CORPORATE GOVERNANCE REPORT 2025

Bahrain Commercial Facilities Company B.S.C. referred to as ("BCFC") or the ("the Company") is licensed by the Central Bank of Bahrain (CBB) as a 'Financing Company' regulated under Rulebook Volume 5 'Specialized Licensees' category. BCFC is also a listed company on Bahrain Bourse and the provisions of Rulebook Volume 6 apply to it as a capital market participant. The corporate governance provisions relate to the High-Level Controls (Module HC) of the respective Rulebook Volumes. BCFC applies the Comply-or-Explain principle under the MOIC's Corporate Governance Code (2022). For 2025, the Company complied with all applicable provisions except the ARCC majority independence composition, for which CBB approval was obtained as temporary regulatory accommodation. In addition, the Executive Committee composition was not fully aligned with the Company's internal independence policy, for which CBB was informed and approval was obtained on a temporary basis. Remediation plan: restore full independence by Q2 2026. The AGM agenda includes a separate item to discuss and approve the Corporate Governance Report.

BCFC is committed to the best practices of corporate governance in line with the legal and regulatory requirements. Maintenance of high standards in corporate governance is an intrinsic part of the Company's pursuit of its business activities. To uphold its commitment to the highest standards of corporate governance, BCFC has formulated comprehensive policies designed to ensure compliance with applicable legal and regulatory requirements. These Policies highlight the areas the Company including the Board, and its Management and employees have to comply with in relation to the corporate governance and disclosure requirements, particularly with reference to Corporate Governance Code of the Ministry of Industry and Commerce (MOIC), applicable regulatory requirements under HC Modules of Rulebook Volumes 5 and 6 and any other rules, regulations and Directives issued on this matter and the Memorandum and Articles of Association of the Company.

A. Shareholder Information

Details of the Company's capital, shareholders and distribution of equity shares are disclosed under Note 18 to the Consolidated Financial Statements for the year ended 31 December 2025.

The Company has only one class of equity shares, and the holders of these shares have equal voting rights. Out of the total shareholders, 98% (2024: 98%) are Bahraini individuals or corporates and 2% (2024: 2%) are other nationalities.

B. Board of Directors

The Board is constituted of ten directors, divided into independent, non-executive and executive members. The current term of office runs from March 2023 to March 2026, while the upcoming term will extend from March 2026 to March 2029 and the Board will be elected and nominated at the AGM scheduled to convene on 25 March 2026 in accordance with the constitutive documents, Board Charter and CBB Fit and Proper Requirements Module. The members are appointed and elected for a three-year term unless terminated earlier in accordance with applicable laws or as per the Company's Memorandum and Articles of Association or the Board of Directors Charter. To ensure adherence to the highest standards, the Company enters into a written appointment agreement with each director which recites the directors' powers, duties, responsibilities and accountabilities and other matters relating to their appointment including their term, the time commitment envisaged, the committee assignment if any, their remuneration and expense reimbursement entitlement, and their access to independent professional advice when that is needed. Additionally, as per the High-Level Controls Module (Module HC) of the CBB Rulebook, which requires disclosure of the percentage of women's representation on the board of directors of listed companies, the BCFC Board of Directors is comprised of one female Board member who represents 10% of the overall Board composition and the Board fosters this direction to progressively

enhancing female representation while maintaining merit-based selection. Furthermore, the independent Directors represent 50% of the Board composition, while the executive directors represent 30% and the non-executive directors represent 20%. The Board represents a mix of high-caliber professional skills and expertise. Any newly appointed/elected director undergoes a comprehensive, formal, and tailored induction to ensure the director's fiduciary responsibilities are well understood and appreciated. In this regard, it is worth mentioning that training of the Board Members has always been at the forefront of the responsibilities of the Company, which ensures proper Continuous Professional Development (CPD) Training is extended to all Directors. The training of the Board of Directors was centered around key areas including corporate governance, regulatory compliance, risk management, strategic oversight, financial reporting, ethics, and sector-specific developments relevant to the Company's operations. In this respect, the majority of the Board members (80%) fulfilled their training and competency requirements for the year ended 31st December 2025, in accordance with the regulatory directive. In the remaining cases, non-completion was primarily due to illness or due to prior unavoidable commitments, or because certain directors attended alternative training programs within their respective organizations. To fulfill some of its responsibilities, the Board has in place an Executive Committee ("EXCOM"), a Nomination, Remuneration, Sustainability and Governance Committee ("NRSG"), Audit, Risk and Compliance Committee ("ARCC") and Board-Independent Members Committee ("IMC") whose compositions consist of members with adequate professional background and experience. In connection with the Company's Islamic Window activities, the Board of Directors has appointed a Sharia Supervisory Board (SSB) comprising three qualified Shari'a scholars to oversee and supervise compliance of the Islamic Window operations with Shari'a principles. The SSB was appointed in 2025 in accordance with the rules and requirements of the Central Bank of Bahrain and pursuant to shareholder authorization obtained at the Annual General Meeting. The appointment remains valid in accordance with the terms of the approved contract. The Board annually reviews its own composition and Charter and conducts a comprehensive evaluation of its performance, the performances, and contributions of all Committees vis-à-vis their respective charters and the performance, effectiveness, and contribution of each board member. This performance evaluation process is fully conducted and administered by the Group Corporate Secretariat. The performance evaluations employ a robust methodology that includes both qualitative and quantitative measures. Qualitative measures involve self-assessments covering board composition, meeting effectiveness, strategic oversight, risk management and stakeholders' engagement, peer reviews and feedback, and committee assessment against charters while quantitative measures include performance metrics and benchmarks. These evaluations are conducted through written forms made at the last scheduled meeting of the calendar year. The final performance appraisal report is then reviewed and recommended by the Nomination, Remuneration, Sustainability and Governance Committee for the approval of the Board. The BCFC Board of Directors gives final approval at the first meeting of the calendar year where the Company's year-end results are approved for publication. This rigorous evaluation process not only ensures accountability but also enhances governance practices by identifying areas for improvement and fostering a culture of continuous development and excellence. As part of our ongoing commitment to governance excellence, the entire evaluation framework has been refreshed, revamped and enhanced internally in 2025 by the Group Corporate Secretariat to align with the mandates of the NRSG Charter, sound corporate governance principles, Fit and Proper requirements and recent amendments to the Commercial Companies Law, reflecting our proactive approach to evolving regulatory expectations and best practices. These enhanced evaluation forms further strengthen the rigor, depth and forward-looking value of the evaluation process by aligning with global and regulatory standards and supporting meaningful insights and continuous improvement. Following the circulation and analysis of the evaluation forms, the overall rating of the Board, Board Committees and Boards of the portfolio companies was 3.92 out 4.

The Board is responsible for the preparation and fair representation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS), and for establishing such internal controls as the Board determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

The Board of Directors of Bahrain Commercial Facilities Company B.S.C. are under an obligation to exercise their individual and collective business judgment objectively, transparently and in good faith in what they reasonably believe to be in the best interest of the Company, its shareholders, and stakeholders. The Board of Directors oversees the process of disclosure and communications to internal and external stakeholders. The Board of Directors ensures that disclosures are fair, transparent, and comprehensive;

and reflect the character of the Company and the nature and complexity of risks inherent in the business activities of the Company. The Board of Directors and Senior Management oversee and ensure that Information and Cyber Security controls are periodically evaluated for adequacy.

In compliance with the local statutory and regulatory requirements, the Board of Directors oversees the exercise of corporate powers and ensures that the Company's business and affairs are well managed to meet its stated goals and objectives. Maintenance of the highest standards of corporate conduct, including compliance with applicable laws, regulations, business and ethical standards, receives considerable attention by the Board of Directors.

The types of material transactions that require the Board of Directors' approval cover a wide area ranging from credit approvals, approval of policies, strategies, donations to signing and investment authorities.

The Company strives to promote the highest standard of professional ethical norms and values towards its stakeholders (including without limitation, its customers, employees, regulators and the community). The Board has approved a Code of Conduct (the Code) that applies to the Directors and another one dedicated for the Executive Management and staff that includes the "Whistle-Blowing" procedures. It is in the best interest of the company and shareholders to bind all the concerned to the highest standards of professionalism and due diligence in discharging their duties. The Code include areas pertaining to conflict of interest, related parties' transactions, obligations of integrity and loyalty, confidentiality, and the responsibilities of all those concerned to adhere to best practices and high standards in ethical norms and values.
Furthermore, directors abide by their fiduciary duties of care and owe loyalty not to use property of the Company for their personal needs as though it was their own property, not to disclose confidential information or use it for their personal profit, not to take business opportunities for themselves that constitute direct and material conflicts of interest, not to compete directly or indirectly in business with the Company; and to declare their conflict and abstain from participating in any deliberation in or voting on any transaction contemplated between the Company and a company in which they have personal interests.

In compliance with the regulatory requirements, below are the numbers of shares held by the Company's directors, in their capacity as Board Members, and the connected persons as at 31st December 2025 as follows:

*Directors **	*Type of Shares*	*31 December 2025*	*31 December 2024*
Mr. AbdulRahman Yusuf Fakhro, Chairperson	*Ordinary*	*1,091,708*	*1,071,718*
Mr. Reyadh Yusuf Hasan Sater, Vice Chairperson	*Ordinary*	*Nil*	*Nil*
Sh. Salman Bin Isa Al-Khalifa, Director	*Ordinary*	*Nil*	*Nil*
Mr. Yaser Abduljalil Alsharifi, Director	*Ordinary*	*Nil*	*Nil*
Mr. AbdulAziz Abdulla Al-Ahmed, Director	*Ordinary*	*Nil*	*Nil*
Mr. Yusuf Saleh Khalaf, Director	*Ordinary*	*Nil*	*Nil*
Mrs. Najla Mohamed Al Shirawi, Director	*Ordinary*	*Nil*	*Nil*
Mr. Ebrahim Abdulla Buhindi, Director	*Ordinary*	*Nil*	*Nil*
Mr. Mohamed Abdulla Isa, Director	*Ordinary*	*Nil*	*Nil*
Mr. Mishal Ali Mohamed Alhellow, Director	*Ordinary*	*Nil*	*Nil*

** The Board of Directors and their connected persons, with the exception of Mr. AbdulRahman Yusuf Fakhro, did not trade in the shares of the Company during the financial year ending 31st December 2025.*

Annual confirmations as well as an on-going obligation update regarding the profiles, directorships, conflicts and personal interests of the Board of Directors are sought from the Board of Directors. The process of declaration of interests takes place on an annual basis and as part of the public disclosure requirements in the Company's Annual Report. The Group Corporate Secretary writes to all the Directors, requesting them to confirm and/or update their existing directorships and profiles. Upon receiving their responses, profiles, directorships, conflicts and personal interests of the Board of Directors are disclosed in the annual report at the end of each financial year. Similar confirmations and declarations are also applied at the time of election (which is done based on cumulative secret ballot) and nomination or appointment of a new Board of Director, when candidates fill in and submit the CBB forms together with their declarations of interest in other enterprises and these declarations are refreshed thereafter with necessary information on an annual and regular basis to fully adhere to the applicable CBB Rulebook provisions.

The Board of Directors meets at least four times in each financial year upon the summons of the Chairperson of the Board or his Deputy (in case of absence or disability) or at least two of its members. A quorum shall be attained if one half plus one of the members are present. In 2025, the Board of Directors convened six ordinary meetings and one unscheduled meeting. The meetings were attended as follows:

Board of Directors	*29 Jan.*	*26 Feb.*	*07 May.*	*30 Jul.*	*29 Oct. (3)*	*17 Nov. (2).*	*09 Dec.*	*Total*	*Attendance Percentage*
Mr. AbdulRahman Yusuf Fakhro, Chairperson	✓	✓	✓	✓	✓	✓	✓	*7*	*100%*
Mr. Reyadh Yusuf Hasan Sater, Vice Chairperson	✓	✓	✓	✓	✓	✓	*Virtual*	*7*	*100%*
Sh. Salman Bin Isa Al-Khalifa, Director	✓	✓	✓	*Virtual*	✓	*Virtual*	✓	*7*	*100%*
Mr. Yaser Abduljalil Alsharifi, Director	*Virtual*	✓	*Virtual*	*Virtual*	✓	*Virtual*	✓	*7*	*100%*
Mr. AbdulAziz Abdulla Al-Ahmed, Director	✓	*Virtual*	*Virtual*	✓	✓	*Virtual*	✓	*7*	*100%*
Mr. Yusuf Saleh Khalaf, Director	✓	✓	✓	*Virtual*	✓	*Virtual*	✓	*7*	*100%*
Mrs. Najla Mohamed Al Shirawi, Director	*Virtual*	*Absent (1)*	✓	*Virtual*	✓	*Virtual*	✓	*6*	*85.7%*
Mr. Ebrahim Abdulla Buhindi, Director	✓	*Absent (1)*	✓	✓	*Absent (4)*	*Absent (4)*	*Absent (4)*	*3*	*42.8%*
Mr. Mohamed Abdulla Isa, Director	✓	✓	✓	✓	✓	*Virtual*	✓	*7*	*100%*
Mr. Mishal Ali Mohamed Alhellow, Director	*Virtual*	*Virtual*	✓	*Virtual*	*Virtual*	✓	*Virtual*	*7*	*100%*

1. Apologies were received due to an unavoidable commitment.
2. To review and assess a potential business opportunity and take an appropriate decision.
3. Several Board Members declared a conflict of interest regarding an agenda item. They absented themselves from the discussion and decision-making process on this matter.
4. Apology for absence was received due to illness.

Additionally, where there is a potential for conflict of interest, or there is a need for impartiality in relation to a subject or proposed transaction where a conflict of interest exists, the Board shall form ad hoc Board sub-committees, comprising of a sufficient number of non-banking and non-conflicted Board members capable of exercising independent, objective judgment. This is to ensure that the Board members discharge their duties with a high degree of integrity and loyalty, taking into account applicable laws, codes and regulations. In this regard, the Board disclosed the areas that featured discussions and decision-making where potential conflicts of interest might engage, and where the respective members absented themselves to avoid conflict of interest. In 2025, The Board formed three Board ad hoc sub-committees to handle specific assignments. One of these Board Ad hoc Sub-committees was formed and tasked with reviewing and approving the refinancing proposals related to the loan maturities falling due in 2025. Three directors representing the banking shareholders declared their interest in the subject financing proposals and, accordingly, abstained from attending all related presentations, discussions and voting. The Board ad hoc sub-committee convened and the meetings were attended as follows:

Board Sub-Committee Meeting *(To approve the proposed new term loan)*	***16 Feb.***
Mr. AbdulRahman Yusuf Fakhro, Chairperson	*By email*
Mr. Reyadh Yusuf Hasan Sater, Vice Chairperson	*By email*
Sh. Salman Bin Isa Al-Khalifa, Member	*By email*
Mrs. Najla Mohamed Al Shirawi, Member	*By email*

Another Board Ad hoc Board Sub-Committee was formed and tasked with reviewing and recommending to the NRSG and the Board the bonus methodology and distribution criteria at both the corporate and subsidiary levels. The Board Ad hoc Sub-Committee held two meetings, and the meetings were attended as follows:

Board ad hoc Sub-Committee Meetings *(To review the bonus methodology & distribution criteria at corporate & subsidiary level)*	***12 May***	***30 Nov.***
Mr. AbdulRahman Yusuf Fakhro, Chairperson	✓	✓
Mr. Reyadh Yusuf Hasan Sater, Vice Chairperson	✓	✓
Sh. Salman Bin Isa Al-Khalifa, Member	*Virtual*	*Virtual*
Mr. Yusuf Saleh Khalaf, Member	✓	*Virtual*

C. Key Persons Dealing Policy

The Company has in place a Key Persons Dealing Policy to ensure that insiders are fully aware of the regulatory requirements regarding dealing with BCFC shares, with the objective of preventing abuse of inside information. A Key Person is defined as a natural person or a juristic person that possesses or has access to price-sensitive information, from time to time, by nature of their duties performed. Key persons are Board of Directors, Senior/Executive Management and other persons or third parties as decided by the Company's Board. The Chief Compliance, MLRO and Governance Officer maintains at all times an updated Register of Key Persons and makes immediate notification to Bahrain Bourse of their dealings in the Company's shares.

D. Board of Directors Committees

1. Executive Committee ("EXCOM")

In accordance with the Company's Articles of Association and the Board of Directors Charter, the Executive Committee is delegated with a defined scope of duties and authorities in relation to BCFC, TRESCO and TISCO and to review and make recommendations to the whole Board in respect of the aforementioned scope of duties and authorities as per the Executive Committee Charter.

The Executive Committee is comprised of a minimum of three members, who are not members of the ARCC, appointed by the Board of Directors. At least one member shall be independent. Currently and as disclosed last year, the Committee has in place four members, one of whom is an independent member [who is already a member of the ARCC] and is not in line with the Company's policy. This internal requirement for an independent member within the Committee composition was substantiated as necessary to ensure independence. This was communicated with the relevant department and obtained CBB approval. In accordance with its charter, the Executive Committee has the role of reviewing reports and activities, taking decisions on issues within its defined authorities and recommending to the Board of Directors on other issues that are above its authorities, where applicable. These responsibilities and authorities cover a wide area ranging from credit approvals, write-offs, strategy, business planning, donations, signing and investment authorities.

To ensure full discharge of duties, the Executive Committee shall convene its meetings regularly as required, but with a minimum of four meetings per annum. In 2025, the Executive Committee held four ordinary meetings and two unscheduled meetings. The meetings were attended as follows:

Committee Member	*25 Feb. (1)*	*20 Apr.*	*15 Jul.*	*13 Aug. (2)*	*28 Sep.*	*25 Nov.*	*Total*	*Attendance Percentage*
Sh. Salman Bin Isa Al-Khalifa, Chairperson	*Virtual*	✓	✓	*Virtual*	*Virtual*	✓	*6*	*100%*
Mr. Yaser Abduljalil Alsharifi, Vice Chairperson	*Virtual*	✓	*Virtual*	*Virtual*	✓	*Virtual*	*6*	*100%*
Mr. AbdulAziz Abdulla Al-Ahmed, Member	*Virtual*	*Virtual*	✓	*Virtual*	✓	*Virtual*	*6*	*100%*
Mr. Ebrahim Abdulla Buhindi, Member	*Absent (3)*	*Absent (3)*	✓	✓	✓	*Absent (3)*	*3*	*50%*

1. *To Review & Recommend the Appointment of the Consultant for the Group Reorganization Structure.*
2. *To discuss different agenda items.*
3. *Apology for absence was received due to illness.*

2. Audit, Risk and Compliance Committee ("ARCC")

In accordance with the Company's Articles of Association, and with the objective of assisting the Board of Directors (the Board) in fulfilling its responsibilities and duties, the Audit, Risk and Compliance Committee is delegated with defined scope of roles and authorities related to Company's Audit matters, Risk Management and Compliance with relevant rules and regulations.

The Committee must have at least three directors of which the majority must be independent and have no conflict of interest with any other duties they have and must be appointed by the Board of Director for a three-year term. The Committee will elect a Chairperson and Vice Chairperson. The Chairperson of the Committee must be an independent director and does not chair any other committee nor serve as the Board of Directors Chair under the criteria stated in the Corporate Governance Code. However, and as disclosed last year, the Committee composition was not in line with the requirements, since the majority of the committee members were not independent directors, this was communicated with the relevant department and obtained CBB approval. The Company is taking the appropriate steps to regularize the composition, and full compliance with the independence requirements will be restored by Q2 2026. The CEO and other Senior/Executive Management of the Company must not be members of the Committee.

The Board Audit, Risk and Compliance Committee ("ARCC") assists the Board of Directors, in overseeing the responsibilities for the financial reporting process, the system of internal control and the audit process, monitoring compliances with the Company's policies and procedures and overall risks related to the Group's operations and

matters pertaining to anti-money laundering relevant to regulatory requirements. Consistent with this function, the Committee encourages continuous improvement of, and fosters adherence to, the Company's policies, procedures, and sound practices at all levels.

The Committee must receive internal and external audit, risk management and compliance reports and ensure that Senior/Executive Management is taking necessary corrective actions in a timely manner to address any control weaknesses, non-compliance with policies, laws and regulations, and other problems identified by external auditors, the Chief Internal Audit Officer, Chief Risk Officer, and Chief Compliance, MLRO and Governance Officer and other control functions.

The Committee directs the role and assesses the performance of the Internal Audit, Risk Management, Compliance and Anti-Money Laundering Departments. The Committee is also responsible for developing and recommending to the Board risk related policies and the Company's risk management framework in addition to reviewing those policies at least once a year in compliance with the regulatory requirements. The Committee reviews and recommends any amendments to the Company's Memorandum and Articles of Associations in consultation with a legal counsel. The Committee reviews and challenges where necessary, the actions and judgment of management, in relation to the interim and annual financial statements before submission to the Board.

Additionally, the Chief Executive Officer and Group Chief Financial Officer shall certify in writing to the ARCC Committee and the Board as a whole the Company's interim and annual financial information / statements.

The Committee is authorized by the Board to seek appropriate professional advice inside and outside of the Company as and when it considers this necessary at the Company's expense. To ensure full discharge of duties, the Committee shall convene its meetings regularly as required, but with a minimum of four meetings per annum. In 2025, the Audit, Risk and Compliance Committee held five ordinary and five unscheduled meetings. The meetings were attended as follows:

Committee Member	***16 Jan. (2)***	***19 Feb.***	***27 Apr.***	***1 Jun.** (3)*	***19Jun. (4)***	***22 Jul.***	***21 Oct.***	***12 Nov. (5)***	***16 Nov. (5)***	***08 Dec.***	***Total***	***Attendance Percentage***
Mr.Yusuf Saleh Khalaf, Chairperson	✓	✓	✓	✓	✓	✓	✓	*Virtual*	*Virtual*	✓	*10*	*100%*
Mr. Mishal Ali Mohamed Alhellow, Vice Chairperson	✓	*Virtual*	✓	✓	✓	✓	*Virtual*	*Virtual*	*Virtual*	*Virtual*	*10*	*100%*
Mr. Ebrahim Abdulla Buhindi, Member (1)	*Absent*	*Absent*	*Absent*	✓	✓	*Absent (6)*	*Absent*	*Absent*	*Absent*	*Absent*	*2*	*20%*
Mr. Mohamed Abdulla Isa, Member	*Virtual*	*Virtual*	*Virtual*	*Virtual*	*Virtual*	*Virtual*	*Virtual*	*Virtual*	*Virtual*	*Virtual*	*10*	*100%*

1. *Apology for absence was received due to illness.*
2. *To discuss different agenda items.*
3. *A joint meeting was convened with the committee, the Chairperson of the Board, the Vice Chairperson, and the Chairperson of the Executive Committee.*
4. *To discuss different agenda items including policies.*
5. *Meetings were held to interview candidates for the new Head of Compliance, MLRO and Governance role.*
6. *An apology for absence was received due to bereavement leave.*

3. Nomination, Remuneration, Sustainability and Governance Committee ("NRSG")

In accordance with the Company's Articles of Association, and with the objective of assisting the Board of Directors (the Board) in fulfilling its responsibilities and duties, the Nomination, Remuneration, Sustainability and Governance Committee is delegated with a defined scope of roles and authorities related to the nomination and appointment of Directors and the remuneration of Directors and Senior Executives of the Group as outlined in the NRSG Committee Charter, in addition to Corporate Governance and Sustainability matters to co-ordinate and integrate the implementation of the governance and sustainability policies and regulatory framework.

The Nomination, Remuneration, Sustainability and Governance Committee is comprised of at least three directors, appointed by the Board. The Nomination, Remuneration, Sustainability and Governance Committee provides advice and makes recommendations to the Board on matters related to the nomination and appointment of Directors, memberships to all Committees of the Board, Directors to the Boards and memberships of Executive Committees of the Group, the Chief Executive Officer or his/her delegate and controlled functions under BCFC, the General Managers or their Delegates of all the subsidiaries of the Group and the Group Corporate Secretary.

The Nomination, Remuneration, Sustainability and Governance Committee reviews and makes recommendations to the Board on all matters of remuneration and compensation of Directors and the remuneration of the Chief Executive Officer, General Managers or their delegates of the subsidiaries and the Group Corporate Secretary, the bonus, share option, redundancy, and termination payment policies of the Company. The Committee assesses the roles of the Chief Executive Officer (CEO) or his/her delegates, all the General Managers or their delegates of the subsidiaries, and the Group Corporate Secretary. Moreover, the Committee reviews and approves the salary and bonus payments for the CEO's direct reports. The Committee also ensures that failure is not rewarded and that the duty to mitigate loss is fully recognized. Additionally, the Committee determines the policy for the disclosure of Directors and Executive Management's remuneration for approval of the Board of BCFC.

The Committee evaluates and recommends Corporate Governance policies, practices, and guidelines applicable to the Board and the Company. The Committee also reviews and makes recommendations to the Board on all matters relevant to Corporate Governance to coordinate and integrate the implementation of the governance policy framework. In addition, the Board of Directors delegates their responsibilities towards Environmental, Social and Governance (ESG) as outlined in the Group's ESG policy.

The Board of Directors also appoints the role of the Group's Corporate Governance Officer in order to assist the NRSG Committee in fulfilling its responsibilities and duties pertaining to the process of reviewing on an annual basis the Corporate Governance disclosure guidelines in the Company's annual report to ensure that the scope of the disclosure is in line with the Corporate Governance Code, High Level Control Module, Public Disclosure Module, and other Corporate Governance matters. He/she also assesses the Board and the Committee's composition and carries out an annual test of directors' independence and subsequently reports the results to the NRSG Committee. In addition, the Group's Corporate Governance Officer provides support in the process of evaluating and recommending Corporate Governance policies, practices, and guidelines applicable to the Board and the Company.

The Board recognizes the succession planning as critical to business continuity, NRSG Committee oversees the succession planning for key roles in the Company.

The Committee shall meet as necessary to ensure full discharge of duties based upon a request of the Chairperson, Vice Chairperson or the Chief Executive Officer. The Committee shall convene not less than two meetings each year. In 2025, the Nomination, Remuneration, Sustainability and Governance Committee convened two ordinary meetings and three unscheduled meetings. The meetings were attended as follows:

Committee Member	28 Jan.	13 Feb. (2)	26 Feb. (3)	30 Apr. (3)	02 Dec.	Total	Attendance Percentage
Mr. AbdulRahman Yusuf Fakhro, Chairperson	✓	✓	✓	✓	✓	5	100%
Mrs. Najla Mohamed Al Shirawi, Vice Chairperson	Virtual	✓	✓	✓	✓	5	100%
Mr. Ebrahim Abdulla Buhindi, Member (1)	✓	✓	✓	Absent	Absent	3	60%

1. *Apology for absence was received due to illness.*
2. *Unscheduled meetings were held to discuss various agenda items that required the Committee's attention and decisions before making final recommendations to the Board.*
3. *To discuss different agenda items.*

4. BCFC Board-Independent Directors Committee

In accordance with the Company's Articles of Association, and with the objective of assisting the Board of Directors in fulfilling its responsibilities and duties, the Independent Board Members Committee is delegated with a defined scope of roles related to the Company's corporate governance activities, as well as serving as a reference point for the Independent Members' Committee activities and ensuring that the Board maintains a high level of independence, objectivity, and fiduciary responsibility.

The Committee shall comprise of three or more independent directors appointed by the Board (after nomination by the Nomination, Remuneration, Sustainability and Governance (NRSG) Committee), who should be free from any responsibility or relationship that, in the opinion of the Board would interfere with the exercise of his/her independent judgment as a member of this Committee. The Chairperson of the Committee shall be an Independent Director. In accordance with its charter, the Independent Board Members Committee has the role of ensuring that there is a platform to review and address potential conflict of interest between the strategy and interests of controlling shareholdings and the Company, in all such cases this Committee will be expected to act with impartiality.

The primary objective of the Committee is to assist the Board of Directors in managing potential conflicts of interest between the strategy and interests of controlling shareholders and the Company, ensuring impartiality in all cases. The Committee also ensures that majority shareholders consider the needs of minority shareholders and other stakeholders. Additionally, if there are multiple controlling shareholders (more than 10%) who can act together, the Committee is responsible for safeguarding the interests of all shareholders and key stakeholders.

The Committee shall meet annually or more frequently as circumstances warrant to address various matters. These include reviewing and recommending items referred by the Board that may involve conflicts of interest, identifying controlling shareholders at the start of the year to pinpoint significant transactions or investments for discussion, and conducting an annual review of key transactions or activities approved by the Board to ensure they benefit all stakeholders, not just majority shareholders. Additionally, the Committee is responsible for protecting the interests of minority shareholders, allowing individual members to propose discussion items if any actions or approvals potentially infringe on minority shareholders' rights.

The Committee is authorized by the Board to conduct or authorize investigations and reviews within its scope of responsibility. It can seek information from any officer or employee of the Company or its subsidiaries, as well as from external parties, and may obtain outside legal or independent advice at the Company's expense. The Committee is entitled to review the workings of the Management Committees of both the Parent and Subsidiary companies. It makes recommendations to the Board for approval or final decision but has no executive powers regarding its findings. The independence of each Independent Board Member shall be reviewed annually by the Board, based on disclosed interests, and each Independent Member must provide the Board with necessary and updated information for this purpose.

To ensure full discharge of duties, the Independent Board Members Committee shall convene its meetings annually or more frequently as circumstances warrant. The Independent Members Committee held one meeting in 2025. The meeting was attended as follows:

Committee Member	*2 Feb*	*Attendance Percentage*
Mr. AbdulRahman Yusuf Fakhro, Board Chairperson	✓	*100%*
Mr. Reyadh Yusuf Hasan Sater, Board Vice Chairperson	✓	*100%*
Mr. Yusuf Saleh Khalaf, Board Member	✓	*100%*
Mrs. Najla Mohamed Al Shirawi, Board Member	*Virtual*	*100%*
Mr. Ebrahim Abdulla Buhindi, Board Member	✓	*100%*

E. Risk Management

BCFC is fully aware of its responsibilities toward implementing the international best practices on risk management as reflected by the regulatory requirements of the Central Bank of Bahrain. The overall responsibility for Risk Management in the Group remains with the Board of Directors. The Board approves appropriate credit, liquidity, market, and operational and any other risk policies based on the advice of the Board Audit, Risk and Compliance Committee.

The Company has a Chief Risk Officer who is independent of business lines and the day-to-day running of the various business areas and is separate from the Internal Audit and Compliance functions. In addition, the Chief Risk Officer reports directly to the Board Audit, Risk and Compliance Committee, has full access to the Board of Directors, and administratively to the Chief Executive Officer.

The Group's risk management policies are in place to identify and analyze risks, to establish appropriate limits and controls, and to monitor risk and compliance with limits. Risk management policies are reviewed on a regular basis to ensure they remain relevant in light of changing market conditions and the Group's activities. The Group strives to create a disciplined and constructive control environment in which all employees understand their roles and responsibilities through its training and management standards and procedures.

F. Environmental, Social and Governance / Sustainability:

The Group's Risk Management Strategy is a cornerstone of our corporate governance, ensuring the prudent and effective handling of financial and non-financial risks that could impact our operations, including Environmental, Social, and Governance (ESG) factors. Guided by BCFC's Board of Directors delegated to the NRSG Board Committee, and in alignment with the Central Bank of Bahrain's requirements, the strategy incorporates a robust framework for risk identification, evaluation, and mitigation, supported by continuous monitoring and a proactive approach to the evolving risk landscape. Through ESG materiality assessments, measurable goals, and a cross-functional ESG taskforce, the Group integrates sustainability into its risk processes, promotion a disciplined control environment and empowering employees to contribute to long-term resilience and value creation for stakeholders.

G. Compliance and Anti-Money Laundering

BCFC is fully aware of its responsibilities in observing all regulatory provisions and best international practices in relation to its functioning. It is committed to complying with international best practices on compliance and anti-money laundering as reflected by the regulatory requirements of the Central Bank of Bahrain.

The Company has a Chief Compliance,Money Laundering Reporting Officer (MLRO) and Governance Officer. These functions are independent of business lines and the day-to-day running of the various business areas and are separate from the Internal Audit and Risk Management functions. In addition, the Chief Compliance, Money Laundering Reporting and Governance Officer reports directly to the ARCC Committee and has full access to the Board of Directors and administratively to the Chief Executive Officer.

The Company has in place clear strategies, frameworks, and risk-based plans for compliance to identify, monitor and test compliance and money laundering risks, and to put right controls on a regular and on an ongoing basis. The Company also retains an approved Compliance and Anti-Money Laundering Policies, which contain Customer Due Diligence measures, procedures for identifying and reporting suspicious transactions, an annual awareness programme for staff training, record-keeping requirements and documentation, which are reviewed annually and approved by the Board of Directors.
The Group's Compliance, MLRO and Governance function ensures implementation of applicable regulatory requirements on a Group-wide level to the subsidiaries and branches. The AML is subject to annual independent review and examination by External Audit/Independent Third Party, and Internal Audit.

H. Corporate Governance:

The Chief Compliance, MLRO and Governance Officer also assumes the role of the Group Corporate Governance Officer and in this context, he/she supports the NRSG Committee in the process of reviewing on an annual basis the Corporate Governance disclosure guidelines in the Company's annual report to ensure that the scope of the disclosure is in line with the Corporate Governance Code, High Level Control Module, Public Disclosure (PD) Module, and other Corporate Governance matters. He/she also assesses the board and the committees composition and carries out an annual test of directors' independence and then reports the results to the NRSG Committee. In addition, he/she supports the process of evaluating and recommending Corporate Governance policies, practices, and guidelines applicable to the Board and the Company. The appointment of the Group Governance Officer is subject to the approval of the NRSG Committee.

I. Internal Audit:

BCFC is fully aware of its responsibilities toward assuring that the Company's Risk Management, Governance, and Internal Control Processes are operating effectively. It is committed to performing with international standards and best practices in the audit industry.

The Company has a Chief Internal Audit Officer which is independent of business lines and the day-to-day running of the various business areas and is separate from the Risk Management and Compliance functions.

The Chief Internal Auditor reports directly to the ARCC Committee and has full access to the Board of Directors and administratively to the Chief Executive Officer.

The Group's Internal Audit is appropriately established to detect the Company from violations of laws, regulations, policies and procedures, and provisions of contracts and agreements. The Group strives to create a disciplined and constructive control environment in which all employees understand and adhere to their roles and responsibilities.

J. Management Committees:

The Group has established a comprehensive governance framework through its management committees, designed to oversee critical areas of the Group's operations and ensure alignment with its strategic objectives. The committees play an essential role in driving effective decision-making, enhancing operational oversight, and ensuring adherence to regulatory requirements, industry standards, and best practices.

These management committees are chaired by the Chief Executive Officer (CEO) or Senior Management Members, with a well-defined term of reference for each committee, outlining its specific responsibilities and decision authority. Collectively, these committees ensure robust oversight of the Group's financial and non-financial performance and address the dynamic requirements ensuring effective integration of corporate governance. The management committees meet regularly to discuss and approve critical decisions, monitor performance, and address emerging challenges.

a. The Assets and Liabilities Committee ("ALCO").
b. The Credit Committee.
c. The Risk Management Committee.
d. The Impairment and Provisioning Committee.
e. The Write off Committee.
f. The Information and Cyber Security Committee.
g. The Management and Marketing Committee.
h. The Investment Committee.
i. The Senior Human Resources Committee.
j. The Donation Committee
k. The Tender Committee
l. Other Committees may be established to oversee specific aspects of the Group's operations, ensuring comprehensive governance and control across all areas.

K. Remuneration Policy:

a. Board Remuneration:

The Company's remuneration practices are aligned with the guidelines and rules of the CBB High-Level Controls, HC-5 Remuneration of Approved Person and Material Risk Takers duly prescribed under Volume 1: Conventional Banks.

The Company has in place policies and guidelines for the attendance and sitting fees payable to all the Directors in consideration of attending one or more of Board and Committee meetings in a financial year. This Policy reflects the Company's commitment to best practices of corporate governance in line with the legal and regulatory requirements and is intended to remunerate its Board and Committee members fairly and responsibly. The Policy ensures that the remuneration of Board and Committee members is sufficient to attract, retain and motivate persons of quality and desired competencies needed to run the Company successfully. The Remuneration Policy of the Company applies to all the Boards of Directors of the Parent Company, its Committees, the Boards of its Subsidiaries, and any other Committee of a subsidiary formed from time to time.

The structure and level of the compensation for the Board and Committee Members are as follows:

(a) A fixed amount representing an annual remuneration fee approved by the Shareholders at the AGM; and
(b) Attendance fees payable to members attending different Board-related committees' meetings.

b. CEO and Management Remuneration:

The performance and remuneration of the CEO is reviewed by the Nomination, Remuneration, Sustainability and Governance Committee and approved by the Board. The remuneration of the Chief Executive Officer's direct reports is reviewed and approved by the Nomination, Remuneration, Sustainability and Governance Committee. Furthermore, the Board takes into consideration the following dimensions to remunerate the CEO:

1- Bonus distribution shall be determined at the Board's discretion, based on accruals and performance.
2- The strength of internal controls and risk management practices.
3- Meeting all the funding requirements needed to ensure the growth of the Company.
4- Quality of loan portfolio and levels of non-performing loans.
5- Achieving business plan and meeting agreed upon strategic objectives both financial objectives and non-financial objectives.

c. Directors Remuneration

Every director shall be entitled to receive gross remuneration as Director Sitting Fees, when approved by the Annual General Meeting per annum. The Directors' remuneration shall not exceed 10% of the net profits after deducting the statutory and general reserves and distributing dividends of no less than 5% of the Company's paid-up capital to the shareholders:

a) As per the Attendance Fees and Remuneration Policy, a director shall be also paid quarterly in arrears for his/her services during the term of his/her appointment attendance fees in consideration of attending one or more of the Board Committees;
b) A 100% of the attendance fees shall be paid to the independent and non-executive directors as well as the executive management occupying memberships in the Board of Subsidiaries in order to attract and retain talents for the best interest of the Company;
c) The Board shall ensure disclosure of all remuneration and benefits received by the directors during the financial year in the company's annual reports and make it available at shareholders' meetings; and
The nominating shareholder shall be entitled to the amounts due to be paid to its representative on the company's Board of Directors of any kind whatsoever.
d) Remuneration of non-executive directors does not include performance-related elements.

L. Directors and Officers Liability Insurance Governance and Oversight Responsibilities

The Company shall maintain Directors and Officers (D&O) Liability Insurance to provide financial protection to its Directors and officers against claims arising from their official duties. The Audit, Risk and Compliance Committee (ARCC) shall be responsible for reviewing the adequacy, scope, and terms of the D&O insurance policy annually or as needed. The Committee shall make a formal recommendation to the Board of Directors, which retains authority for final review and approval of the policy. Remuneration of non-executive directors does not include performance-related elements.

M. Conflict of Interest and Connected Persons/Related Party Policy

The Company has in place a policy which is set out to define the related parties, related transactions and how the Company discloses information related to conflict of interest. The policy applies to the Directors, Key Management Personnel, Senior Management and Staff, including transactions between the Company and its Subsidiaries. It also covers within its scope credit facilities granted to, purchases made from, joint ventures and business agreements.

M. Communication Strategy/Policy:

The Company has a clear policy in relation to communication with its stakeholders, shareholders, and employees, customers, Government bodies, Regulator and society and has approved Corporate Communication Policy Guidelines. Shareholders are invited by the Chairperson of the Board to attend the Annual General Meeting in the presence of the Chairperson and other directors including the Executive Committee Chairperson, the Nomination, Remuneration, Sustainability and Governance Chairperson, Audit, Risk and Compliance Committee Chairperson, the Chairpersons of subsidiaries' boards and the External Auditors, who are available to answer any questions raised by shareholders or media representatives with regard to the operations and performance of the Company. Additionally, the Company is cognizant and fully aware of its regulatory and statutory obligations regarding dissemination of information to its stakeholders. Without prejudice to the disclosure standards, guidelines on key persons and other requirements of the relevant statutory bodies, financial and non-financial corporate information is provided by the Company on all events that merit announcement, either on its website: www.bcfc.bh or through local newspapers, Bahrain Bourse website or other means of communication. The financials and annual reports of the Company; the Charters of the Board and its Committees are made available on the Company's website. The website features a specific section that is related to investors' and shareholders' relations in general and describes shareholders' rights to participate and vote at each shareholders' meeting that include documents relating to meetings with full text of notices and minutes. Internally, electronic mail and departmental portals are used for communicating with the Company's staff on general

matters and sharing information of common interest and concern. At board level, there is an easy-to-use electronic web-based portal that is aimed at automating all board works and providing Board Members with secure, real-time access to the Board's and Committees' materials and archives.

N. Key Persons Policy

a. Controlled Functions

The Board of Directors and the Chief Executive Officer are responsible for the organisation structure and for identifying the senior management functions that require CBB notification. The Company adheres to all the CBB requirements regarding the appointment of the Members of the Board of Directors and Senior Executives. In particular, it complies with the CBB's "fit and proper" requirements whereby approval or notification to the CBB is obtained prior to appointing individuals to such key positions.

Key positions that require CBB prior written approval are those of:

1. Board Member.
2. Chief Executive Officer, Deputy CEO or General Manager or equivalent.
3. Money Laundering Reporting Officer.
4. Chief Compliance Officer (relevant for TISCO)

Senior Management Functions that require CBB notification are those of:

1. Group Chief Financial Officer.
2. Group Corporate Secretary
3. Chief Risk Officer
4. Chief Compliance Officer
5. Chief Internal Audit Officer.
6. Chief People & Culture Officer.
7. Chief Information Technology Officer.
8. Chief Consumer Finance Officer/Islamic Window.
9. Chief Commercial and SME Officer.
10. Chief Legal Officer.
11. Chief Remedial Officer.

b. Key Functions

Each key person must inform the entire board of (potential) conflicts of interest in their activities with, and commitments to other organisations as they arise. Board members must abstain from voting on the matter in accordance with the relevant provisions of the Company's Law (The Commercial Companies Law). This disclosure must include all material facts in the case of a contract or transaction involving the key person. The key persons must understand that any approval of a conflicted transaction is effective only if all material facts are known to the authorising persons and the conflicted person did not participate in the decision. In any case, all key persons must declare in writing all of their other interests in other enterprises or activities (whether as a shareholder of above 5% of the voting capital of the Company, a manager, or other form of significant participation) to the Board (or the Nominations or ARCC Committees) on an annual basis.

O. Employment of Relatives Policy

The Company has in place a board approved policy on the employment of relatives of key persons that are embedded in various policies. The Chief Executive Officer/General Manager of the Company shall disclose to the Board of Directors, on an annual basis, relatives of any key persons occupying controlled functions within the Company, if any.

P. Code of Conduct Policy

BCFC strives to promote the highest standard of professional ethical norms and values towards its stakeholders (i.e. customers, employees, regulators and the community) including 10 Principles of Business detailed in Volume 5 of CBB Rule book and other ethical values as per the following:

a) Principles 1 to 8 apply to approved persons in respect of the controlled function for which they have been approved.
b) Principles 1 to 8 do not apply to behaviour by an approved person with respect to any other functions or activities they may undertake. However, behaviour unconnected to their controlled function duties may nonetheless be relevant to an assessment of that person's fitness and propriety.

1. Principle 1 – Integrity

The Company must observe high standards of integrity and fair dealing. It must be honest and straightforward in their dealings with customers and provide full disclosure of all relevant information to customers, as required by CBB's and regulatory bodies' regulations and directives.

2. Principle 2 – Conflicts of Interest

The Company must take all reasonable steps to identify, and prevent or manage, conflicts of interest that could harm the interests of the customer.

3. Principle 3 – Due Skill, Care and Diligence

The Company must act with due skill, care, and diligence.

4. Principle 4 – Confidentiality

The Company must observe in full any obligations of confidentiality, including with respect to client information. This should not override lawful disclosures.

5. Principle 5 – Market Conduct

The Company must observe proper standards of Market Conduct and avoid action that would generally be viewed as improper.

6. Principle 6 – Customer Assets

The Company must take reasonable care to safeguard the Assets of Customers for which they are responsible.

7. Principle 7 – Customer Interests

The Company must pay due regard to the legitimate Interests and Information needs of its customers and communicate with them in a fair and transparent manner and, when dealing with customers who are entitled to rely on advice or discretionary decisions, must take reasonable care to ensure the suitability of such advice or decisions.

8. Principle 8 – Relations with Regulators/Supervisors

The Company must act in an open and cooperative relationship with the CBB and other regulatory/supervisory bodies whose authority they come under. It must take reasonable care to ensure that activities comply with all applicable laws and regulations.

9. Principle 9 – Adequate Resources

The Company must maintain adequate resources, whether human, financial or otherwise, sufficient to run the business in an orderly manner.

10. Principle 10 – Management, Systems & Controls

The Company must take reasonable care to ensure that affairs are managed effectively and responsibly, with appropriate Management, Systems and Controls in relation to the size and complexity of operations. The Company's systems and controls, as far as is reasonably practical, must be sufficient to manage the level of risk inherent in their business and ensure compliance with the CBB requirements.

c) For the protection of all parties with whom the Company deals with, written contracts and agreements should be provided to all parties involved.

d) The Company is committed to creating openness and transparency in the Company's operations.

e) The Company is committed to achieving customer excellence. Complaint handling procedures are in place and the results are continuously reviewed.

f) The Company should ensure that all approved persons submit their conflict of interest declarations on an annual basis. Further, the annual declarations by the approved person pertaining to conflict of interest other than dealing in shares must be updated in the Code of Conduct.

Q. Whistleblowing Policy

a) This Whistle Blowing Policy is in furtherance of the desire of the Board of Directors of Bahrain Commercial Facilities Company (BCFC) and its subsidiaries to strengthen the company's system of integrity and the fight against corruption and related offences.
b) Whistle blowing encourages and enables employees to raise serious concerns within the Company rather than overlooking a problem or 'blowing the whistle' outside.
c) Employees are often the first to realize and detect a potential wrongdoing that may affect the company financially or from a reputational risk perspective.

R. General Guidelines

a) Business Plans
The strategic planning exercise for the Company is conducted every three years. Operating plans are created on an annual basis. The strategic plan is approved by the BCFC Board and the operating plans are reviewed by the Executive Committee/subsidiary Boards and approved by the BCFC Board. The strategy to be reviewed by the Board on an annual basis.

b) Board Members
The Board and its members shall continually educate themselves as to the Company's business and corporate governance. At a minimum, they individually and collectively should:

1. Act with honesty, integrity and in good faith, with due diligence and care, with a view to the best interest of the Company and its shareholders and other stakeholders;
2. Act within the scope of their responsibilities and not participate in the day-to-day management of the Company;
3. Have a proper understanding of, and competence to deal with the affairs and products of the Company and devote sufficient time to their responsibilities; and
4. To independently assess and question the policies, processes and procedures of the Company, with the intent to identify and initiate management action on issues requiring improvement. (i.e. to act as checks and balances on management).

c) Maintenance of The Policies
The Board shall annually review, approve and amend, if it sees necessary as part of the regulatory requirements, its Corporate Governance Policies at the first scheduled meeting of the new calendar year.

d) Controllers
The Company shall obtain prior approval from the CBB in respect of any changes in the Company's controllers as defined by the CBB's guidelines or otherwise comply with the notification of the CBB following the resignation/termination/retirement of a controller, as applicable.

e) Best Practice Standards

1. Besides fulfilling the compliance/licensing requirements and abiding by Kingdom of Bahrain's relevant laws and regulations, the Company strives to adopt related best practice standards issued by the Central Bank of Bahrain, Bahrain Bourse, local and/or international organizations.
2. A summary of the Corporate Governance Policies shall be produced by the Board and incorporated in the Company's annual report.

f) Financial Penalties

Any financial penalty resulted from violating any of the CBB rules and regulations or as part of the rulebook shall be duly disclosed in the annual report in line with the regulatory requirements. No penalties were levied against BCFC during the year 2025.

g) Disclosure of Write off

Any written-off exposures equal to or in excess of BHD 100,000 should be notified to the CBB as per the specified rules and regulations.

h) Remuneration of Board Members, Senior Management and Fees Paid to External Auditor

The detailed remuneration paid to the Board Members individually and aggregate remuneration paid to top six senior management personnel are disclosed in the Chairperson's Report which is also published on the website of Bahrain Bourse. Ernst & Young are the Group's external auditors for the financial year ended 31 December 2025. The Group total audit and quarterly review services fees for the year ended 31 December 2025 amount to BHD 71,400/-. Other attestation services fees amount to BHD 33,788/- which include CBB related mandatory review requirements under the Agreed Upon Procedures engagement. Given the performance achieved by the External Auditor, BCFC will re-appoint Ernst & Young are the Group's external auditors for 2026.