-style-type: none"> • Director - Fraser Suites Seef - Bahrain W.L.L. • Director - Seef Entertainment W.L.L.
Positions in other key regulatory, government or commercial entities	Chief Executive Officer of Social Insurance Organisation

Mr. Mohamed Ebrahim Al Bastaki	
Nationality	Bahraini
Status/ Appointed By	Non-Executive/Independent (Social Insurance Organisation)
Current Membership Duration	3 years
Committee Membership	Member of the Executive Committee
Qualification	<ul style="list-style-type: none"> • Master of Business Administration (MBA) - University of Glamorgan (UK) • General Management Programme - Harvard Business School (USA) • The Gulf Executive Development Programme - University of Virginia [Darden Business School] (USA) • Executive Management Diploma - University of Bahrain
Experience	Over 42 years of experience in executive positions in financial institutions.
Board Memberships	<ul style="list-style-type: none"> • Chairman - The BENEFIT Company B.S.C.(C) • Chairman - SINNAD W.L.L. • Vice Chairman of Board of Trustees - The Kingdom University • Director - Fraser Suites Seef - Bahrain W.L.L. • Director - Seef Entertainment W.L.L. • Director - Social Insurance Organisation • Director - Osool Asset Management B.S.C.(C).
Positions in other key regulatory, government or commercial entities	N/A

Mr. Hamed Yousef Mashal	
Nationality	Bahraini
Status/ Appointed By	Executive/Non-Independent
Current Membership Duration	3 years
Committee Membership	<ul style="list-style-type: none"> • Member of the Executive Committee
Qualification	<ul style="list-style-type: none"> • Master of Business Administration (MBA) - University of Warwick [Warwick Business School] (UK) • Bachelor of Computer and Business Studies (BSc) - University of Warwick [Warwick Business School] (UK) • MRICS - Royal Institute of Chartered Surveyors • Chartered Financial Analyst (CFA) • Project Management Professional (PMP)
Experience	Over 16 years of experience in conventional and Islamic banking
Board Memberships	<ul style="list-style-type: none"> • Director - Fraser Suites Seef-Bahrain W.L.L. • Director - Seef Entertainment W.L.L. • Director - Liquidity Management Centre B.S.C.(C). • Director - Bayan Group for Property Investment W.L.L. • Director - Baytik Bahrain Real Estate Holding Company W.L.L. • Director - Baytik Investments One W.L.L. • Director - Baytik Investments Two W.L.L. • Director - Diyar Al Naseem Real Estate W.L.L. • Director - Bridge W.L.L. Limited (Cayman Islands) • Executive Committee Member - Diyar Al-Muharrag Co. W.L.L. • Technical Committee Member - PK Development W.L.L.
Positions in other key regulatory, government or commercial entities	Head of Retail Banking at Kuwait Finance House (Bahrain) B.S.C.(C)

6.4 Mandate of the Board

6.4.1 Overall Role and Responsibilities

The Board's roles and responsibilities, include but are not limited to, the following:

- Establishing the objectives of the Company;
- Determining the overall business performance, plans and strategy of the Company;
- Monitoring management performance and their implementation of strategic decisions;
- Convene and prepare the agenda for the shareholder meetings;
- Approve and monitor the progress of major capital expenditure, capital management, loans, including the sale of movable and immovable property;
- Monitoring conflict of interest and preventing abusive related party transactions;
- Annual approval of budget and monitoring management performance in relation to the same thereof;
- Adoption and review of management structure and responsibilities;
- 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;
- Causing financial statements to be prepared which accurately disclose the Company's financial position;
- Selecting, compensating, monitoring, and when necessary, replacing key executives and ensuring the establishment of proper succession planning for the Chief Executive Officer and senior management in the Company;
- Aligning key executive and board remuneration with the longer-term interests of the Company and its shareholders;
- Ensuring a formal and trans-group board nomination and election process;
- Assuring equitable treatment of shareholders, including minority shareholders;
- Ensuring compliance with the relevant rules and requirements relating to the issuing and offering of securities;
- The ongoing obligations in respect of the listing requirements, including but not limited to issues relating to disclosure, dissemination of price sensitive information and other communication, and the prevention of market abuse and insider trading;
- Compliance with the Company's constitutional documentation, including but not limited to its Memorandum and Articles of Association and other relevant by-laws and resolutions;
- Ensure that any loans provided by the Company, if any, are approved by the Board in accordance with their authority for such items, including the respective limits and other relevant terms;
- Providing approval in respect of the relevant fees, charges, subscriptions, commissions and other business and administrative sanctions, where relevant; and
- Ensuring compliance with various laws and regulations, including but not limited to, the CCL, Code, CBB laws and regulations, Bahrain Bourse laws and regulations, Labour Law and other applicable laws and regulations.

Further details of the roles and responsibilities of the Board are set out in the Board Charter and Articles of Association. These roles and responsibilities are in line with the regulatory requirements contained in the CCL, CBB Rulebook, Code and any other applicable laws or regulations. The Directors are responsible both individually and collectively for performing these responsibilities.

6.4.2 Material Transactions Requiring Board Approval

The following are material transactions requiring Board approval:

- The adoption and annual review of strategy;
- The adoption and monitoring of the annual budget;
- The approval of the Company's reviewed and audited financial statements;
- The approval of budgeted/unbudgeted capital expenditures and material contracts in excess of the delegated authorities to Management, in addition to investments and divestments;
- The adoption and review of Management structure and responsibilities;
- The appointment of the Chief Executive Officer and Company Secretary;
- The approval of Company policies; and
- The approval of any loans to be obtained by the Company and the securities to be granted in respect thereof.

Further details of the material transactions requiring Board approval are set out in the Discretionary Authority Limits document approved by the Board.

6.5 Appointment, Election and Termination of Directors

The Board is elected for a term of three (3) years in the Annual General Meeting, such term being capable of renewal. The current term of the Board commenced on 31 March 2019 and will end on the date of the upcoming Annual General Meeting to be held on 29 March 2022, during which the elections for the new Board term will be held.

The appointment and election of Directors is subject to the provisions of the CCL, Code and CBB rules and regulations. The Directors are appointed in a General Meeting of the shareholders from amongst candidates proposed by the Board and/or appointed by major shareholders in exercise of their rights under the CCL.

The Directors' appointment is deemed terminated upon expiry of the Board term, after which the Director in question will be subject to re-election. The Company's Articles of Association, CCL and the Board Charter list all the grounds for termination of membership of the Board. The General Meeting, via majority vote, has the authority to terminate the membership of some or all the Board. This is without prejudice to the rights of shareholders qualifying under the provisions of the CCL to terminate the appointment of any Director they appointed. As of 31 December 2021, no memberships were terminated.

6.6 Director Appointment Letter

The Company has written appointment letters with each Director, which set out the Directors' roles, duties, responsibilities, accountabilities, in addition to other aspects relating to their appointment such as term, the time commitment required, the committee assignments (if any), their remuneration and expense reimbursement entitlement and access to independent professional advice, as and when required.

The Directors are generally required to adhere to the Company's Articles of Association, CCL, the Code, CBB Rulebook, Code of Conduct and Ethics and all applicable laws and regulations.

6.7 Induction and Training of Directors

The Board through its Company Secretary ensures that each newly appointed Director receives all information to strengthen and support his/her contribution from the commencement of his/her term, via meetings with senior management, presentations regarding the Company's strategic plans, significant financial and accounting frameworks, financial performance, investments and properties, in addition to access to its Internal and External Auditors and legal advisor. The Company Secretary ensures that each Director has access to all pertinent Company information, including constitutional documents, charters, policies and procedures, directors' indemnity insurance policy and other key documents, which are stored on and are accessible from the Company's electronic Board portal.

The Nomination, Remuneration and Governance Committee is also responsible for arranging the necessary training to ensure that the Directors are kept informed of the latest industry trends and developments. During 2021, the aforementioned committee has recommended corporate governance training, which was due to be conducted in person in 2021. Due to COVID-19 restrictions, the same has been postponed to be conducted in person. Nonetheless, and due to ongoing pandemic uncertainties, the Board agreed to proceed with the training sessions via videoconferencing to be conducted in 2022.

Without prejudice to the foregoing, most of the Directors have individually participated in various virtual seminars, conferences and training sessions covering a large array of governance and industry specific issues.

6.8 Company Secretary

The Board is supported by its Company Secretary, who provides it with professional and administrative support. The Company Secretary also acts as secretary for the Board committees and the General Meetings. The appointment of the Company Secretary is subject to approval of the Board. The Company Secretary is Ms. Maryam Husain who joined the Company in May 2019 and is also the Senior Manager of the Legal and Compliance Department. She holds a Bachelor of Laws (LLB), Master of Laws (LLM) from the University of Warwick and a postgraduate higher diploma in Legal Practice Course (LPC) from the College of Law in the United Kingdom, with more than sixteen (16) years of experience.

6.9 Board Remuneration Policy and Sitting Fees

The Company follows the provisions of Article 188 of the CCL in determining the remuneration of the Directors. Remuneration paid to the Directors for the financial year ended 31 December 2020 was BD 170,000 as approved in the Annual General Meeting.

The proposed remuneration to be paid to the Directors for financial year ended 31 December 2021 is BD 225,000 and will be presented for the shareholders' approval in the upcoming Annual General Meeting.

Sitting fees payable to the Directors for attending the Board and its committee meetings are BD 600 for the Chairman of the Board or any committee and BD 400 for Directors or committee members. The total sitting fees paid for Company Board and Committee Meetings are as follows:

TYPE OF MEETING	FEES IN BD
Board	20,600
Committees	22,800
TOTAL	43,400

Note: This does not include sitting fees paid for subsidiaries or affiliates.

6.10 Board Meetings

In accordance with the legal and regulatory requirements and the Board Charter, the Board must meet frequently but in no event less than four (4) times a year. The Company's Board has exceeded this requirement by meeting five (5) times in the financial year ended 31 December 2021. Due to COVID-19

precautionary measures and social distancing rules, the Board accordingly and seamlessly conducted all Board meetings via videoconferencing technologies (ZOOM).

In addition to meetings convened during the aforementioned year, one (1) resolution was passed unanimously via circulation to the Directors and ratified at the next Board meeting convened.


















































6.10.1 Overall Number of Board and Committee Meetings and Attendance


Below is a breakdown of the Board and Committee Meetings convened during 2021 as attended by the Directors:

DIRECTOR	BOARD/COMMITTEE MEETINGS	NO. OF MEETINGS
Mr. Essa Mohamed Najibi	Board of Directors	5
	Nomination, Remuneration and Governance Committee	3
	Corporate Social Responsibility Committee	1
Dr. Mustafa Ali Al Sayed	Board of Directors	5
	Nomination, Remuneration and Governance Committee	3
	Corporate Social Responsibility Committee	1
Mr. Sattam Sulaiman Al Gosaibi	Board of Directors	5
	Executive Committee	6
	Nomination, Remuneration and Governance Committee	3
Mr. Fuad Ali Taqi	Board of Directors	5
	Audit Committee	4
Mr. Yusuf Ahmed Al Hammadi	Board of Directors	4
	Audit Committee	4
Mr. Abduljalil Mohamed Janahi	Board of Directors	5
	Executive Committee	6
Mr. Hesham Abdulrahman Jaffar Al Rayyes	Board of Directors	5
	Nomination, Remuneration and Governance Committee	2
Mrs. Eman Mustafa Al Murbati	Board of Directors	5
	Audit Committee	4
	Corporate Social Responsibility Committee	1
Mr. Mohamed Ebrahim Al Bastaki	Board of Directors	5
	Executive Committee	6
Mr. Hamed Yousef Mashal	Board of Directors	5
	Executive Committee	6

6.10.2 Board Meetings and Attendance

The dates and attendance details of the Board meetings are as follows:

DIRECTOR	1/2021 17/02/21	2/2021 10/05/21	3/2021 11/08/21	4/2021 09/11/21	5/2021 12/12/21	%
Mr. Essa Mohamed Najibi						100
Dr. Mustafa Ali Al Sayed						100
Mr. Sattam Sulaiman Al Gosaibi						100
Mr. Fuad Ali Taqi						100
Mr. Yusuf Ahmed Al Hammadi		x				80
Mr. Abduljalil Mohamed Janahi						100
Mr. Hesham Abdulrahman Jaffar Al Rayyes						100
Mrs. Eman Mustafa Al Murbati						100
Mr. Mohamed Ebrahim Al Bastaki						100
Mr. Hamed Yousef Mashal						100

 Attended via videoconferencing

7. BOARD COMMITTEES

In accordance with the Company's constitutional documents, charters and the requirements set forth by the Code and CBB regulations, the Board has delegated specific responsibilities to a number of Board committees (each a "Committee" and collectively, the "Committees"). Each Committee has its own formal written charter that sets out its roles and responsibilities. The main Committees are as follows:

- Executive Committee
- Audit Committee
- Nomination, Remuneration and Governance Committee
- Corporate Social Responsibility Committee

7.1 Executive Committee

7.1.1 Composition

The Executive Committee's membership for the financial year ended 31 December 2021 was as follows:

























DIRECTOR	DESIGNATION	STATUS
Mr. Sattam Sulaiman Al Gosaibi	Committee Chairman	Non-Executive/Independent
Mr. Abduljalil Mohamed Janahi	Member	Executive/Non-Independent
Mr. Mohamed Ebrahim Al Bastaki	Member	Non-Executive/Independent
Mr. Hamed Yousef Mashal	Member	Executive/Non-Independent


7.1.2 Roles and Responsibilities

The Executive Committee was established to support the decision-making process of the Board in a wide range of business matters, from strategy planning and policy to investment and risk. The Executive Committee assists the Board in discharging its oversight responsibilities when there is a critical need for prompt review and action, with a focus on financing requirements, including raising capital, coordination with bankers and financial advisers, investment management, assets liability management and other financial matters related to the investment activities of the Company.

7.1.3 Meetings, Attendance and Sitting Fees

The Executive Committee Charter stipulates that it shall meet at least six (6) times a year. During 2021, the Executive Committee convened six (6) meetings in compliance with this requirement. The dates, attendance record and sitting fees of the Executive Committee meetings are as follows:

DIRECTOR	1/2021 16/02/21	2/2021 09/03/21	3/2021 16/03/21	4/2021 08/08/21	5/2021 02/11/21	6/2021 06/12/21	%	SITTING FEES (BD)
Mr. Sattam Sulaiman Al Gosaibi							100	3,600
Mr. Abduljalil Mohamed Janahi							100	2,400
Mr. Mohamed Ebrahim Al Bastaki							100	2,400
Mr. Hamed Yousef Mashal							100	2,400

 Attended via videoconferencing

7.2 Audit Committee

7.2.1 Composition

The Audit Committee's membership for the financial year ended 31 December 2021 was as follows:

DIRECTOR	DESIGNATION	STATUS
Mr. Fuad Ali Taqi	Committee Chairman	Non-Executive/Independent
Mr. Yusuf Ahmed Al Hammadi	Member	Executive/Non-Independent
Mrs. Eman Mustafa Al Murbati	Member	Non-Executive/Independent













7.2.2 Roles and Responsibilities


The Audit Committee plays a key role in assisting the Board to fulfill its oversight responsibilities in areas of financial reporting, internal control systems, risk management systems and the internal and external audit functions. Its principal functions are to monitor the periodic reviews of the accounting and financial reporting processes and systems of internal control that are conducted by the Company's independent auditors, financial and senior management and internal auditing department; and review and evaluate the independence and performance of the independent auditors.

In performing the oversight functions, the Audit Committee oversees the adoption of quality accounting policies and internal controls and seeks to hire effective independent auditors, in order to deter fraud, anticipate financial risks and promote accurate, timely and meaningful disclosure of financial and other information to the Board and stakeholders.

7.2.3 Meetings, Attendance and Sitting Fees

The Audit Committee Charter stipulates that it shall meet at least four (4) times a year. During 2021, the Audit Committee convened four (4) meetings in compliance with this requirement. The dates, attendance record and sitting fees of the Audit Committee meetings are as follows:

DIRECTOR	1/2021 14/02/21	2/2021 06/05/21	3/2021 10/08/21	4/2021 07/11/21	%	SITTING FEES (BD)
Mr. Fuad Ali Taqi					100	2,400
Mr. Yusuf Ahmed Al Hammadi					100	1,600
Mrs. Eman Mustafa Al Murbati					100	1,600

 Attended via videoconferencing

7.3 Nomination, Remuneration and Governance Committee

7.3.1 Composition

The Nomination, Remuneration and Governance Committee's membership for the financial year ended 31 December 2021 was as follows:

DIRECTOR	DESIGNATION	STATUS
Mr. Essa Mohamed Najibi	Committee Chairman	Non-Executive/Independent
Dr. Mustafa Ali Al Sayed	Member	Non-Executive/Independent
Mr. Sattam Sulaiman Al Gosaibi	Member	Non-Executive/Independent
Mr. Hesham Abdulrahman Jaffar Al Rayyes	Member	Non-Executive/Non-Independent












7.3.2 Roles and Responsibilities

The Nomination, Remuneration and Governance Committee set up by the Board is entrusted with combined advisory responsibilities concerning the following:

- Nomination, appointment, re-appointment or dismissal of directors, membership on Board committees and members of the Executive Management;
- Remuneration policies of the Company;
- Evaluation of Board, Board Committee, Director and Executive Management performance;
- Proposal and review of individual remuneration of the Board and Board Committee members and Executive Management, based on performance;
- Set up and review of policies of the Company on corporate governance; and
- Succession planning for the Chief Executive Officer and members of senior management

7.3.3 Meetings, Attendance and Sitting Fees

The Nomination, Remuneration and Governance Committee Charter stipulates that it shall meet at least twice (2) a year. During 2021, the Nomination, Remuneration and Governance Committee convened three (3) meetings in compliance with this requirement. The dates, attendance record and sitting fees of the Nomination, Remuneration and Governance Committee meetings are as follows:

DIRECTOR	1/2021 15/02/21	2/2021 01/11/21	3/2021 02/12/21	%	SITTING FEES (BD)
Mr. Essa Mohamed Najibi				100	1,800
Dr. Mustafa Ali Al Sayed				100	1,200
Mr. Sattam Sulaiman Al Gosaibi				100	1,200
Mr. Hesham Abdulrahman Jaffar Al Rayyes			x	66.67	800

 Attended via videoconferencing

7.4 Corporate Social Responsibility Committee

7.4.1 Composition

The Corporate Social Responsibility Committee's membership for the financial year ended 31 December 2021 was as follows:




DIRECTOR	DESIGNATION	STATUS
Dr. Mustafa Ali Al Sayed	Committee Chairman	Non-Executive/Independent
Mr. Essa Mohamed Najibi	Member	Non-Executive/Independent
Mrs. Eman Mustafa Al Murbati	Member	Non-Executive/Independent


7.4.2 Roles and Responsibilities

The Corporate Social Responsibility Committee is delegated with the authority from the Board for the administration and disbursement of donations, including the selection of charitable organisations, allocation of approved budget into various sectors, setting conditions of donations, reviewing and monitoring performance of organisations, cancellations of donations and recommendation of overall budget for shareholder approval.

7.4.3 Meetings, Attendance and Sitting Fees

The Corporate Social Responsibility Committee Charter stipulates that it shall meet at least twice (2) a year. During 2021, the Corporate Social Responsibility Committee convened one (1) meeting, with delegation to the Corporate Social Responsibility Management Committee to undertake necessary activities. The date, attendance details and sitting fees of the Corporate Social Responsibility Committee meeting is as follows:

DIRECTOR	1/2021 01/11/21	%	SITTING FEES (BD)
Dr. Mustafa Ali Al Sayed		100	600
Mr. Essa Mohamed Najibi		100	400
Mrs. Eman Mustafa Al Murbati		100	400

 Attended via videoconferencing

8. BOARD AND COMMITTEE EVALUATION

The Board through its Nomination, Remuneration and Governance Committee conducts annual individual, Board and Committee performance evaluations in accordance with the respective charters. The process is intended to identify areas for improvement and increase of efficiency and to assess individual contributions to the work of the Board, in addition to the Board as a whole. The Directors have effectively completed their performance evaluation for the financial year ended 31 December 2021.

9. EXECUTIVE MANAGEMENT

9.1 Segregation of Duties and Delegation

In accordance with the regulatory requirements, the positions of the Chairman and Vice Chairman are segregated from those of the Chief Executive Officer. Furthermore, there is a clear delineation of responsibilities between the aforementioned positions as defined in the Company's Articles of Association and Board Charters. The Board has delegated various authorities to the Chief Executive Officer, Executive Management and other members of Senior Management by virtue of the Discretionary Authority Limits' document periodically reviewed by the Board.

9.2 Executive Management Profiles

As of 31 December 2021, the Executive Management of the Company was comprised of the following:

Mr. Ahmed Yusuf Chief Executive Officer	
Qualification	Bachelor of Civil Engineering - Kuwait University (Kuwait)
Appointment	2015
Experience	Over 27 years of experience in real estate and project management for major regional companies. Prior to joining the Company, he served in senior management roles in Edamah Real Estate Company, Abaad Real Estate Company, Gulf Development Real Estate Company, Salhiya Real Estate Company, Kuwait Hotels Company and Kuwait University.

Mr. Tarek Darwish Chief Technical Officer	
Qualification	<ul style="list-style-type: none"> • Master of Architecture (M.Arch.) - McGill University (Montreal, Canada) • Bachelor of Architecture (B.Arch.) - Al Azhar University (Egypt)
Appointment	2016
Experience	Over 41 years of experience in architectural services, project management and facility management. Prior to joining the Company, he served in senior management roles in MAF Properties, Tamdeen Group, Salhiya Real Estate Company, Projacs, Dar Al Handassah, Arabian Woodwork and Sievenpiper Associates.

Mr. Mohamed Baqi Chief Financial Officer	
Qualification	<ul style="list-style-type: none"> • Master of Business Administration (MBA) - University of Manchester (UK) • Bachelor of Accounting (BSc) - University of Bahrain • Certified Public Accountant (CPA) - New Hampshire (USA)
Appointment	2016
Experience	Over 15 years of experience in the accounting and financial services in the banking and investment sector. Prior to joining the Company, he served in various roles in Arcapita Group, Al Baraka Islamic Bank and Mumtalakat.

Mrs. Maryam Husain Company Secretary Senior Manager - Legal and Compliance Department	
Qualification	<ul style="list-style-type: none"> • Master of Laws (LLM) - University of Warwick (UK) • Bachelor of Laws (LLB) - University of Warwick (UK) • Postgraduate Diploma in Legal Practice Course (LPC) - College of Law (London - UK)
Appointment	2019
Experience	Over 16 years of experience in law firms and in-house in various disciplines such as corporate and commercial legal advisory, real estate, governance, compliance and banking. Prior to joining the Company, she held various positions and worked for KPMG Fakhro, AAJ Holdings, Nezar Raees Associates, Hafudh Ali- Attorneys and Legal Consultants and Alubaf Arab International Bank B.S.C.(C).

Mr. Mohammad Allam Al Qaed Senior Manager - Property Management	
Qualification	<ul style="list-style-type: none"> • Bachelor of Science in Civil Engineering (BSc) - University of Bahrain • International Diploma in Strategic Leadership and Management - Chartered Management Institute (UK)
Appointment	2016
Experience	Over 15 years of experience in entrepreneurship, innovation and real estate, including management of different types of properties such as shopping malls, retail, industrial, service, residential and commercial properties. Prior to joining the Company, he held various positions and worked for Bahrain Business Incubator Centre, a subsidiary of Bahrain Development Bank. He is also currently a member of the Middle East Council for Shopping Centres and Retailers.

Mr. Fahad Abdulaziz Al Abbasi Manager - Internal Audit	
Qualification	<ul style="list-style-type: none"> • Bachelor of Science in Banking and Finance (BSc)
Appointment	2021
Experience	Over 14 years of experience in financial services and internal audit. Prior to joining the Company, he held various positions and worked for Osool Asset Management and Al Salam Bank.

9.3 Executive Management Remuneration Policy

The Company bases its Executive Management remuneration practices on the principles prescribed in the Code and the CBB Rulebook, namely the following:

- Attracting and retaining the right calibre of talent with the appropriate skill and knowledge required for their respective roles; and
- Aligning the rewards of employees with Company performance and shareholder return.

The Company implements fair and transparent evaluation frameworks to assess the performance of its employees on an annual basis, which is overseen by the Nomination, Remuneration and Governance Committee. The Company does not currently have any stock options or performance linked incentives for Executive Management.

9.4 Executive Management Remuneration

The top six (6) executives of the Company as of 31 December 2021 are as follows:

- Chief Executive Officer
- Chief Technical Officer
- Chief Financial Officer
- Company Secretary and Senior Manager - Legal and Compliance
- Senior Manager - Property Management
- Manager - Internal Audit

The Company paid the following remuneration to the top six (6) executives:

	Remuneration Type	Amount (BD)
1	Salaries (including allowances)	363,461
2	Bonus	55,664
3	Other	0
	Total	419,125

10. CODE OF CONDUCT AND ETHICS AND WHISTLEBLOWING POLICY

The Company has adopted an amended Corporate Governance Guidelines on 31 March 2019, which included a Code of Conduct and Ethics and the Whistleblowing Policy. The aforementioned guidelines which are applicable to both Directors and employees of the Company, are designed to guide individual conduct and behavior and to ensure that a culture of integrity and honesty is promoted, in addition to encouraging employees to uphold the reputation of the Company in all their dealings. The guidelines have been prepared in line with the regulatory requirements and best practices. A copy of the same is maintained on the Company's website at all times.

11. KEY PERSONS DEALING MANUAL

The Company has implemented a Key Persons Dealing Policy and Procedures Manual ("**Manual**") in accordance with the requirements of the CBB and Bahrain Bourse, which has been updated and reissued in 2021. The aforementioned Manual regulates the trading of securities by Directors and members of Executive and Senior Management as they may have access to price sensitive information by virtue of their positions in the Company. A copy of the Manual is maintained on the Company's website at all times.

12. CONFLICTS OF INTEREST

The Company's Corporate Governance Guidelines prescribe the policies on conflicts of interests for both Directors and employees. The Company requires its Directors and employees to issue an Annual Declaration

of Interests. Additionally, in accordance with the Corporate Governance Guidelines, each Director has the responsibility to disclose any material interests relating to business transactions and agreements, whether actual, perceived or potential. For any disclosed conflicts, the conflicted Director will be excluded from any discussions, negotiations or voting relating to the conflict matter.

During 2021, the following are the new conflicts disclosed by the Directors as of 31 December 2021:

CONFLICT OF INTEREST MATTER	DECLARED BY:	FINANCIAL INTEREST
Hotel Apartments Operator Agreement <i>(Declared capacity relating to his position in Dar Al Huda Hotel Apartments W.L.L.)</i>	Mr. Hesham Abdulrahman Jaffar Al Rayyes	Nil
Donation of Insulin Pumps to Ministry of Health <i>(Declared capacity relating to his position in Royal Humanitarian Foundation)</i>	Dr. Mustafa Ali Al Sayed	Nil
Leasing Proposal 1 <i>(Declared capacity relating to his role in Khaleeji Commercial Bank B.S.C.)</i>	Mr. Sattam Sulaiman Al Gosaibi	Nil - did not materialise
Leasing Proposal 2 <i>(Declared capacity is personal)</i>	Mr. Sattam Sulaiman Al Gosaibi	Nil - did not materialise

13. RELATED PARTY TRANSACTIONS

It is the policy of the Company that all related party and intra-company transactions are conducted and undertaken on an arm's length basis in the ordinary course of business and are approved by the Board. All related party transactions have been approved and/or ratified by the Board. Please refer to Note (29) of the financial statements for the details of the related party transactions for the financial year ended 31 December 2021.

14. RISK MANAGEMENT

Risk management is essentially about identifying, monitoring and controlling all material risks that the Company could be subjected to in its ordinary course of operations. The main types of risks faced by the Company are credit, liquidity, market, technical and operational including outsourcing risks. The risks could be related to investments or corporate and may be internal or external to the operations of the Company. These are detailed in Note (30) of the financial statements.

The Company identifies, assesses, monitors, controls and manages the various risks on an ongoing basis and has relevant procedures and controls as are appropriate and commensurate to the nature, scale and complexity of its business operations. The Executive Committee monitors the investment portfolio and the risks involved and takes 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 Audit Committee is charged with the responsibility of ensuring that adequate internal controls are in place to mitigate any existing or potential risks.

15. INTERNAL CONTROL

The Directors review the effectiveness of the Company's system of financial and non-financial controls, including operational and compliance controls, risk management and the Company's high-level internal control arrangements. These reviews have included periodic assessment of internal controls by the Internal Audit function as reported to the Audit Committee on a quarterly basis, management assurance of the maintenance of controls and reports from the External Auditor on matters identified in the course of its statutory audit work.

As of 31 December 2021, the Company had implemented a satisfactory system of internal control which was reasonably effective in ensuring sound financial reporting, operations and compliance with laws and regulations.

16. EXTERNAL AUDITOR

Ernst & Young Bahrain was the audit firm which reviewed the financial results of the Company for the financial year ended 31 December 2021. Below are the key details relating to their appointment:

Years of service as the Company's External Auditor	11 years
Name of 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	3 Years
Total audit fees related to the financial statements of the financial year 2021	BD 15,250
Other fees and charges for non-audit services, other than auditing the financial statements of the financial year 2021 (includes VAT and other consultancy services)	BD 4,780
TOTAL	BD 20,030

The Audit Committee at the meeting held on 21 February 2022 reviewed the performance of the External Auditor and was satisfied with the same, proposing their re-appointment as the External Auditor of the Company for the financial year 2022. The External Auditor has signified its willingness to continue in office and the proposal for their re-appointment will be put forth for shareholder approval at the next Annual General Meeting.

17. CORPORATE GOVERNANCE OFFICER

Ms. Maryam Husain	
Qualification	<ul style="list-style-type: none"> • Master of Laws (LLM) - University of Warwick (UK) • Bachelor of Laws (LLB) - University of Warwick (UK) • Postgraduate Diploma in Legal Practice Course (LPC) - College of Law (London - UK)
Date of Appointment	5 December 2019
Contact Details	Tel: 77911165 Email: m.husain@seef.com.bh

18. COMPLIANCE WITH THE CODE AND CBB RULEBOOK

The Code and Volume 6 of the CBB Rulebook contain both "Rules" and "Guidance". "Rules" must be complied with, while a "Guidance" may be either complied with or an explanation is provided to the shareholders in the Annual Report as to reasons for non-compliance.

18.1 Status of Compliance

Accordingly, as of 31 December 2021, the Company's compliance with the Code is as follows:

PRINCIPLE	NON-COMPLIANT	PARTIALLY COMPLIANT	FULLY COMPLIANT
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	NON-COMPLIANT	PARTIALLY COMPLIANT	FULLY COMPLIANT
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 9: Companies which offer Islamic services shall adhere to the principles of Islamic Shari'a.			N/A
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

Under Principle 7 – Second (l) of the Code (Guidance) and HC-7.4.4 of Volume 6 of CBB Rulebook (Guidance), companies are encouraged to consider the possibility of developing electronic means for shareholder communications including appointment of proxies, and confidential proprietary information, companies shall grant controlled access to such information to its shareholders. Currently, there is no controlled access section for shareholders on the website and all information that relates to shareholders is made public on the Company’s website or Bahrain Bourse website, and proxies can be submitted to the Share Registrar or Company Secretary via email.

19. FINES AND PENALTIES

The Company did not pay any fines and penalties to any governmental and/or regulatory authorities during the financial year ended 31 December 2021.

20. CORPORATE SOCIAL RESPONSIBILITY (“CSR”)

20.1 The Company’s CSR Philosophy

The Company has always been dedicated to enriching the community and ensuring that its business operates in an ethical, sound and responsible manner. Accordingly, the Company’s activities reflect its philosophy of implementing sound business practices, with innovative products and services that inspire its customers, assist the community in which it operates and help shape a better, more sustainable organization. The Company carries out its CSR activities with the support of stakeholders to enrich the future of society.

In order to align and respond effectively to evolving social imperatives and changes in the business environment, the Company has adopted a holistic approach to CSR to ensure that various sectors of the community and their varying needs are targeted and addressed. The Company undertakes an active role in helping local communities achieve their aspirations via a combination of volunteer work and patronage to sustain this objective. The Company further believes in the necessity of public inclusion, paying particular attention to enabling vulnerable and underprivileged groups to become active members of vibrant social and economic interactions.

20.2 2021 CSR Strategy

The Company's strategy will continue to focus on building a sound CSR image whilst capitalising on knowledge of real estate development, corporate culture, collaboration, and community. The Corporate Social Responsibility Committee, through the Management Sub-Committee, has examined the seventeen (17) sustainable development goals stipulated by the United Nations and elected to focus on the following four (4) goals in formulating the strategy:

- No Poverty: Economic growth must be inclusive to provide sustainable jobs and promote equality.
- Good Health and Well-Being: Promoting the well-being for all at all ages is essential to sustainable development.
- Quality Education: Obtaining quality education is the foundation to improving people's lives and promoting sustainable development.
- Partnership for the Goal: Revitalise global partnerships for sustainable development.

20.3 2021 CSR Strategic Pillars

In implementing the abovementioned strategy, the Company focused on the following strategic pillars:

- Support: allocation of donations should be apportioned to serve various sectors, including disability and special needs, education, the elderly, health and well-being, culture, orphans, Islamic initiatives amongst others.
- Sustainability: developing sustainable income sources, by going beyond financial contributions and providing societies and communities with opportunities and tools that present consistent income, thereby enabling them to be self-sufficient. The Company aims to equip the society with the right tools to not only have a financially prosperous future but also one which is safe, secure and enriching.
- Culture: Efforts will be focused on involving staff in CSR initiatives undertaken by the company, thereby creating ambassadors and leaders in society via staff engagement in events and building a CSR culture within the Company.
- Awareness: spreading awareness by focusing on selecting key values and campaigning for the same during the year via the organisation of community events.

20.4 CSR Shareholder Approved Budget

The Annual General Meeting convened on 28 March 2021 approved an overall budget of BD 170,000 to be allocated to the Company's CSR Programme during 2021. The Company makes direct donations and contributions to various official entities in the Kingdom of Bahrain and ensures that such donations are utilised effectively by the recipients via periodic monitoring. The Company further utilises such budget in various initiatives and activities that further its strategy.

20.5 2021 CSR Activities

Due to the ongoing restrictions of COVID-19 pandemic and its related limitations and social distancing consideration, the Company had to revise, suspend and/or postpone its planned initiatives for 2021.

The Company's committed, ongoing, and completed activities included:

- Participating in a national awareness campaign encouraging vaccination of citizens and residents in the Kingdom of Bahrain by showcasing awareness videos on Seef Mall-Seef District's digital outdoor screens.

- Donating to Sh. Ebrahim Bin Mohammed Al Khalifa Centre for Culture and Research to support their ongoing activities.
- Raising awareness in a friendly and educational way for children in respect of the country's history and heritage through distributing "Watani Al Jameel" book.
- Refurbishment of Isa Town Garden in collaboration with the Southern Municipality via the installation of new rubber flooring and playground equipment for children, enhancement of the landscape and overall improvement of the garden. The project is ongoing and will be completed in 2022.
- Organising a beach clean-up event in collaboration with Ibn Khuldoon National School, where staff members, students and faculty members of the school joined forces in an effort to clean up Karbabad Beach in the Capital Governorate.
- Donating seven (7) insulin pumps to children below the age of sixteen (16) years old with diabetes on the waiting list of candidates at Salmaniya Medical Complex in collaboration with the Royal Humanitarian Foundation.

COMPLETED AND ONGOING ACTIVITIES	AMOUNT (BD)
Awareness Campaign for COVID-19 Vaccination	-
Donation to Sh. Ebrahim bin Mohammed Al-Khalifa Center for Culture & Research	15,000
Distribution of 'Watani Al Jameel' Book	400
Isa Town Garden Refurbishment	17,866
Beach Clean-Up Event	910.12
Insulin Pumps Donation	21,000
Other	332
TOTAL	55,508.12

20.6 Tenant Support Fund Extension

The Company has been keen to continue its support to its valued tenants by extending the support fund introduced due to COVID-19, which reflects the Company's belief in the need to strengthen its partnership with the pillars of its business model, and its constant commitment to support them through all conditions, in order to assist them in alleviating the negative impacts of the pandemic on their businesses.

20.7 Environmental Preservation Commitment

The Company is committed to identifying areas of its operations whereby environmental and sustainability enhancements can be achieved and will continue such initiatives in 2022.

20.7.1 Energy Consumption

Stemming from its position as a national institution committed to contributing to the resource preservation initiatives in the Kingdom, and in particular those related to energy, the Company has continued to implement its plan to reduce energy consumption, which commenced more than six (6) years ago with the aim of achieving maximum efficiency in this field. This long-term plan has resulted in a significant decrease in the energy consumed and related expenditures, despite the increase in the Government's electricity and water tariffs. The following is a comparison of electricity savings for the years 2016 to 2021:

Energy Consumption	2016	2017	2018	2019	2020	2021
Electricity (%)	3%*	5%*	4%*	6%*	31%**	6%*

Note:

* The aforementioned percentages show the percentage of savings for each year compared to the previous year for Seef Mall (Seef District) only. Further energy savings were made for other properties.

** The significant increase in saving is attributed to the frequent closures of the Seef Mall (Seef District) coinciding with the decisions issued in relation to combatting the spread of COVID-19.

The Company will continue to evaluate all proposals during 2022 to identify energy efficient opportunities.

20.7.2 Water Consumption, Hygiene and Consumables

The Company has commenced a phased and comprehensive public toilets renovation project in Seef Mall (Seef District) in 2020 which is near completion, and has accounted for various water consumption, hygiene and reduction in consumables initiatives, which is likely to have a positive impact in terms of cost savings and utilisation of consumables. The full impact will be assessed once the project is completed.

REPORT AUTHORSHIP AND APPROVALS:		
Prepared by:		
Name:	Signature:	Date:
Maryam Husain <i>Corporate Governance Officer</i>		27 February 2022
Approved by the Board of Directors in Meeting No. (1/2022):		
Name:	Signature:	Date:
Essa Mohamed Najibi <i>Chairman</i>		27 February 2022