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GBCORP B.S.C. (Closed)

Corporate Governance Report of Financial Year 2023

GBCORP B.S.C. (c) (the "Company") formerly Global Banking Corporation B.S.C. (c) is a closed joint stock company, incorporated in the Kingdom of Bahrain on 25 June 2007, under the Bahrain Commercial Companies Law promulgated by Decree No. (21) for the year 2001 ("Companies Law"), and is registered with the Ministry of Industry, Commerce and Tourism ("MOICT") of Bahrain under Commercial Registration (CR) number 65708.

The Company is licensed by the Central Bank of Bahrain (CBB) as Investment Business Firm - Category 1 (Islamic Principles). Accordingly, the Company's activities are regulated by the CBB and supervised by a Shari'a Supervisory Board comprising of one Islamic scholar.

The Company's corporate governance framework is based on the guidelines issued by the CBB as stated and defined in the High-Level Controls Module ("HC Module") of the CBB's Rulebook - Volume 4.

A) The Board of Directors of the Company:

i. Formation of the Board of Directors:

Name	Nationality	Country of Residence	Position	Membership Type
Mr. Hisham Al Rayes	Bahraini	Bahrain	Chairman	Executive
Mr. Isa Abdulla Zainal	Bahraini	Bahrain	Vice Chairman	Independent
Mr. Eyad Yusuf Sater	Bahraini	Bahrain	Board Member	Independent
Mr. Salah Sharif	Bahraini	Bahrain	Board Member	Executive
Mr. Syed Rehan Ashraf	Pakistani	Bahrain	Board Member	Executive
Mr. Talal Al Mahroos*	Bahraini	Bahrain	Board Member	Executive
Mr. Majed Al-Khan	Bahraini	Bahrain	Board Member	Executive
Mr. Yazen AlKhudairy**	Saudi	Bahrain	Board Member	Executive

*Directorship ended in June 2023

** Appointment approved by CBB on 14 June 2023



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

Name and position of Board member	Date of first appointment in BOD/ Reappointment	Representation	Date of resignation/ Term completed	Number of memberships in other boards of Directors	Number of memberships in other boards of Directors in Bahrain
Mr. Eyad Yusuf Sater	December 2019	N.A.	N.A.	4	3
Mr. Hisham Al Rayes	December 2019	GFH Financial Group B.S.C.	N.A.	28	14
Mr. Isa Abdulla Zainal	December 2019	N.A.	N.A.	14	11
Mr. Salah Sharif	December 2019	GFH Financial Group B.S.C.	N.A.	341	53
Mr. Syed Rehan Ashraf	December 2019	United Gulf Holding B.S.C.	N.A.	0	0
Mr. Talal Al Mahroos*	December 2022	GFH Financial Group B.S.C.	June 2023	14	7
Mr. Majed Al-Khan	December 2022	GFH Financial Group B.S.C.	N.A.	18	13
Mr. Yazen AlKhudairy**	June 2023	GFH Financial Group B.S.C.	N.A.	0	0

*Directorship ended in June 2023

** Appointment approved by CBB on 14 June 2023

As of December 31 2023, the Board is composed of 100% male and 0% female.

iii. **Segregation between the position of Chairman/Deputy Chairman and CEO:**

In compliance with the CBB requirements, the position of the Chairman/Deputy Chairman and that of CEO are segregated and there is no amalgamation of responsibilities in these positions.

iv. **Function and responsibilities of the Members of the Board of Directors:**

The Articles of Association of the Company stipulate the responsibilities of the Chairman and Members of the Board of Directors (BOD) as well as the guidelines of corporate governance with respect to the distribution of responsibilities between the BOD and executive team. The BOD oversees all the business activities in consultation with the executive team and is responsible for the preparation of financial statements in accordance with AAOIFI standards, corporate governance matters and adherence to the Company's value as set forth in the internal policies.

When appointed, Members of BOD are provided with the necessary information to enable them to effectively perform their main role of overseeing the strategic, operational, financial, and compliance affairs as well as corporate governance matters. The corporate governance framework allows a Member of the BOD to seek independent advice when necessary. With respect to the channels of communication, the Members of BOD can contact and request information from the executive team at all times.



Upon appointment, Board Members are required to sign a written agreement (letter of appointment) with the Company. The agreement contains details of the responsibilities and powers of the member as well as the information required by the regulations. During the term of membership, a member of the BOD must be fully aware of all aspects of the business, including the Company's policies relating to corporate governance.

v. **Transactions Requiring Board Approval:**

The Board of Directors discuss and approve matters pertaining to strategic planning, business plan, policies and procedures, financial statements, appointment of external auditors and investment projects. Furthermore, other matters such as strategic decisions, provisions write-off limits or exposure limits require the Board approval.

vi. **Independence of Board Members:**

Board Members are required to inform the BOD about any changes or additions that may occur on their positions and executive functions which may affect their independence. They should also ensure that their membership is not conflicted with any of their other interests. Furthermore, Board Members are required to disclose conflict (if any) and refrain from participation in the voting on the resolutions that may involve a conflict of interest; this is in addition to the annual disclosure submitted by the Board Members.

vii. **Classification of Board Members as of 31st December 2023:**

Type of Membership	No.	% of Representation
Independent	2	28.6%
Non-Executive	0	-
Executive	5	71.4%
Total	7	100%

viii. **Continuous development of the Board and Board Committees**

The Charter of the Board of Directors serves as a reference point for the Board activities. The Charter outlines the demarcation of the roles, functions, responsibilities and powers of the Board, Board committees and matters reserved for final decision-making or pre approval by the Board and the policies and practices of the Board in respect of matters such as conflicts of interest and convening of Board meetings.

Furthermore, the Board Charter defines the Directors orientation and continuing education guide which provides a framework for induction/ orientation of new Board members.

All the members of the Board at the time of appointment should sign a Directors contract, which contains the terms of the appointment, duties and responsibilities of the members, membership and time commitment, conflicts of interest, resignation and termination, confidentiality of information and other details which the Directors must abide during their tenure of Board membership.

ix. **Appointment and Termination of Board Members:**

The appointment and termination of Board Members is governed by Articles 27 - 33 of Restated AOA (dated on 2nd August 2022).



As per Article 29 of AOA, Director shall forfeit his/her office on the Board in the event he/she:

- a) fails to attend four consecutive meetings of the Board without a lawful excuse, subject to a resolution by the Board of Directors;
- b) resigns from their office by written notice or is changed by the shareholder who appointed them;
- c) accepts appointment to any other office in the Company carrying remuneration other than that of the Chairman of the Board or that of the Managing Director of the Company without the approval of the General Assembly;
- d) fails to fulfill the conditions mentioned in Article (28) of the Articles of Association;
- e) is removed by the shareholding Company which nominated them by a simple notice in writing;
- f) discloses any of the Company's confidential matters;
- g) is deemed to be not qualified to hold the position by the Central Bank.
- h) is convicted of theft, fraud, forgery, issuing a false cheque, or committing a crime set out in the Law.

Furthermore, in line with Articles 31 and 32 of AOA, the Board may appoint another Board Member to fill the position the vacant position of the Board. This appointment should be placed at the first General Assembly Meeting to approve such appointment or to appoint another person. However, if the vacant offices on the Board reach one quarter of the original number of the Board, the BOD shall convene an Ordinary General Assembly within two months from the date of the last office becoming vacant to elect individuals to fill such vacancies.

x. Remuneration Policy for the Board of Directors and Senior Management

The Board recommends the remuneration of the Board members to the shareholders at the annual general meeting. The Board member's remuneration takes into consideration the performance of the Firm as well as an assessment of compliance of individual members with their performance agreement and responsibilities. While, the performance-related incentives/ bonuses to the executive management is approved by the Board. The Remuneration policy was approved by the shareholders in the general assembly meeting held 17th March 2022.

xi. Remuneration and fees related to the Board Members for the FY-2023:

- **Remuneration:** BHD 35,000 pertaining to FY-2023;
- **Sitting fees:** BHD 24,317 paid to the Board members for attending the Board or Board Committee meetings in 2023;
- **Shari'a Board:** nil pertaining to FY-2023.

xii. Remuneration related to the Senior Management for the FY-2023:

- **Remuneration:** BHD 307,933 pertaining to FY-2023



xiii. **Meetings of the Board of Directors held during FY-2023:**

Date & location of meetings	Name of Directors who participated physically	Name of Directors who participated virtually	Name of Directors who were absent	Justification for absence
<u>Meeting One</u> Date: 8 February 2023 Location: GFH Tower, Manama, Bahrain	Mr. Hisham Al Rayes Mr. Isa Zainal Mr. Eyad Sater Mr. Syed Rehan Mr. Salah Sharif Mr. Majed Al Khan Mr. Talal Al Mahroos	None	None	N.A.
<u>Meeting Two</u> Date: 7 March 2023 Location: Virtual	None	Mr. Hisham Al Rayes Mr. Isa Zainal Mr. Eyad Sater Mr. Syed Rehan Mr. Salah Sharif Mr. Majed Al Khan Mr. Talal Al Mahroos	None	N.A.
<u>Meeting Three</u> Date: 8 March 2023 Location: Virtual	None	Mr. Hisham Al Rayes Mr. Isa Zainal Mr. Eyad Sater Mr. Syed Rehan Mr. Salah Sharif Mr. Majed Al Khan Mr. Talal Al Mahroos	None	N.A.
<u>Meeting Four</u> Date: 27 June 2023 Location: Virtual	None	Mr. Hisham Al Rayes Mr. Isa Zainal Mr. Eyad Sater Mr. Syed Rehan Mr. Majed Al Khan Mr. Salah Sharif Mr. Yazen AlKhudairy	None	N.A.
<u>Meeting Five</u> Date: 9 November 2023 Location: GFH Tower, Manama, Bahrain	Mr. Hisham Al Rayes Mr. Isa Zainal Mr. Eyad Sater Mr. Syed Rehan Mr. Salah Sharif Mr. Majed Al Khan Mr. Yazen AlKhudairy	None	None	N.A.

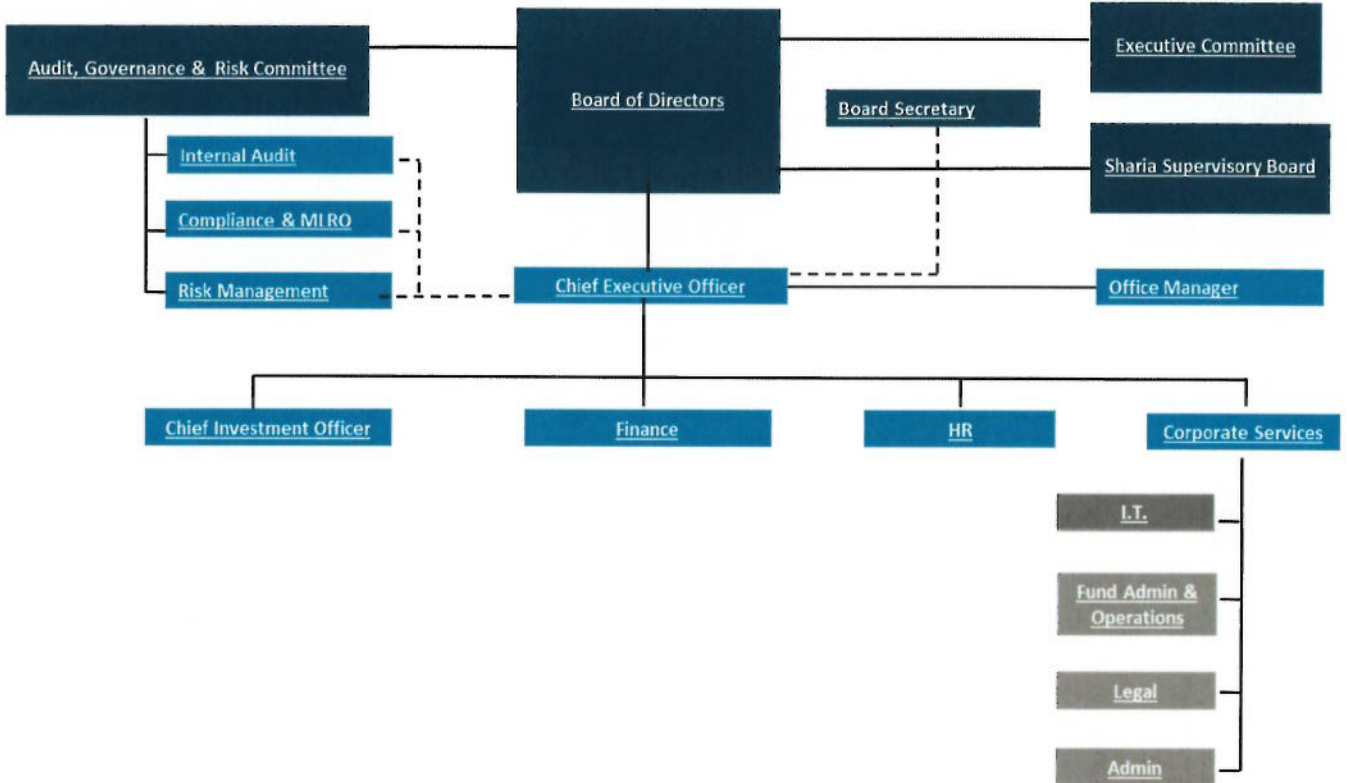
B) Related Party Transactions:

All related party transactions are approved by the Board and disclosed to the shareholders in the Annual General Meeting. During the year 2023, transactions with related parties took place, as noted in note 9 of the Audited Financial Statements of FY-2023:

Related Party - Name	Related Party - Type	Transaction Type	Income	Expense	Asset	Liability
GFH Financial Group B.S.C.	Shareholders	Receivables and prepayments			1,353	
		Accruals and other liabilities				565
		Income from advisory services	1194			
		Other Income	48			
		Legal & professional expenses		23		
		Other operating expenses		2		
Khaleeji Commercial Bank	Entities under common control	Bank Balances and placements with financial institutions			6,526	
		Receivables and prepayments			76	
		Income from placements with financial institutions	277			
Ask Real Estate W.L.L.	Entities under common control	Accruals and other liabilities				7
		Legal & professional expenses		71		
Marseille Downtown Real Estate Co. W.L.L.	Entities under common control	Accruals and other liabilities				2
		Other Income	8			
Al Areen Holding Co. B.S.C.(c)	Entities under common control	Receivables and prepayments			1	
		Other Income	21			
AlAreen Facility Management W.L.L.	Entities under common control	Other Income	1			
Al Areen Hospitality Company W.L.L.	Entities under common control	Accruals and other liabilities				1
		Other Income	4			
Delmon Lost Paradise Project Company 1 W.L.L.	Entities under common control	Other Income	5			
Boulevard Al Areen Real Estate Development	Assets under Management including SPEs	Receivables and prepayments			1,545	
		Accruals and other liabilities				1
		Income from investment management services	1,451			
		Other Income	5			
Marsa Al Seef Investment Company Limited	Assets under Management including SPEs	Receivables and prepayments			1,614	
		Accruals and other liabilities				7
		Income from investment management services	1,722			
		Other Income	21			
GBCORP Tower Group Ltd.	Assets under Management including SPEs	Receivables and prepayments			35	
		Right of use (usufruct) asset			91	
		Accruals and other liabilities				45
		Ijarah liability				66
		Income from investment management services	481			
		Amortization of right-of-use (usufruct) asset		137		
		Expenses related to Ijarah		8		
		Premises cost		131		
Senior Management	Key Management Personnel	Accruals and other liabilities				123
		Staff Costs		817		
Board of Directors	Key Management Personnel	Accruals and other liabilities				93
		Board members' sitting fees and remuneration		157		

C) Organizational Chart:

a. Organizational Chart as of December 31 2023:



This organizational chart was approved by the Board in November 2023 .

b. Profiles of the Board of Directors

Hisham Alrayes

Chairman, Executive Director

Hisham Alrayes is the Chairman of GBCORP and the Chief Executive Officer and member of the Board of Directors of GFH Financial Group ('GFH'), a dynamic financial group headquartered in the Kingdom of Bahrain. GFH currently has more than US\$12 billion of assets under management as part of its activities which comprise wealth management, real estate, commercial banking and asset management services.

In addition, Hisham also serves as Chairman of Esterad Investments, and he is a Director on a number of financial, industrial and real estate company Boards including Khaleeji Bank and GFH Partners.

Hisham holds a Master's degree with honors in Business Administration from the University of DePaul, Chicago (USA), and a Bachelor's degree in Engineering with honors from the University of Bahrain.



Isa Abdulla Zainal

Vice Chairman, Independent Director

Mr. Zainal is currently associated with Arcapita Group as an advisor and is also serving on the Board of a number of companies including Khaleeji Bank.

Prior to retirement, Mr. Zainal served Arcapita Group for over 13 years as Executive Director, Global Head of Financial Control. Mr. Zainal has also served Al Baraka Banking Group as Chief Financial Officer for over 3 years and also Andersen in Bahrain for 15 years. Mr. Zainal holds B.S. degree with honors in Accounting from University of Bahrain and is a Certified Public Accountant from Georgia, USA.

Eyad Yusuf Sater

Board Member, Independent Director

Mr. Satar retired in May 2016 after gaining 33 years of experience in Banking (1983 to 2016). Prior to retirement, Mr. Eyad was associated with Al Salam Bank as group COO. Before that, he was with BMI Bank as acting CEO (before merger). Prior to that he was mainly with National Bank of Bahrain (NBB) in the roles of Head of Operations, Head of Riyadh Branch and Head of Abu Dhabi Branch. Mr. Eyad holds a Master degree in Business Administration from the University of Glamorgan, United Kingdom. He also serves on the Boards of AFAQ Institute of Aviation Technology, Eazy Financial Services, Rain Management and Tanmeya Fund, Saudi Arabia.

Salah Abdulla Sharif

Board Member, Executive Director

A key player in the strategic management of the Group's core operational functions, Salah Sharif, Chief Operating Officer of GFH, is also responsible for ensuring the highest standards of operational excellence across the Group's Special Purpose Vehicles and project companies. He has more than 30 years of regional and international exposure to conventional and Islamic banking and finance with experience across commercial and wholesale banking and in industrial and infrastructure advisory sectors. In addition to his executive role at the Group, Salah also serves on a number of investee company boards. He is the Chairman of Falcon Cement Company, Vice Chairman of Infracorp and Vice Chairman of Gulf Holding Company, and a Board Member of Khaleeji Bank.

Prior to his current role in GFH, Salah was seconded as the CEO of Cemena Holding Company (CHC), an industrial subsidiary of the Group, which is one of the largest cement holding companies in the MENA region. Previously, he held a number of senior roles in leading, global financial institutions, including American Express and Standard Chartered Bank where he held key executive positions.

Salah holds an MBA from the University of South Wales, UK. He is also a graduate of Harvard Business School Senior Executive Leadership Program, Boston, USA.



Syed Rehan Ashraf

Board Member, Executive Director

Mr. Ashraf is seasoned Banker and a finance professional possessing more than 24 years of experience in the areas of finance, credit, risk management, advisory, compliance and assurance services – with Islamic and conventional Banks – and big four audit firms.

He previously worked with Ithmaar Bank (formerly Shamil Bank), Bahrain;

Deloitte & Touche; Faysal Bank, Pakistan; and Price Water House Coopers.

A Fellow Chartered Accountant (FCA) from the Institute of Chartered Accountants of Pakistan, Mr. Ashraf also holds an MBA from DePaul University of Chicago, USA.

He is currently serving as the Chief Financial Officer for United Gulf Bank B.S.C (“UGB”) and United Gulf Holding Company B.S.C. (“UGH”). In his more than 15 year’s association with UGB, Mr. Ashraf has also headed the Compliance, Credit and Risk functions for UGB Group and was previously the designated CRO for the Bank.

Majed Abdulla Al Khan

Board Member, Executive Director

Majed Al Khan brings more than 22 years of extensive real estate investment and development experience with vast expertise in financial engineering of Real Estate and Private Equity products with more than 1 million square meters of completed flagship developments under his leadership.

Since 2015, as CEO of Gulf Holding

Company KSC (c) (“GHC”) and Infracorp WLL, Mr. Al Khan worked on enhancing the financial, legal and investment position of GHC through restructuring the company’s debt portfolio of USD250 million, negotiating settlements exceeding USD150 million and achieving milestone exits of the company’s non-performing assets while also commencing and directing Infracorp flagship developments.

Mr. Al Khan held several leading roles prior to his current appointment, including in HSBC Middle East, Capinvest Bahrain and Inovent Bahrain (formerly Tameer). He has been actively involved in structuring and managing a number of prominent real estate and private equity ventures, including Tala Island (Bahrain), Falcon Cement B.S.C (c) (Bahrain), Reef Financing Company B.S.C (c) (Bahrain), Bahrain Investment Wharf (Bahrain), & Tamcon Contracting (Bahrain).

Mr. Al Khan holds a Bachelor degree with honors in International Finance & Accounting from the University of Northumbria at Newcastle (UK).



c. Profiles of the Executive Management

Mohamed Ahmed Buhajeesh

Chief Administrative Officer & Board Secretary

Mr. Mohamed Buhajeesh is serving as Chief Administrative Officer at GBCORP since 2016. He is responsible for the business operations across board. Mr. Buhajeesh has more than 20 years of previous experience which includes Arcapita Bank and Kuwait Finance House.

Mr. Buhajeesh is a holder of a Master of Business Administration and a Bachelor's of Science both from Canisius College and is a holder of the Advanced Islamic Banking Diploma from BIBF.

Abdulrahman Saif

Chief Investment Officer

Mr. Abdulrahman Saif is serving as Chief Investment Officer at GBCORP since September 2023. He is responsible for managing the business team to carry out all investment related activities using expertise in investment for steering of business strategy and portfolio management, in compliance with rules and regulations, and ensuring successful new deal flow and relevant asset management services are provided.

Mr. Saif has more than 20 years of experience in the field of Investments and Treasury, he was the Head of Investments & Treasury at Securities and Investment Company (SICO). Prior to joining SICO, he was part of the Asset Management team at The Arab Investment Bank (TAIB). He also was part for Gulf International Bank (GIB).

He holds a Master of Science in Finance from DePaul University, Kellstadt Graduate School of Business, U.S.A and a B.Sc. in Accounting from the University of Bahrain, and a Treasury & Capital Markets Diploma from the Bahrain Institute of Banking & Finance. He has also undertaken specialized training at INSEAD, France. Furthermore, Mr. Saif has been a lecturer in BIBF and other educational institutions focusing on Investments and Treasury for more than 20 years.

Nupur Daga

Acting Head of Financial Planning

Ms. Nupur Daga is serving as Acting Head of Financial Planning at GBCORP since September 2019. She is responsible for the company's overall financial plan and policies.

Ms. Daga has consulting and banking experience and exposure since 2007 in institutions such as Ahli United Bank and Assure Consulting. Ms. Daga holds a Master's degree in Financial Analysis and Fund Management from Exeter Business School, Masters of Commerce in Accountancy and Business Statistics and a Bachelors of Commerce from the University of Rajasthan (Jaipur). She is a Chartered Accountant from the Institute of Chartered Accountants of India.

D) Committees of the Board:

- **Audit & Governance Committee ('AGC'):**

The Audit & Governance committee is tasked with independently oversees the Company's financial reporting, internal controls, risk management, corporate governance, and regulatory compliance.

a. Names of the AGC members:

- 1) Mr Eyad Yusuf Sater (Chairman, Independent Director)
- 2) Mr Isa Abdulla Zainal (Vice-Chairman, Independent Director)
- 3) Mr. Yazen AlKhudairy* (Member, Executive Director)

* as of the date of his appointment

Mr Talal Al Mahroos was a member until the end of his term with the Board on 14 June 2023.

b. As per the Charter of the Committee, the committee must meet at least four times during the financial year. During the FY-2023, the committee met four times as per below:

- 1) 5 February 2023
- 2) 7 May 2023
- 3) 5 October 2023
- 4) 21 December 2023

c. Number and dates of AGC meetings held during FY-2023 to discuss issues related to financial statements and any other matters:

Date & location of meetings Held in FY-2023	Name of Directors who participated physically	Name of Directors who participated virtually	Name of Directors who were absent in the meeting	Justification for absence
1 st Meeting held on 5 February 2023 GFH Tower, Manama, Bahrain	1) Mr. Eyad Sater 2) Mr. Isa Zainal 3) Mr. Talal Al Mahroos	None	None	N/A
2 nd Meeting held on 7 May 2023 GFH Tower, Manama, Bahrain	1) Mr. Eyad Sater 2) Mr. Isa Zainal 3) Mr. Talal Al Mahroos	None	None	N/A
3 rd Meeting held on 4 October 2023 GFH Tower, Manama, Bahrain	1) Mr. Eyad Sater 2) Mr. Isa Zainal	Mr. Yazen AlKhudairy	None	N/A
4 th Meeting held on 21 December 2023 GFH Tower, Manama, Bahrain	1) Mr. Eyad Sater 2) Mr. Isa Zainal	Mr. Yazen AlKhudairy	None	N/A



• **Executive Committee ('EXCOM'):**

The Executive committee is tasked with overseeing the Company's business and administrative affairs, including budgetary, strategy, investments personnel and other decisions. It also assumes the role of the Nomination and Remuneration committee.

a. Names of the EXCOM members:

- 1) Mr Hisham Al Rayes
- 2) Mr. Salah Sharif
- 3) Mr. Majed Al Khan

b. The EXCOM met two times during FY-2023 as per below.:

- 1) 5 October 2023
- 2) 2 November 2023

Date & location of meetings Held in FY-2023	Name of Directors who participated physically	Name of Directors who participated virtually	Name of Directors who were absent in the meeting	Justification for absence
1 st Meeting held on 5 October 2023 BFH East Tower, Manama, Bahrain	1) Mr. Hisham Al Rayes 2) Mr. Salah Sharif 3) Mr. Majed Al Khan	None	None	N/A
2 nd Meeting held on 5 November 2023 BFH East Tower, Manama, Bahrain	1) Mr. Hisham Al Rayes 2) Mr. Salah Sharif 3) Mr. Majed Al Khan	None	None	N/A

E) **External Auditors of the Company:**

• **Auditor's profile and overview of its professional performance:**

KPMG was first appointed as Company's external auditors in FY-2021. KPMG operates as a global network of independent member firms offering audit, tax and advisory services. It is one of the globally recognized Big4 firms and is committed to provide independent, effective and efficient audits of financial statements along with other services.



• **Description of Company's external auditor:**

Name of the audit firm	KPMG Fakhro, Bahrain
Years of service as the Company's external auditor	3 year
Name of the partner in charge of the Company's audit	Mahesh Balasubramanian
The partner's years of service as partner in charge of the Company's audit	3 year
Total audit fees for the financial statements for the year 2023 (BD)	BD 6,000.00
Other special fees and charges for non-audit services* other than auditing the financial statements for the year 2023 (BD) if any. In the absence of such fees, this shall be expressly stated	BD 6,499.00

* Non-audit services provided by the external auditors include, but not limited to, agreed upon procedures anti money laundering, quarterly prudential returns.

Note: Further details will be available for the shareholders upon an official written request to the Company, provided that such matters shall not affect the interests of the Company or its competitiveness in the market.

F) Board Members' or Senior Management Members' ownership or dealing in Company's shares:

During the FY-2023, there was no transaction of any Board Member or Senior Management, their spouses or their children in the Company's shares. Furthermore, none of the Board Members or Senior Management members owns any shares of the Company.

G) Review of Internal Control and Processes:

Internal control is a process affected by the Board of Directors, Senior Management and all levels of personnel. It is not solely a procedure or policy that is performed at a certain point in time, but rather it is continually operating at all levels within the Company. The Board of Directors and Senior Management are responsible for establishing the appropriate culture to facilitate an effective internal control process and monitor its effectiveness on an ongoing basis; however, each individual within an organization must participate in the process.

The main objectives of the internal control process can be categorised as follows:

- 1) Efficiency and effectiveness of activities (performance objectives);
- 2) Reliability, completeness and timeliness of financial and management information (information objectives);
- 3) Compliance with applicable laws and regulations (compliance objectives).

H) Board Code of Conduct

The Board has approved code of conduct for the Board members and the employees. The Code includes guidance on dealing with conflict of interests, insider trading, key person dealing, receiving gifts, system & controls framework, confidentiality etc. It also binds the Board members and employees to the highest standard of professionalism and diligence on discharging their duties. All Board members and employees have affirmed compliance with the Code of Conduct.

The Board Performance Evaluation Framework:

Type of forms	To be completed by	Collation of results
Board Performance Evaluation	Each Member of the Board	Board Secretary collates the results to derive mean result.
Director's Self Evaluation	Each Member of the Board	Board Secretary collates the final result.
Audit Committee Evaluation	Each Member of the Audit Committee	Board Secretary collates the results to derive mean result.

M) Ownership of Company's shares as of 31st December 2023:

• **Distribution of ownership by nationality:**

Shareholder Nationality	Individual shareholders	Corporate shareholders	Ownership by Government	Total
Local	157,075	11,818,717	0	11,975,792
Arab	1,037,088	131,444	0	1,168,532
Foreign	0	0	0	0
Total shares	1,194,163	11,950,161	0	13,144,324

• **Distribution of ownership by size of shareholder:**

#	Shareholding (No. of share)	No of shareholders	Number of shares held	Shareholding %
1	<50,000	4	147,053	1.120
2	50,000 - 500,000	14	1,735,544	13.203
3	500,000 - 5,000,000	2	2,832,108	21.546
4	>5,000,000	1	8,429,619	64.131

• **Description of the shareholders (5% or above):**

#	Shareholder name	Number of shares held	Shareholding %
1	GFH Financial Group B.S.C.	8,429,619	64.131
2	United Gulf Holding B.S.C.	1,643,040	12.500
3	2 Seas Investment Co. W.L.L.	1,189,068	9.046

In relation to the above listed shareholders #1 & #2, no natural person holds the shares as a final beneficiary. In relation to shareholder #3, the natural person holding the shares is identified as Abdulrahman Mohamed Abdulla Mohamed Aljasmī according to public records.



• **Type of the shareholders**

#	Shareholder name	Number of shares held	Shareholding %
1	Non-government	13,144,324	100
2	Government	0	0

N) Corporate Social Responsibility Activities:

A During 2023, GBCORP has not engaged in any activities related to Corporate Social Responsibility.

O) Statement of compliance with the provisions of the Kingdom of Bahrain's Corporate Governance Code 2022

Principle	Noncompliant / Partially Compliant / Fully Compliant	Explanation in case of noncompliance
Principle 1: The Company shall be headed by an effective, qualified and expert board.	Partially Compliant	<u>The Chairman is not an independent director: The Chairman is the CEO of GBCORP's parent company.</u> <u>In companies with controlling shareholders, at least one-third of the Board shall consist of independent directors:</u> <i>The number of independent directors is sufficient for operating the committees under the current corporate governance framework.</i>
Principle 2: The directors and executive management shall have full loyalty to the company.	Fully Compliant	
Principle 3: The Board shall have rigorous controls for financial audit and reporting, internal control, and compliance with law.	Fully Compliant	
Principle 4: The Company shall have effective procedures for appointment, training, and evaluation of the directors	Partially Compliant	<i>The responsibilities of the Nomination and Remuneration committees have been assumed by the Executive Committee, which is composed of non-independent members.</i>
Principle 5: The Company shall remunerate directors and senior officers fairly and responsibly.	Partially Compliant	<i>The responsibilities of the Nomination and Remuneration committees have</i>



		<i>been assumed by the Executive Committee, which is composed of non-independent members.</i>
Principle 6: The Board shall establish a clear and efficient management structure for the Company and define the job titles, powers, roles and responsibilities.	Fully Compliant	
Principle 7: The Company shall communicate with shareholders, encourage their participation, and respect their rights.	Fully Compliant	
Principle 8: The Company shall disclose its corporate governance.	Partially Compliant	<i>The Audit & Corporate Governance committee has two independent directors, which is below the guideline of having three independent directors.</i>
Principle 9: Companies which offer Islamic services shall adhere to the principles of Islamic Shari'a.	Fully Compliant	
Principle 10: The Board shall ensure the integrity of the financial statements submitted to shareholders through appointment of external auditors.	Fully Compliant	
Principle 11: The Company shall seek through social responsibility to exercise its role as a good citizen.	Non compliant	<i>Will be implemented in the future.</i>

Prepared & compiled by:

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