



**GULF ONE**  
CAPITAL

# Corporate Governance Report

for the Year Ended 31 December 2023

to the Annual General Meeting of the Shareholders (the AGM)

30 April 2024

## CORPORATE GOVERNANCE

This report outlines the Company's adherence to the Principles of the Corporate Governance Code of the Kingdom of Bahrain (Governance Code) as issued by the Ministry of Industry and Commerce, and the Central Bank of Bahrain's (CBB) Rulebook Volume 4 under the High-Level Controls Module (CBB Module HC), as well as the Company's Corporate Governance Guidelines.

### FRAMEWORK AND APPROACH TO CORPORATE GOVERNANCE

Gulf One's commitment to corporate governance rests on a foundation of values and behaviors that permeate our daily operations. This commitment ensures transparency, fair dealing, and the protection of stakeholder interests. We consider these principles paramount to our sustainability and overall performance. Our Board remains vigilant, monitoring both local and global developments in corporate governance to safeguard our Company's interests.

Corporate governance is the compass guiding Gulf One's direction and management. It shapes how we set and achieve our objectives, assess and manage risk, and optimize performance. Effective corporate governance structures foster value creation through entrepreneurship, innovation, development, and exploration. Simultaneously, they establish accountability, transparency, and control systems commensurate with the inherent risks.

The importance of good governance cannot be overstated. Our directors bear a continuous responsibility. They must not only understand and embody good governance principles but also ensure that our managers are well-versed in their application.

Gulf One's corporate governance framework aligns closely with the Central Bank of Bahrain's Rulebook, notably the High-Level Controls Module, and the Corporate Governance Code. Furthermore, it seeks to adhere to international best practices.

Our Board Charter serves as a reference point for Board activities, evolving to meet market and regulatory demands. Beyond defining roles and responsibilities, both the Board Charter and Board Sub-Committee Charters set forth ethical standards for business conduct, binding every Board member. Compliance with these standards undergoes assessment by the full Board during director re-elections and periodic evaluations.

We remain committed to refining and enhancing our corporate governance framework to accommodate the evolving requirements of regulatory authorities and global best practices. In our unwavering commitment to upholding the highest standards of corporate governance, we keep our Board of Directors well-informed about industry best practices and readily address their queries concerning sound corporate governance.

### PRINCIPLES OF GOOD CORPORATE GOVERNANCE AND BEST PRACTICE

Gulf One has articulated eleven core principles which underlie good corporate governance in a document entitled "Principles of Good Corporate Governance and Best Practice".

Good corporate governance principles influence how the objectives of the Company are set and achieved, how risk is monitored and assessed, and how performance is optimised. It allows the management to create value (through entrepreneurship, innovation, development and exploration) while providing accountability and control systems commensurate with the risks involved.

The principles are as follows:

#### **Principle 1 - Lay solid foundations for management and oversight**

Recognise and publish the respective roles and responsibilities of the board and management.

#### **Principle 2 - Structure the board to add value**

Ensure the Board is correctly structured in terms of composition, experience and skill to effectively discharge its responsibilities and duties.

#### **Principle 3 - Promote ethical and responsible decision-making**

Actively promote ethical and responsible decision-making.

#### **Principle 4 - Safeguard integrity in financial reporting**

Maintaining a structure to independently verify and safeguard the integrity of the Company's financial reporting.

**Principle 5 - Make timely and balanced disclosure**

Promote timely and balanced disclosure of all material matters.

**Principle 6 - Respect the rights of shareholders**

Respect the rights of shareholders and facilitate the effective exercise of those rights.

**Principle 7 - Recognise and manage risk**

Establish a sound system of risk oversight, risk management and internal control.

**Principle 8 - Encourage enhanced performance**

Fairly review and actively encourage enhanced board and management effectiveness.

**Principle 9 - Remunerate fairly and responsibly**

Ensure that the level and composition of remuneration is sufficient and reasonable and that its relationship to corporate and individual performance is defined.

**Principle 10 - Training and Competency**

Ensure the Company engages highly skilled and competent staff and maintains professional knowledge.

**Principle 11 - Recognise the legitimate interests of stakeholders**

Recognise the legal and other obligations of all legitimate stakeholders.

**RISK MANAGEMENT**

Gulf One Capital is dedicated to implementing a robust risk management framework that identifies, assesses, manages, and monitors all forms of risk across the organisation. This framework is integral to our strategic decision-making process and is designed to protect the company's assets, reputation, and regulatory standing.

**Overview**

The risk management framework at Gulf One Capital is comprehensive and proactive, ensuring that all potential risks are systematically identified and managed in alignment with our risk appetite and strategic objectives. The framework is underpinned by a strong governance structure, with the Risk, Audit, and Compliance Committee (RACC) playing a pivotal role in overseeing its implementation and effectiveness.

**Key Provisions**

- **Risk Identification:** We employ a forward-looking approach to identify potential risks, including strategic, operational, financial, and compliance-related risks. This process is continuous and involves input from all levels of the organisation.
- **Risk Assessment:** Each identified risk is evaluated in terms of its likelihood and potential impact. This assessment informs the prioritisation of risks and guides the allocation of resources to manage them effectively.
- **Risk Management:** Appropriate risk management strategies are developed and implemented for each identified risk. These strategies may include risk avoidance, reduction, sharing, or acceptance, depending on the nature of the risk and its alignment with the company's risk appetite.
- **Risk Monitoring and Reporting:** The RACC ensures that risks are actively monitored and that risk management strategies are adjusted in response to any changes in the company's internal or external environment. Regular reports on the status of risks and the effectiveness of management strategies are provided to the Board of Directors.
- **Risk Culture and Training:** Gulf One Capital fosters a risk-aware culture through ongoing education and training programs. Employees at all levels are encouraged to understand the risks associated with their activities and to take responsibility for managing those risks.

## **CRISIS MANAGEMENT AND CLOUD INFRASTRUCTURE TRANSITION**

Gulf One Capital's Crisis Management Plan is a strategic framework designed to ensure the company's preparedness and robust response to unforeseen disruptions. The plan is underpinned by our ongoing transition to a cloud-based infrastructure, a move that significantly bolsters our resilience and operational agility. This transition is a proactive step towards enhancing our ability to maintain continuity and swiftly recover from crises, thanks to the cloud's scalable and flexible nature.

The plan is operationalised by our Crisis Response Team, which includes senior management and essential personnel trained to act decisively during a crisis. This team is empowered by our advanced cloud infrastructure, which supports remote operations and secure access to critical systems and data in emergencies. A comprehensive communication strategy ensures that all stakeholders are kept informed with accurate and timely information, maintaining confidence and mitigating the impact on our reputation.

Regular training and simulation exercises are integral to our crisis preparedness, allowing us to test and refine our Crisis Management Plan, including the new cloud-based components. These exercises ensure that the team is familiar with cloud-specific procedures and can leverage the technology to its full advantage during a crisis.

The Board of Directors, through the Risk, Audit, and Compliance Committee, provides oversight for both the Crisis Management Plan and the cloud infrastructure transition.

## **TECHNOLOGY AND CYBERSECURITY**

In response to a strategic review of our IT infrastructure, Gulf One Capital is finalising its transition to a cloud-based infrastructure, a move that underscores our commitment to technological advancement and cybersecurity. This transition is part of a broader strategy to enhance our operational efficiency, data security, and system reliability. Our cloud infrastructure is designed to be secure, scalable, and compliant with the latest industry standards and regulatory requirements.

To safeguard our digital ecosystem, we have implemented a comprehensive suite of cybersecurity measures. These include advanced firewalls, intrusion detection systems, and ongoing security assessments, complemented by regular staff training to heighten cybersecurity awareness across the organisation. Our proactive stance on cybersecurity ensures that all employees are vigilant and equipped to identify and mitigate potential threats.

Our robust Business Continuity Planning (BCP) and Disaster Recovery Planning (DRP) protocols are tailored to ensure business resilience. These plans are meticulously crafted, regularly tested, and updated to adapt to new challenges, ensuring that we can maintain critical operations without interruption, even in the face of unforeseen events. Data protection and privacy are paramount, with stringent policies in place to manage data access, encryption, and retention, protecting our clients' and company's sensitive information.

## **WHISTLEBLOWER PROTECTION POLICY**

Gulf One Capital's Whistleblower Protection Policy is a cornerstone of our ethical framework, designed to empower employees and stakeholders to report misconduct without fear of retaliation. The policy provides confidential and anonymous channels, such as a hotline or web portal, for individuals to voice concerns regarding illegal activities or breaches of company policy. These channels are managed by an independent third party to ensure impartiality and protect the whistleblower's identity.

Retaliation against whistleblowers is strictly prohibited, and Gulf One Capital is committed to safeguarding individuals who report violations in good faith from any form of discrimination or harassment. Reports of wrongdoing are investigated swiftly and thoroughly by an independent body to ensure fairness and objectivity. Substantiated claims will result in appropriate corrective actions, which may include disciplinary measures or legal proceedings.

The policy is communicated across the organization and includes training to ensure all employees understand how to report concerns and the protections in place. The effectiveness of the Whistleblower Protection Policy is overseen by the Board of Directors, typically through the Audit Committee, which ensures adherence to the policy and fosters a culture of transparency and accountability.

## COMPLIANCE, COMPLIANCE MONITORING AND ANTI MONEY LAUNDERING

Gulf One from the board to all level employees are acutely aware of their obligation to uphold compliance with all relevant provisions and applicable legal and regulatory requirements, both within the Kingdom of Bahrain and in all international jurisdictions where the company operates, while championing global best practices. This includes, but is not limited to, compliance with the laws and regulations enforced by the Central Bank of Bahrain, anti-money laundering statutes, data protection laws, securities and exchange regulations, and any other relevant financial and corporate governance standards. The company commits to regular reviews of its compliance policies and procedures to ensure they are up-to-date with current laws and best practices.

In recognition of the global nature of our business, Gulf One Capital ensures that its operations, including cross-border transactions and international partnerships, are conducted in strict compliance with international laws and standards. This commitment extends to the observance of international sanctions, trade laws, and tax regulations. The company will maintain a dynamic compliance program that is responsive to the changing landscape of international regulations and will provide ongoing training to its employees to foster a culture of compliance across all levels of the organisation.

One of the central tenets of our compliance initiatives is the robust framework for combating money laundering, which constitutes a substantial portion of our compliance endeavours. Gulf One has meticulously crafted policies and procedures, duly sanctioned by the Board of Directors, to prevent money laundering. These encompass a comprehensive Client Due Diligence process, protocols for reporting suspicious transactions, ongoing staff awareness and training programs, meticulous record-keeping practices, and the crucial appointment of a dedicated Money Laundering Reporting Officer.

Annually, our Compliance and AML Procedures undergo thorough external audit assessments, with findings reported to the Central Bank of Bahrain. This diligent oversight underscores our unwavering commitment to combat money laundering and to diligently implement all AML rules, principles, and guidelines promulgated by the Central Bank of Bahrain. Our resolute dedication to these practices is a testament to our pursuit of the highest standards in governance and compliance.

## ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG) PRACTICES

Gulf One Capital is committed to integrating Environmental, Social, and Governance (ESG) principles into our business strategy and operations. We recognise that sustainable practices are crucial for long-term value creation and are dedicated to operating responsibly and ethically in all areas of our business.

Our ESG framework is designed to guide the company in making decisions that positively impact the environment, society, and our governance processes. We are committed to transparency in our ESG initiatives and to continuous improvement in these areas.

**Environmental Stewardship:** We are dedicated to reducing our environmental footprint through efficient resource management, investing in sustainable technologies, and adhering to environmental best practices. Our transition to cloud-based infrastructure is one example of our commitment to sustainability, reducing our reliance on physical resources and enabling more energy-efficient operations.

**Social Responsibility:** Gulf One Capital is committed to contributing positively to society. This includes ensuring fair labour practices and fostering a diverse and inclusive workplace. We believe in the power of social impact and strive to make a meaningful difference in the communities where we operate.

**Governance and Ethics:** Strong governance practices are the foundation of our ESG framework. We uphold high ethical standards, ensure accountability at all levels of the organisation, and engage in transparent reporting. Our governance practices are designed to ensure that we conduct our business with integrity and in compliance with applicable laws and regulations.

The Board of Directors oversees the development and implementation of ESG initiatives. This committee is responsible for setting ESG goals, monitoring progress, and ensuring that ESG considerations are embedded throughout the company's operations and culture. Regular reporting on ESG matters to stakeholders is being developed as part of our commitment to transparency and accountability in our journey towards sustainable growth.

## BOARD OF DIRECTORS, BOARD COMMITTEES AND EXECUTIVE MANAGEMENT

### BOARD COMPOSITION

Member	Position and Type	Board Term	Start of Term	Percent of Holdings
1 Mr. Abdullah A. Ohaly	Chairman, Independent Non-Executive Director	3 years	19 September 2019	2.19%
2 Mr. Fareed Y. Al Khalawi	Vice Chairman, Independent Non-Executive Director	3 years	19 September 2019	1.08%
3 Ms. Arij Al Mutabagani *	Member, Independent Non-Executive Director	3 years	19 September 2019	0.75%
4 Mr. Khalid Al Garni *	Member, Independent Non-Executive Director	3 years	19 September 2019	3.76%
5 Mr. Zaki M. A. Farsi	Member, Independent Non-Executive Director	3 years	19 September 2019	2.82%
6 Mr. Ahmad Al Menaiyes *	Member, Independent, Non-Executive Director	3 years	19 September 2019	6.02%
7 Engr. Sami Al Bakri	Member, Non-Independent, Non-Executive Director	3 years	19 September 2019	7.58%
8 Mr. Ziyad F. Omar	Member, Executive Director	3 years	19 September 2019	7.27%

(\*) representing a shareholding on behalf of an institution and/or individual is not a personal shareholding

### EXECUTIVE DIRECTOR

Mr. Ziyad F. Omar Founder and Chief Executive Officer

### BOARD COMMITTEE COMPOSITION

#### Finance and Investment Committee (FIC)

1. Mr. Fareed Al Khalawi Chairman of Committee, Independent
2. Ms. Arij Al Mutabagani Committee Member, Independent
3. Mr. Ahmad Al Menaiyes Committee Member, Independent
4. Engr. Sami Al Bakri Committee Member, Non-Independent

#### Risk, Audit and Compliance Committee (RACC)

1. Mr. Ahmad Al Menaiyes Chairman of Committee, Independent
2. Ms. Arij Al Mutabagani Committee Member, Independent
3. Mr. Khalid Al Garni Committee Member, Independent

#### Nomination, Remuneration and Governance Committee (NRGC)

1. Mr. Fareed Al Khalawi Chairman of Committee, Independent
2. Mr. Abdullah Ohaly Committee Member, Independent
3. Mr. Zaki Farsi Committee Member, Independent

### RESIGNATIONS AND APPOINTMENTS

During 2023, there were no Board resignations or appointments.

## BOARD MEETINGS AND ATTENDANCE

The Board is required to meet at least four times a year. This is a requirement of the Corporate Governance Code, the CBB Rulebook and the Company's Board Charter. They may meet more frequently to discharge their responsibilities. All Directors are expected to attend each meeting, unless there are exceptional circumstances that prevent them from doing so. The CBB Rulebook module HC-1.4.4 requires individual Board members to attend at least 75% of all Board meetings in each financial year. During 2023, all Directors have attended 75% of the Board meetings held during the year.

A summary of the Shareholder, Board, and Board Committee meetings held during 2023 and attendance of each Director at these meetings, is detailed below:

## SHAREHOLDER MEETINGS

No.	Board Members	Annual General Meeting	Extraordinary General Meeting
		07 November 2023	07 November 2023
		Le Meridien Hotel, Bahrain	Le Meridien Hotel, Bahrain
1	Mr. Abdullah A. Ohaly – Chairman	√	√
2	Mr. Fareed Y. Al Khalawi – Vice Chairman	X	X
3	Ms. Arij Al Mutabagani	X	X
4	Mr. Ahmad Al Menaiyes	X	X
5	Mr. Khalid Al Garni	X	X
6	Engr. Sami Al Bakri	X	X
7	Mr. Zaki M. A. Farsi	X	X
8	Mr. Ziyad F. Omar	√	√

**BOARD MEETINGS** includes meetings held by Circulation and/or Teleconference

No.	Board Members	Total Number of Meetings Held in 2023	Meeting Dates	Meetings Attended
1	Mr. Abdullah A. Ohaly – Chairman	7	24 April 2023 22 June 2023 08 August 2023 10 August 2023 19 September 2023 11 October 2023 29 November 2023	7
2	Mr. Fareed Y. Al Khalawi – Vice Chairman			7
3	Ms. Arij Al Mutabagani			7
4	Mr. Ahmad Al Menaiyes			7
5	Mr. Khalid Al Garni			6
6	Engr. Sami Al Bakri			7
7	Mr. Zaki M. A. Farsi			7
8	Mr. Ziyad F. Omar			7

**BOARD COMMITTEE MEETINGS** includes meetings held by Circulation and/or Teleconference

Board Committee	No.	Board Members	Total Number of Meetings Held in 2023	Meeting Dates	Meetings Attended
Finance and Investment Committee	1	Mr. Fareed Y. Al Khalawi - Chairman	-	-	-
	2	Ms. Arij Al Mutabagani			-
	3	Mr. Ahmad Al Menaiyes			-
	4	Engr. Sami Al Bakri			-
Nomination, Remuneration and Governance Committee	1	Mr. Fareed Y. Al Khalawi - Chairman	2	21 December 2023 28 December 2023	2
	2	Mr. Abdullah A. Ohaly			2
	3	Mr. Zaki M. A. Farsi			2
Risk, Audit and Compliance Committee	1	Mr. Ahmad Al Menaiyes - Chairman	4	16 April 2023 31 August 2023 11 October 2023 22 November 2023	4
	2	Ms. Arij Al Mutabagani			4
	3	Mr. Khalid Al Garni			4

## BOARD BIOGRAPHIES

### Mr. Abdullah A. Ohaly - Chairman, Independent Non-Executive Director

Mr. Ohaly has over 32 years of experience in management and financial control and currently holds the post of President for Eminent Packaging System Co. Bahrain. He was previously a Board member and Managing Director of the Tamimi Group in the Kingdom of Saudi Arabia until February 2009, during which he managed the following five companies: Tamimi Catering Co., Tamimi Construction Co., Tamimi Commercial Co., Tamimi Food Co. and Thrustboring Construction Co. Ltd. He was also the Chairman of the Board for Silvertch Middle East, U.A.E. Co. Ltd. until June 2009. Mr. Ohaly is Chairman of the Risk, Audit and Compliance Committee of Gulf Union Co-operative Insurance Co., Kingdom of Saudi Arabia and he is also Vice Chairman on the Board of Gulf Union Insurance & Reinsurance Company BSC, Bahrain. Mr. Ohaly holds an MBA in Management from City University, Seattle, U.S.A. and a BA in Management from Seattle University, U.S.A.

### Mr. Fareed Y. Al Khalawi - Vice Chairman, Independent Non-Executive Director

Mr. Al Khalawi has over 45 years of experience in management within the corporate environment, with expertise in the development of business plans and strategies, mergers and acquisitions, asset management and financial planning, budget administration, operations analysis, cost-cutting and containment programs. He is the Founder and Chairman of International Developers Company and the Executive Director of Fareed Yousef Al Khalawi Engineering Consultants, both of which are based in Jeddah, Kingdom of Saudi Arabia. Prior to this, he was the Chief Executive Officer and Managing Director of Saudi Arabian Amiantit Company JSC, including being the President and Board Member of its 45 subsidiaries based in Germany, Austria, U.S.A, Norway, Turkey, South Africa, China, Egypt and the GCC. Mr. Al Khalawi holds a Bachelor of Science degree in Mechanical Engineering from Northrop University, Los Angeles, U.S.A.

### Ms. Arij Al Mutabagani - Independent Non-Executive Director

Ms. Al Mutabagani has over 35 years' experience in managing real estate portfolio in Saudi Arabia and internationally and monitoring the family office's global investment portfolios. She is presently the Managing Director of HMG (Hamed Al Mutabagani Family Office) based in Jeddah-Saudi Arabia. Ms. Al Mutabagani was



previously the Managing Director of New Jeddah Clinic Hospital, Fitness, Spa and Rehabilitation Center in Jeddah, Saudi Arabia until 2009. She presently sits on the Board of Arabian Transportation Manufacturing Company in Egypt and on the Boards of Jeddah Clinic Hospitals, Medina National Hospital and National Trade Company all based in Jeddah, Saudi Arabia. Ms. Al Mutabagani holds a Bachelors' Degree in Business Administration from King Abdulaziz University, Jeddah-Saudi Arabia.

#### **Mr. Ahmad Al Menaiyes - Independent Non-Executive Director**

Mr. Al Menaiyes has 20 years of experience in financial markets, real estate investments and direct investments with a focus on Islamic finance structures. He is presently, Direct Investment Manager for Kuwait Investment Co. (KIC) Kuwait since 2013. Before joining KIC, Mr. Al Menaiyes has worked for several Islamic financial companies and has participated and executed transactions internationally and in the Middle East. He is a Non-Executive Director at KIC Brokerage Company, Kuwait. Mr. Al Menaiyes graduated from Kuwait University with a B.Sc. in Sociology and he holds a M.Sc. in Finance from University of Bradford, UK.

#### **Mr. Khalid Al Garni - Independent Non-Executive Director**

Mr. Al-Garni is the Vice President of Global Finance Reporting and Controllershship at Saudi Basic Industries Corporation (SABIC) since 2015. He has more than 26 years of experience in Finance, Accounting, Auditing and Enterprise Risk Services, and Control. Prior to his present post, he was the GM-Global Corporate Controller at SABIC since 2013. He also held senior managerial positions and was an Audit Partner at Deloitte Middle East. Mr. Al Garni has a global expertise of two years with Deloitte in the tristate region of the U.S.A. (Northeast Region). He was previously a member of the Board of Directors and Board Audit Committee at Aluminum Bahrain B.S.C., (ALBA), Bahrain. He was also a member of the Board of Directors and Board Audit Committee at Industrialization and Energy Services Company (TAQA), a joint stock subsidiary of Public Investment Fund (PIF), Saudi Arabia. He presently sits on the Board and Committees of various companies including, Yanbu National Petrochemical Company (YANSAB) - Saudi Arabia, Chairman of Arabian Industrial Fibers Company (IBN RUSHD) - Saudi Arabia, Arabian Petrochemical Company (PETROKEMYA) - Saudi Arabia, SINOPEC SABIC Tianjin Petrochemical Company (SSTPC) – China, SABIC Capital B.V. - The Netherlands, and Saudi Kayan Petrochemical Co. - Saudi Arabia. Mr. Al-Garni has a B. Sc. in Accounting from King Abdulaziz University, Saudi Arabia and is a Certified Public Accountant (CPA). He has successfully completed the Advanced Management Program (AMP) at Harvard Business School (HBS) and CEO Leadership Challenge (CLC) program at INSEAD.

#### **Engr. Sami Abdulrahman Al-Bakri - Non-Independent Non-Executive Director**

Engr. Sami has over 37 years of experience in the management and supervision of a wide range of international businesses. He is presently the Founder and Chairman of Sami Rock Co. Ltd. based in Jeddah, Saudi Arabia since 1993. Engr Sami is a Chairman on the Board of various companies including Sami Holding Limited, Lucida Solar, Hyrec, Revo Trends and SAB Oil, all located in Jersey and in Innovative System (INNOSYS) located in Turkey, and in Saudi Arabia Company for Oil Shale located in Jordan. He is also a Director at Oriflame Saudi Arabia Ltd. located in Jeddah-Saudi Arabia. Engr. Sami holds a M.Sc. in Mining Engineering from Camborne School of Mines, Cornwall-United Kingdom, and a B.Sc. in Mining Engineering from King Fahd University of Petroleum and Minerals, Dhahran-Saudi Arabia.

#### **Mr. Zaki M. A. Farsi - Independent Non-Executive Director**

Mr. Farsi is the Owner and Founder of Consultant Engineer Zaki M. A. Farsi Group in Jeddah, Kingdom of Saudi Arabia. He has over 51 years working experience in the field of engineering and urban/infrastructure planning, starting as the head of the city planning office of the western region of the Kingdom of Saudi Arabia. Mr. Farsi is a Board member of Tamleek Real Estate Development Company and a Board member of the Saudi Building Materials Company (SBM) and Board Member of The Bilad Foundation for Press and Publication. He is also a Board member of the General Commission for Survey in the Kingdom of Saudi Arabia and serves as a member of various committees such as The Engineering Offices Committee in the Jeddah Chamber of Commerce and the Saudi Council of Engineers. Mr. Farsi is also a member of the Board of Trustees of the University of Business and Technology in Jeddah. He is also a member of the first Board of the Saudi Umran Society in the Kingdom of Saudi Arabia and a former member of the National Real Estate Development Committee, Saudi British Business Council and was formerly on the Board and Executive Committees of Tehama Advertisement and Public Relations

Company, Arab Islamic Company and Dar Al Fikr Schools of which he is also a Founder. He holds an MSc from the University of California, Berkley, USA and a BSc in Civil Engineering from the San Francisco State University, U.S.A.

#### **Mr. Ziyad F. Omar - Executive Director, Founder and Chief Executive Officer**

Prior to founding Gulf One, Mr. Omar founded a financial and management consulting firm in the Kingdom of Saudi Arabia and a business advisory and consulting firm, Compass Consulting in Bahrain, which focused on providing advisory services for large corporations in the GCC. Mr. Omar has over 39 years of regional and international finance and banking experience. He has previously worked with National Commercial Bank (NCB) in the Kingdom of Saudi Arabia, as Country Head of the Corporate Banking Group where his re-engineering of NCB's multi-billion-dollar corporate banking portfolio resulted in a significantly improved risk/reward profile. He was also the Chief Financial Officer of Al Faisaliah Group where he created the Group Finance and Corporate Treasury. Mr. Omar also worked in various senior positions at the Saudi American Bank in Jeddah in the Corporate Banking and Structured Finance departments, where he co-pioneered the first securitisation transaction in the Kingdom of Saudi Arabia. Prior to returning to the Kingdom of Saudi Arabia, he spent five years as a Systems Manager with Equitable Financial Companies (currently AXA) in California, U.S.A. Mr. Omar received his MBA in 1989 and a BA in Mathematics and Computer Science in 1984 from California State University, Fresno, U.S.A.

### **EXECUTIVE MANAGEMENT**

The core management team of Gulf One and a brief profile of each member is outlined below.

- **Mr. Ziyad F. Omar** – Founder and Chief Executive Officer, Executive Director
- **Mr. Shibu Nair** – Managing Director, Investments
- **Ms. Carol Bhandary** – Head of Compliance, Money Laundering Reporting Officer and Corporate Secretary
- **Mr. Dean Rowan** – Head of Risk
- **Ms. Taniya Waghani** – Finance Manager
- **Ms. Ohood Al Kaabi** – Head of Human Resources and Administration

#### **Mr. Ziyad F. Omar - Founder and Chief Executive Officer, Executive Director**

(Kindly refer to the Board of Director Biographies Section)

#### **Mr. Shibu Nair – Managing Director, Investments**

Mr. Nair joined Gulf One in August 2006. He holds over 26 years of extensive corporate finance and private equity experience in varied industry sectors within GCC and Europe. Prior to joining Gulf One, he was a Principal in the Private Equity and Venture Capital department of Gulf Finance House (GFH), Bahrain. At GFH, he was part of a team that structured private equity deals in excess of USD 1 billion, primarily in the financial services and telecom sectors. He was also responsible for monitoring the Bank's private equity portfolio. He joined GFH after serving as a Senior Consultant with KPMG Corporate Finance, Bahrain where he gained significant experience in managing and executing Corporate Finance transactions including private equity, mergers and acquisitions, business valuations and restructuring. Mr. Nair holds an MBA degree from Bharathiar University in India, is a rank-holder Certified Public Accountant (CPA) and a Chartered Financial Analyst (CFA) Charter holder.

#### **Ms. Carol Bhandary – Head of Compliance, Money Laundering Reporting Officer and Corporate Secretary**

Ms. Bhandary joined Gulf One in May 2008. She has over 26 years of Investment Banking experience with extensive experience in compliance, anti-money laundering and terrorist financing, including expertise in private equity, portfolio risk monitoring and valuation; and performance reviews. She facilitates communications and the flow of information to and among the Board, senior management and the Company's shareholders, and ensures that the Board and senior management are well-advised on corporate governance issues. Ms. Bhandary implements systems to support the Board and is responsible for maintaining the records of the Board's actions.

Prior to joining Gulf One, Ms. Bhandary was with BMB Investment Bank B.S.C. (c), Bahrain in their Investor Marketing and Corporate Finance departments for over 10 years. She holds a Bachelor of Commerce degree in Financial Accounting and Auditing from the University of Mumbai, India; an Advanced Diploma in Banking Studies from the Bahrain Institute of Banking and Finance and has successfully obtained an ICA-International Diploma in Compliance from the University of Manchester Business School, United Kingdom.

#### **Mr. Dean Rowan - Head of Risk**

Mr. Rowan joined Gulf One in August 2006, serving the company for 15 years before rejoining in late 2023 after a four-year tenure with Ernst & Young as Board and Compliance Solutions Lead. Boasting over 30 years of comprehensive experience in risk, treasury, and credit management, Mr. Rowan's expertise is well-established. Before his time at Gulf One, he held the position of Head of Group Risk at Barclays Bank PLC in London and was the Head of Risk for Global Treasury and Head of Credit at Westpac Bank in Australia. His extensive career also includes over a decade with Citibank in Australia and across the Asia Pacific region. In the GCC, he has contributed significantly as Head of Operational Risk and Basel II at the National Commercial Bank (NCB). A distinguished member of several professional bodies, Mr. Rowan is a Fellow of the Australian Society of Certified Practising Accountants, the Taxation and Management Accountants of Australia, and the Taxation Institute of Australia. He is also a Senior Fellow of the Financial Services Institute of Australia and a graduate of the Australian Institute of Company Directors. In his leadership roles, Mr. Rowan serves as the Chairman of the GCC Compliance and AML Professionals, an External Advisory Board Member at Ahlia University, a Regional Director for the Professional Risk Managers' International Association, and an Advisory Board Member of the International Compliance Association in London. Mr. Rowan's academic credentials include a Bachelor of Commerce from the University of New South Wales and a Postgraduate Degree in Finance from the Securities Institute of Australia.

#### **Ms. Taniya Waghani - Finance Manager**

Ms. Waghani joined Gulf One in April 2015. She has over 8 years of experience in investment banking, accounting and reconciliations. She is responsible for managing consolidation, budgeting, MIS, regulatory reporting, and coordinating with the Company's external auditors and Group Companies. Ms. Waghani is an all-India rank holder ACCA affiliate securing a 2<sup>nd</sup> position and a 55<sup>th</sup> position worldwide in the ACCA Top Resident Affiliates of 2014. She holds a B.Com degree with First Class Distinction in Cost and Works Accounting.

#### **Ms. Ohood Al Kaabi – Head of Human Resources and Administration**

Ms. Al Kaabi joined Gulf One Capital in June 2016. She has over 16 years' experience of working with major corporations in Bahrain as a second line employee. She has overseen general human resource functions and strategies by doing research, review and updating policies and functions in line with the development of Bahrain's Labor market as well as International laws and practices, resulting in elevating the status of employees and increasing productivity at minimum costs. Prior to joining Gulf One, Ms. Al Kaabi worked at Bahrain's Ministry of Interior in the Directorate of Health and Social Affairs as Human Resource Specialist. She has also worked at Addax Investment Bank, Bahrain as an Associate in the Human Capital division. She has obtained an Occupational Assessment Testing certificate from the Bahrain Institute of Banking and Finance. Ms. Al Kaabi holds a M.Sc. in Human Resources from DePaul University, Chicago and a B.A. in English Literature from the University of Bahrain.

### **SUCCESSION PLANNING**

Succession planning is an integral part of Gulf One Capital's corporate governance framework, ensuring leadership continuity and supporting the company's long-term strategic objectives. The Board of Directors, in collaboration with the Human Resources department, is responsible for identifying key leadership positions and developing internal talent to fill these roles. Potential successors are evaluated based on performance, leadership potential, and alignment with the company's future direction.

Development plans for high-potential employees include targeted training, and mentoring, tailored to prepare them for future leadership roles. The succession plan is reviewed annually to ensure its relevance and effectiveness, with adjustments made as necessary to reflect the evolving business landscape and strategic needs of the company.

An emergency succession plan is also in place to address the immediate and unexpected departure of key personnel, ensuring the company's operations continue without disruption. The Nomination, Remuneration, and Governance Committee (NRGC) oversees the succession planning process, maintaining its alignment with corporate governance standards and the company's overarching goals.

### **ROLE OF THE BOARD OF DIRECTORS**

The Board of Directors (the Board) plays a central role in advancing sustainable performance and long-term growth in shareholder value. While driving sustainable results, the Board also upholds its responsibility to duly consider the interests of all stakeholders while maintaining rigorous standards of transparency and accountability.

Operating cohesively as a team, the Board provides strategic guidance to our staff, ensures Guld One's alignment with its purpose, establishes our values and standards, and ensures the availability of adequate financial and human resources.

To ensure that Gulf One's direction and control firmly rest with the Board, a formal schedule of matters for its decision has been instituted. This encompasses critical aspects such as strategic planning, performance evaluations, significant asset acquisitions and disposals, capital investments, authorization thresholds, risk management policies, auditor appointments, financial statement preparation and review, financing and borrowing activities, annual operating plans and budgets, regulatory compliance, and the scrutiny of the adequacy and integrity of internal controls.

### **DIRECTOR INDEPENDENCE**

Gulf One Capital firmly upholds the principle of board independence as a cornerstone of effective corporate governance. An independent board is crucial for providing unbiased judgement and oversight, ensuring that the interests of all stakeholders are represented fairly and that decisions are made free from undue influence.

Our policy on board independence is designed to maintain a majority of independent directors on the Board, as defined by relevant regulatory guidelines and best practice standards. This policy supports the objective assessment of management's performance and the company's strategic direction.

**Definition of Independence:** An independent director is one who, aside from their director's fees, has no material financial relationship with the company, its executives, or its affiliates. This ensures that directors can perform their duties without conflicts of interest.

**Composition of the Board:** The Board will consist of a majority of independent directors. This composition is regularly reviewed to ensure ongoing compliance with regulatory requirements and alignment with industry best practices.

**Independent Committees:** Key committees, such as the Audit, Risk, and Nomination Committees, are chaired by independent directors and composed predominantly of independent members to ensure unbiased oversight of critical areas.

**Regular Evaluation:** The Board rigorously evaluates such interests or relationships, encompassing relevant financial and other particulars, during the Director's initial appointment and on an annual basis. Directors furnish an annual attestation of their interests and independence, subject to scrutiny against the criteria specified in the CBB's Module HC. This meticulous assessment aims to ensure that each Director maintains an absence of material relationships that might compromise their independent judgment, factoring in all available information.

### **BOARD CHARTER - ROLES AND RESPONSIBILITIES**

Gulf One maintains a distinct corporate governance structure that defines and separates the functions, roles, and duties of the Board and Executive Management.

The Board holds overarching responsibility for the overall business performance and strategic direction. It exercises vigilant oversight of our operations. The day-to-day management is entrusted to the CEO, with clearly defined roles and responsibilities demarcated between the Board and Management, as well as between the Chairman and the CEO. The extent of this delegated authority is documented and board-approved.

The CEO, in collaboration with the management team, diligently monitors our performance against approved objectives. They manage the daily affairs in alignment with policies, objectives, strategies, and guidelines periodically endorsed by the Board of Directors.

The Board exercises comprehensive oversight over all activities, granting approvals as necessary. It bears responsibility for Risk Management, Corporate Governance, and ensuring the accurate presentation of consolidated financial statements in accordance with International Financial Reporting Standards.

Key matters that necessitate the Board's approval encompass, among others, acquisitions and divestitures. Furthermore, the Board convenes and outlines the agenda for Shareholders' meetings, ensuring adherence to the fundamental principles ingrained in internal policies.

### **BOARD STRUCTURE AND TERM**

According to Gulf One's Memorandum and Articles of Association, the Company shall be administered by a Board of Directors comprising not less than 5 directors and not more than 13 directors appointed or elected by the Ordinary General Meeting by secret ballot on a cumulative basis for a period of 3 years renewable, subject to the approval of CBB and Ministry of Industry and Commerce.

The Board comprises a majority of independent and non-executive Directors who satisfy the criteria for independence by following the rules and regulations issued by the CBB Law from time to time.

At FY 2023, the Board comprised 8 Directors of whom, 7 are non-executive directors, including the Chairman and Vice Chairman, and 1 executive Director, who together bring a broad range of relevant financial and other skills, extensive experience, knowledge and expertise necessary to guide the business. A profile of each Director is set out in earlier sections of this Report.

### **BOARD APPOINTMENT**

Directors are appointed or elected for a 3-year term, with the option for renewal through re-appointment or re-election by the General Assembly. Each Director formalizes their role through a comprehensive written appointment agreement, which addresses a range of crucial aspects.

This agreement outlines the Director's authority, legal obligations, duties, responsibilities, and accountabilities while serving on the Board. It also covers various facets of their appointment, including the term of service, expected time commitments, potential assignments to Board Committees, financial considerations, expense reimbursement entitlements, and access to independent professional advice when required.

The Director's Letter of Appointment makes explicit references to the Board Charter, Board Subcommittee Charter(s), and the supporting framework, including compliance with the CBB Rulebook HC module, reinforcing our commitment to sound corporate governance practices.

### **BOARD ELECTION**

The Board entrusts the Nomination, Remuneration, and Governance Committee (NRGC) with the critical responsibility of overseeing matters related to the board membership application process. The NRGC diligently evaluates candidates put forth by shareholders, management, and the Board itself, with a focus on maintaining a well-rounded Board composition and harnessing diverse expertise.

Proposals presented by the Board for the election or re-election of a director undergo a comprehensive process. They must be accompanied by a Board recommendation, a concise summary of the NRGC's advice, and specific details including:

- Confirmation of the candidate's compliance with the requirements set forth by both the Bahrain Commercial Companies Law and the Central Bank of Bahrain.
- The term of service.
- Comprehensive biographical information and professional qualifications.
- A declaration confirming that the Board has affirmed the independence criteria for independent directors.
- An overview of other directorships held by the candidate.

- Disclosure of positions entailing significant time commitments.
- Elucidation of the candidate's relationship with the Company and with other directors.
- Any nominated candidate is subject to approval from the Central Bank of Bahrain.

Any shareholder may nominate themselves as a candidate for Board membership. Any shareholder nomination should be made in writing to the NRGC at least 15 days prior to the holding of an Ordinary General Meeting, to enable the NRGC to complete its review and recommendation to the shareholders.

## BOARD TERMINATION

Under the Memorandum and Articles of Association, the termination of a director's office on the Board may occur under various circumstances, as delineated below. These events are aligned with the provisions set forth in Gulf One's Letter of Appointment, which encompasses a comprehensive Code of Conduct and Confidentiality requirements.

- **Non-Attendance:** A Director loses their position on the Board if they fail to attend four (4) consecutive Board meetings in person without a lawful excuse as determined by a Board resolution, as specified in the Memorandum and Articles of Association and the Letter of Appointment.
- **Resignation:** A Director may voluntarily resign their office by submitting a written instrument of resignation, adhering to the procedures outlined in the Company's governance documents.
- **Occupying Paid Position:** If a Director occupies any paid position within the Company, other than Chairman, Vice Chairman, Chief Executive Officer, or Chief Investment Officer, they shall forfeit their Directorship, as stipulated in the Memorandum and Articles of Association and the Letter of Appointment.
- **Failure to Fulfill Conditions:** Failure to meet any of the conditions stipulated in Article 21(9) of the Company's Memorandum and Articles of Association can result in Director termination, by the terms outlined in the Letter of Appointment.
- **Criminal Conviction:** If a Director is convicted of certain offences, including theft, misappropriation, fraud, forgery, issuing a false cheque, or any offences specified in Article 173(II) of the Commercial Companies Law, they shall be deemed to have lost their Directorship, as defined in the Company's governance documents.
- **Bankruptcy:** Directorship is terminated if a Director becomes bankrupt, adhering to the bankruptcy provisions specified in the Memorandum and Articles of Association and the Letter of Appointment.
- **Shareholder Action:** A shareholder may terminate the appointment of their representative Director on the Board, in line with the provisions set out in the Memorandum and Articles of Association, as well as the Letter of Appointment. Additionally, shareholders in the General Assembly have the authority to vote for the removal of a Director, as outlined in Article 31 of the Company's Memorandum and Articles of Association.
- **Competing Business:** If a Director uses their position on the Board to engage in business activities that compete with the Company or result in actual harm to the Company, their Directorship may be terminated, as specified in the Company's governance documents.
- **Non-Conformance:** Director termination can occur if a Director has been appointed or elected in a manner inconsistent with the provisions of CBB rules and regulations, the Law, or the Memorandum and Articles of Association of the Company, in accordance with the Letter of Appointment and related governance standards.

## BOARD INDUCTION AND TRAINING

Gulf One places paramount importance on equipping its directors with the essential knowledge, skills, capabilities, and experience requisite for their roles. To achieve this, a structured induction process is meticulously executed for all newly elected Board members, conducted in collaboration with Gulf One's Compliance and Risk divisions.



For incoming Directors, this induction process serves as a comprehensive orientation, ensuring a clear understanding of their responsibilities and the Company's operations. Meanwhile, existing Board members benefit from ongoing awareness programs and regular correspondence that keep them well-informed about all matters. This continuous exchange between the executive and independent, non-executive Directors fosters a shared understanding of the Gulf One's evolving landscape and ensures that the Board remains effective in fulfilling its duties.

#### **PERFORMANCE EVALUATION AND ANNUAL ASSESSMENTS**

Gulf One Capital recognises the importance of a rigorous Board Evaluation process to ensure the effectiveness and accountability of its Board of Directors. This process is designed to align the Board's performance with the company's strategic goals and to foster a culture of continuous improvement. The evaluation assesses the Board's composition, governance practices, strategic oversight, and its contribution to risk management and financial reporting.

Therefore in accordance with Gulf One's Corporate Governance Guidelines and the CBB HC module, the Board conducts performance evaluations to ensure ongoing excellence in governance.

Annually, and before any nomination for re-election to the Board, the Board undertakes a rigorous self-assessment. This assessment encompasses a comprehensive review of the Board's collective performance, the effectiveness of each Board committee, and the individual performance of the Directors.

These evaluations are designed to gauge the overall effectiveness of the Board, identify areas for improvement, and facilitate the creation of a Board that excels in strategic foresight, stewardship, performance, professional development, and engagement with management. We are committed to upholding the highest standards of governance through these ongoing assessments.

#### **DIRECTORS AND OFFICERS (D&O) LIABILITY INSURANCE**

Gulf One Capital has established a Directors and Officers (D&O) Liability Insurance policy to safeguard its board members and senior executives from personal financial risks that may arise from their managerial actions. This insurance is a testament to the company's commitment to good corporate governance and assures those serving in decision-making capacities.

The D&O Liability Insurance offers coverage for legal expenses, settlements, and potential compensatory payments resulting from claims related to the directors' and officers' performance of their duties. It addresses a spectrum of liabilities, including alleged errors, omissions, misstatements, and breaches of duty that could lead to legal challenges.

This policy not only protects the personal assets of Gulf One Capital's directors and officers but also reinforces the company's ability to attract and retain high-calibre professionals. By providing this level of indemnity, the company acknowledges the complex nature of corporate governance and the risks involved in overseeing and directing its affairs.

#### **BOARD COMMITTEES, THEIR FUNCTIONS AND RESPONSIBILITIES**

The Board of Directors has established specialized committees, each empowered with distinct functions, to provide strategic guidance, oversee operations, and make critical decisions within Gulf One. These committees operate under the direct supervision of the Board of Directors.

#### **NOMINATION, REMUNERATION AND GOVERNANCE COMMITTEE (NRGC)**

The NRGC plays a pivotal role in ensuring best practices in corporate governance. Its scope encompasses the nomination of new directors, the continuous evaluation of Board performance, the assessment of the contributions made by Board committees and individual directors, and the determination of remuneration for directors and senior management.

Key responsibilities, outlined in the committee's charter, include:

- **Nominating Excellence:** Serving as a nominating committee to identify and evaluate potential candidates to fill Board vacancies.

- **Skills and Expertise Balance:** Evaluating and ensuring a balanced mix of skills, knowledge, and experience on the Board.
- **Reward Framework:** Approving compensation programs and incentive plans, aligning them with corporate objectives and industry benchmarks.
- **Governance Framework Oversight:** Reviewing the efficiency and effectiveness of Gulf One's governance framework, along with related policies and procedures.
- **Ethical Compass:** Examining the standards of ethics and adherence thereto, reinforcing a culture of ethical conduct.
- **Performance Assessment:** Conducting assessments of the Board, its committees, and individual directors to optimize performance and governance effectiveness.
- **Remuneration Review:** Deliberating and reviewing the remuneration structures for directors and senior management to ensure fairness and alignment with strategic goals.

#### **RISK, AUDIT AND COMPLIANCE COMMITTEE (RACC)**

The role of the RACC is to assist the Board of Directors in independently ensuring and maintaining oversight of the Gulf One's financial reporting systems; internal control and risk management processes; internal and external audit; compliance functions; legal and regulatory requirements; Shari'a rules and principles (where applicable), and other matters as defined in its Charter.

The RACC undertakes a detailed review of the quarterly performance of the Company prior to approval by the full Board.

The RACC's responsibilities, as defined in the committee's charter, encompass the following areas:

- **Financial Integrity:** Ensuring the integrity of the Gulf One's financial reporting systems, aligning with rigorous standards.
- **Risk Oversight:** Setting the risk appetite and reviewing the adequacy and effectiveness of risk management policies and methodologies.
- **Legal and Regulatory Compliance:** Ensuring compliance with all applicable laws and regulations, fostering a culture of regulatory adherence.
- **Internal Audit Independence:** Safeguarding the independence of the internal audit function, promoting robust internal controls.
- **Financial Control:** Reviewing the adequacy and effectiveness of accounting and financial controls, maintaining financial accountability.
- **External Auditor Oversight:** Overseeing the selection and compensation of the external auditor, a process subject to annual approval at the Annual General Meeting, while ensuring the auditor's independence.

Additionally, the RACC conducts a detailed review of quarterly performance before presenting it to the full Board. This comprehensive approach underscores our commitment to sound financial practices, risk mitigation, and regulatory compliance, ultimately contributing to the Gulf One's financial health and long-term success.

#### **FINANCE AND INVESTMENT COMMITTEE (FIC)**

The FIC plays a pivotal role in overseeing the financial and investment aspects of the Gulf One. Its comprehensive scope encompasses financial planning, capital raising, coordination with financial institutions, investment management, and asset-liability oversight.

Key responsibilities, outlined in the committee's charter, include:

- **Strategic Financial Oversight:** Reviewing and recommending financial and investment plans and strategies, encompassing investment objectives, as well as current and projected financial performance.
- **Investment Strategy:** Reviewing and approving recommendations for investment strategies, ensuring alignment with overarching financial goals.
- **Investment Limits:** Setting investment limits to manage risk and optimize returns on investments.



- **Decision Evaluation:** Evaluating investment, financing, and trading decisions, and providing recommendations for enhancements.

The FIC diligently fulfils these roles to safeguard the financial health and maximize its investment potential.

These Board sub-committees convene regularly, ensuring compliance with their designated responsibilities as stipulated in the Board Committee Charter(s), thereby upholding best practices in financial governance.

#### **RELATED PARTY TRANSACTIONS**

The Board of Directors assumes the crucial responsibility of approving all Related Party transactions, adhering to the established schedule of Authorities approved by the Board. These transactions, conducted at arm's length, have been diligently documented and disclosed in Note 22 of the Consolidated Financial Statements for the fiscal year ending on 31 December 2023.

For Gulf One, related parties encompass a spectrum of entities, including Special Purpose Vehicles (SPVs), associated companies, clients' investment holding companies, the parent company through which employees invest in beneficial holdings of the Company's shares, major shareholders, directors, senior management, their immediate families, and entities under their control or significant influence.

It is noteworthy that income is earned, and expenses are incurred in the Company's transactions with these related parties, all of which occur in the ordinary course of business. The Board meticulously reviews and approves the terms and conditions of all related party transactions, thereby ensuring that these transactions genuinely reflect arm's length commercial terms. This commitment to transparency and integrity underscores our dedication to best practices in corporate governance.

#### **CONFLICT OF INTERESTS, MATERIAL TRANSACTIONS, SIGNIFICANT BOARD ISSUES**

Both Directors and employees bear a fundamental duty of loyalty to Gulf One and its shareholders, a duty that carries personal accountability for any breach. This duty extends to all interactions with external individuals or organizations and to any personal business endeavours. Employees are unequivocally obligated to avoid transactions or situations in which their personal interests could, either in reality or appearance, conflict with those of Gulf One, its shareholders, or its clients.

Board members are held to the highest standard, striving diligently to prevent any conflict of interest between their personal and professional affairs and the interests of Gulf One, its clients, and shareholders.

Furthermore, the Board plays a central role in pivotal decisions, including but not limited to the approval of investment choices, the establishment or closure of entities, asset impairment or provisioning, changes to Company accounts, employee incentive schemes, dividend recommendations, CEO and Board remuneration, and more.

The Board unequivocally affirms that, over the year, no conflicts of interest arose, no member abstained from voting, and there were no significant Board issues that deviated from the ordinary course of business. This resolute commitment to ethical conduct and diligent oversight underscores our dedication to best practices in corporate governance.

#### **BOARD'S COMMUNICATION / RELATIONSHIP WITH SHAREHOLDERS AND STAKEHOLDERS**

The Board is dedicated to fostering a robust communication policy, and facilitating effective dialogue with shareholders, stakeholders, and the public at large. This commitment is integral to our governance practices.

Central to this approach is the Board's responsibility to oversee the efficient conduct of all General Assembly Meetings, serving as a vital platform for shareholder communication. Key elements encompass the timely provision of comprehensive information to shareholders and the active encouragement of their participation in these essential gatherings.

This unwavering dedication to open and transparent communication reflects our steadfast commitment to strengthening relationships with shareholders and stakeholders, reinforcing trust, and promoting effective governance practices.

## **DISCLOSURE POLICY AND COMMUNICATION WITH STAKEHOLDERS**

Gulf One's directors and management uphold an unwavering commitment to fostering transparent and consistent disclosure practices. These practices are meticulously designed to ensure the accurate, timely, and widespread dissemination of material information, in strict accordance with jurisdictional regulations and prevailing best practices.

In an era where the demand for top-tier information, reporting, and corporate governance has never been more pronounced, Gulf One remains resolutely proactive in its approach to corporate disclosure. Our dedication to openness and precision in communication underscores our commitment to stakeholders and exemplifies our adherence to the highest standards of corporate governance.

## **CODE OF CONDUCT**

The key to robust risk management lies in the unwavering integrity of our organizational conduct. To uphold this principle, the Board of Directors has adopted Gulf One's comprehensive Code of Conduct, establishing unequivocal standards for all members of our team, including the Board of Directors, senior management, and employees, to uphold at all times.

Our Code of Conduct delineates the exacting standards of behavior expected in interactions with external parties, including shareholders, stakeholders, investors, customers, the community, and regulators. It imposes a fundamental obligation on all Board members, Executive Management, and employees to consistently adhere to the highest professional standards and diligence in fulfilling their roles. Ethical conduct is non-negotiable, and adherence to the Code of Conduct is mandatory for all.

The Code places equal emphasis on organizational and personal responsibility, requiring each team member to champion these standards and unflinchingly act with integrity and honesty to safeguard our reputation.

No matter where we operate, we hold ourselves to the same commitment to legal and regulatory compliance in the respective jurisdictions, aligning with the Board's aspiration to be an organization known for its integrity in all interactions. Every member of our team, including Board Members, is required to sign a declaration signifying their commitment to upholding the Code of Conduct as a condition of employment or engagement.

Our commitment to upholding the Code of Conduct is monitored with regular reporting to the relevant authorities and the Risk, Audit, and Compliance Committee as required. Compliance by our Board members is overseen by the Nomination, Remuneration, and Governance Committee and reported to the Board itself. This adherence to ethical standards underscores our dedication to best practices and upholding Gulf One's integrity.

## **EMPLOYMENT OF RELATIVES OF APPROVED PERSONS**

The recruitment process of the Company includes procedures to check whether relatives of Approved Persons are being considered for positions within Gulf One. Approved persons are required to inform their department head and the Head of Human Resource should they be aware that their relative (relative to any degree) is being recruited. If a relative is being considered for a controlled function, the Nomination Remuneration and Governance Committee's (NRGC) approval is sought prior to recruiting the candidate. For positions, other than controlled functions, the CEOs' approval is sought unless specific NRGC approval is deemed necessary.

## **EMPLOYEE REMUNERATION AND INCENTIVE STRUCTURE**

Gulf One strictly adheres to the Sound Remuneration Practices outlined by the Central Bank of Bahrain. Our comprehensive total compensation policy, encompassing variable remuneration, articulates our approach to remuneration for directors and senior management. It also elucidates the pivotal factors that informed the development of this policy.

By aligning our practices with these guidelines, we prioritize transparency, fairness, and adherence to industry best practices in our remuneration and incentive structure, ensuring our commitment to sound governance.

## REMUNERATION STRATEGY

At the core of our remuneration framework is a commitment to providing a competitive and attractive total compensation package, designed to draw in and retain highly qualified and skilled employees. Central to this strategy is our variable remuneration policy, firmly rooted in a performance-based culture that aligns employee interests with those of our esteemed shareholders.

Our remuneration strategy is carefully crafted to achieve a harmonious blend of rewarding short-term accomplishments while nurturing long-term, sustainable performance. It is a strategy driven by our ambition to share our successes and align employee incentives with our risk framework and risk outcomes.

The cornerstone of our success is the quality and unwavering commitment of our workforce. We are dedicated to attracting, retaining, and motivating the very best talent who are equally dedicated to forging enduring careers, all while steadfastly working in the long-term interests of our shareholders.

Our remuneration package comprises the following key elements:

- **Fixed Pay:** Providing a stable and competitive base salary.
- **Benefits:** Offering a suite of benefits that support our employees' well-being.
- **Initial Equity Awards:** Aligning employees' interests with our long-term success.
- **Annual Performance Bonus:** Rewarding exceptional contributions and achievements.

Our commitment to sound governance is exemplified through a robust framework that ensures our compliance with clear parameters set by our compensation strategy and policy. Oversight of all compensation matters, along with compliance with regulatory requirements, falls under the purview of the Nomination, Remuneration, and Governance Committee of the Board (NRGC).

Our remuneration policy is meticulously tailored, taking into account the role of each employee. It provides specific guidance for Material Risk Takers and Approved Persons across business lines, control functions, and support roles. An Approved Person signifies an employee whose appointment necessitates prior regulatory approval due to the significance of their role within the Company. A Material Risk Taker encompasses individuals who oversee significant business lines and those under their purview, exerting a material influence on the Company's risk profile.

To ensure a seamless alignment between our remuneration practices and our overarching business strategy, we evaluate individual performance against annual and long-term financial and non-financial objectives, in accordance with our performance management system. This assessment encompasses adherence to the Gulf One's values, stringent risk and compliance measures, and the paramount principle of acting with unwavering integrity.

Performance is gauged not solely on what is accomplished in the short and long term but also crucially on how those achievements are attained. The NRGC recognizes that this approach contributes significantly to the enduring sustainability of our business, reinforcing our commitment to excellence.

## REMUNERATION TO EMPLOYEES

	2023 (Fixed Remuneration)		
	Number of Persons	Cash	Other
<b>Approved persons</b>			
- Business lines	2	\$472,812	\$39,401
- Control & support	5	\$243,077	\$20,256
<b>Other Staff</b>			
- Bahrain operation	8	\$477,524	\$76,414
- Outside Bahrain operation	2	\$262,936	\$18,421
<b>Total</b>	<b>17</b>	<b>\$1,456,349</b>	<b>\$154,492</b>

During 2023 the Company has not paid any variable remuneration either in the form of upfront / deferred cash or upfront / deferred shares. Further, there was no sign on bonuses, guaranteed bonuses or severance pay paid to any employee during the year. As at year end, there is no deferral award outstanding to any employee of the Company.

#### BOARD REMUNERATION

Pursuant to the Company's Memorandum and Articles of Association, the General Assembly shall prescribe the remuneration of the members of the Board of Directors provided that the total of such remuneration in their capacity as directors shall not exceed ten (10) percent of the net profit in any one financial year after allowing for statutory reserves and after allowing for the distribution to the ordinary shareholders of a dividend totalling not less than five (5) percent of the paid capital of the Company, as provided in Article 188 of the Commercial Companies law.

The General Meeting may resolve to pay annual remuneration to the Chairman and the Directors even in the years where no profit is realised or distributed as dividends, provided that such payment is approved by the Minister of Industry and Commerce.

No payments have been made to the Board during FY 2023.

#### DIRECTORS AND SENIOR MANAGEMENT INTEREST

The interests of directors and senior management in the ordinary shares of the Company are set out below:

Directors and senior management (2023)	% of total number of shares	Number of shares	Nominal value USD
Abdullah A. Ohaly (Chairman)	2.19%	2,856,823	\$714,206
Fareed Y. Al Khalawi (Vice Chairman)	1.08%	1,405,800	\$351,450
Engr. Sami Al Bakri (Director)	7.58%	9,901,216	\$2,475,304
Zaki M. A. Farsi (Director)	2.82%	3,684,737	\$921,184
Ziyad F. Omar * (CEO & Executive Director)	7.27%	9,497,923	\$2,374,481
Gulf One Employee Stockholding Company SPC	1.21%	1,587,916	\$396,979
<b>Total</b>	<b>22.15%</b>	<b>28,934,415</b>	<b>\$7,233,604</b>

\* includes shares owned through Employee Stock Holding Company vested under Employee Incentive Scheme

During the year ended 31 December 2023, there were no changes in the ownership of shares in the Company by either the directors or senior management.

## SHAREHOLDING STRUCTURE

### DISTRIBUTION OF OWNERSHIP BY NATIONALITY

Ownership Nationality	Number of Shares	Nominal Value of Shareholding (USD)	Percentage Shareholding
Saudi	130,102,069	\$32,525,517.25	78.29%
Bahraini	3,456,422	\$864,105.50	2.08%
Kuwaiti	16,762,570	\$4,190,642.50	10.09%
Bahamas	4,088,432	\$1,022,108.00	2.46%
Cayman Islands	8,176,864	\$2,044,216.00	4.92%
UAE	2,771,957	\$692,989.25	1.67%
Malaysian	817,686	\$204,421.50	0.49%
<b>Total</b>	<b>130,693,627</b>	<b>\$32,673,407</b>	<b>100%</b>

### DISTRIBUTION OF OWNERSHIP BY SIZE OF SHAREHOLDER

Category	Number of Shares	Number of Shareholders	Percentage of Total Shares
Less than 20% and up to 10%	-	-	-
Less than 10% and up to 5%	36,026,643	4	27.57%
Less than 5% and up to 1%	77,425,352	28	59.24%
Less than 1%	17,241,632	31	13.19%
<b>Total</b>	<b>130,693,627</b>	<b>63</b>	<b>100%</b>

One of the unique strengths of Gulf One is the broad distribution of holding combined with low levels of relative holding either by an individual or an organisation.

### SHAREHOLDERS OWNING IN EXCESS OF 5% OF THE COMPANY'S CAPITAL

Shareholders	Percentage of shareholding
Engr. Sami Abdulrahman Al Bakri	7.58%
Ziyad F. Omar	7.27%
Muaz Yasin Kadi	6.70%
Kuwait Investment Co. S.A.K	6.02%
<b>Total</b>	<b>27.57%</b>

## **OWNERSHIP BY GOVERNMENT**

There is no government holding in the Company.

## **INTERNAL AUDIT**

The role of Internal Audit is fundamental, ensuring that Gulf One adheres to the most exacting standards. Our mission is clear: to provide an independent, objective assurance function and offer guidance on best practices. With a systematic and disciplined approach, our internal audit function plays a vital role in achieving objectives. This is achieved by assessing and enhancing the effectiveness of risk management, control, and governance processes.

To execute these responsibilities, Gulf One has engaged the services of an international firm of Public Accountants to manage its Internal Audit. These independent Internal Auditors report directly to the Risk, Audit, and Compliance Committee and employ a risk-based audit methodology.

The purview of our internal audit work is extensive, encompassing reviews of risk management procedures, internal control systems, information systems, and governance processes. It also includes routine transaction testing, best practice assessments, specialized investigations, assessments of regulatory compliance, and measures to proactively prevent and detect fraud.

To maintain the highest level of objectivity, the Internal Audit function maintains a clear separation from day-to-day control procedures. Each business unit is entrusted with the responsibility for its own internal controls and operational efficiency, ensuring that our governance practices consistently meet the highest standards.

## **EXTERNAL AUDIT**

The foremost duty of our external auditors is to provide an impartial assessment, opining on the accuracy and integrity of Gulf One's financial statements, ensuring they are free from material misstatements. This evaluation entails a comprehensive review of our internal control systems, forming the basis for their opinion on the financial statements.

In addition to the annual audit, our external auditors conduct quarterly reviews, assessing the systematic processes and procedures that underpin our quarterly financial statements. The Board, as part of its responsibilities, has undertaken a comprehensive evaluation of the role and performance of our external auditors.

Through these exacting processes, we uphold the highest standards of financial transparency and governance, contributing to the trust of our stakeholders.

## **AUDIT DISCLOSURES**

The Company wishes to make the following disclosures with regard to the external audit, in accordance with the CBB Rulebook HC module:

### **Audit fees charged by the external auditor**

During 2023 the auditors have been paid for audit fees in accordance with the terms and conditions agreed.

### **Non-audit services provided by the external auditor and fees**

Non-audit services provided by the external auditors includes a review of the Anti-Money Laundering procedures and Agreed Upon Procedures in relation to the Quarterly Prudential Returns as required by the Central Bank of Bahrain. During 2023, the external auditors have been paid for non-audit services provided, in accordance with the terms and conditions agreed.

### **Reasons for any switching of auditors and reappointing of auditors**

During 2023, there was no change in auditors.

Should shareholders require any further information in respect to auditor's remuneration, they may contact Investor Relations by email on [invadmin@gulf1capital.com](mailto:invadmin@gulf1capital.com)

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