



# **ANNUAL CORPORATE GOVERNANCE DISCLOSURE (2024)**

---

## **TRAFCO GROUP B.S.C.**

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## 1. CORPORATE GOVERNANCE POLICY

Good Corporate Governance practices are significant in creating and sustaining shareholder value and ensuring appropriate disclosures and transparency. Trafco Group B.S.C.'s ('the Company') Corporate Governance Policy provides the framework for the principles of effective Corporate Governance standards across the Group.

The Board of Directors (the Board) is committed to implementing robust Corporate Governance practices and continuous review and adherence to strong corporate governance practices help enhance compliance levels according to international standards and best practice.

Trafco Group B.S.C. shall continue its endeavor to enhance shareholders value, protect their interests and defend their rights by practicing the pursuit of excellence in corporate life. The Company shall continuously strive to best serve the interests of its stakeholders including shareholders, customers, employees, and the public at large.

The management is committed to ensuring that procedures and processes are in place to reflect and support the Board approved Corporate Governance related policies to ensure the highest standards of Corporate Governance throughout the Group.

## 2. CORPORATE GOVERNANCE DEVELOPMENTS DURING THE YEAR

Mrs. Fatima A. Bushihri continues as Corporate Governance Officer as per the requirement of Corporate Governance Code 2018 issued by Ministry of Industry, Commerce & Tourism (MOICT). The Company's Corporate Governance Code 2018 is being reviewed and updated accordingly as and when required.

## 3. SHAREHOLDER INFORMATION

The existing share structure of the Company consists of only ordinary shares and there are no different classes of ordinary shares. As on 31 December 2024, the Company has issued 80,675,050 ordinary shares, each with a nominal value of 100 fils per share. All the shares are fully paid.

Shareholders are invited by the Chairman to attend the AGM. The Chairman and other Directors attend the AGM and are available to answer any questions.

The Annual General Ordinary Meetings will be held on 26 March 2025.

Major shareholders of the Company (Name of the shareholder holding 5% or more) as of 31st December 2024 is as follows:

Name of Shareholder	Number of Shares	% of Holdings	Name of the natural person, the final beneficiary
Mr. Abdulhameed Zainal Mohamed Zainal	8,433,646	10.45%	Mr. Abdulhameed Zainal Mohamed Zainal
BANZ Group BSC (C)	6,634,665	8.22%	BANZ Group BSC (C)
Trafco Group BSC	6,477,475	8.03%	Trafco Group BSC (Treasury Shares)

Shareholders as of 31 December 2024 (individuals, corporate, government or organizations) to be classified as follows:

S.No.	Shareholder Classification	Shareholding %			
		Individuals	Corporate	Government or Organizations	Total
1	Local	56.637%	40.826%	0.653%	98.116%
2	Arab	1.628%	0.112%	-	1.740%
3	Foreign	0.144%	-	-	0.144%
	<b>Total</b>	<b>58.409%</b>	<b>40.938%</b>	<b>0.653%</b>	<b>100.000%</b>

Description of how shareholders are distributed according to their respective shareholding as at 31 December 2024 as follows:

S.No.	Shareholding (shares)	Number of Shareholders	Number of shares held	Shareholding %
1	Less than 50,000	2,660	10,425,872	12.92%
2	50,000 to 500,000	174	23,293,234	28.87%
3	500,000 to 5,000,000	19	25,410,158	31.51%
4	More than 5,000,000	3	21,545,786	26.70%
	<b>Total</b>	<b>2,856</b>	<b>80,675,050</b>	<b>100.00%</b>

Description of the significant events that occurred during the year 2024 as follows:

During the year there was no significant impact.

## **4. COMPANY'S BOARD, DIRECTORS AND MANAGEMENT**

### **4.1. Board Procedure**

The Board procedure is clearly defined by the Charter of the Board. The Company has the practice of circulation of agenda and other supporting documents well in advance to enable the directors to deliberate and decide on all matters listed in the agenda to constantly enhance the performance of the Group.

### **4.2. Board and Directors' Responsibilities**

The specific responsibilities of the Board include:

1. Monitoring the overall business performance;
2. Monitoring the performance of the executive management to ensure that the executives are compensated fairly;
3. Monitoring management performance and succession plan for Senior Management;
4. Accurate preparation of the quarterly and annual consolidated financial statements and ensure that financial statements are free from errors and frauds;
5. Monitoring conflicts of interest and preventing abusive related party transactions;
6. Convening and preparing for the shareholders meetings;
7. Recommending dividends to shareholders and ensure its execution;
8. Adapting, implementing and monitoring compliance with the Company's Code of Business Conduct;
9. Disclosure of financial information to the Government Authorities and the public within the stipulated time;
10. Reviewing the Group's objectives and policies relating to social responsibilities; and
11. Overseeing the direction and management of the company in accordance with Commercial Companies Law and other Rules and Regulations ordained by the Government of Bahrain.

### **4.3. Material Transactions that require the Board approval**

The following material transactions require review of the Board of Directors, evaluation and approval:

1. The Company strategy;
2. The annual budget, capital expenditure budget, major contracts, diversification plans/divestment;
3. The financial statements;
4. Major resource allocations and capital investments; and
5. Management responsibilities and training, development and succession plan for Senior Management.

#### 4.4. Director's profiles (Directorships of other Boards)

The following members of the Board of Directors are also the member of the other listed companies in the Kingdom of Bahrain:

S.No.	Name of Director	Designation	Directorships and positions in other listed companies	Positions in any other key regulatory, government or commercial entities.
1.	Mr. Yusuf Saleh Abdulla Alsaleh	Director	Delmon Poultry Company B.S.C.	Chairman of the Board of Jaffaria Waqf Directorate (Ministry of Justice & Islamic Affairs & WAQF)
2.	Dr. Esam Abdulla Yousif Fakhro	Vice Chairman  Chairman  Chairman	National Bank of Bahrain B.S.C. (upto 28 March 2024)  Bahrain Cinema Company (Cineco) B.S.C.  Bahrain Islamic Bank B.S.C. (upto 25 March 2024)	None
3.	Mr. A. Redha Mohamed Redha Aldailami	Director	Delmon Poultry Company B.S.C.	None
4.	Mr. Jehad Yusuf Abdulla Amin	Director  Director  Director  Director	Bahrain Duty Free Complex B.S.C.  Bahrain National Holdings B.S.C.  BMMI B.S.C.  Bahrain Cinema Company (Cineco) B.S.C.	None

#### 4.5. Status of Directorships and Board Composition

Sl no	Name of Director	Type (executive/ non-executive and independent/ non-independent)	Experience	Qualification	The period of his term as a director of the Company starting from the date of his first election or appointment
1	Mr. Ebrahim Mohamed Ali Zainal	Chairman / Non - Executive / Non - Independent	60	Businessman	1978
2	Mr. Yusuf Saleh Abdulla Alsaleh	Vice Chairman / Non - Executive / Non - Independent	61	Businessman	1978
3	Dr. Esam Abdulla Yousif Fakhro	Director and Executive Committee member / Non - Executive / Non - Independent	57	Businessman	1995
4	Mr. Jihad Yusuf Abdulla Amin	Director and Executive Committee member / Non - Executive / Non - Independent	46	Businessman	1998
5	Mr. A. Redha Mohamed Redha Aldailami	Director / Non - Executive / Non - Independent	69	Businessman	1981
6	Mr. Fuad Ebrahim Khalil Kanoo	Director / Non - Executive / Non - Independent	62	Businessman	1994
7	Mr. Ali Yusuf A. Rahman A. Rahim	Director / Non - Executive / Non - Independent	59	Businessman	1994
8	Mr. Sami Mohammed Yusuf Jalal	Director / Non - Executive / Non - Independent	51	Businessman	1995
9	Mr. Ebrahim Salahuddin Ahmed Ebrahim	Director / Non - Executive / Non - Independent	55	Businessman	1995
10	Mr. Sofyan Khalid Almoayed	Director / Non - Executive / Non - Independent	29	Businessman	2022

**There is no Female board member in the current Board.**

#### 4.6. Election and Termination of Appointment of Directors

Directors are elected for 3 years term. Elections take place in accordance with the Memorandum and Articles of Association of the Company and the Bahrain Commercial Companies Law. All the present Directors were elected during the Year 2022 for a period of 3 years. There is no maximum age limit at which a Director must retire from the Board. Each Director's term of appointment expires, pursuant to the terms of his Letter of Appointment and/or the provisions of the law.

#### 4.7. Induction and Training of Directors

The Company has a formal induction program in place, which is designed for each new Director. The induction program includes i) an introductory pack containing, amongst other things, the Company Overview, Organisational Chart, Terms of Reference of the Board and Board Committees and key policies; ii) presentations on significant financial, strategic and risk issues; and iii) orientation meetings with key management. All continuing Directors are also invited to attend orientation meetings.

#### 4.8. Director's Ownership of Company's shares

Sl no	Name	Type of Shares	Number of shares held as at 31/12/2024	Percentage %
1	Mr. Ebrahim Mohamed Ali Zainal	Ordinary Shares	2,123,001	2.632%
2	Mr. Yusuf Saleh Abdulla Alsaleh	Ordinary Shares	735,429	0.912%
3	Dr. Esam Abdulla Yousif Fakhro	Ordinary Shares	1,583,161	1.962%
4	Mr. Jihad Yusuf Abdulla Amin	Ordinary Shares	1,251,144	1.551%
5	Mr. Ebrahim Salahuddin Ahmed Ebrahim	Ordinary Shares	331,115	0.410%
6	Mr. Sami Mohammed Yusuf Jalal	Ordinary Shares	203,901	0.253%
7	Mr. A. Redha Mohamed Redha Aldailami	Ordinary Shares	343,282	0.426%
8	Mr. Ali Yusuf A. Rahman A. Rahim	Ordinary Shares	149,660	0.186%
9	Mr. Fuad Ebrahim Khalil Kanoo	Ordinary Shares	179,757	0.223%
10	Mr. Sofyan Khalid Almoayed	Ordinary Shares	184,744	0.229%
<b>Total Number of shares held by Directors</b>			<b>7,085,194</b>	<b>8.782%</b>



#### 4.9. Director's Trading of Shares during the year

During the year, the following Board Member disposed / purchased additional shares in the Company:

Name	Position/ Kinship	Number of shares held as at 31/12/2023	Number of shares disposed	Additional shares purchased	Number of shares held as at 31/12/2024
Mr. Ebrahim Mohamed Ali Zainal	Chairman	2,089,728	-	33,273	2,123,001
Mr. Yusuf Saleh Abdulla Alsaleh	Vice Chairman	712,238	-	23,191	735,429
Mr. Ebrahim Salahuddin Ahmed Ebrahim	Director	311,115	-	20,000	331,115
Mr. Sofyan Khalid Almoayed	Director	50,000	-	134,744	184,744

#### 4.10. Board Meetings

The Group should hold a minimum of four Board meetings during each year. The following table summarizes the information about the members' attendance in the Board of Directors meetings:

Meetings of Board of Directors held in 2024: **Six**

Name of Director	Business Title	04th Jan 2024	26th Feb 2024	27th Mar 2024	12th May 2024	08th Aug 2024	13th Nov 2024	% Attended
Mr Ebrahim Mohamed Ali Zainal	Chairman	✓	✓	✓	✓	✓	✓	100%
Mr Yusuf Saleh Abdulla Alsaleh	Vice Chairman	✓	✓	✓	✓	✓	✓	100%
Dr Esam Abdulla Yousif Fakhro	Director and Executive Committee Member	✓	✓	✓	✓	✓	✓	100%
Mr Jihad Yusuf Abdulla Amin	Director and Executive Committee Member	✓	✓	✓	✓	✓	✓	100%
Mr Ebrahim Salahuddin Ahmed Ebrahim	Director	✓	✓	✓	✓	✓	✓	100%
Mr Sami Mohamed Yusuf Jalal	Director	✓	✓	✓	✓	✓	✓	100%
Mr A.Redha Mohamed Redha Aldailami	Director	✓	✓	✓	✓	✓	✓	100%
Mr Ali Yusuf A.Rahman A. Rahim	Director	✓	✓	✓	✓	☒	✓	83.33%
Mr Fuad Ebrahim Khalil Kanoo	Director	✓	✓	✓	✓	✓	✓	100%
Mr Sofyan Khalid Almoayed	Director	✓	✓	✓	✓	✓	✓	100%

#### 4.11. Remuneration Policy of Board of Directors

Article 188 of the Commercial Companies Law No.21 of 2001 explains the method of payment of remuneration to the directors. The remuneration policy is based on attendance fees and basic fees paid to the members of the Board of Directors.

Total proposed remuneration to the directors, subject to AGM approval, for the year 2024 amounted to BD 119,925/- (Year 2023: BD 119,925) and attendance fees paid for the year 2024 to the directors and other allowances for administrative services to the Chairman as per the table below:

Board of directors' remuneration details											(Amount in BD)		
Name	Fixed remunerations					Variable remunerations					End-of-service award	Aggregate amount (Does not include expense allowance)	Expenses Allowance
	Remunerations of the chairman and BOD	Total allowance for attending Board & committee meetings	Salaries	Others *	Total	Remunerations of the chairman and BOD	Bonus	Incentive plans	Others	Total			
<b>First: Independent Directors:</b>													
	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Second: Non-Executive Directors:</b>													
Mr. Ebrahim Mohamed Ali Zainal	-	6,000	-	19,200	25,200	11,700	-	-	-	11,700	-	36,900	-
Mr. Yusuf Saleh Abdulla Alsaleh	-	6,000	-	-	6,000	14,625	-	-	-	14,625	-	20,625	-
Dr. Esam Abdulla Yousif Fakhro	-	6,000	-	-	6,000	11,700	-	-	-	11,700	-	17,700	-
Mr. Jihad Yusuf Abdulla Amin	-	6,000	-	-	6,000	11,700	-	-	-	11,700	-	17,700	-
Mr. Ebrahim Salahuddin Ahmed Ebrahim	-	5,500	-	-	5,500	11,700	-	-	-	11,700	-	17,200	-
Mr. Sami Mohammed Yusuf Jalal	-	3,000	-	-	3,000	11,700	-	-	-	11,700	-	14,700	-
Mr. A. Redha Mohamed Redha Aldailami	-	5,500	-	-	5,500	11,700	-	-	-	11,700	-	17,200	-
Mr. Ali Yusuf A. Rahman A. Rahim	-	4,500	-	-	4,500	11,700	-	-	-	11,700	-	16,200	-
Mr. Fuad Ebrahim Khalil Kanoo	-	3,000	-	-	3,000	11,700	-	-	-	11,700	-	14,700	-
Mr. Sofyan Khalid Almoayed	-	5,500	-	-	5,500	11,700	-	-	-	11,700	-	17,200	-
<b>Third: Executive Directors:</b>													
	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	<b>51,000</b>	-	<b>19,200</b>	<b>70,200</b>	<b>119,925</b>	-	-	-	<b>119,925</b>	-	<b>190,125</b>	-

\* Others includes allowance paid for follow up and administrative services

#### 4.12. Management

The following table summarises the information about the profession, designation/business title, experience in years and the qualifications of the Senior Management:

S. No	Name of members of Senior Management	Designation	Experience in years	Qualification
1.	Mr. Azzam Moutragi	Group Chief Executive Officer	39	Master's Degree in Business Administration
2.	Mr. R. Balasubramanian	Group Financial Controller	37	Fellow Member - Institute of Chartered Accountants of India
3.	Mr. Aloysius Noronha	Operations Manager	33	Master's Degree in Business Administration (Marketing)
4.	Mr. Sequeira Francisco	Maintenance Manager	40	Diploma in Mechanical Engineering and Post Graduate Diploma in Production & Maintenance Management
5.	Mrs. Layla Darwish	Group Human Resource Manager	34	Education Diploma in Secretarial Studies
6.	Mr. Wael Ahmed	Supply Chain Manager	30	-

The remuneration paid to the Senior Management during the year was as follows:

#### Executive Management remuneration details

(Amounts in BD)

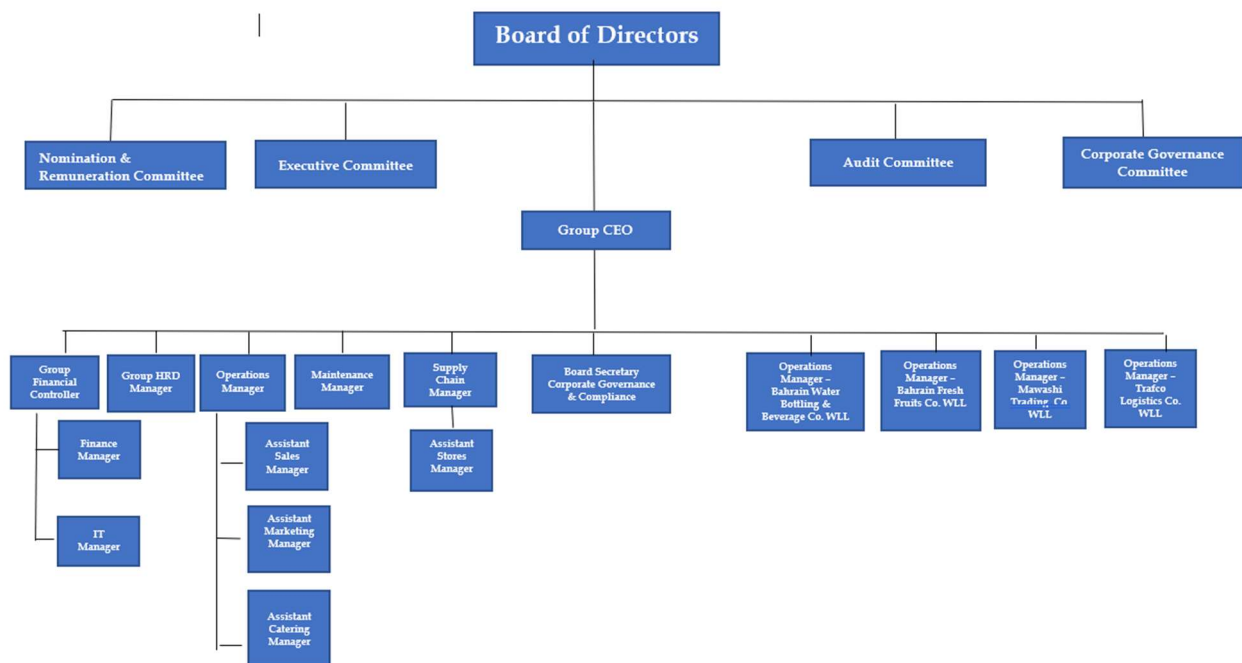
Executive Management	Total paid salaries and allowances	Total paid remuneration (Bonus)	Any other cash/ in kind remuneration for 2024	Aggregate Amount
Top 6 remunerations for executives, including CEO and Senior Financial Officer.	211,900	19,324	11,468	242,692

#### 4.13. Code of Conduct/ Code of Ethics

The Company has the Code of Conduct/Code of Ethics policy describing the standards expected from each and every employee of the Group.

- Each and every employee should protect the assets of the Group.
- Group has to act on the customers' complaints promptly and courteously.
- No employee should take bribe from any outside person on behalf of the Group.
- The Group will not disclose the information about the customers/business associates to any other person/entities.
- The employees are not supposed to disclose information about the Group either during or after the service to any outside person/entities.

#### 5. COMPANY ORGANIZATIONAL STRUCTURE



## 6. COMMITTEES

The Committees are constituted by the Board for good corporate governance. Scope of authority and responsibilities are clearly defined by the Charters of the respective Committee. Committees put forward suggestions and recommendations to the Board as and when deemed necessary. Minutes of the Committee meetings are distributed to the members of the Board periodically. The Board constantly evaluates the composition of the committees in the light of requirements of Law and for the successful functioning of the Company.

The following table summarises the information about the Board Committees, their members and objectives:

Board's Committee	Objective	Members	Independent/ Non-independent
Audit Committee	<p>The Audit Committee is responsible for:</p> <p>1) Monitoring the integrity of the financial reporting process, Trafco systems of Internal Control, review of the consolidated financial statements and reports, compliance of the board with legal and regulatory requirements and the performance of the Company's Internal Audit function.</p> <p>2) To recommend the appointment of external auditors, agreeing their compensation, overseeing their independence, and preparing reports required to be prepared by the Committee pursuant to Central Bank of Bahrain, Bahrain Bourse, Bahrain Commercial Companies Law and other regulatory authorities in the Kingdom of Bahrain.</p>	<p>1. Mr. Ebrahim Salahuddin Ahmed Ebrahim (Chairman)</p> <p>2. Mr. A. Redha Mohamed Redha Aldailami</p> <p>3. Mr. Ali Yusuf A. Rahman A. Rahim</p> <p>4. Mr. Sofyan Khalid Almoayed</p>	<p>Non-Executive / Non-Independent</p> <p>Non-Executive / Non-Independent</p> <p>Non-Executive / Non-Independent</p> <p>Non-Executive / Non-Independent</p>

Board's Committee	Objective	Members	Independent/ Non-independent
Executive Committee (Investment & Finance)	The Executive Committee is formed to discuss matters with the Company's management regarding senior staffing, financial performance, strategies, and all other issues as directed by the Board	1. Mr. Ebrahim Mohamed Ali Zainal 2. Mr. Yusuf Saleh Abdulla Alsaleh 3. Dr. Esam Abdulla Yousif Fakhro 4. Mr. Jehad Yusuf Abdullah Amin	Non - Executive / Non-Independent Non -Executive / Non-Independent Non-Executive / Non -Independent Non - Executive / Non-Independent
Nomination and Remuneration Committee	Review and advise the Board of Directors on the Board's composition, new directors' nominations in addition to Board and Senior Management remuneration.	1. Mr. Ebrahim Mohamed Ali Zainal (Chairman) 2. Mr. Yusuf Saleh Abdulla Alsaleh 3. Dr. Esam Abdulla Yousif Fakhro 4. Mr. Jehad Yusuf Abdullah Amin	Non-Executive / Non-Independent Non-Executive / Non-Independent Non-Executive / Non-Independent Non-Executive / Non -Independent

Board's Committee	Objective	Members	Independent/ Non-independent
Corporate Governance committee	To review and ensure compliance with Corporate Governance Code framework and guidelines.	1. Mr. Ebrahim Salahuddin Ahmed Ebrahim (Chairman) 2. Mr. A. Redha Mohamed Redha Aldailami 3. Mr. Ali Yusuf A.Rahman A.Rahim 4. Mr. Sofyan Khalid Almoayed	Non-executive / Non-Independent Non-executive / Non-Independent Non-executive / Non -Independent Non-executive / Non-Independent

### Audit Committee:

Mr. Ebrahim Salahuddin Ahmed Ebrahim is the Chairman of the Audit Committee. The Audit Committee comprises of four directors. The Charter of the Audit Committee specifies the roles and responsibilities assigned to the Committee.

### Competences of the Audit Committee Members:

- 1- Review the Company's accounting and financial practices.
- 2- Review the credibility of the Company's financial control, internal control and financial statements.
- 3- Review and approve the Company's financial statements before presenting the same to the Board.
- 4- Discuss the significant accounting and financial policies and reporting issues for the financial year.
- 5- Review the Company's compliance with legal requirements.
- 6- Consider and recommend to the Board the appointment, resignation, or dismissal of an external auditor, determine the audit fees and compensations and oversee the auditor's work.
- 7- Discuss the significant observations of external and internal auditors and the response from the management.
- 8- Review the company's risk management and internal audit functions.
- 9- Ensure the existence of appropriate policies, procedures, systems, internal controls and guidelines in the Company.
- 10- Deal with any concerns arising from the 'whistleblower' program adopted by the Board to allow for concerns to be raised confidentially.

The Company should hold a minimum of **four** Audit Committee meetings during each year. During the year, **four** meetings of the Audit Committee were held. The following table summarises the information about the members attendance in the Audit Committee meetings:

Members	19-Feb-2024	05-May-2024	04-Aug-2024	05-Nov-2024	% Attended
Mr. Ebrahim Salahuddin Ahmed Ebrahim	✓	✓	✓	✓	100%
Mr. A. Redha Mohamed Redha Aldailami	✓	✓	✓	✓	100%
Mr. Ali Yusuf A.Rahman A. Rahim	✓	✓	☒	✓	75%
Mr. Sofyan Khalid Almoayed	✓	✓	✓	✓	100%

### Executive Committee:

Mr. Ebrahim Mohamed Ali Zainal is the Chairman of the Executive Committee. The Executive Committee comprises of four directors. The Charter of the Executive Committee specifies the roles and responsibilities assigned to the Committee.

### Competences of the Executive Committee Members:

- 1- Address specific matters delegated to it by the Board of Directors.
- 2- Make recommendations thereon to the Board and make decisions based on authorities specifically delegated by the Board.
- 3- Review and approve business and investment opportunities and proposals, credit, major procurement, and outsourcing matters, as may be delegated by the Board.

The Company should hold a minimum of four Executive Committee meetings annually as per internal Corporate Governance code. During the year, **four** meetings of the Executive Committee were held. The following table summarises the information about the members attendance in the Executive Committee meetings:

Members	23-Apr-2024	30-Jul-2024	04-Nov-2024	29-Dec-2024	% Attended
Mr. Ebrahim Mohamed Ali Zainal	✓	✓	✓	✓	100%
Mr. Yusuf Saleh Abdulla Alsaleh	✓	✓	✓	✓	100%
Dr. Esam Abdulla Yousif Fakhro	✓	✓	✓	✓	100%
Mr. Jihad Yusuf Abdullah Amin	✓	✓	✓	✓	100%

### Nomination and Remuneration Committee:

Mr. Ebrahim Mohamed Ali Zainal is the Chairman of the Nomination and Remuneration Committee. The Nomination and Remuneration Committee comprises of four directors. The Charter of the Nomination and Remuneration Committee specifies the roles and responsibilities assigned to the Committee.

### Competences of the Nomination and Remuneration Committee Members:

- 1- Review the structure of the Board, periodically evaluate the directors' performance, and make recommendations to the Board on the necessary changes that should be made to address weaknesses to achieve the company's interests.
- 2- Ensure that adequate policies and procedures are in place for the evaluation of the performance of executive management.
- 3- Review the remuneration & sitting fees of the directors and making recommendations to the Board about their decision.
- 4- Approval of succession plans of senior management before the plans are presented to the Board for approval.



The Company should hold a minimum of two Nomination and Remuneration Committee meetings during each year. During the year, **two** meetings of the Nomination and Remuneration Committee were held. The following table summarises the information about the members attendance in the Nomination and Remuneration Committee meetings:

Members	23-Apr-2024	29-Dec-2024	% Attended
Mr. Ebrahim Mohamed Ali Zainal	✓	✓	100%
Mr. Yusuf Saleh Abdulla Alsaleh	✓	✓	100%
Dr. Esam Abdulla Yousif Fakhro	✓	✓	100%
Mr. Jehad Yusuf Abdullah Amin	✓	✓	100%

#### Corporate Governance Committee:

Mr. Ebrahim Salahuddin Ahmed Ebrahim is the Chairman of the Corporate Governance Committee. Corporate Governance Committee comprises of four directors. The Charter of the Corporate Governance Committee specifies the roles and responsibilities assigned to the Committee.

#### Competences of the Corporate Governance Committee Members:

- 1- Assist the board in developing Company's Corporate Governance policy framework and recommending changes from time to time to the framework developed.
- 2- Ensure the Company's practices conform to its corporate governance policy and is aligned to good governance practices.

The Company should hold a minimum of one Corporate Governance Committee meeting during each year. During the year, **one** meeting of the Corporate Governance Committee was held. The following table summarises the information about the members attendance in the Corporate Governance Committee meetings:

Members	05-Nov-2024	% Attended
Mr. Ebrahim Salahuddin Ahmed Ebrahim	✓	100%
Mr. A.Redha Mohamed Redha Aldailami	✓	100%
Mr. Ali Yusuf A.Rahman A.Rahim	✓	100%
Mr. Sofyan Khalid Almoayed	✓	100%

## 7. CORPORATE GOVERNANCE

#### Actions taken to complete the Corporate Governance Code

The Board and the Company's employees are expected to maintain the highest level of corporate ethics and personal behaviour. The Company has established the Code which provides an ethical and legal framework for all employees in the conduct of its business. The Code also defines how the Company relates to its employees, shareholders, and the community in which the Company operates.

The Board of Directors has adopted the Code and a Whistleblower Policy to monitor compliance with the ethical requirements of the Code. The Code provides clear directions on conducting business internationally, interacting with the Government entities, communities, business partners and general workplace behaviour having regard to the best practice of corporate governance models and ethics. The Code also sets out a behavioural framework for all employees in the context of a wide range of ethical and legal issues.

### Compliances with the corporate governance code

Management and Board of Directors ensure compliance with corporate governance framework and guidelines to ensure compliance with the Corporate Governance Code and did not note any non-compliance during the year ended 2024 other than those reported under point 16 of this report.

### 8. CORPORATE GOVERNANCE OFFICER

S.No.	Name	Date of Appointment	Contact Details
1	Mrs. Fatima Bushihri	29/12/2022	Phone: +973-17729000 e-mail: fatima@trafco.com

### 9. IRREGULARITIES COMMITTED DURING THE FINANCIAL YEAR

There are no irregularities committed during the year 2024.

### 10. EXTERNAL AUDITORS

Fees and charges for the audit services provided by the external auditor during the year 2024, in addition to a description of the auditor's years of service as the Company's external auditor is as follows:

<b>Name of the audit firm</b>	Ernst & Young - Middle East
<b>Years of service as the Company's external auditor</b>	25 years
<b>Name of the partner in charge of the Company's audit</b>	Abdullatif Al Mahmood
<b>The partner's years of service as the partner in charge of the Company's audit</b>	First year
<b>Total audit fees for the financial statements for the year 2024 (in BD)</b>	BD 25,235/-
<b>Other special fees and charges for non-audit services other than auditing the financial statements for the year 2024 (in BD).</b>	BD 2,750/-

## 11. CONFLICT OF INTEREST

No conflicts of interest arose during the year ending 2024. In the instance of a conflict of interest arising as a result of any business transaction or any type of resolution to be taken, the concerned Board member shall refrain from participating in the discussion of such transaction or resolution to be taken. Members of the Board of Directors or its Committees usually inform the Board of a potential conflict of interest prior to the discussion of any transaction or resolution and concerned member(s) refrain from voting on these transactions or resolution where a conflict of interest arise.

## 12. RELATED PARTY TRANSACTIONS

All related party transactions are done on an arm's length basis and approved by the management of the Group. No employee or director or member of executive management can trade the shares with material information which is not made public. Details of transactions with related parties (stakeholders), indicating the nature of relationship and type of transaction is detailed in section 17.

## 13. MEANS OF COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

The Company is committed to providing relevant and timely information to its shareholders, investors, and regulators in accordance with its continuous disclosure obligations defined in the Code. Information is communicated to shareholders and regulators through the distribution of the Company's Annual Report and other information released about significant matters through the Company's website in a timely manner. The Board Secretary is responsible for communications with the shareholders and regulators, ensuring that the Company meets its continuous disclosures obligations as defined in the Code.

## 14. EVALUATION OF BOARD PERFORMANCE

The shareholders evaluate the performance of the Board of Directors and absolve them from liability in the Annual General Meeting. The Board of Directors evaluates the performance of the Chairman and Group CEO in the Board of Directors meeting.

During the year, 2024, evaluation was done in the following ways:

The Board has introduced annual performance evaluations of Board, its Committees, individual directors and executive management in accordance with their respective terms of reference and appointment agreements with the aim of improving the effectiveness and contributions towards the Group.

The evaluation is designed to determine whether the Board, its Committees, individual directors and executive management continues to be capable of providing the high level judgment required and are informed and up to date with the business and its goals and understand the context within which it operates.

## 15. CONTRIBUTIONS TOWARDS COMMUNITY DEVELOPMENT AND ESG

During the year 2024, the total contribution to Charitable societies and others BD 34,886.

### A. ENVIRONMENTAL

- a. Forever Green Campaign - planted more than 2,000 various plants across Bahrain.
- b. Continue to use Electric Forklift instead of Diesel Forklift to avoid environmental pollution.
- c. Continued reliance on Solar system to have green energy in Hidd warehouse.

### B. SOCIAL

- a. Donations:
  - i. Parents Care Society
  - ii. Al Hala Club.
- b. Yearly Cash donations to 42 registered Societies and Associations.
- c. 1,352 number of Ramadan baskets distributed to the societies during Ramadan.
- d. Donation to needy staff's family medical and other emergency expenses.
- e. Supporting for staff's children university education fee.
- f. Ministry of Education ( Physical training section) - Committed to supply 200,000 water bottles and already supplied 20,000 water bottles during the year.

### C. GOVERNANCE

- a. Annual Disclosure of Corporate Governance in the Annual Report.
- b. Board Committees to oversee and monitor adherence to best Corporate Governances practices and compliances on regular basis.
- c. As per the CBB regulation ESG report for the year 2024 is being separately published before end of June 2025.

## 16. COMPLIANCE WITH THE PROVISIONS OF THE CORPORATE GOVERNANCE CODE

Principle	Non-compliant	Partially Compliant*	Fully Compliant	Explanation in case of non-compliance
<b>Principle 1:</b> The Company shall be headed by an effective, qualified and expert board.		✓		
<b>Principle 2</b> The directors and executive management shall have full loyalty to the company.			✓	
<b>Principle 3:</b> The Board shall have rigorous controls for financial audit and reporting, internal control, and compliance with law.		✓		
<b>Principle 4:</b> The Company shall have effective procedures for appointment, training, and evaluation of the directors.		✓		
<b>Principle 5:</b> The Company shall remunerate directors and senior officers fairly and responsibly			✓	
<b>Principle 6:</b> The Board shall establish a clear and efficient management structure for the Company and define the job titles, authority, roles and responsibilities.			✓	
<b>Principle 7:</b> The Company shall communicate with shareholders, encourage their participation, and respect their rights.			✓	
<b>Principle 8:</b> The Company shall disclose its corporate governance.		✓		
<b>Principle 9:</b> The Company which offers Islamic services shall adhere to the principles of Islamic shari'a.			NA	
<b>Principle 10:</b> The Board shall ensure the integrity of the financial statements submitted to shareholders through appointment of external auditors.			✓	
<b>Principle 11:</b> The Company shall seek through social responsibility to exercise its role as a good citizen.			✓	

\* Partially compliant are explained in the following pages

**Trafco Group B.S.C. currently complies with all the provisions of the Code with the exception of following:**

1. The Corporate Governance Code requires that the Chairman of the Board of Directors should be an Independent Director. Mr. Ebrahim Mohamed Ali Zainal is a non-independent director as the Company has different business transactions with some of the entities in which he is a director. However, this does not dilute the highest standards of corporate governance that the company maintains as a) business transactions are entered into on arms' length basis by the relative management, b) Existence of efficient system of management of conflict of interest in Board decisions and c) in case of motions in which some directors are interested, the concerned directors refrain from the discussion as well as in voting to pass the motion as resolution. Highest standards of corporate governance and policies are followed for managing the conflict of interest without any type of lacunae in the implementation. Therefore, Mr. Ebrahim Mohamed Ali Zainal status of non-independence does not impair his ability to exercise judgment free from personal conflict of interest.
2. The Corporate Governance Code provides that the Chairman of the Nomination and Remuneration Committee should be an Independent Director. Mr. Ebrahim Mohamed Ali Zainal is a non-independent director as the Company has different business transactions with some of the entities in which he is a director. However, this does not dilute the highest standards of corporate governance that the company maintains. Therefore, Mr. Ebrahim Mohamed Ali Zainal status of non-independence does not impair his ability to exercise judgment free from personal conflict of interest.
3. The Corporate Governance Code provides that the Chairman of the Audit Committee should be an Independent Director. Mr. Ebrahim Salahuddin Ahmed Ebrahim is a non-independent director as per the provision Appendix (1) (3) (e) of the code as he is a Nominee director in Subsidiary Companies wholly owned by Trafco Group BSC. He is also the Chairman in Corporate Governance Committee. However, this does not dilute the highest standards of corporate governance that the company maintains. Therefore, Mr. Ebrahim Salahuddin Ahmed Ebrahim status of non-independence does not impair his ability to exercise judgment free from personal conflict of interest.
4. All the directors were elected through election process at AGM and most of them as independent directors, during the subsequent Board Meeting they were nominated to group subsidiary companies wholly or partially owned by Trafco Group BSC as directors, to have close monitoring and those accounts are consolidated at Group level, hence most of them treated as non-Independent directors as per the Appendix (1) (3) (e) of the CG code. However, this does not dilute the highest standards of corporate governance that the company maintains.

## 17. ANNEXURE 1: RELATED PARTY TRANSACTIONS:

Related party details for the year 2024

1. TRAFCO - Trafco Group B.S.C.
2. ADC - Awal Dairy Company W.L.L.
3. BWBC - Bahrain Water Bottling & Beverages Company W.L.L.
4. BFFC - Bahrain Fresh Fruits Company W.L.L.
5. TLC - Trafco Logistics Company W.L.L.
6. MTC - Mawashi Trading Company W.L.L.)  
(Formerly Bahrain Livestock Company W.L.L.)

(Amounts in BD)

Abdulla Yusif Fakhro & Sons B.S.C (C)	TRAFCO	ADC	BWBC	BFFC	TLC	MTC	TOTAL
Sales	-	-	442	-	-	-	442
Purchases	-	-	2,265	-	-	-	2,265
Other income	-	-	-	-	-	-	-
Receivables	-	-	72	-	-	-	72
Payables	559	-	1,494	-	-	1,278	3,331
Other expenses	4,335	-	-	517	-	2,878	7,730

Alosra Supermarket WLL	TRAFCO	ADC	BWBC	BFFC	TLC	MTC	TOTAL
Sales	76,975	25,179	-	12,439	-	-	114,593
Purchases	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-
Receivables	19,064	6,139	-	2,537	-	-	27,741
Payables	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-

Bahrain National Holding B.S.C	TRAFCO	ADC	BWBC	BFFC	TLC	MTC	TOTAL
Sales	-	-	-	-	-	-	-
Purchases	-	-	-	-	-	-	-
Other income	32,479	12,608	-	-	-	-	45,087
Receivables	-	-	-	-	-	-	-
Payables	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-

Bahrain Cinema Company B.S.C	TRAFCO	ADC	BWBC	BFFC	TLC	MTC	TOTAL
Sales	-	-	-	-	-	6,098	6,098
Purchases	-	-	-	-	-	-	-
Other income	300	-	-	-	-	-	300
Receivables	-	-	-	-	-	1,384	1,384
Payables	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-

Bahrain Duty Free Shop Complex B.S.C	TRAFCO	ADC	BWBC	BFFC	TLC	MTC	TOTAL
Sales	-	-	-	-	-	-	-
Purchases	-	-	-	-	-	-	-
Other income	3,300	-	-	-	-	-	3,300
Receivables	-	-	-	-	-	-	-
Payables	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-

BANZ Group B.S.C. (C)	TRAFCO	ADC	BWBC	BFFC	TLC	MTC	TOTAL
Sales	-	-	1,993	-	891	-	2,884
Purchases	-	-	-	-	-	-	-
Other income	617,564	-	-	-	-	-	617,564
Receivables	-	-	146	-	980	-	1,126
Payables	-	51	-	-	-	-	51
Other expenses	-	1,143	-	-	-	-	1,143

BANZ Trading & Contracting W.L.L	TRAFCO	ADC	BWBC	BFFC	TLC	MTC	TOTAL
Sales	-	-	1,103	-	-	-	1,103
Purchases	1,272,090	-	260	-	1,790	-	1,274,140
Other income	-	-	-	-	-	-	-
Receivables	-	-	479	-	-	-	479
Payables	251,859	-	-	-	1,397	-	253,256
Other expenses	-	-	-	-	-	-	-

BMMI B.S.C.	TRAFCO	ADC	BWBC	BFFC	TLC	MTC	TOTAL
Sales	79,462	-	-	-	-	-	79,462
Purchases	-	-	-	-	-	-	-
Other income	55,185	-	-	-	-	1,800	56,985
Receivables	17,111	-	-	-	-	-	17,111
Payables	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-

Delmon Poultry Company B.S.C.	TRAFCO	ADC	BWBC	BFFC	TLC	MTC	TOTAL
Sales	-	-	-	-	-	-	-
Purchases	-	-	-	-	-	-	-
Other income	25,275	-	-	-	-	-	25,275
Receivables	-	-	-	-	-	-	-
Payables	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-



Ebrahim K Kanoo B.S.C. (C)	TRAFCO	ADC	BWBC	BFFC	TLC	MTC	TOTAL
Sales	-	-	27,216	-	-	-	27,216
Purchases	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-
Receivables	-	-	8,482	-	-	-	8,482
Payables	18,253	-	2,101	124	17,850	-	38,328
Other expenses	30,525	-	19,986	790	23,974	-	75,275

Jalal Travel Agency	TRAFCO	ADC	BWBC	BFFC	TLC	MTC	TOTAL
Sales	-	-	-	-	-	-	-
Purchases	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-
Receivables	-	-	-	-	-	-	-
Payables	1,498	-	-	-	-	-	1,498
Other expenses	12,101	-	-	-	-	-	12,101

Mohamed Ali Zainal Abdulla B.S.C. (C)	TRAFCO	ADC	BWBC	BFFC	TLC	MTC	TOTAL
Sales	29,046	38,989	-	-	3,537	550	72,122
Purchases	19,643	416,126	-	-	-	13,225	448,994
Other income	-	-	-	-	-	-	-
Receivables	8,800	6,448	-	-	2,333	-	17,581
Payables	-	47,106	-	-	-	3,603	50,709
Other expenses	-	-	-	-	-	-	-

Mohamed Jalal & Sons Company	TRAFCO	ADC	BWBC	BFFC	TLC	MTC	TOTAL
Sales	208,589	-	-	22,977	-	4,995	236,561
Purchases	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-
Receivables	93,975	-	-	12,921	-	1,991	108,886
Payables	-	-	174	-	-	-	174
Other expenses	-	-	158	-	-	-	158

Motor City Holding B.S.C. (C)	TRAFCO	ADC	BWBC	BFFC	TLC	MTC	TOTAL
Sales	-	-	807	-	-	-	807
Purchases	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-
Receivables	-	-	510	-	-	-	510
Payables	8,360	-	2,187	10	-	250	10,807
Other expenses	7,946	-	16,631	517	-	8,378	33,472

National Transport Company	TRAFCO	ADC	BWBC	BFFC	TLC	MTC	TOTAL
Sales	-	-	-	-	-	-	-
Purchases	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-
Receivables	-	-	-	-	-	-	-
Payables	-	350	-	-	-	-	350
Other expenses	-	4,200	-	-	-	-	4,200

Saleh Alsaleh Company W.L.L	TRAFCO	ADC	BWBC	BFFC	TLC	MTC	TOTAL
Sales	5,353	-	-	1,580	-	-	6,933
Purchases	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-
Receivables	19	-	-	-	-	-	19
Payables	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-

The Food Supply Company W.L.L.	TRAFCO	ADC	BWBC	BFFC	TLC	MTC	TOTAL
Sales	2,539	78,958	952	-	82	-	82,530
Purchases	24,710	-	20,383	-	-	-	45,093
Other income	-	-	-	-	-	-	-
Receivables	20,708	8,151	22	-	14	-	28,896
Payables	7,648	-	5,115	-	-	-	12,763
Other expenses	-	-	-	-	-	-	-

United Paper Industries	TRAFCO	ADC	BWBC	BFFC	TLC	MTC	TOTAL
Sales	-	-	-	-	-	-	-
Purchases	9,779	251,532	95,649	-	-	-	356,960
Other income	-	-	-	-	-	-	-
Receivables	-	-	-	-	-	-	-
Payables	1,870	71,744	14,817	-	-	-	88,431
Other expenses	-	-	-	-	-	2,688	2,688

Wadi Al Salam Industries W.L.L	TRAFCO	ADC	BWBC	BFFC	TLC	MTC	TOTAL
Sales	-	-	-	-	-	-	-
Purchases	2,568	-	-	-	-	-	2,568
Other income	-	-	-	-	-	-	-
Receivables	-	-	-	-	-	-	-
Payables	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-

Yousif Abdul Rahman Engineer Company	TRAFCO	ADC	BWBC	BFFC	TLC	MTC	TOTAL
Sales	8,636	-	-	-	-	-	8,636
Purchases	431	5,986	-	-	-	-	6,417
Other income	-	-	-	-	-	-	-
Receivables	-	-	-	-	-	-	-
Payables	-	14,887	-	-	-	-	14,887
Other expenses	-	171,010	-	-	-	-	171,010

Ebrahim Mohd. Ali Zainal	TRAFCO	ADC	BWBC	BFFC	TLC	MTC	TOTAL
Sales	10	-	-	-	-	-	10
Purchases	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-
Receivables	-	-	-	-	-	-	-
Payables	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-

Ebrahim Salahuddin	TRAFCO	ADC	BWBC	BFFC	TLC	MTC	TOTAL
Sales	3,179	-	866	-	-	-	4,045
Purchases	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-
Receivables	169	-	-	-	-	-	169
Payables	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-

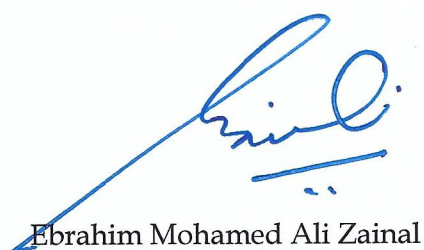
Jehad Yousif Amin	TRAFCO	ADC	BWBC	BFFC	TLC	MTC	TOTAL
Sales	2,159	-	-	-	-	884	3,043
Purchases	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-
Receivables	-	-	-	-	-	-	-
Payables	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-

Yousif Saleh Al Saleh	TRAFCO	ADC	BWBC	BFFC	TLC	MTC	TOTAL
Sales	108	-	-	-	-	-	108
Purchases	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-
Receivables	30	-	-	-	-	-	30
Payables	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-

Ali Yousuf Abdul Rahman A Rahim	TRAFCO	ADC	BWBC	BFFC	TLC	MTC	TOTAL
Sales	10,364	-	-	-	-	-	10,364
Purchases	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-
Receivables	-	-	-	-	-	-	-
Payables	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-

Common directorship	Trafco	ADC	BWBC	BFFC	TLC	MTC	TOTAL
Sales	426,419	143,126	33,378	36,996	4,510	12,527	656,956
Purchases	1,329,219	673,644	118,557	-	1,790	13,225	2,136,435
Other income	734,103	12,608	-	-	-	1,800	748,511
Receivables	159,877	20,738	9,711	15,458	3,327	3,375	212,486
Payables	290,047	134,138	25,888	133	19,247	5,131	474,584
Other expenses	54,908	176,353	36,775	1,824	23,974	13,944	307,778

Description	Sales	Purchase of goods and services	Other Income	Other expenses	Due from related parties	Due to related parties
	BD	BD	BD	BD	BD	BD
Common directors	656,956	2,136,435	748,511	307,778	212,486	474,584



Ebrahim Mohamed Ali Zainal  
Chairman  
26 -February -2025