



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, the Commercial Companies Law and its Implementation Regulations (“**CCL**”) and the regulations of the Central Bank of Bahrain (“**CBB**”) as specified in Volume 6 of its Rulebook - High Level Controls (Module HC).

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 2019

The Company continues to recognise the significance of an effective corporate governance culture and has accordingly adopted its amended Corporate Governance Guidelines in 2019, which encompass the provisions of the Corporate Governance Code and best industry practices.

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 reviewed the Company’s compliance with the Corporate Governance Code in its last meeting of 2019 and implemented steps to ensure compliance with any outstanding provisions, where applicable.

The Company’s Board Secretary and Compliance Officer was appointed in 2019 as the Corporate Governance Officer replacing the Chief Executive Officer, considering the nature of the role being undertaken and the suitability of the experience and qualifications.

The Nomination, Remuneration and Governance Committee has worked on improving the process of evaluating the performance of the Board, Board committees and individual Board members and has reviewed the composition of the committees emerged from the Board after the appointment of the Directors for the new term commencing in March 2019, to ensure these have the right composition in terms of independence and expertise.

In line with amendments to the CCL in 2018, the Company implemented the cumulative voting at its Annual General Meeting convened on 31 March 2019.

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's main means of communication with the shareholders are the Annual Report and the Annual General Meeting, 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 2019, 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	Shareholding %			TOTAL
		Individuals	Corporate	Government or Organisations	
1.	Bahraini	161,593,023	123,406,946	169,262,986	454,262,955
2.	GCC	3,647,609	842,700	-	4,490,309
3.	Arab	312,913	-	-	312,913
4.	Foreign	926,572	7,251	-	933,823
	TOTAL	166,480,117	124,256,897	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 Fund)	122,735,695	26.682
2.	Royal Charity Organisation	46,457,291	10.099
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 S.P.C. 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:

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

Shareholding (Shares)	No. of Shares Held	No. of Shareholders	Shareholding %
Less than 50,000	93,867,055	16,672	20.41
50,000 to less than 500,000	63,087,058	771	13.71
500,000 to less than 5,000,000	32,113,884	28	6.98
More than 5,000,000	270,932,003	9	58.90
TOTAL	460,000,000	17,480	100.00



4.5 Ownership by Directors and Executive Management:

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

No	Name	Number of shares held	Shareholding %
1.	Sattam Sulaiman Al Gosaibi	253,826	0.055
2.	Essa Mohamed Najibi	100,500	0.022
3.	Hesham Jaffar Al Rayyes	100,000	0.022
4.	Saqer Shaheen Saqer*	100,000	0.022
5.	Ahmed Yusuf Abdulla Yusuf	100,000	0.022
6.	Fuad Ali Taqi	30,000	0.007
7.	Hamed Yousef Mashal	18,400	0.004
8.	Abduljalil Mohamed Janahi	5,000	0.001

* Saqer Shaheen Saqer's membership ended on 31 March 2019.

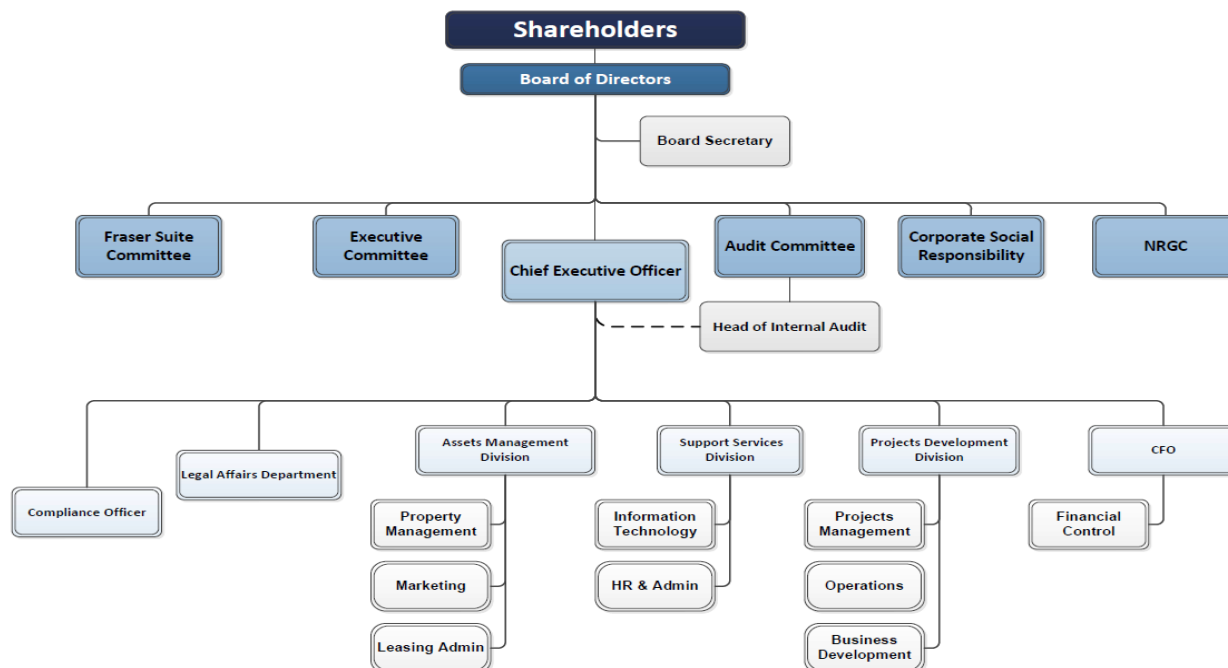
4.6 Directors and Executive Management (and Dependents) Trading during 2019:

The table below shows the Director's and Executive Management trading for 2019:

Name	Position/ Kinship	Shares held at 31 December 2018	Transfer Transaction	Sale Transaction	Purchase Transaction	Shares held at 31 December 2019
Sattam Sulaiman Al Gosaibi*	Director	353,826	100,000	N/A	N/A	253,826
Yusuf Ahmed Al Hammadi*	Director	100,000	100,000	N/A	N/A	0
Abduljalil Mohamed Janahi*	Director	105,000	100,000	N/A	N/A	5,000

* Transactions relate to release of qualification shares previously held in their capacities as representatives of Kuwait Finance House B.S.C.(C) (then owner of Baytik Bahrain Real Estate Holding Co. W.L.L. and Bayan Group for Property Investment S.P.C.).

5. GOVERNANCE AND ORGANISATIONAL STRUCTURE



Note:

- The Company has adopted a new Organisational Structure on 5 December 2019, but the same will be implemented in 2020.
- Fraser Suites Committee was dissolved and reconstituted under the Board of Directors of Fraser Suites Seef – Bahrain S.P.C.

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 2019, the total number of Directors is ten (10). The Board also elected by secret ballot from its Directors a chairman ("Chairman"), and a vice chairman ("Vice Chairman") for its term.

For the financial year ending 31 December 2019, 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
Mrs. Eman Mustafa Al Murbati	Director	Non-Executive/Independent
Mr. Mohamed Ebrahim Al Bastaki*	Director	Non-Executive/Independent
Mr. Yusuf Ahmed Al Hammadi	Director	Executive/Non-Independent
Mr. Abduljalil Mohamed Janahi	Director	Executive/Non-Independent
Mr. Hamed Yousef Mashal*	Director	Executive/Non-Independent
Mr. Sattam Sulaiman Al Gosaibi	Director	Non-Executive/Independent
Mr. Hesham Jaffar Al Rayyes	Director	Non-Executive/Non-Independent
Mr. Fuad Ali Taqi	Director	Non-Executive/Independent
Mr. Anwar Abdulla Ghuloom**	Director	Non-Executive/Independent
Mr. Saqer Shaheen Saqer**	Director	Non-Executive/Independent

* Membership commenced on 31 March 2019

** Membership ended on 31 March 2019



For the financial year ending 31 December 2019, 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

6.2 Director Profiles

Mr. Essa Mohamed Najibi Chairman	
<i>Status/ Appointed By</i>	Non-Executive/Independent
<i>Membership Duration</i>	10 years
<i>Committee Membership</i>	<ul style="list-style-type: none"> Chairman of the Nomination, Remuneration and Governance Committee Member of Corporate Social Responsibility Committee
<i>Qualification</i>	Bachelor of Civil Engineering
<i>Experience</i>	Over 34 years of experience in directorship and executive positions in the real estate sector, in addition to managing the family businesses.
<i>Board Memberships</i>	<ul style="list-style-type: none"> Chairman - Najibi Investment Company B.S.C.(C) Chairman - United Commercial Services Co. Chairman - AISouq Real Estate Company W.L.L. Chairman - LAMA Real Estate W.L.L. Chairman - Ibdar Capital B.S.C.(C) Chairman - Fraser Suites Seef-Bahrain S.P.C. Chairman - Seef Entertainment S.P.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 - Bahrain Scrapmould Company W.L.L. Director - Crown Industries W.L.L. Director - Lona Real Estate B.S.C.(C) Director - Bahrain International Travel W.L.L. Director - World Decor W.L.L. Director - Middle East Traders B.S.C.(C) Member of the Board of Trustees, Director and Chairman of Executive Committee - Royal University for Women
<i>Positions in other key regulatory, government or commercial entities</i>	Founding Member and Managing Director - Najibi Investments B.S.C.(C)

Dr. Mustafa Ali Al Sayed Vice Chairman	
<i>Status/ Appointed By</i>	Non-Executive/Independent (Royal Charity Organisation)
<i>Membership Duration</i>	10 years
<i>Committee Membership</i>	<ul style="list-style-type: none"> Chairman of Social Responsibility Committee Member of the Nomination, Remuneration and Governance Committee
<i>Qualification</i>	<ul style="list-style-type: none"> Doctorate in Industrial Management (PhD) - University of London (UK) Master of Industrial Management Bachelor of Mechanical Engineering
<i>Experience</i>	Over 45 years of experience in executive positions in key governmental and private institutions
<i>Board Memberships</i>	<ul style="list-style-type: none"> Director - Fraser Suites Seef - Bahrain S.P.C. Director - Seef Entertainment S.P.C. Director - Nass Corporation B.S.C. Deputy Chairman - Family Bank B.S.C.(C) Member of the Board of Trustees - Egyptian Zakat House Director - Bahrain Health and Safety Society
<i>Positions in other key regulatory, government or commercial entities</i>	Secretary General of Royal Charity Organisation

Mrs. Eman Mustafa Al Murbati Director	
<i>Status/ Appointed By</i>	Non-Executive/Independent (Social Insurance Organisation)
<i>Membership Duration</i>	4 years
<i>Committee Membership</i>	<ul style="list-style-type: none"> • Member of the Audit Committee • Member of Corporate Social Responsibility Committee
<i>Qualification</i>	Bachelor of Accounting – Cairo University (Egypt)
<i>Experience</i>	Over 36 years of experience in key positions in the Social Insurance Organisation
<i>Board Memberships</i>	<ul style="list-style-type: none"> • Director – Fraser Suites Seef – Bahrain S.P.C. • Director – Seef Entertainment S.P.C.
<i>Positions in other key regulatory, government or commercial entities</i>	Chief Executive Officer – Social Insurance Organisation

Mr. Mohamed Ebrahim Al Bastaki Director	
<i>Status/ Appointed By</i>	Non-Executive/Independent (Social Insurance Organisation)
<i>Membership Duration</i>	1 year
<i>Committee Membership</i>	Member of the Executive Committee
<i>Qualification</i>	<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
<i>Experience</i>	Over 41 years of experience in executive positions in financial institutions.
<i>Board Memberships</i>	<ul style="list-style-type: none"> • Chairman – The BENEFIT Company B.S.C.(C) • Chairman - SINNAD S.P.C. • Director – Fraser Suites Seef – Bahrain S.P.C. • Director – Seef Entertainment S.P.C. • Vice Chairman of Board of Trustees – The Kingdom University • Director – Social Insurance Organisation • Director – Osool Asset Management B.S.C.(C).
<i>Positions in other key regulatory, government or commercial entities</i>	N/A

Mr. Yusuf Ahmed Al Hammadi Director	
<i>Status/ Appointed By</i>	Executive/Non-Independent
<i>Membership Duration</i>	13 years
<i>Committee Membership</i>	<ul style="list-style-type: none"> • Member of the Audit Committee
<i>Qualification</i>	<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)
<i>Experience</i>	Over 31 years of experience in conventional and Islamic banking
<i>Board Memberships</i>	<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 S.P.C. • Director - Seef Entertainment S.P.C. • 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)
<i>Positions in other key regulatory, government or commercial entities</i>	Chief Financial Officer - Kuwait Finance House (Bahrain) B.S.C.(C)

Mr. Abduljalil Mohamed Janahi Director	
<i>Status/ Appointed By</i>	Executive/ Non-Independent
<i>Membership Duration</i>	10 years
<i>Committee Membership</i>	Member of the Executive Committee
<i>Qualification</i>	<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)
<i>Experience</i>	Over 36 years of experience in project management and civil engineering
<i>Board Memberships</i>	<ul style="list-style-type: none"> • Director - Muharraq Mall Co. W.L.L. • Director - Fraser Suites Seef-Bahrain S.P.C. • Director - Seef Entertainment S.P.C. • Director - Diyar Al Muharraq W.L.L. • Director – Diyar Al Muharraq Housing Development Co. S.P.C. • Director – Diyar Al Bareh Real Estate S.P.C. • Director – Diyar Al Naseem Real Estate S.P.C.
<i>Positions in other key regulatory, government or commercial entities</i>	Senior Manager – Head of Real Estate Projects Management – Kuwait Finance House (Bahrain) B.S.C.(C).

Mr. Hamed Yousef Mashal Director	
<i>Status/ Appointed By:</i>	Executive/Non-Independent
<i>Membership Duration</i>	1 year
<i>Committee Membership</i>	• Member of the Executive Committee
<i>Qualification</i>	<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)
<i>Experience</i>	Over 15 years of experience in conventional and Islamic banking
<i>Board Memberships</i>	<ul style="list-style-type: none"> • Director - Fraser Suites Seef-Bahrain S.P.C. • Director - Seef Entertainment S.P.C. • Director – Energy Central Utilities – Bahrain South Water Company W.L.L. • Director – Bayan Group for Property Investment S.P.C. • Director – Baytik Bahrain Real Estate Holding Company W.L.L. • Director – Baytik Investments One S.P.C. • Director – Baytik Investments Two S.P.C. • Director – Royal Arabian W.L.L. • Director – Diyar Homes Company W.L.L. • Director – Durrat 4 W.L.L. • Director - Al Masarrat Real Estate 2 S.P.C. • Director – Bridge S.P.C. Limited (Cayman Islands) • Executive Committee Member – Diyar Al-Muharraq Co. W.L.L. • Technical Committee Member – PK Development W.L.L.
<i>Positions in other key regulatory, government or commercial entities</i>	Senior Manager – Investments - Kuwait Finance House (Bahrain) B.S.C.(C)

Mr. Sattam Sulaiman Al Gosalbi Director	
<i>Status/ Appointed By:</i>	Non-Executive/ Independent
<i>Membership Duration</i>	10 years
<i>Committee Membership</i>	<ul style="list-style-type: none"> Chairman of the Executive Committee Member of the Nomination, Remuneration and Governance Committee
<i>Qualification</i>	<ul style="list-style-type: none"> Bachelor of Accounting (BSc) - King Fahad University (KSA) Master of Business Administration (MBA) - DePaul University (USA)
<i>Experience</i>	Over 24 years of experience in Islamic banking and directorship in the real estate sector
<i>Board Memberships</i>	<ul style="list-style-type: none"> Director - Fraser Suites Seef-Bahrain S.P.C. Director - Seef Entertainment S.P.C. 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 - Bahrain International Golf Course Company B.S.C.(C) Director - INJAZ Bahrain Member of the Board of Trustees - Ibn Khuldoon National School
<i>Positions in other key regulatory, government or commercial entities</i>	Chief Executive Officer - Khaleeji Commercial Bank B.S.C.

Mr. Hesham Jaffar Al Rayyes Director	
<i>Status/ Appointed By:</i>	Non-Executive/Non-Independent
<i>Membership Duration</i>	7 years
<i>Committee Membership</i>	Member of the Nomination, Remuneration and Governance Committee
<i>Qualification</i>	<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)
<i>Experience</i>	Over 34 years of experience in quantity surveying and project management.
<i>Board Memberships</i>	<ul style="list-style-type: none"> Director - Fraser Suites Seef-Bahrain S.P.C. Director - Seef Entertainment S.P.C. Owner and Managing Director - Dar Al Huda Apartments S.P.C. Director - Sheikh Essa Bin Salman Al Khalifa Educational Trust
<i>Positions in other key regulatory, government or commercial entities</i>	Owner and Chief Executive Officer - HAJ Quantity Surveyors S.P.C.

Mr. Fuad Ali Taqi Director	
<i>Status/ Appointed By:</i>	Non-Executive/ Independent
<i>Membership Duration</i>	4 years
<i>Committee Membership</i>	Chairman of the Audit Committee
<i>Qualification</i>	Master of Business Administration (MBA) - University of South Wales (UK)
<i>Experience</i>	Over 34 years of experience in conventional and Islamic banking
<i>Board Memberships</i>	<ul style="list-style-type: none"> Director - Fraser Suites Seef-Bahrain S.P.C. Director - Seef Entertainment S.P.C. Vice Chairman of the Board of Directors, Member of the Board of Trustees and Member of the Finance Committee-Ibn Khuldoon National School
<i>Positions in other key regulatory, government or commercial entities</i>	N/A

Mr. Anwar Abdulla Ghuloom Director (until 31 March 2019)	
<i>Status/ Appointed By:</i>	Non-Executive/ Independent (Social Insurance Organisation)
<i>Membership Duration</i>	3 years
<i>Committee Membership</i>	Member of the Audit Committee
<i>Qualification</i>	<ul style="list-style-type: none"> • Bachelor of Accounting - Al Azhar University (Egypt) • Member of the Association of Accounting Technician (AAT) - (UK) • Arab Certified Public Accountant (ACPA) • Certified Islamic Public Accountant (CIPA) • The Gulf Executive Development Programme – University of Virginia [Darden Business School] (USA)
<i>Experience</i>	Over 36 years of experience in key financial and executive positions in the governmental sector.
<i>Board Memberships</i>	Director – SICO B.S.C.(C).
<i>Positions in other key regulatory, government or commercial entities</i>	Head of Financial Affairs – Military Pension Fund

Mr. Saqer Shaheen Saqer Director (until 31 March 2019)	
<i>Status/ Appointed By:</i>	Non-Executive/Independent
<i>Membership Duration</i>	6 years
<i>Committee Membership</i>	Member of the Executive Committee
<i>Qualification</i>	<ul style="list-style-type: none"> • Master of Industrial and System Engineering • Bachelor of Industrial Engineering • Member of the Institute of Industrial Engineering • Member of the Bahrain Society of Engineers • Registered International Consultant for United Nations Industrial Development Organisation
<i>Experience</i>	Over 34 years of experience in leadership of key governmental and private institutions, in addition to managing the family business.
<i>Board Memberships</i>	<ul style="list-style-type: none"> • Chairman – Shaheen Group B.S.C.(C) • Chairman - Awal Products Co Ltd. S.P.C. • Chairman - Gulf Services Company S.P.C. • Chairman - Gypsum Products Trading Co. W.L.L. • Chairman - Shaheen Electromechanical Co. S.P.C. • Chairman – Hilti Bahrain W.L.L. • Chairman – Al Zakharif Factory S.P.C. • Chairman – Al Zakharuf Gypsum Contracting S.P.C. • Chairman – Falcon Management W.L.L. • Executive Director – Abrasive Technology Industries Co. (KSA) • Director – Naseej B.S.C.(C) • Director – Bahrain Marina Development Company S.P.C.
<i>Positions in other key regulatory, government or commercial entities</i>	N/A

6.3 Mandate of the Board

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;
- Adoption and review of the systems and controls framework;
- Causing financial statements to be prepared which accurately disclose the Company's financial position;
- Ensuring the establishment of proper succession planning for the Chief Executive Officer and senior management in the Company; and
- Ensuring compliance with various laws and regulations, including but not limited to, the CCL, Corporate Governance 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, Corporate Governance Code and any other applicable laws or regulations.

6.4 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 in 31 March 2022, or the date of the Annual General Meeting on the same year, whichever is earlier.

The appointment and election of Directors is subject to the provisions of the CCL, Corporate Governance 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 of 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 2019, no memberships were terminated.

6.5 Director Appointment Letter

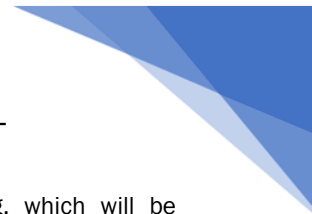
The Company has written appointment letters with each Director, which set out the Directors' roles, duties, responsibilities, accountabilities, in addition to other aspects relating to their appointment such as term, the time commitment required, the committee assignments (if any), their remuneration 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 Corporate Governance Code, CBB Rulebook, Code of Conduct and Ethics and all applicable laws and regulations

6.6 Induction and Training of Directors

The Board through its Board 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 Board 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



2019, the aforementioned committee has recommended corporate governance training, which will be conducted in 2020.

6.7 Board Secretary

The Board is supported by its Board Secretary, who provides it with professional and administrative support. The Board Secretary also acts as secretary for the Board committees and the General Meetings. The appointment of the Board Secretary is subject to approval of the Board. The Company's Board Secretary is Ms. Maryam Husain who joined the Company in May 2019 and is also the Legal Advisor and Compliance Officer. 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 fourteen (14) years of experience.

6.8 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 2018 was BD 230,000 as approved in the Annual General Meeting.

The proposed remuneration to be paid to the Directors for financial year ended 31 December 2019 is BD 230,000 and will be presented for the shareholders' approval in the upcoming Annual General Meeting.

Sitting fees paid to the Directors for attending the Board and its committees' meetings in 2019 are BD 300 per meeting for the Chairman of the Board or any committee, and BD 200 per meeting for Directors or committee members. The total sitting fees paid for Board and Committee Meetings are as follows:

TYPE OF MEETING	FEES IN BD
Board	14,300
Committee	9,900
TOTAL	24,200

6.9 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 seven (7) times in the financial year ended 31 December 2019.

In addition to meetings convened during the aforementioned year, a number of resolutions were passed unanimously via circulation to the Directors (with the exclusion of any conflicted Directors where applicable), which were always ratified at the next Board meeting convened.

Below is a breakdown of the Board and Committee Meetings convened during 2019:

DIRECTOR	BOARD/COMMITTEE	NO. OF MEETINGS
Mr. Essa Mohamed Najibi	Board of Directors	7
	Nomination, Remuneration and Governance Committee	2
	Corporate Social Responsibility Committee	2
Dr. Mustafa Ali Al Sayed	Board of Directors	7
	Nomination, Remuneration and Governance Committee	2
	Corporate Social Responsibility Committee	2
Mrs. Eman Mustafa Al Murbati	Board of Directors	6
	Executive Committee	1
	Audit Committee	4
	Corporate Social Responsibility Committee	2
Mr. Mohamed Ebrahim Al Bastaki*	Board of Directors	5
	Executive Committee	2
Mr. Yusuf Ahmed Al Hammadi	Board of Directors	7
	Audit Committee	5
Mr. Abduljalil Mohamed Janahi	Board of Directors	7
	Executive Committee	4
Mr. Hamed Yousef Mashal*	Board of Directors	5
	Executive Committee	3
Mr. Sattam Sulaiman Al Gosaibi	Board of Directors	7
	Executive Committee	4
	Nomination, Remuneration and Governance Committee	2
Mr. Hesham Jaffar Al Rayyes	Board of Directors	7
	Nomination, Remuneration and Governance Committee	2
Mr. Fuad Ali Taqi	Board of Directors	7
	Audit Committee	5
Mr. Anwar Abdulla Ghuloom**	Board of Directors	1
	Audit Committee	1
Mr. Saqer Shaheen Saqer**	Board of Directors	2
	Executive Committee	1

* Membership commenced on 21 April 2019

** Membership ended on 31 March 2019

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

DIRECTOR	1/2019 13/02/19	2/2019 19/03/19	3/2019 21/04/19	4/2019 30/04/19	5/2019 30/07/19	6/2019 29/10/19	7/2019 05/12/19	%
Mr. Essa Mohamed Najibi	✓	✓	✓	✓	✓	✓	✓	100
Dr. Mustafa Ali Al Sayed	✓	✓	✓	✓	✓	✓	✓	100
Mrs. Eman Mustafa Al Murbati	✓	×	✓	✓	✓	✓	✓	87.5
Mr. Mohamed Ebrahim Al Bastaki*	-	-	✓	✓	✓	✓	✓	100
Mr. Yusuf Ahmed Al Hammadi	✓	✓	✓	✓	✓	✓	✓	100
Mr. Abduljalil Mohamed Janahi	✓	✓	✓	✓	✓	✓	✓	100
Mr. Hamed Yousef Mashal*	-	-	✓	✓	✓	✓	✓	100
Mr. Sattam Sulaiman Al Gosaibi	✓	✓	✓	✓	✓	✓	✓	100
Mr. Hesham Jaffar Al Rayyes	✓	✓	✓	✓	✓	✓	✓	100
Mr. Fuad Ali Taqi	✓	✓	✓	✓	✓	✓	✓	100
Mr. Anwar Abdulla Ghuloom**	✓	×	-	-	-	-	-	50
Mr. Saqer Shaheen Saqer**	✓	✓	-	-	-	-	-	100

* Membership commenced on 31 March 2019

** Membership ended on 31 March 2019

✓ Attended via teleconference

6.10 Major Business Transacted by the Board in 2019

The major business transacted by the Board in 2019 includes the following:

DATE	SUBJECT
13/02/2019	<ul style="list-style-type: none"> Approval of 2019 Financial Statements and related disclosures Approval of net profit appropriations Approval of Corporate Governance Report Approval of annual employee bonus pool Discuss AGM formalities Issuance of Corporate Guarantee for refinancing of subsidiary (Muharrag Mall Co. W.L.L.)

DATE	SUBJECT
19/03/2019	<ul style="list-style-type: none"> Review of nominations and applications for Board membership and elections in the upcoming Annual General Meeting Review AGM formalities.
21/04/2019	<ul style="list-style-type: none"> Selection of Chairman and Vice Chairman. Board Committee Memberships. Amendment of Director and Authorised Signatory Registers with regulatory authorities and financial institutions. Nomination of Directors to serve on the Boards of subsidiaries and affiliates.
30/04/2019	<ul style="list-style-type: none"> Approval of first quarter Financial Statements and related disclosures
17/07/2019 (via circulation)	<ul style="list-style-type: none"> Amendment of banking payment mandates.
30/07/2019	<ul style="list-style-type: none"> Approval of semi-annual Financial Statements and related disclosures Approval of write-off of various bad debts. Formal dissolution of Fraser Suites Board Committee.
29/08/2019 (via circulation)	<ul style="list-style-type: none"> Approval of issuance of Seef Properties of cost overrun and profit servicing undertaking as security for LAMA Real Estate W.L.L. Syndicated Murabaha Financing of BD 25.5 million with Khaleeji Commercial Bank B.S.C. and Kuwait Finance House B.S.C.(C).
29/10/2019	<ul style="list-style-type: none"> Approval of third quarter Financial Statements and related disclosures
05/12/2019	<ul style="list-style-type: none"> Approval of amended Organisational Structure. Approval of Chief Executive Officer Succession Policy and Procedures. Approve Corporate Governance Director Training. Appointment of new Corporate Governance Officer. Approval of Company's budget for 2020. Nomination of Directors to serve on the Board of LAMA Real Estate W.L.L.

7. BOARD COMMITTEES

In accordance with the Company's constitutional documents, charters and the requirements set forth by the Corporate Governance 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 2019 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. Hamed Yousef Mashal*	Member	Executive/Non-Independent
Mr. Mohamed Ebrahim Al Bastaki*	Member	Non-Executive/Independent
Mrs. Eman Mustafa Al Murbati**	Member	Non-Executive/Independent
Mr. Saqer Shaheen Saqer**	Member	Non-Executive/Independent

* Membership commenced on 21 April 2019

** Membership ended on 31 March 2019



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 2019, only four (4) meetings were convened as the full Board had met seven (7) times and addressed all matters which may have been addressed by the Executive Committee. The dates, attendance record and sitting fees of the Executive Committee meetings are as follows:

DIRECTOR	1/2019 10/02/19	2/2019 02/06/19	3/2019 20/10/19	4/2019 02/12/19	%	SITTING FEES (BD)
Mr. Sattam Sulaiman Al Gosaibi	✓	✓	✓	✓	100	1,200
Mr. Abduljalil Mohamed Janahi	✓	✓	✓	✓	100	800
Mr. Hamed Yousef Mashal*	-	✓	✓	✓	100	600
Mr. Mohamed Ebrahim Al Bastaki*	-	x	✓	✓	66.7	400
Mrs. Eman Mustafa Al Murbati**	✓	-	-	-	100	200
Mr. Saqer Shaheen Saqer**	✓	-	-	-	100	200

* Membership commenced on 21 April 2019

** Membership ended on 31 March 2019

Note:

Mr. Mohamed Ebrahim Al Bastaki was unable to attend Executive Committee Meeting No. (2/2019) due to travel plans that could not be altered.

7.1.4 Committee Activities

The Committee activities for the financial year ended 31 December 2019 included the following:

- Reviewed the Marketing Plan for 2019 and Marketing Updates.
- Reviewed Leasing Updates for Seef Mall (Seef).
- Approved various capital expenditure items for Seef Properties and Seef Entertainment S.P.C.
- Reviewed the Company's Budget for 2020.
- Reviewed the strategy of Seef Entertainment S.P.C. and new entertainment plans.

7.2 Audit Committee

7.2.1 Composition

The Audit Committee's membership for the financial year ended 31 December 2019 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
Mr. Anwar Abdulla Ghuloom**	Member	Non-Executive/Independent

* Membership commenced on 21 April 2019

** Membership ended on 31 March 2019

Note:

Mr. Yusuf Ahmed Al Hammadi was Committee Chairman until Mr. Fuad Ali Taqi was appointed on 21 April 2019 in compliance with the independence requirement.



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 2019, the Audit Committee convened five (5) meetings in compliance with this requirement. The dates, attendance record and sitting fees of the Audit Committee meetings are as follows:

DIRECTOR	1/2019 11/02/19	2/2019 21/04/19	3/2019 28/04/19	4/2019 24/07/19	5/2019 27/10/19	%	SITTING FEES (BD)
Mr. Fuad Ali Taqi	✓	✓	✓	✓	✓	100	1,200
Mr. Yusuf Ahmed Al Hammadi	✓	✓	✓	✓	✓	100	1,100
Mrs. Eman Mustafa Al Murbati*	-	✓	✓	✓	✓	100	800
Mr. Anwar Abdulla Ghuloom**	✓	-	-	-	-	100	200

* Membership commenced on 21 April 2019

** Membership ended on 31 March 2019

7.2.4 Committee Activities

The Committee activities for the financial year ended 31 December 2019 included the following:

- Reviewed the Company's consolidated quarterly, half-yearly and annual financial results.
- Reviewed, with both the External Auditor and Executive Management, the audit approach and methodology applied, and in particular any key audit matters included in the year end External Auditor Report.
- Approved the Internal Audit Plan for 2019.
- Reviewed significant findings of the Internal Audit Department, the External Auditor and regulators, and Management's response to their recommendations.
- Reviewed the semi-annual report on legal and regulatory compliance matters, including but not limited to, compliance with the CCL, Bahrain Bourse laws, the CBB Disclosure Standards and Volume 6 of the Rulebook.
- Reviewed the adequacy and effectiveness of the Company's internal control systems and its accounting, financial reporting and Internal Audit functions.
- Reviewed and monitored the External Auditor's performance.
- Recommended for Board approval the re-appointment of the External Auditor and 2019 external audit engagement letters and fees.
- Reviewed changes in accounting principles and practices proposed by the External Auditor and Executive Management, where applicable.
- Reviewed and recommended for Board approval the banking payment matrix and the resulting amendment in the Discretionary Authority Limits.
- Reviewed and recommended for Board approval critical financial disclosures and press releases.
- Reviewed the status of the Group's compliance with VAT laws and regulations.



- Reviewed and recommended for Board approval the revocation of the standalone Whistleblowing Policy as replaced by the Corporate Governance Guidelines.

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 2019 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 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

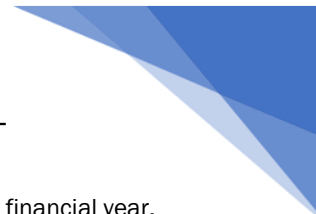
The Nomination, Remuneration and Governance Committee Charter stipulates that it shall meet at least twice (2) a year. During 2019, the Nomination, Remuneration and Governance Committee convened two (2) meetings in compliance with this requirement. The dates, attendance record and sitting fees of the Nomination, Remuneration and Governance Committee meetings are as follows:

DIRECTOR	1/2019 12/02/19	2/2019 02/12/19	%	SITTING FEES (BD)
Mr. Essa Mohamed Najibi	✓	✓	100	600
Dr. Mustafa Ali Al Sayed	✓	✓	100	400
Mr. Sattam Sulaiman Al Gosaibi	✓	✓	100	400
Mr. Hesham Abdulrahman Al Rayyes	✓	✓	100	400

7.3.4 Committee Activities

The Committee activities for the financial year ended 31 December 2019 included the following:

- Reviewed and recommend for Board approval the Corporate Governance Report for 2018.
- Review and report to the Board on the result of 2018 Board evaluations and assessments.
- Review human resource updates, manpower affairs and Tamkeen programmes.
- Reviewed the 2019 Training Plan.
- Reviewed and recommended for Board approval the bonus distribution proposal for 2018.



- Reviewed and recommended for Board approval the Board remuneration for 2018 financial year.
- Reviewed the human resources budget for 2020 for incorporation into the overall budget to be approved by the Board.
- Reviewed benchmarking of Staff Costs to Total Revenue.
- Reviewed and recommended for Board approval the amended Organisational Structure.
- Reviewed and recommended for Board approval the CEO Succession Policy and Procedures.
- Reviewed and recommended for Board approval Corporate Governance Training to be conducted.
- Discussed the organisation of a strategy brainstorming session for the Board.
- Reviewed the Board sitting fees structure.
- Appointed a new Corporate Governance Officer.
- Reviewed the status of the Company's compliance with the Corporate Governance Code.

7.4 Corporate Social Responsibility Committee

7.4.1 Composition

The Corporate Social Responsibility Committee's membership for the financial year ended 31 December 2019 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 2019, the Corporate Social Responsibility Committee convened two (2) meetings in compliance with this requirement. The dates, attendance details and sitting fees of the Corporate Social Responsibility Committee meetings are as follows:

DIRECTOR	1/2019 15/05/19	2/2019 12/12/19	%	SITTING FEES (BD)
Dr. Mustafa Ali Al Sayed	✓	✓	100	600
Mr. Essa Mohamed Najibi	✓	✓	100	400
Mrs. Eman Mustafa Al Murbati	✓	✓	100	400

7.4.4 Committee Activities

The Committee activities for the financial year ended 31 December 2019 included the following:

- Approved the Corporate Social Responsibility Strategy for 2019.
- Approved the Donations List for 2019.
- Reviewed the Corporate Social Responsibility activities conducted for 2019.
- Approved the Corporate Social Responsibility Plan for 2020.



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 2019, the results of which will be used to improve the performance for the upcoming year. The Board will conduct its next evaluation at the end of 2020.

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 2019, 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 23 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. Khalid Janahi General Manager – Support Services	
Qualification	<ul style="list-style-type: none"> • ILM Certification Level 2 (UK) • ITIL Certification (UK) • Diploma in Middle Management – University of Bahrain
Appointment	2018
Experience	Over 37 years of experience in information technology, delivering systems and solutions to complex business scenarios with extensive leadership skills and hands-on experience in programming, databases and IT project management. Prior to joining to the Company, he served in senior management roles in Muntalakat, BAPCO, EDS, The Sabre Group and Gulf Air.

Mr. Tarek Darwish General Manager – Projects and Business Development	
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 39 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 Manager – Financial Control	
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 13 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 Muntalakat.

Mr. Naser Sharif Head of Internal Audit	
Qualification	<ul style="list-style-type: none"> • Master of Business Administration (MBA) with a finance concentration – University of Bahrain • Bachelor of Accounting (BSc) - University of Bahrain • Certified Public Accountant (CPA) - Delaware State (USA)
Appointment	2017
Experience	Over 23 years of experience between engineering, finance, accounting, and internal audit in different sectors such as petrochemicals, industrial automation, investment banks and oil and gas. Prior to joining the Company, he held various positions and worked for Gulf Petrochemical Industrial Company (GPIC), Yokogawa Middle East, Arcapita Bank and Tatweer Petroleum.

9.3 Executive Management Remuneration Policy

The Company bases its Executive Management remuneration practices on the principles prescribed in the Corporate Governance 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 Remuneration of Top 5 of Executive Management

The top five (5) executives of the Company as of 31 December 2019 are as follows:

- Chief Executive Officer
- General Manager – Support Services
- General Manager – Projects and Business Development
- Head of Internal Audit
- Manager of Financial Control

The Company paid the following remuneration to the top (5) executives:

	Remuneration Type	Amount (BD)
1	Salaries (including allowances)	277,980
2	Bonus	53,935
3	End of service benefits	N/A
	Total	331,915



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 POLICY

The Company has implemented a Key Persons Dealing Policy in accordance with the requirements of the CBB and Bahrain Bourse. The aforementioned policy 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 policy 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 2019, the following were the conflicts disclosed by the Directors:

DATE	MEETING	CONFLICT OF INTEREST	DECLARED BY:
15/05/2019	CSR Meeting No. (1/2019)	Donations to Royal University for Women	Mr. Essa Mohamed Najibi
15/05/2019	CSR Meeting No. (1/2019)	Donations to Royal Charity Organisation and Bahrain Health and Safety Society	Dr. Mustafa Ali Al Sayed
29/08/2019	Written Board Resolution No. (2/2019)	Approval of issuance of Seef Properties of cost overrun and profit servicing undertaking as security for LAMA Real Estate W.L.L. Syndicated Murabaha Financing of BD 25.5 million with Khaleeji Commercial Bank B.S.C. and Kuwait Finance House B.S.C.(C).	Mr. Yusuf Ahmed Al Hammadi Mr. Abduljalil Mohamed Janahi Mr. Hamed Yousef Mashal Mr. Sattam Sulaiman Al Gosaibi
18/12/2019	Pre-Existing	Approval of Middle East Traders B.S.C. as sanitaryware supplier for Seef Mall Public Toilets Renovation Project	Mr. Essa Mohamed Najibi

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. Please refer to Note (29) of the financial statements for the details of the related party transactions for the financial year ended 31 December 2019.

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 2019, 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 2019. Below are the key details relating to their appointment:

Years of service as the Company's External Auditor	9 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	1 Year
Total audit fees related to the financial statements of the financial year 2019	BD 15,250
Other fees and charges for non-audit services, other than auditing the financial statements of the financial year 2019 (includes VAT and other consultancy services)	BD 17,260
TOTAL	BD 32,510

The Audit Committee at the meeting held on 10 February 2020 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 2020. 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 <i>(role previously undertaken by Mr. Ahmed Yusuf Abdulla Yusuf, Chief Executive Officer).</i>
Contact Details	Tel: 77911165 Email: m.husain@seef.com.bh



18. COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

As of 31 December 2019, the Company's compliance with the Corporate Governance Code is as follows:

PRINCIPLE	NON-COMPLIANT	PARTIALLY COMPLIANT	FULLY COMPLIANT	EXPLANATION IN CASE OF NON-COMPLIANCE
Principle 1: The Company shall be headed by an effective, qualified and expert board.			YES	
Principle 2: The directors and executive management shall have full loyalty to the Company.			YES	
Principle 3: The Board shall have rigorous controls for financial audit and reporting, internal control, and compliance with law.			YES	
Principle 4: The Company shall have effective procedures for appointment, training, and evaluation of the directors			YES	
Principle 5: The Company shall remunerate directors and senior officers fairly and responsibly.			YES	
Principle 6: The Board shall establish a clear and efficient management structure for the Company and define the job titles, powers, roles and responsibilities.			YES	
Principle 7: The Company shall communicate with shareholders, encourage their participation, and respect their rights.			YES	
Principle 8: The Company shall disclose its corporate governance.			YES	
Principle 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	

Note:

Under Principle 7 (Guidance): There is no controlled access section for shareholders on the website. All information that relates to shareholders is currently made public on the Company website or Bahrain Bourse website.

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 2019.

20. CORPORATE SOCIAL RESPONSIBILITY

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 society.

In order to align and respond effectively to evolving social imperatives and changes in the business environment, the Company's adopts a holistic approach to corporate social responsibility to ensures 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.



During 2019, the Company's activities included various donations and contributions, primarily directed towards healthcare, social welfare, educational institutions, research, national sports events and ensuring that the underprivileged are provided with the tools and means to secure a better future. Furthermore, employees also make a significant contribution by sharing their skills, business acumen and expertise with the community. This includes participation in a broad range of training seminars and workshops benefitting students from educational establishments, with particular focus given to those aimed at the development of vision and leadership capabilities. 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.

Notable events and initiatives conducted under the Company's Social Responsibility Programme during 2019 include, but are not limited to, the following:

- Eid Shopping with Orphans from Royal Charity Organisation
- Cinema Day with Children with Cancer
- Purchase and distribution of gift items for the children in the kindergartens of the Child Care Home during Eid Al Fitr and Eid Al Adha
- Several visits and entertainment events organised for the orphans, people with special needs, senior citizens and social clubs in the malls managed by the Company and the restaurants within

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 donations and contributions of 2019 were distributed as follows:

RECIPIENT	AMOUNT (BD)
Ministry of Justice and Islamic Affairs and Awqaf - Sunni Waqf Directorate	10,000.000
Ayadi Relief	1,000.000
Injaz Bahrain	5,000.000
Shaikh Ebrahim Bin Mohamed Al-Khalifa Centre for Culture and Research	10,000.000
Islamic Association	5,000.000
Muharrag Social Welfare Centre	5,000.000
Al Kawther Society for Social Care Orphan	1,000.000
Bahrain Intellectual Association for Disability and Autism	5,000.000
Drug Recovery Association	15,000.000
Sh. Essa bin Salman Educational Charity (Waqf)	15,000.000
Royal University for Women	10,000.000
Bahrain Society for Children with Behavioral and Communications Difficulties	5,000.000
Royal Charity Organisation	5,000.000
Bahrain International Mobility Association	5,000.000
Bahrain Philanthropic Society	5,000.000
Ministry of Justice Zakat & Sadaqat Fund	5,000.000
Muharrag Parents Care Home	5,000.000
The Saudi Bahraini Institute for Blind	5,000.000
Al Sanabil Charity Society	5,000.000
Bahrain Down Syndrome Society	5,000.000
The Friendship Society for the Blind	3,000.000
Al Hedaya Center	3,000.000
Bahrain National Hereditary Anemia Society	3,000.000
Bahrain Deaf Society	3,000.000
Bahrain Parents Care Home	3,000.000
Ebtesamah Future Society of Youth	3,000.000
Al Manar for Parents Care	3,000.000
Al Irtiqa Charitable Society	3,000.000
Bahrain Health and Safety Society	2,000.000
Al Noor Charity Welfare	2,000.000
Abdul Rahman Kanoo Social Club for Parents	2,000.000
Bahrain Historical and Archaeological Society	5,000.000



RECIPIENT	AMOUNT (BD)
Discover Islam	5,000.000
Cerebral Palsy Friendship Society	3,000.000
Bahrain Association for Parents & Friends of Disabled	5,000.000
Bahrain Voluntary Work Society	1,000.000
Abdulla Fakhro Social Club for Parents	3,000.000
University of Bahrain	5,000.000
Conserving Bounties	3,500.000