

Corporate Governance Report

For the year 2023

Corporate Governance is about promoting corporate fairness, transparency, and accountability. It is a continuous process that aims at transforming corporations into more democratic entities to enhance responsible corporate management geared towards long-term value creation. Bahrain Car Parks Company (Amakin) is committed to continuously reviewing and enhancing its corporate governance practices.

Shareholders

Ownership Structure as of 31 December 2023

	Shareholder name	No. of shares	Shareholding	Category
1	Bahrain Real Estate Investment (Edamah) B.S.C. (C)	40,000,000	36.26%	Local Company
2	Social Insurance Organization	37,033,490	33.57%	Local Government
3	Kuwaiti Real Estate & Commercial Centre Co.	15,000,000	13.60%	Arab Company
4	Public	18,283,740	16.57%	Local and Arab Individuals and Companies

Shareholding Distribution 2023

Category (shares)	No. of shares	No. of shareholders	Shareholding
Less than 50,000	3,792,552	1,322	3.44%
50,000 to 500,000	5,263,232	39	4.77%
500,000 to 5,000,000	9,227,956	6	8.36%
Above 5,000,000	92,033,490	3	83.43%
Total	110,317,230	1,370	100%

Governance Structure

31 December 2023

The organizational and governance structure is reviewed by the board on an annual basis.



Board of Directors

Board Charters

The board of directors reviewed and approved the company's Corporate Governance Charters in line with the Corporate Governance Code of the Ministry of Industry and Commerce (MOIC) and Volume 6 of the Central Bank of Bahrain's Rulebook on Capital Markets to ensure compliance and completeness of the governance framework. The Corporate Governance Charters clearly define the terms of reference of the board and committees.

Board Composition

The board of directors was elected/appointed in March 2022 for a three-year term and consists of 10 members, none of which is executive and 3 of which are independent. Section 4.1.1 of the company's Corporate Governance Charter states that the size of the board must be 10 directors at a minimum at all times. The board members of Amakin come from diverse disciplines, hence forming an excellent mix which is essential to effective governance. Collectively, the board members demonstrated independent and objective judgment throughout the year. The status of each director was reviewed in terms of independence and number of directorships for the year 2023 with no exceptions noted.

As of 31st December 2023, the Board's representation by gender was 10% female and 90% male representation (2021 & 2022: the Board's representation by gender was 10% female and 90% male representation).

Board Responsibilities

The primary role of the board of directors is to provide entrepreneurial leadership to achieve the company's goals through the implementation of strategic initiatives and ultimately maximizing the value for shareholders. The Corporate Governance Charters define the responsibilities of the board which mainly fall under; 1) vision and strategy, 2) management oversight, 3) financial and investment matters, 4) governance, risk and compliance management, 5) communication with stakeholders, and 6) delegation.

Material Transactions that Require Board Approval

The following material items require the Board of Directors' review, evaluation and approval: 1) the Company's strategy; 2) annual budget and investment/divestment plan; 3) financial statements; 4) major procurement and investments; and 5) Executive Management succession plans.

Independence of Directors

An independent director, as defined in the Corporate Governance Code, is a non-executive director who is fully independent in their position and decisions, and none of the independence invalidity cases mentioned in paragraph (3) of Annex 1 of the Corporate Governance Code is applicable. The directors have disclosed their interests for the year ended 31 December 2023. The independence of the directors has also been reviewed for independent members and they met all independence requirements.

Board Term, election and appointment

Bahrain Commercial Companies Law and the Amakin's Articles of Association outline the formal process for electing and appointing directors. Upon election and appointment, directors sign a formal appointment letter that outlines their authorities, responsibilities, and the terms and conditions of their directorship. All members of the existing board of directors were appointed and elected for a three-year term starting 30 March 2022 and ending 29 March 2025.

Non-executive Board Members

31 December 2023

	Name	Role	Qualifications	Shareholding	Number of Directorship
1	Amin Ahmed Alarrayed	Chairman	MBA and Bachelor's Degree in Economics	-	5
2	Abdulla Ahmed Kamal	Vice Chairman	ACCA, IIA, APRM and Bachelor's Degree in Accounting	-	4
3	Areej Abdulla Abdulghaffar	Board Member	Master's Degree in Finance and Investment and Bachelor's Degree in Accounting and Finance	-	-
4	Bader Kassim Buallay	Board Member	Masters Degree in Business Administration and Bachelor's Degree in Computing and Accounting and Finance, CFA, CAIA	-	1
5	Fahad Abdulrahman Alsaad	Board Member	Doctorate degree in Business Administration, MBA and Bachelor's Degree in Industrial Accounting	-	2
6	Wael Ezzeldeen Arafa	Board Member	Master's Degree in Finance and Bachelor's Degree in Commerce and Business Administration	-	-
7	Khalifa Hassan Al Jalahma	Board Member	Master Degree of Business Administration (MBA) and a Bachelor's Degree in Corporate Finance and Accounting.	-	1

Independent Board Members
31 December 2023

	Name	Role	Qualifications	Shareholding	Number of Directorship
1	Adnan Habib Hashim	Board Member	MBA, FCCA	-	2
2	Mohamed Rasheed Almaraj	Board Member	Bachelor's Degree in Finance and Accounting	-	3
3	Ahmed Nazar Albaharna	Board Member	Bachelor's Degree in Communications Engineering.	-	3

Where the Corporate Governance Code requires that the chairpersons of the board and the nomination, remuneration, and corporate governance committees should be independent, the board of directors of Amakin elected to have non-independent members assume these roles based on the expertise and skills required for effective leadership. More information on this is available under the compliance section of this report.

Board Performance Evaluation, Induction and Training

The board completed the annual self-evaluation for the year 2023. It was focused on evaluating the performance of the 1) board as a whole, 2) individual board committees, and 3) individual board members.

The results of the evaluation, which were satisfactory, were reviewed by the nomination, remuneration and corporate governance committee. A summary will be presented to the shareholders at the upcoming Annual General Meeting.

Amakin has a formal induction and training process that is designed for new Directors. The induction process includes providing/organizing 1) induction pack containing an overview of the Company, its structure, and Strategy 2) presentation covering Amakin's strategy and financial overview; and 3) meetings with Executive Management, as required. All Directors are continuing from the year 2022, no further indication took place during 2023.

Directors attend a training workshop in 2023 on Corporate Governance and Leadership

Board of Directors Meetings and Attendance

According to section 4.1.6 of the company's Corporate Governance Charters, 1) individual board members can only be absolved from their actions in a given financial year if they attend 75% of the board meetings, which was the case during the year 2023, 2) the board may convene using any means of teleconferencing, 3) a quorum of at least 50% is required for the meeting to be valid, 4) resolutions shall be passed by a simple majority of present members, 5) circular resolutions, except for the approval of the financial statements, may be adopted and shall only be valid with a unanimous vote.

Board of Directors Attendance 2023

	Name	Role	Feb 26	May 14	Aug 6	Nov 8	Dec 10
1	Amin Ahmed Alarrayed	Chairman	✓	✓	✓	✓	✓
2	Abdulla Ahmed Kamal	Vice Chairman	✓	✓	✓	✓	✓

3	Adnan Habib Hashim	Board Member	✓	✓	✓	✓	✓	✗
4	Mohamed Rasheed Almaraj	Board Member	✓	✓	✓	✓	✓	✓
5	Areej Abdulla Abdulghaffar	Board Member	✓	✓	✓	✓	✓	✓
6	Bader Kassim Buallay	Board Member	✓	✓	✓	✓	✓	✓
7	Fahad Abdulrahman Alsaad	Board Member	✓	✓	✓	✓	✓	✓
8	Wael Ezzeldeen Arafa	Board Member	✓	✓	✓	✓	✓	✓
9	Ahmed Nazar Albaharna	Board Member	✓	✓	✓	✓	✓	✓
10	Khalifa Hassan Al-Jalahma	Board Member	✓	✓	✓	✓	✓	✓

All meetings were held physically & virtually.

As per the Board Charter, a minimum of 4 meetings are to be held annually.

Board of Directors Compensation

In addition to the sitting fees paid to the board members for attending the board and committee meetings, directors' remuneration is paid in accordance with Article 188 of Bahrain Commercial Companies Law, Ministry of Industry & Commerce prior approvals and was subject to the shareholders' approval at the Annual General Meeting. The paid amount for the year 2022 was BHD 52,500. Details of the proposed amounts for the year 2023 are outlined in the table below:

Name	Fixed remuneration ^(b)				Variable remuneration ^(c)				End-of-service award [Does not include expense allowance]	Aggregate amount [Does not include expense allowance]	Expense allowance	
	Remuneration of the chairperson and BOD	Total sitting fees for board and committee meetings	Salaries	Other	Total	Remuneration of the chairperson and BOD	Bonus	Incentive plans	Other	Total		
Independent directors												
1 Adnan Habib Hashim	-	4,750	-	-	4,750	6,000	-	-	-	6,000	-	10,750
2 Mohamed Rasheed Almaraj	-	8,000	-	-	8,000	6,000	-	-	-	6,000	-	14,000
3 Ahmed Nazar Albaharna	-	7,500	-	-	7,500	6,000	-	-	-	6,000	-	13,500
Non-executive / Non-independent directors												
1 Amin Ahmed Alarrayed	-	7,150	-	-	7,150	9,000	-	-	-	9,000	-	16,150
2 Abdulla Ahmed Kamal (a)	-	6,000	-	-	6,000	6,000	-	-	-	6,000	-	12,000
3 Areej Abdulla Abdulghaffar (a)	-	5,500	-	-	5,500	6,000	-	-	-	6,000	-	11,500
4 Bader Kassim Buallay (a)	-	6,000	-	-	6,000	6,000	-	-	-	6,000	-	12,000

5	Fahad Abdulrahman Alsaad	-	5,500	-	-	5,500	6,000	-	-	-	6,000	-	11,500	-
6	Wael Ezzeldeen Arafa	-	5,000	-	-	5,000	6,000	-	-	-	6,000	-	11,000	-
7	Khalifa Hassan Al Jalahma		6,000	-	-	6,000	6,000	-	-	-	6,000	-	12,000	

(a) Board members representing the Social Insurance Organization (SIO) receive the fixed remuneration only, the variable remuneration is paid to Social Insurance Organization (SIO). Variable remuneration for the year 2023 will be paid in the year 2024, subject to the approvals of the Ministry of Industry and Commerce and shareholders during the Annual General Meeting.

(b) Fixed remunerations for the year ended 31 December 2023 relating to allowances for attending Board and committee meetings were paid during the year.

(c) The proposed variable remuneration for the year ended 31 December 2023 will be paid during 2024 subject to the approval of the Ministry of Industry and Commerce, in addition to the approval of the shareholders in the Annual General Meeting.

Board Committees

Consistent with MOIC's Corporate Governance Code and best practice, Amakin board of directors has three committees and one advisory committee with clear terms of reference set out in separate charters in the company's approved Corporate Governance Charters. The main role of the committees is to assist the board in looking at specific matters that require specialized areas of expertise and accordingly provide recommendations to the board of directors for approval. The general rules, according to the Corporate Governance Charters, 1) committees must consist of a minimum of three members, 2) committees shall have four meetings at a minimum during the financial year, 3) participation in committee meetings via virtual means of communication is allowed.

Executive Committee

The role of the Executive Committee is to implement the board's strategic and progressive plans, policies, and decisions consistent with the organization's vision, mission and values. During 2023, the Executive Committee had five official meetings in addition to a number of progress meetings held to ensure implementation of key strategic initiatives.

Executive Committee Attendance 2023

	Name	Role	Feb 6	Apr 18	Jul 18	Oct 16	Nov 28
1	Abdulla Ahmed Kamal	Chairman	✓	✓	✓	✓	✓
2	Bader Kassim Buallay	Committee Member	✓	✓	✓	✓	✓
3	Mohamed Rasheed Almaraj	Committee Member	✓	✓	✓	✓	✓
4	Khalifa Hassan Al Jalahma	Committee Member	✓	✓	✓	✓	✓

All meetings were held physically & virtually.

As per the Committee Charter, a minimum of 4 meetings are to be held annually.
Sitting fees paid for attendance of the Executive Committee BD 10,000

Audit & Risk Committee

The role of the Audit & Risk Committee is focused on the financial reporting process, the system of internal controls, the external and internal audit processes, monitoring of

compliance and risk mitigation with the company's policies, code of conduct and the applicable laws and regulations.

Audit & Risk Committee Attendance 2023

	Name	Role	Feb 19	May 7	Aug 1	Oct 31
1	Adnan Habib Hashim	Chairman	✓	✓	✓	✓
2	Wael Ezzeldeen Arafa	Committee Member	✓	✗	✓	✓
3	Fahad Abdulrahman Alsaad	Committee Member	✓	✓	✓	✓

All meetings were held physically & virtually.

As per the Committee Charter, a minimum of 4 meetings are to be held annually.
Sitting fees paid for attendance of the Audit & Risk Committee BD 5,500

Nomination, Remuneration and Corporate Governance Committee

The role of the Nomination, Remuneration and Corporate Governance Committee is to develop and recommend the framework for the nomination of board membership and selection of executive directors, periodically review the board size and composition and the organizational structure, review the board induction and evaluation processes, develop and review the remuneration policies of the board of directors and senior management and improve and monitor the implementation of the corporate governance framework.

NRCG Committee Attendance 2023

	Name	Role	Feb 14	Apr 13	Jul 23	Oct 23
1	Amin Ahmed Alarrayed	Chairman	✓	✓	✓	✓
2	Areej Abdulla Abdulghaffar	Committee Member	✓	✓	✓	✓
3	Ahmed Nazar Albaharna	Committee Member	✓	✓	✓	✓

All meetings were held physically & virtually.

As per the Committee Charter, a minimum of 4 meetings are to be held annually.
Sitting fees paid for attendance of the NRCG Committee BD 6,000

Digital Advisory Committee

The Digital Committee was formed as an advisory committee to the board of directors and its role is to advise the board of directors on the digital strategy that supports the business objectives of the company and to identify and execute digital opportunities and transformation to help grow the business.

Digital Committee Attendance 2023

	Name	Role	Feb 8	April 10	July 17	Oct 29
1	Mohamed Rasheed Almaraj	Chairman	✓	✓	✓	✓
2	Ahmed Nazar Albaharna	Committee Member	✓	✓	✓	✓
3	Frank Beckmann	Advisory Committee Member	✓	✓	✓	✓
4	Tariq Ali Aljowder ⁽¹⁾	Committee Executive Member	✓	✓	✓	✓

5	Ehsan Ali Al-Kooheji ⁽¹⁾	Committee Executive Member	✓	✓	✓	✓
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All meetings were held physically & virtually.

As per the Committee Charter, a minimum of 4 meetings are to be held annually.

Sitting fees paid for attendance of the Digital Advisory Committee BD 4,000

⁽¹⁾ Executive members have no voting powers and are not paid for their membership

Executive Management

The Chief Executive Officer of Amakin with the senior management team leads the day-to-day operations and collaborates with the rest of the team to achieve the objectives and goals set out by the board of the directors.

	Name	Position	Joining date	Shareholding
1	Tariq Ali Aljowder	Chief Executive Officer	20 December 2016	-
2	Aqeel Hasan Abdulrahim*	Operations Director	10 September 2018	-
3	Hassan Ali AlShoala	Finance Director	10 December 2020	-
4	Ehsan Ali Al-Kooheji	IT Director	28 February 2021	-
5	Abdulla Isa Qudrat	Business Development Director	25 April 2021	-
6	Fatema Fuad Alkhan	Human Resources & Admin Manager	18 April 2023	-

*Resigned 26 June 2023

Management Compensation

Remuneration of the top 6 executives, including CEO, Finance Director, Operations Director, Business Development Director, IT Director and HR Manager:

Total paid salaries and allowances	Total paid remuneration (Bonus)	Any other cash/in-kind remuneration for 2023	Aggregate Amount
326,744	47,856	6,498	381,098

Internal Controls, Policies and Procedures

Conflict of Interest and Related Party Transactions

With regards to conflict of interest, directors should notify the board in writing as soon as they become aware of any potential conflict of interest. Also, they are given the opportunity at each board of directors or committees meeting to disclose new or amended conflicts of interest.

Details of approved transactions are included in note 26 of the financial statements for the year ended 31 December 2023, which will be reported to the shareholders at the Annual General Meeting.

Related Party Transactions
31 December 2023

	Transaction	Nature of relationship	Name of related party	Amount (BHD)
1	Other car park income	Shareholder	Bahrain Real Estate Investment (Edamah) B.S.C. (C)	109,668
2	Sale of car parks equipment and services	Shareholder	Bahrain Real Estate Investment (Edamah) B.S.C. (C)	46,090
3	Lease rent expenses	Shareholder	Bahrain Real Estate Investment (Edamah) B.S.C. (C)	73,260
4	Other car parks expenses included in operating, general and administrative expenses	Shareholder	Bahrain Real Estate Investment (Edamah) B.S.C. (C)	4,209
5	Directors' remuneration	Board members	Board members	63,000
6	Directors' sitting fees	Board members	Board members	61,400
7	Salaries and bonuses to key management personnel	Executive management	Executive management	374,600
8	Long-term benefits to key management personnel	Executive management	Executive management	6,498

Amounts due from a related party:

	Name of the related party	Nature of relationship	Amount (BHD)
1	Bahrain Real Estate Investment (Edamah) B.S.C (c)	Shareholder	43,940

Amounts due from a related party:

	Name of the related party	Nature of relationship	Amount (BHD)
1	Bahrain Real Estate Investment (Edamah) B.S.C (c)	Shareholder	142,537

Code of Conduct

This code sets out the minimum standards of behavior that are expected across the company from all employees and senior management. It covers areas related to ethical decision-making, confidentiality and insider trading, conduct with competitors and suppliers, public communications, financial crime, data protection, and relationships with different stakeholders.

Whistleblowing Policy

The purpose of this policy is to encourage a culture of compliance and the Code of Conduct and the company's policies are respected and adhered to.

In the event where employees are faced with or become aware of any actions or behaviors that would qualify as misconduct, they are encouraged to report these incidents to the Chairman of the Audit & Risk Committee or in exceptional circumstances, the Chairman of the Board of Directors.

Corporate Governance Officer

The Corporate Governance Officer is responsible for carrying out the tasks related to ensuring and verifying the company's compliance with the corporate governance laws, regulations, and resolutions issued by the regulatory bodies. Mr. Tariq Ali Aljowder was appointed as the company's Corporate Governance Officer in July 2022 on a temporary basis till 28 May 2023. On 28 May 2023, Mrs. Rahma Ali Altawash was appointed as Corporate Governance Officer.

Annual General Meeting and Means of Communication.

It is the responsibility of the board of directors to communicate and report to the shareholders on the following matters for their approval during the Annual General Meeting:

- Board of Directors' report of the company's business and activities.
- Audited financial statements.
- Board of Directors recommendation in relation to the allocation of net profit.
- Board of Directors recommended remuneration.
- Company's Corporate Governance Report.
- Related party transactions & balances.

Additionally, executive management communicates regularly via the following means to the shareholder:

- Bahrain Bourse website.
- Amakin website.
- Public announcement in local newspapers.

APPOINTMENT AND REMUNERATION OF THE EXTERNAL AUDITOR

The appointment of the external auditor is recommended by the Audit & Risk Committee to the board which then requests the shareholders' approval at the Annual General Meeting.

According to article 23 of the regulation issued in August 2021 concerning the external auditors, public companies may appoint an external auditor for one financial year, renewable for the same period and not exceeding 5 consecutive financial years; the partner responsible for auditing the company's financials should be rotated after 3 financial years.

Based on this regulation, which is consistent with MOIC's Corporate Governance Code, the board of directors recommended the re-appointment of BDO Public Accountants as the company's external auditor for the year 2024, based to the shareholders' approval at the AGM. Fees and charges for the audit or services provided by the external auditor during the year 2023, in addition to a description of the auditor's years of services as the Company's external auditor. According to the following:

Name of the Audit Firm	BDO
Years of service as the Company's external auditor	Since 2002, 22 years
Name of the partner in charge of the Company's audit	Mr. Samson George
The partner's year of service as the partner in charge of the Company's audit	2 year
Total audit fees for the financial year 2023	BHD 6,850
Other special fees and charges for non-audit services other than auditing the financial statements for the year 2023	BHD 3,550

COMPLIANCE

Through the Comply or Explain Approach

The company has been continuously improving its governance charters, policies and practices to achieve full compliance with the Corporate Governance Code. The implementation of the code is based on the comply or explain approach, where the company in the case of non-compliance should provide a valid justification.

Compliance with the Principles of the Corporate Governance Code

Principles of the Corporate Governance Code	Non-compliant	Partially compliant	Fully compliant	Explanation
Principle 1: The company shall be headed by an effective, collegial and expert board.		✓		See note 1 in the next page
Principle 2: The directors and executive management shall have full loyalty to the company.			✓	
Principle 3: The board shall have rigorous controls for financial audit and reporting, internal control, and compliance with the law.		✓		See note 2 in the next page
Principle 4: The company shall have effective procedures for appointment, training, and evaluation of the directors.		✓		See note 3 in the next page
Principle 5: The company shall remunerate directors and senior officers fairly and responsibly.		✓		See note 4 in the next page
Principle 6: The board shall establish a clear and efficient management structure for the company and define the job titles, powers, roles and responsibilities.			✓	
Principle 7: The company shall communicate with shareholders, encourage their participation, and respect their rights.			✓	
Principle 8: The company shall disclose its corporate governance.		✓		See note 5 in the next page
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.			✓	
Principle 11: The company shall seek through social responsibility to exercise its role as a good citizen			✓	

Explanation of Non-Compliance Items

Note 1	Principle 1: The Chairman of the board shall be an independent director.	Considering the new strategic direction set forth by the board, the Chairman, who is non-independent, was elected based on the expertise and skills required for effective leadership and governance.
Note 2	Principle 3: Majority of the Audit Committee members and the Chairman of the committee shall be independent.	The Audit & Risk Committee Chairman is independent. The Committee consists of two non-executive members. Considering the nature of the board's composition, appointed vs. independent, the board decided to elect the committee members who have the expertise and skills required to fulfill the committee's duties.
Note 3	Principle 4: Majority of the Nomination Committee members and the Chairman of the committee shall be independent	The NRCG Committee consists of two non-executive members; with one independent director. The Chairman is non-independent. Considering the nature of the board's composition, appointed vs. independent, the board decided to elect the committee members and Chairman who have the expertise and skills required to fulfill the committee's duties.
Note 4	Principle 5: Majority of the Remuneration Committee members and the Chairman of the committee shall be independent	The NRCG Committee consists of two non-executive members; with one independent director. The Chairman is non-independent. Considering the nature of the board's composition, appointed vs. independent, the board decided to elect the committee members and Chairman who have the expertise and skills required to fulfill the committee's duties.
Note 5	Principle 8: All Corporate Governance Committee members shall be independent	The NRCG Committee consists of two non-executive members; with one independent director. The Chairman is non-independent. Considering the nature of the board's composition, appointed vs. independent, the board decided to elect the committee members and Chairman who have the expertise and skills required to fulfill the committee's duties.



Amin Ahmed Alarrayed
Chairman
7 March 2024