



GFH Equities B.S.C. (Closed)

Corporate Governance Report of Financial Year 2024

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

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

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

A) The Board of Directors of the Company:

i. Formation of the Board of Directors:

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

* Directorship ended in 4 July 2024

** Directorship ended in 11 January 2024

ii. Composition of the Board of Directors:

Name and position of Board member	Date of first appointment in BOD/ Reappointment	Representation	Date of resignation/ Term completed	Number of memberships in other boards of Directors	Number of memberships in other boards of Directors in Bahrain
Mr. Eyad Yusuf Sater	December 2019	N.A.	N.A.	1	0



Mr. Hisham Al Rayes	December 2019	GFH Financial Group B.S.C.	N.A.	35	15
Mr. Isa Abdulla Zainal	December 2019	N.A.	N.A.	14	11
Mr. Salah Sharif	December 2019	GFH Financial Group B.S.C.	N.A.	359	56
Mr. Syed Rehan Ashraf	December 2019	United Gulf Holding B.S.C.	4 July 2024	0	0
Mr. Majed Al-Khan	December 2022	GFH Financial Group B.S.C.	N.A.	35	21
Mr. Yazen AlKhudairy**	June 2023	GFH Financial Group B.S.C.	11 January 2024	0	0

* Directorship ended in 4 July 2024, data accurate as of December 31 2023

** Directorship ended in 11 January 2024, data accurate as of December 31 2023

As of December 31 2024, the Board is composed of 100% male and 0% female.

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

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

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

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

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

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

v. **Independence of Board Members:**

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



vi. Classification of Board Members as of 31st December 2024:

Type of Membership	No.	% of Representation
Independent	2	40%
Non-Executive	0	-
Executive	3	60%
Total	5	100%

vii. Continuous development of the Board and Board Committees

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

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

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

viii. Appointment and Termination of Board Members:

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

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

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

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

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

The Board recommends the remuneration of the Board members to the shareholders at the annual general meeting. The Board member's remuneration takes into consideration the performance of the Firm as well as an assessment of compliance of individual members with their performance agreement and responsibilities. While, the performance-



related incentives/ bonuses to the executive management is approved by the Board. The Remuneration policy was approved by the shareholders in the general assembly meeting held 17th March 2022.

x. Remuneration and fees related to the Board Members for the FY-2024:

- **Remuneration:** BHD 25,000 pertaining to FY-2024;
- **Sitting fees:** BHD 25,636 paid to the Board members for attending the Board or Board Committee meetings in 2024;
- **Shari'a Board:** nil pertaining to FY-2024.

xi. Remuneration related to the Senior Management for the FY-2024:

- **Remuneration:** BHD 485,734 pertaining to FY-2024

xii. Meetings of the Board of Directors held during FY-2024:

Date & location of meetings	Name of Directors who participated physically	Name of Directors who participated virtually	Name of Directors who were absent	Justification for absence
<u>Meeting One</u> Date: 7 February 2024 Location: GFH Tower, Manama, Bahrain	Mr. Isa Zainal Mr. Eyad Sater Mr. Syed Rehan Mr. Salah Sharif Mr. Majed Al Khan	None	Mr. Hisham Al Rayes	N.A.
<u>Meeting Two</u> Date: 15 May 2024 Location: GFH Tower, Manama, Bahrain	Mr. Hisham Al Rayes Mr. Isa Zainal Mr. Eyad Sater Mr. Syed Rehan Mr. Salah Sharif Mr. Majed Al Khan	None	None	N.A.
<u>Meeting Three</u> Date: 29 August 2024 Location: GFH Tower, Manama, Bahrain	Mr. Isa Zainal Mr. Eyad Sater Mr. Salah Sharif Mr. Majed Al Khan	None	Mr. Hisham Al Rayes	N.A.
<u>Meeting Four</u> Date: 3 December 2024 Location: GFH Tower, Manama, Bahrain	Mr. Isa Zainal Mr. Eyad Sater Mr. Salah Sharif Mr. Majed Al Khan	Mr. Hisham Al Rayes	None	N.A.

There was one instance where a Board Member was unable to meet the 75% attendance threshold as set by CBB Rulebook Volume 4: HC-3.1.8 due to extenuating circumstances.

B) Related Party Transactions:

All related party transactions are approved by the Board and disclosed to the shareholders in the Annual General Meeting. During the year 2024, transactions with related parties took place, as noted in note 9 of the Audited Financial Statements of FY-2024:



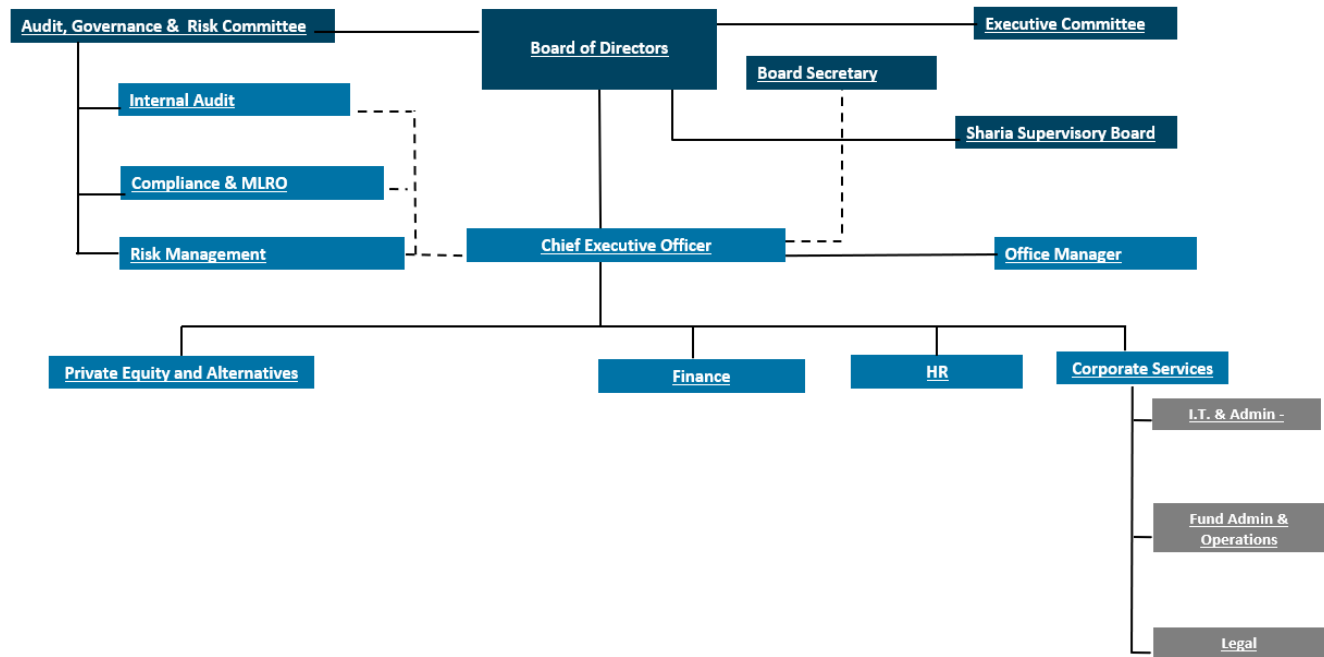
USD'000

Related Party - Name	Related Party - Type	Transaction Type	Income	Expense	Asset	Liability
GFH Financial Group B.S.C.	Shareholders	Other assets			273	
		Accruals and other liabilities				99
		Income from advisory services	1081			
		Other income	85			
		Staff costs		828		
		Legal & professional expenses		24		
		Other expenses		4		
Khaleeji Commercial Bank	Entities under common control	Bank Balances and placements with financial institutions			6,095	
		Other assets			71	
		Income from placements with financial institutions	347			
Ask Real Estate W.L.L.	Entities under common control	Legal & professional expenses		5		
Marseille Downtown Real Estate Co. W.L.L.	Entities under common control	Accruals and other liabilities				2
		Other income	9			
Al Areen Holding Co. B.S.C.(c)	Entities under common control	Other assets			1	
		Other income	7			
Al Areen Hospitality Company W.L.L.	Entities under common control	Accruals and other liabilities				1
		Other income	5			
Delmon Lost Paradise Project Company 1 W.L.L.	Entities under common control	Other income	5			
Gulf Holding Company K.S.C.(Holding)	Entities under common control	Other income	3			
Boulevard Al Areen Real Estate Development	Assets under Management including SPEs	Other assets			1,461	
		Accruals and other liabilities				1
		Income from investment management services	1,451			
		Other income	5			
Marsa Al Seef Investment Company Limited	Assets under Management including SPEs	Other assets			1,637	
		Accruals and other liabilities				7
		Income from investment management services	1,696			
		Other income	21			
GFH Tower Group Limited	Assets under Management including SPEs	Other assets			26	
		Right of use (usufruct) asset			444	
		Accruals and other liabilities				5
		Ijarah liability				443
		Income from investment management services	481			
		Amortization of right-of-use (usufruct) asset		141		
		Expenses related to Ijarah		9		
		Premises cost		195		
Senior Management	Key Management Personnel	Salaries, other short-term benefits and expenses		678		
		Post-employment benefits		21		
Board of Directors	Key Management Personnel	Board members' sitting fees and remuneration		134		



C) **Organizational Chart:**

a. Organizational Chart as of December 31 2024:



This organizational chart was approved by the Board in August 2024 .

b. Profiles of the Board of Directors

<p>Hisham Alrayes</p> <p>Chairman, Executive Director</p> <p>Hisham Alrayes is the Chairman of GFH EQUITIES and the Chief Executive Officer and member of the Board of Directors of GFH Financial Group BSC (“GFH”), a dynamic financial group headquartered in the Kingdom of Bahrain. GFH currently has more than US\$22 billion of assets under management as part of its activities which comprise wealth management, real estate, commercial banking and asset management services.</p> <p>In addition, Hisham also serves as Chairman of Esterad Investments, and he is a Director on a number of financial, industrial and real estate company Boards including Khaleeji Bank and GFH Partners.</p> <p>Hisham holds a Master’s degree with honors in Business Administration from the University of DePaul, Chicago (USA), and a Bachelor’s degree in Engineering with honors from the University of Bahrain.</p>
<p>Isa Abdulla Zainal</p> <p>Vice Chairman, Independent Director</p> <p>Mr. Zainal is currently associated with Arcapita Group as an advisor and is also serving on the Board of a number of companies.</p>



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

Eyad Yusuf Sater

Board Member, Independent Director

Mr. Sater retired in May 2016 after gaining 33 years of experience in Banking (1983 to 2016). Prior to retirement, Mr. Eyad was associated with Al Salam Bank as group COO. Before that, he was with BMI Bank as acting CEO (before merger). Prior to that he was mainly with National Bank of Bahrain (NBB) in the roles of Head of Operations, Head of Riyadh Branch and Head of Abu Dhabi Branch. Mr. Eyad holds a Master degree in Business Administration from the University of Glamorgan, United Kingdom. He serves on the board Tanmeya Fund 1 in the Kingdom of Saudi Arabia.

Salah Abdulla Sharif

Board Member, Executive Director

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

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

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

Majed Abdulla Al Khan

Board Member, Executive Director

Majed Al Khan brings more than 23 years of extensive real estate investment and development experience with vast expertise in financial engineering of Real Estate and Private Equity products with more than 1 million square meters of completed flagship developments under his leadership.

Mr. Al Khan's objective is to lead Infracorp B.S.C. (Closed) to be recognized as one of the key international groups specializing in developing and investing in sustainable social infrastructure projects through creating a platform whereby stakeholders can achieve wealth optimization. Majed Majed chairs and holds a number of directorships including Chairman of Gulf Holding Company (GHC), Chairman of ASK Real Estate W.L.L., board member of Balexco B.S.C, Falcon Cement B.S.C., Tunis Bay Project Company and Royal Parks Marrakech.

Majed holds a B.A. (with honors) in International Finance and Accounting from Newcastle's Northumbria University at Newcastle, England and had taken executive roles in HSBC Middle East and Inovent Bahrain prior joining Infracorp. He was also named one of Forbes Middle East's Most Impactful Real Estate Leaders of 2024, leading the Bahraini market.



c. Profiles of the Executive Management

Khaldoon AlHaj Hasan

Chief Executive Officer

Mr. Khaldoon Alhaj Hasan is serving as Chief Executive Officer of GFH Equities. He is an investment professional with over 25 years of experience and the founder of Ithmar Capital and Ithmar Capital Partners which had an impressive track record of managing more than US\$1.2 billion of investments across the GCC region. He is also a founder of Amanat Holdings which is the GCC's largest integrated healthcare and education Investment Company. Amanat Holdings was listed on the Dubai Financial Market in 2014 with a paid up capital of AED 2.5 billion where he served as its Chief Executive Officer.

Mr. Hasan currently serves on the boards of a number of private companies. He also served as a board director of Al-Noor Hospitals, based in Abu Dhabi, which he also co-led its initial public offering on the London Stock Exchange as a FTSE 250 company being valued up to US\$ 2 billion. Additionally, he also served as the Vice chairman of a publicly listed company in Kuwait.

Mr. Hasan was recognized amongst the top 100 CEO's in the GCC region in 2017 and was a member of the Young Presidents Organization (YPO). A graduate of Boston University, USA, he holds a BS and MSc in manufacturing engineering and an MBA in Business Administration with honors.

Mohamed Ahmed Buhajeel

Chief Administrative Officer & Board Secretary

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

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

Nupur Daga

Acting Head of Financial Planning

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

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

D) Committees of the Board:

Audit, Risk & Governance Committee ('ARGC'):

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

a. Names of the ARGC members:

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



* Directorship ended on 11 January 2024.

- b. As per the Charter of the Committee, the committee must meet at least four times during the financial year. During the FY-2024, the committee met four times as per below:

- 1) 6 February 2024
- 2) 7 May 2024
- 3) 27 August 2024
- 4) 3 December 2024

- c. Number and dates of ARGC meetings held during FY-2024 to discuss issues related to financial statements and any other matters:

Date & location of meetings Held in FY-2023	Name of Directors who participated physically	Name of Directors who participated virtually	Name of Directors who were absent in the meeting	Justification for absence
1 st Meeting held on 6 February 2024 GFH Tower, Manama, Bahrain	1) Mr. Eyad Sater 2) Mr. Isa Zainal	None	None	N/A
2 nd Meeting held on 7 May 2024 GFH Tower, Manama, Bahrain	1) Mr. Eyad Sater 2) Mr. Isa Zainal	None	None	N/A
3 rd Meeting held on 27 August 2024 GFH Tower, Manama, Bahrain	1) Mr. Eyad Sater 2) Mr. Isa Zainal	None	None	N/A
4 th Meeting held on 3 December 2024 GFH Tower, Manama, Bahrain	1) Mr. Eyad Sater 2) Mr. Isa Zainal	None	None	N/A

• **Executive Committee ('EXCOM'):**

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

- a. Names of the EXCOM members:

- 1) Mr Hisham Al Rayes (Chairman, Executive Director)
- 2) Mr. Salah Sharif (Vice-Chairman, Executive Director)
- 3) Mr. Majed Al Khan (Member, Executive Director)

- b. The EXCOM met three times during FY-2024 as per below:.

- 1) 6 February 2024



- 2) 8 May 2024
- 2) 26 August 2024

Date & location of meetings Held in FY-2023	Name of Directors who participated physically	Name of Directors who participated virtually	Name of Directors who were absent in the meeting	Justification for absence
1 st Meeting held on 6 February 2024 BFH East Tower, Manama, Bahrain	1) Mr. Hisham Al Rayes 2) Mr. Salah Sharif 3) Mr. Majed Al Khan	None	None	N/A
2 nd Meeting held on 8 May 2024 BFH East Tower, Manama, Bahrain	1) Mr. Hisham Al Rayes 2) Mr. Salah Sharif	None	Mr. Majed Al Khan	N/A
3 rd Meeting held on 26 August 2024 BFH East Tower, Manama, Bahrain	1) Mr. Hisham Al Rayes 2) Mr. Salah Sharif 3) Mr. Majed Al Khan	None	None	N/A

E) External Auditors of the Company:

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

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

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

Name of the audit firm	KPMG Fakhro, Bahrain
Years of service as the Company's external auditor	4 years
Name of the partner in charge of the Company's audit	Mahesh Balasubramanian
The partner's years of service as partner in charge of the Company's audit	4 years
Total audit fees for the financial statements for the year 2024 (BD)	BD 6,000.00
Other special fees and charges for non-audit services* other than auditing the financial statements for the year 2024 (BD) if any. In the absence of such fees, this shall be expressly stated	BD 7,599.00

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

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



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

During the FY-2024, there was no transaction of any Board Member or Senior Management, their spouses or their children in the Company's shares. Furthermore, none of the Board Members or Senior Management members owns any shares of the Company.

G) Review of Internal Control and Processes:

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

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

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

H) Board Code of Conduct

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

I) Board Conflict of Interest

Any conflict of interest that might arise from the Board members is governed by the Conflict of Interest Policy. Each Board member is required to annually disclose any potential conflict of interest that might arise during the term of their membership. Any transaction that has occurred during their term as a Board member must be disclosed to the Board through the Conflict of Interest Reporting Form. Any conflict of interest arising from any Board member must be ratified by the Board, and the respective Board member will be refrained from voting on that matter.

J) Abstention from voting motivated by Conflict of Interest:

Meeting Date or Resolution Date* (if passed via circulation)	Name of Director(s) who refrained from participating/ voting due to Conflict of Interest	Transactions which were authorised by remaining Directors
Meeting Date: N/A Resolution Date: 29/02/2024	Mr. Hisham Al Rayes Mr. Salah Sharif Mr. Majed Al Khan	Extension of Long Stop Date of settlement agreement of Boulevard Al Areen
Meeting Date: N/A Resolution Date: 04/09/2024	Mr. Hisham Al Rayes Mr. Salah Sharif Mr. Majed Al Khan	Extension of Long Stop Date of settlement agreement of Boulevard Al Areen



K) Transactions requiring Board Approval:

The Board of Directors, as part of their central leadership and designated authority, review and approve transactions related to strategic planning, business plans, policies and procedures, financial statements, and the appointment of external auditors. They also authorize key strategic initiatives, including strategic partnerships and investment projects, and in accordance with the internal designated authority matrix, may approve other matters such as strategic decisions, provisions, write-off limits, and credit/exposure limits.

L) Board's Performance Evaluation:

A comprehensive self-assessment process for the annual evaluation of the Board, the Board's Committees and Individual Directors is in place. The evaluation is to be used to assess Board effectiveness and support in identifying the need for:

- A revised mix of skills/ experience on the Board;
- Board training and/or professional support;
- Replacement of Board Member(s) whose contribution is deemed inadequate.

The Board Performance Evaluation Framework:

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

M) Ownership of Company's shares as of 31st December 2024:

Distribution of ownership by nationality:

Shareholder Nationality	Individual shareholders	Corporate shareholders	Ownership by Government	Total
Local	157,075	11,818,717	0	11,910,070
Arab	1,037,088	131,444	0	1,234,254
Foreign	0	0	0	0
Total shares	1,194,163	11,950,161	0	13,144,324

Distribution of ownership by size of shareholder:

#	Shareholding (No. of share)	No of shareholders	Number of shares held	Shareholding %
1	<50,000	4	147,053	1.12
2	50,000 - 500,000	14	1,735,544	13.20



3	500,000 - 5,000,000	1	1,189,068	9.05
4	>5,000,000	1	10,072,659	76.63

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

#	Shareholder name	Number of shares held	Shareholding %
1	GFH Financial Group B.S.C.	10,072,659	76.63
2	2 Seas Investment Co. W.L.L	1,189,068	9.05

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

• **Type of the shareholders**

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

N) Corporate Social Responsibility Activities:

A During 2024, GFH EQUITIES has not engaged in any activities related to Corporate Social Responsibility.

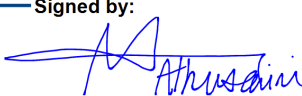
O) Statement of compliance with the provisions of the Kingdom of Bahrain's Corporate Governance Code 2022

Principle	Noncompliant / Partially Compliant / Fully Compliant	Explanation in case of noncompliance
Principle 1: The Company shall be headed by an effective, qualified and expert board.	Partially Compliant	<i>The Chairman is not an independent director: The Chairman is the CEO of GFH EQUITIES's parent company.</i>
Principle 2: The directors and executive management shall have full loyalty to the company.	Fully Compliant	
Principle 3: The Board shall have rigorous controls for financial audit and reporting, internal control, and compliance with law.	Fully Compliant	
Principle 4: The Company shall have effective procedures for appointment, training, and evaluation of the directors	Partially Compliant	<i>The responsibilities of the Nomination and Remuneration committees have been assumed by the Executive Committee, which is composed of non-independent members.</i>



Principle 5: The Company shall remunerate directors and senior officers fairly and responsibly.	Partially Compliant	<i>The responsibilities of the Nomination and Remuneration committees have been assumed by the Executive Committee, which is composed of non-independent members.</i>
Principle 6: The Board shall establish a clear and efficient management structure for the Company and define the job titles, powers, roles and responsibilities.	Fully Compliant	
Principle 7: The Company shall communicate with shareholders, encourage their participation, and respect their rights.	Fully Compliant	
Principle 8: The Company shall disclose its corporate governance.	Partially Compliant	<i>The Audit, Risk & Governance committee has two independent directors, which is below the guideline of having three independent directors.</i>
Principle 9: Companies which offer Islamic services shall adhere to the principles of Islamic Shari'a.	Fully Compliant	
Principle 10: The Board shall ensure the integrity of the financial statements submitted to shareholders through appointment of external auditors.	Fully Compliant	
Principle 11: The Company shall seek through social responsibility to exercise its role as a good citizen.	Non compliant	<i>Will be implemented in the future.</i>

Prepared & compiled by:

Signed by:

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Mohamed Alhusaini
Compliance Officer
 GFH EQUITIES B.S.C. (Closed)