

CORPORATE GOVERNANCE

Contents

1. Descriptions of the actions taken to complete the Corporate Governance Code during the year 2020 in BATELCO and how they were applied	61
2. Transactions of Directors and Executive Management trading during the year 2020	62
3. Composition of the Board	62
4. External Auditors	76
5. Board Committees Structure	76
6. Corporate Governance Officer	78
7. Details of any irregularities committed during the financial year	78
8. Cash and in-kind contributions made by the Company during the year 2020	78
9. Ownership Structure	78
10. Compliance with the provisions of the Corporate Governance Code, as follows:	79
11. Any disclosures required by the regulatory authorities	79

CORPORATE GOVERNANCE

1. Descriptions of the actions taken to complete the Corporate Governance Code during the year 2020 in BATELCO and how they were applied

As a Bahrain-based Company, BATELCO is subject to the Corporate Governance standards of Bahrain Commercial Companies Law; and in line with the Corporate Governance Code 2018 of the Ministry of Industry, Commerce and Tourism (MOICT). BATELCO aspires to the highest standards of ethical conduct based on sound Corporate Governance; in accordance with its commitment to both meeting legal and regulatory requirements and adhering to international best practices, BATELCO has put in place a comprehensive Corporate Governance framework to maximize operational efficiency and protect shareholders' rights. BATELCO regards the guiding principles of its Corporate Governance framework to be fairness, transparency, accountability and responsibility, and is committed to complying with the ten principles of the Corporate Governance Code. The Board of Directors undertook measures and ensured that for the year ended 31 December 2020, BATELCO was compliant with the provisions of the Corporate Governance Code 2018 of the Ministry of Industry, Commerce and Tourism (MOICT) **(please refer to page number 79 of the report)**. Additionally, some internal enhancements were made to the Board Code of conduct and ethics, whistleblowing policy and the directors declaration of related parties and conflict of interest. BateLco's continuous efforts are exerted in complying with the requirements of the Code and enhance the current practices within the Company.

Key Persons Policy

As part of their policies to maintain a fair, orderly and transparent securities market, the Bahrain Bourse and the Central Bank of Bahrain (CBB) enforced the stipulation of "Key Persons' Dealing Policy" on listed companies. The policy regulates the trading of securities by members of the Board of Directors, Executive Management and other defined members of staff in the Company that are defined as Key Persons. The Directors have access to sensitive information that if exposed to the market, may directly or indirectly affect the value or price of the securities. BateLco ensures the adherence to the Key Persons Policy and reports on a regular basis to the CBB and Bahrain Bourse as required and on any irregular activities that may occur from a key person within the Company. A copy of the policy can be reviewed on the Company's website.

Elections of the Board of Directors, its Term, Induction and Orientation

According to Article (27) of the Company's Articles of Association the Term of Directors membership on the Board shall not exceed 3 years. The recent term begun in March 2020 and the start of the new term will be in March 2023.

During this year's elections, the board placed formal, rigorous and transparent procedures for the appointment of new directors to the Board. The Nomination Committee handles the responsibility of overseeing the process of nomination to the Board, and all candidates are identified against a criterion in line with Article (28) of the Company's Articles of Association.

At the Annual General Assembly Meeting, the new board composition was announced and upon the appointment of the new directors, the Company handled the induction and orientation of the Directors to assist in familiarizing them with the organization and their duties and responsibilities. In addition to that, they were briefed about the terms and conditions of their directorship, the annual remuneration, and entitlement to reimbursement of expenses and access to independent professional advice when needed, not to mention any directorship in the Board sub committees or Opco's.

Termination of Directors

The membership of the Directors is terminated upon the expiry of the term upon which the director needs to be subject to re-election. The termination of directorship can also take effect if any Director is in breach of the conditions outlined in Article (30) of the Company's Articles of Association.

Performance Evaluation

In line with the governing laws of the Kingdom, the Board members undergo an annual performance evaluation of the Board, Board Committees', and their individual performance. The evaluation is designed to determine whether the Board, its Committees, and its directors are capable of providing high level of judgment.

For the year 2020, All directors have effectively completed their performance evaluations and the next performance evaluation of the Board is scheduled for 2021.

Code of Conduct and Whistle Blowing Policy

During the year 2020, The Board of Directors have approved a new Code of Conduct and Ethics policy for the Board of Directors, that is in line with the regulations of the MOICT Corporate Governance Code; and to ensure that the Board of Directors are aware of their role towards conducting ethical practices.

Additionally, in 2020 the Board have reviewed a revised whistle blowing policy and have communicated it to the employees of the Company to guide them and promote ethical behavior, honesty and integrity in their normal daily activities, and to safeguard and uphold the reputation of the Company at all times. The policies can be reviewed on the Company's website.

The Board has resolved that it shall investigate any non-compliance or deviations from its Corporate Governance Guidelines which have been established and is available on the Company's website; or can be obtained from the Corporate Governance Officer.

CORPORATE GOVERNANCE (CONTINUED)

2. Transactions of Directors and Executive Management trading during the year 2020

The following table provides details of shares owned by the Board of Directors and Executive Management during the year 2020. For further details, kindly refer to **note 37** in the Financial Statements.

#	Name	Position	Shares held at 31/12/2020	Total Sale Transaction	Total Purchase Transaction
1	Raed Abdulla Fakhri	Director	3,710	Nil	Nil
2	Dr. Ghassan Murad	GM Mergers and Acquisitions – International Investments	103,950	Nil	Nil
3	Batelco Employee Benefit Trust	Company Employee Share incentive scheme	471,488	Nil	471,488
4	Ahmed Ateyatalla AlHujairy*	Director	31,470	Nil	Nil
5	Arif Haider Rahimi*	Director	31,170	Nil	Nil
6	Khulood Rashid Al Qattan*	Director	30,010	Nil	Nil
7	Maha Khalid Yusuf Abdulrahman*	GM Consumer Division	115,500	Nil	Nil

*previous members of the Board of Directors and Executive Management.

3. Composition of the Board

The Board of the Company comprises of 10 Directors, 7 whom are Non- Executive Independent Directors, below are their details:

#	Name	Type	Qualification and Experience	Appointment and Term of Directorship	Directorships and positions in other companies	Positions in any key regulatory, government or commercial entities.
1	Shaikh Abdulla bin Khalifa Al Khalifa Chairman	Non – Executive Independent	Bachelor of Science in Business Administration from the George Washington University, USA. Chief Executive Officer at Osool Asset Management Started his career at the Arab Banking Corporation B.S.C. Chief Executive Officer at Osool Asset Management Served as Head of Wealth Management at Standard Chartered Bank, Bahrain. Over 22 years of experience	Appointed by Mumtalakat since June 2018 until the end of term. Was reappointed in AGM 2020 for a period of 3 years.	<ul style="list-style-type: none"> Held the role of Chairman of BNET Company (Bahrain) Chairman of BTC Sure Group Limited (UK) Chairman of SICO Investment Bank Deputy Chairman of Bank of Bahrain and Kuwait Board Member of Amlak and Bahrain Marina. Member of Hope Fund. 	Chief Executive Officer at Osool Asset Management

3. Composition of the Board (Continued)

#	Name	Type	Qualification and Experience	Appointment and Term of Directorship	Directorships and positions in other companies	Positions in any key regulatory, government or commercial entities.
2	Mr. Raed Abdulla Fakhri Deputy Chairman	Non – Executive Independent	<p>Executive MBA from the University of Bahrain, and Bachelor of Science in Electronics Engineering Technology from the University of Central Florida, Orlando, USA.</p> <p>Mumtalakat Vice President -Investments</p> <p>Co-founded BDI Partners in 2010 and headed the firm as a Managing Director.</p> <p>Mumtalakat Vice President -Investments</p> <p>Used to hold the following roles: Head of Investment Department in Capinvest Investment Bank. Batelco Senior Manager in New Business Development Unit. Control Systems Engineer and Project Engineer in Gulf Petrochemical Industries Company (GPIC).</p> <p>Over 26 years of experience mainly in business development and investments.</p>	<p>Appointed by Mumtalakat since 2014.</p> <p>Was reappointed in AGM 2020 for a period of 3 years.</p>	<ul style="list-style-type: none"> • Held the role of Board Member in BNET Company (Bahrain) • Held the role of Board Member in Etihad Atheeb (Saudi Arabia) • Board Member in Gulf Air Group • Board Member in Investrade • Board Member in BDI Partners • Board Member in ELM Education Fund • Board Member in American University Bahrain • Board Member in LE University Holding 	Mumtalakat Vice President -Investments
3	Mr. Abdulla Abdulhameed Alhammadi Director	Non – Executive	<p>B.A. with honors from Georgetown University in finance and international business</p> <p>Regional Business Lead for Snapchat MENA</p> <p>Used to hold the following roles:</p> <ul style="list-style-type: none"> - Senior Engagement Manager with McKinsey & Company - Member of the founding team in Careem - Lead of small business marketing in Google -Saudi Arabia <p>Over 10 years of experience in management consultancy, tech and startups</p>	<p>Appointed by Mumtalakat at the AGM in 2020 for a period of 3 years.</p>	Nil	Nil

CORPORATE GOVERNANCE
 (CONTINUED)

3. Composition of the Board (Continued)

#	Name	Type	Qualification and Experience	Appointment and Term of Directorship	Directorships and positions in other companies	Positions in any key regulatory, government or commercial entities.
4	Mr. Abdulla Abdulrazak Bukhwa Director	Non – Executive	Bachelor of Business from the University of Texas, USA. Chief Executive Officer of Standard Chartered Bank, Bahrain Used to hold the following roles: - Chief Executive Officer of Standard Chartered Bank Qatar from January 2017 to March 2019 - Lead of Financial Markets and Corporate and Institutional Banking segments- Standard Chartered Bahrain - Head of Global Markets and co-Head of Wholesale Bank in September 2010- Standard Chartered Bahrain Over 20 years of experience.	Appointed by Social Insurance Organization at the AGM in 2020 for a period of 3 years.	<ul style="list-style-type: none"> Board member in the Bahrain Association of Banks 	Nil
5	Mr. Ahmed Abdulwahed Abdulrahman Director	Non – Executive Independent	Bachelor's Degree (Hons) in Business Systems & Information Technology from University of Northumbria, Newcastle Chief Executive Officer of Esterad Investment Company B.S.C Used to hold the following roles: - Founder & Managing Partner of Clan Partners Advisory - CEO and Managing Director of Beacon Capital Management - Head of Private Equity for GCC, Levant and Turkey at Bank Al Khair - Relationship Manager at Ahli United Bank – Offshore Unit - Relationship Manager at Kuwait Finance House – Bahrain - Started his career at BDO Jawad Habib as an analyst in the Financial Advisory Services unit Over 18 years of experience in Investment Banking, Mergers & Acquisitions and Private Equity	Elected by the shareholders in the AGM 2020 for a period of 3 years.	<ul style="list-style-type: none"> Deputy Chairman of the Board and Chairman of the Audit Committee in Dhiraagu Telecommunications Company (Maldives). Board member of Native Land investment. Director in Beacon Capital Management Director in Clan Partners Advisory 	Nil

3. Composition of the Board (Continued)

#	Name	Type	Qualification and Experience	Appointment and Term of Directorship	Directorships and positions in other companies	Positions in any key regulatory, government or commercial entities.
6	Shaikh Ali Bin Khalifa Al Khalifa Director	Non – Executive Independent	<p>Bachelor of Science in Mechanical Engineering from The George Washington University, D.C.</p> <p>Master Degree in Business Administration from DePaul Graduate program at BIBF, Bahrain.</p> <p>Joined the Bahrain Defense Force in June 1996 and currently holds the rank of Lieutenant Colonel. He has held various positions within the organization</p> <p>President of Bahrain Football Association.</p> <p>Member of Asian Football Association Executive Committee.</p> <p>Member of the Bahrain Olympic Committee.</p> <p>President of Bahrain Cycling Association.</p> <p>Member of FIFA Competitions Committee.</p> <p>Over 24 years of experience.</p>	<p>Appointed by Amber Holdings since June 2018 until the end of term.</p> <p>Was reappointed in AGM 2020 for a period of 3 years.</p>	<ul style="list-style-type: none"> Chairman of BNET Company (Bahrain) Board Member in BTC Sure Group Limited (UK) 	<p>Joined the Bahrain Defense Force in June 1996 and currently holds the rank of Lieutenant Colonel. He has held various positions within the organization</p>
7	Major General Ali Saqer Al Noaimi Director	Non – Executive Independent	<p>Graduated from the Military College, Kuwait, in November 1978.</p> <p>Military officer with the rank of Major General in Bahrain Defense Force appointed as Director of Logistics & Supplies in BDF.</p> <p>Held the position of a commandant of Isa Royal Military College</p> <p>Over 42 years of experience.</p>	<p>Appointed by Amber Holdings on 31st March 2020 until the end of term</p>	<ul style="list-style-type: none"> Board Member at BNET (Bahrain). Deputy Chairman of the Military consumer and economic associations. President of Bahrain Golf Association 	<p>Director of Logistics & Supplies in BDF.</p> <p>Deputy Chairman of the Military consumer and economic associations.</p>

CORPORATE GOVERNANCE
 (CONTINUED)

3. Composition of the Board (Continued)

#	Name	Type	Qualification and Experience	Appointment and Term of Directorship	Directorships and positions in other companies	Positions in any key regulatory, government or commercial entities.
8	Ms. Fatema Ghazi AlArayedh Director	Non – Executive	<p>B.A. with honors in Political Science from Yale University</p> <p>J.D. from Columbia Law School where she was a Harlan Fiske Stone Scholar.</p> <p>Admitted to the Bar in New York</p> <p>Attorney at the law firm of Debevoise & Plimpton LLP in London</p> <p>Used to practice law at the offices of Cleary Gottlieb Steen & Hamilton LLP in New York.</p> <p>Worked on economic development projects at the Clinton Foundation in New York and at the Economic Development Board in Bahrain</p>	Appointed by Mumtalakat at the AGM in 2020 for a period of 3 years.	Nil	Nil
9	Mr. Jean Christophe Durand Director	Non – Executive Independent	<p>Graduated from ESSEC (Ecole Supérieure des Sciences Economiques et Commerciales), French Business School in Paris.</p> <p>Chief Executive Officer of National Bank of Bahrain.</p> <p>Previously held the role of Global Head of BNP Paribas MEA (Middle East & Africa) region for Corporate and Institutional Banking and Asset Management for over 15 years.</p> <p>Several years of experience in Bahrain working with Banque Indosuez and BNP Paribas.</p> <p>Over 40 years of experience in the banking and finance sector.</p>	Elected by the shareholders in 2017 for a period of 3 years. Was re-elected in the AGM 2020 for a period of 3 years.	<ul style="list-style-type: none"> • Deputy Chairman in Umniah Mobile and Telephone Company (Jordan) • Deputy Chairman of Bahrain Islamic Bank (BISB) • Board Member in Gulf Air • Board Member in BIBF • Chairman of the French Chamber of Commerce and Industries in Bahrain (FCCIB) 	Nil

3. Composition of the Board (Continued)

#	Name	Type	Qualification and Experience	Appointment and Term of Directorship	Directorships and positions in other companies	Positions in any key regulatory, government or commercial entities.
10	Mr. Khalid Hussain Taqi Director	Non – Executive Independent	Bachelor of Commerce degree in Finance- Concordia University, Montreal – Canada. Master's degree in Finance from DePaul University's Kellstadt Graduate School of Business. Head of Strategic Investments at Osool Asset Management Used to hold a role as part of the Transaction Advisory Services Team at Ernst & Young – Bahrain. 14 years of experience.	Appointed by Social Insurance Organization since January 2019 until the end of term. Was reappointed in AGM 2020 for a period of 3 years	<ul style="list-style-type: none"> Deputy Chairman in Dhiraagu Telecommunication Company (Maldives) Deputy Chairman and Chairman of the Audit Committee in BNET (Bahrain) Board member in Gulf Hotels Group 	Head of Strategic Investments at Osool Asset Management

Previous Members who served in 2020:

The below directors have served as Board members in Batelco until March 2020 where their term ended, their directorship positions in the Company's subsidiary boards have also been terminated upon the end of their term.

#	Name	Type	Qualification and Experience	Appointment and Term of Directorship	Directorships and positions in other companies	Positions in any key regulatory, government or commercial entities.
1	R. Adm Yousif Ahmed Malalla AlSabt Deputy Chairman	Non – Executive Independent	Graduated from the Naval Academy in Egypt in 1978. Graduated from the Naval war college for Staff course at New Port, RI. USA in 1985. Appointed as Chief of the Royal Bahraini Naval Force until 2004 when he was appointed as Director of Planning, Organization and IT at the General Head Quarters. Over 42 years of experience.	Appointed by Amber Holdings since May 2017 until the end of term.	<ul style="list-style-type: none"> Board Member in BNET Company (Bahrain) Board Member and Audit Committee member in Umniah Mobile and Telephone Company (Jordan) 	Assistant Chief of Staff for Logistics & Supplies at the Bahrain Defense Force Chairman of the Military Consumer & Economic Association

CORPORATE GOVERNANCE
 (CONTINUED)

3. Composition of the Board (Continued)

#	Name	Type	Qualification and Experience	Appointment and Term of Directorship	Directorships and positions in other companies	Positions in any key regulatory, government or commercial entities.
2	Arif Haider Rahimi Director	Non – Executive Independent	<p>A Certified Public Accountant, Board of Accountancy, Oregon, USA.</p> <p>Managing Partner for the Masar Group of Companies and Director for Venture Projects WLL.</p> <p>Held the post of Managing Partner of BDO Jawad Habib Consulting, leading their corporate finance consulting division .</p> <p>Over 31 years of experience in financial services.</p>	Elected by the shareholders in March 2014. And was re-elected in the AGM in March 2017 for a period of 3 Years.	<ul style="list-style-type: none"> Chairman of Umniah Mobile and Telephone Company (Jordan) Chairman of the Bahrain International Circuit (BIC) Member in Bahrain Judicial Committee for Stalled Real Estate Projects. 	Nil
3	Ahmed Ateyatalla Al Hujairy Director	Non – Executive Independent	<p>B.Sc. in Electrical Engineering – Telecommunications Major from King Fahad University of Petroleum and Minerals.</p> <p>Executive MBA from DePaul University, Chicago, USA.</p> <p>Founder and CEO of Gulf Future Business S.P.C. and group of associated companies.</p> <p>Senior Advisor to the Board of Bahrain Technology Companies Society.</p> <p>Advisor and Founder of Bahrain Internet Society .</p> <p>Member of the Bahrain Society for Training and Development.</p> <p>Vice Chairman, Technology Committee. Bahrain Chamber of Commerce and Industry.</p> <p>Over 37 years of experience in information technology, communications, business, and management.</p>	Elected by the shareholders in March 2014. And was re-elected in the AGM in March 2017 for a period of 3 Years.	Nil	Nil

3. Composition of the Board (Continued)

#	Name	Type	Qualification and Experience	Appointment and Term of Directorship	Directorships and positions in other companies	Positions in any key regulatory, government or commercial entities.
4	Mrs. Khulood Rashid Al Qattan Director	Non – Executive Independent	<p>Bachelor Degree in Accounting from Ayn Shams University, Cairo.</p> <p>General Manager of Prime Advisory WLL.</p> <p>Used to hold the role of Head of Investment Department Bank of Bahrain & Kuwait</p> <p>Has had experience with ADDax Investment Bank, Abu Dhabi Investment House and Evolve Capital (Dubai).</p> <p>Over 28 years of experience in banking and investments.</p>	Elected by the shareholders in March 2014. And was re-elected in the AGM in March 2017 for a period of 3 Years.	<ul style="list-style-type: none"> Board Member and Chairperson of Audit Committee in Umniah Mobile and Telephone Company (Jordan) Board Member and Chairperson of the Audit Committee in Dhiraagu Telecommunication Company (Maldives) Board Member in SICO Financial Services Company (SFS) Board Member in Bahrain Business Woman Society Member of the Advisory Board for the Master of Accounting and Finance at Applied Science University. 	Nil
5	Mr. Oliver McFall Director	Non – Executive Independent	<p>Master of Business Administration , MBA, IMD, Lausanne, Switzerland</p> <p>Master of Science, Chemical Engineering, Technical University of Denmark</p> <p>Used to hold the following roles:</p> <ul style="list-style-type: none"> Vice President of Roland Berger Strategy Consultants Middle East office. Senior Partner and Member of the Executive Team with AT Kearney. Senior Project Manager with McKinsey & Company. <p>Over 34 years of experience in International Management Consulting.</p>	Appointed by Mumtalakat since March 2014. And was re-appointed in the AGM in March 2017 for a period of 3 Years.	<ul style="list-style-type: none"> Board Member and Chairman of the Audit Committee of BTC Sure Group Limited (UK) Board Member in Dhiraagu Telecommunication Company (Maldives) Advisor to a number of SME's in Denmark 	Nil

CORPORATE GOVERNANCE (CONTINUED)

3. Composition of the Board (Continued)

Total Remuneration paid to the directors for the year 2019 and 2020

Batelco ensures that the Board of Directors are remunerated fairly in consideration of their responsibility towards fulfilling the duties of the Board, its Committees in addition to their representation on the Company's subsidiary Boards.

For the year 2019, Directors total remuneration for the is BD557,000 including sitting fees.

For the year 2020, Directors total remuneration for the is BD542,000 including sitting fees. This is also including the proposed Annual Remuneration for the Board members of BD 418,000 for the year 2020 which will be presented at the Annual General Assembly Meeting for their approval. Kindly refer to **note 37** in the Financial Statements.

Sitting fees paid to the directors for attendance of the Board's committees for the year 2020

Name of Committee	Number of Meetings	Total amount paid (BD)
Audit Committee	8	16,500
Remuneration, Nomination, Donation and Corporate Governance Committee	8	18,000
Executive Committee	12	28,500

Board Meetings

According to the Governance laws and applicable laws, the Board are required to meet during each financial year for at least 4 times. During the year 2020, the Board has met on **11** occasions on the following dates:

Members	16 Jan	20 Feb	05 Mar	24 Mar	31 Mar	30 Apr	25 Jun	27 Jul	28 Oct	30 Nov	23 Dec
Sh. Abdulla Al Khalifa (Chairman)	☎	☎	☎	☎	☎	☎	☎	☎	☎	☎	☎
Mr. Raed Fakhri (Deputy Chairman)	☎	☎	☎	☎	☎	☎	☎	☎	☎	☎	☎
Mr. Jean Christophe Durand (Member)	☎	☎	☎	☎	☎	☎	☎	☎	☎	☎	☎
Sh. Ali Al Khalifa (Member)	☎	☎	☎	☎	☎	☎	☎	☎	☎	☎	☎
Mr. Khalid Taqi (Member)	☎	☎	☎	☎	☎	☎	☎	☎	☎	☎	☎
Mr. Abdulla Bukhowa (Member)	-	-	-	-	☎	☎	☎	☎	☎	☎	☎
Ms. Fatema AlArayedh (Member)	-	-	-	-	☎	☎	☎	☎	☎	☎	☎
Mr. Abdulla Alhammadi (Member)	-	-	-	-	☎	☎	☎	☎	☎	☎	☎
Mr. Ahmed Abdulrahman (Member)	-	-	-	-	☎	☎	☎	☎	☎	☎	☎
Maj. Gen. Ali AlNoaimi (Member)	-	-	-	-	☎	☎	☎	☎	☎	☎	☎
R. Adm Yousif Al Sabt (Previous Member)	☎	☎	☎	☎	-	-	-	-	-	-	-
Mr. Arif Rahimi (Previous Member)	☎	☎	☎	☎	-	-	-	-	-	-	-
Mr. Ahmed AlHujairy (Previous Member)	☎	☎	☎	☎	-	-	-	-	-	-	-
Mrs. Khulood AlQattan (Previous Member)	☎	☎	☎	☎	-	-	-	-	-	-	-
Mr. Oliver McFall (Previous Member)	☎	☎	☎	☎	-	-	-	-	-	-	-

25 March 2020 – appointment of new board members.

3. Composition of the Board (Continued)

Board's Duties and Responsibilities:

The Board of Directors are responsible for monitoring and overseeing the overall performance of the Company; and to ensure best practices are adopted to guarantee the best interest of the shareholders and stakeholders. Also, to ensure the effective execution of their responsibilities; the Board has the trust of the established sub committees and executive management to offset some of their duties as below:

- Represent the shareholder interests and optimizing long term financial returns.
- Establishing the Company's policies and strategy and regularly monitoring the performance of executive management against it.
- Oversight, performance evaluation and succession planning of executive management
- Preparation and fair presentation of the financial statements in accordance with the applicable financial reporting standards.
- Supervision of Risk recognition and assessment to ensure that the Company's operations are measured, monitored and controlled by appropriate, effective and prudent risk management systems.
- Approve and monitor the progress of major capital expenditure, capital management, and loans, including the sale of movable and immovable property, granting permission for withdrawal of money and securities.
- Establishing policies to manage potential conflicts of interest including matters such as related party transactions.
- Establishing and disseminating to all employees and appointed representatives of the Company a corporate code of conduct.

Related party transactions during the year 2020

It is the policy and practice of the Company that all related party transactions are done on an arm's length basis in the ordinary course of business and are approved by the Executive Management of the Company, please refer the **note 37** (Transactions with Related Parties) of the Financial Statements for the details of related party transactions Directors and Management trading of the Company shares during the year.

Below is a summary of the related party transactions held in 2020 that were relevant to the Board Members:

Details of Transaction	Type of Transaction	Amount paid in 2020 (BD)
Market Making agreement with SICO	Business	61,129
Bahrain Institute of Banking and Finance (BIBF)	Sponsorship	3,150
Bahrain Football association: Sh. Nasser League and King's Cup 2019/2020	Donation	50,000
Bahrain Olympic Committee	Sponsorship	75,000

CORPORATE GOVERNANCE (CONTINUED)

3. Composition of the Board (Continued)

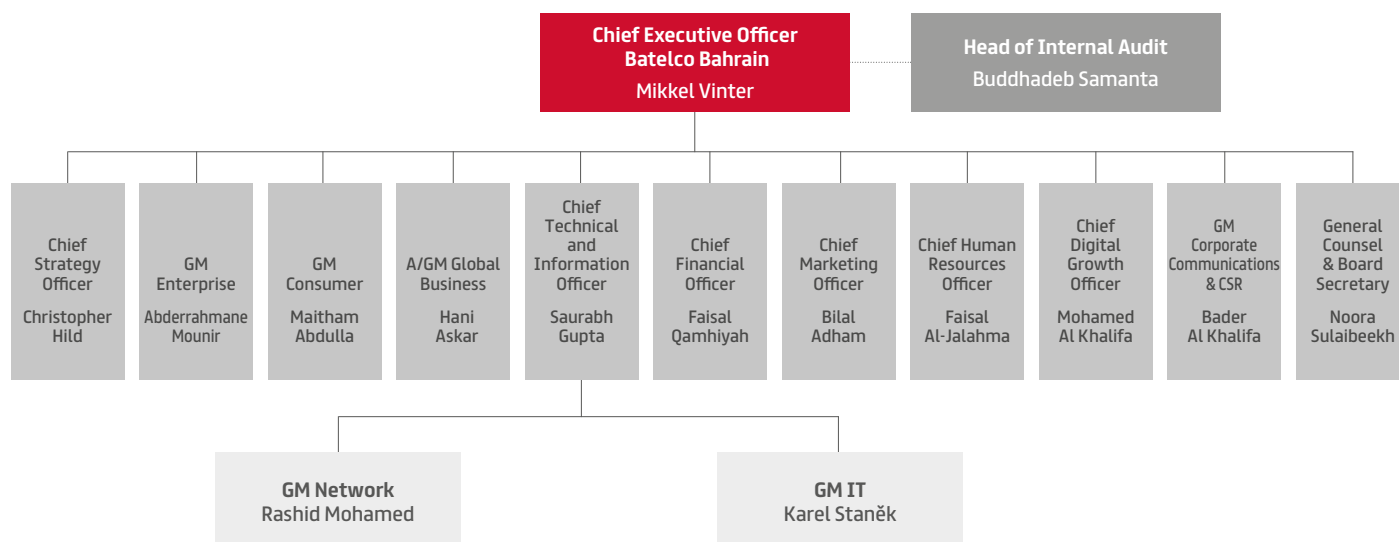
Conflict of Interest

Batelco has ensured that all Board Members are aware of their obligation to adhere to the Company's strict policy to disclose any conflict of interest that may arise before a discussion of a certain agenda item, or any external appointment made that may affect their judgment. Additionally, the Board has the duty to avoid any circumstances that may result in a conflict. In all cases, all matters of conflict must be declared and approved by the Board. During the year 2020, the Board Members have declared conflict in discussions and refrained from voting on the below:

#	Date	Meeting and Date	Conflict of Interest Matter	Declared by	
1	16 January/ 24 March /30 April 2020	Board	Project (B)	Mr. Raed Fakhri Mr. Arif Rahimi	
2	20 February 2020		Board Remuneration	All Board Members	
			F1 Sponsorship	Mr. Arif Rahimi	
3	24 March/ 30 April 2020		Project (IP)	Mr. Raed Fakhri	
4	30 April 2020		Project (P)	Mr. Jean Christophe Durand Mr. Raed Fakhri Mr. Abdulla Bukhowa	
5	27 July 2020		Interest Hedging Mandate	Shaikh Abdulla Al Khalifa Mr. Khalid Taqi	
			Project (B)	Mr. Raed Fakhri	
6	28 October 2020		Cross Listing	Shaikh Abdulla Al Khalifa Mr. Raed Fakhri Mr. Khalid Taqi Mr. Jean Christophe Durand	
			Market Disruption Clause and Market Making Renewal	Shaikh Abdulla Al Khalifa Mr. Khalid Taqi	
7	15 January 2020		Executive Committee	Project (B)	Mr. Raed Fakhri Mr. Arif Rahimi
8	28 April/ 23 July 2020				Mr. Raed Fakhri
9	02 February 2020			Project (IP)	Mr. Raed Fakhri
10	28 April 2020			Project (P)	Mr. Raed Fakhri
11	23 July 2020			Interest Hedging Mandate	Mr. Khalid Taqi
12	23 September 2020			Market Disruption Clause	Mr. Khalid Taqi
				Batelco Properties Strategy	Mr. Raed Fakhri
13	22 October 2020			Market Disruption and Market Making renewal	Mr. Khalid Taqi
14	18 March 2020			Remuneration, Nomination, Donations and Corporate Governance Committee	Nomination of Directors
15	9 April 2020		Board Directorship Changes of Committees and Opcos		Shaikh Abdulla Al Khalifa Mr. Khalid Taqi
16	22 April 2020	Crown Prince Program Sponsorship	Ms. Fatema Al Arayedh		
17		Board Members Benefits	All Committee Members		
18	13 September 2020	Donations	Mr. Raed Fakhri		

Batelco Organizational Structure:

Batelco's Organization structure is comprised of several levels, the below structure highlights the Executive Team



Below is a summary of the Key Executive Management Profiles:

Name and Position	Experience	Education	Appointment date in the Company
Mikkel Vinter Chief Executive Officer	<p>Mr. Vinter has over 20 years of international experience gained with telecom operators in the Middle East, Asia and Europe, including several Greenfield mobile start-up operations. He founded Virgin Mobile, Middle East & Africa in 2006 and served as its Chief Executive Officer until 2016. Prior to setting up Virgin Mobile Middle East & Africa, Mr. Vinter was Chief Commercial Officer at Nawras Oman.</p> <p>Directorships/Other Roles</p> <ul style="list-style-type: none"> Member of the Board of Directors of Umniah Mobile Company PLC, Sure Limited and Dhiraagu (Dhivehi Raajjeyge Gulhun PLC) where he is also on the RNG Committee. Member of the Al Waha Fund of Funds, Limited Partner Advisory Committee. 	<ul style="list-style-type: none"> Master's degree in Economics and Business Administration - Copenhagen Business School. Completed a Marketing and Management Programme with McGill University and INSEAD. 	2019
Faisal Qamhiyah Chief Financial Officer	<p>Mr. Qamhiyah's experience includes commercial and financial roles across various industries including Financial investments and telecoms. Prior to becoming CFO, he held the role of CFO of Batelco Group, and earlier was CFO at Umniah, Batelco's sister operation in Jordan, Finance Director, Chief Operations Officer for Zain Jordan and investments Director for Ern Capital.</p>	<ul style="list-style-type: none"> BA in Economics & Accounting - Yarmouk University Jordan. Passed the AICPA exams from Delaware USA in 1999. Completed the Executive Development Programme (EDP) at Kellogg School of Management, Chicago USA. 	2012

CORPORATE GOVERNANCE
 (CONTINUED)

Name and Position	Experience	Education	Appointment date in the Company
Abderrahmane Mounir General Manager Enterprise	Mr. Mounir held the roles of COO then CMO at Batelco prior to his current role. He has over 20 years' experience in the industry; his previous roles include EVP at Orange Morocco in charge of the enterprise and wholesale markets and over 10 years with Cisco Systems handling several roles in consultancy, technical marketing R&D and sales general management.	<ul style="list-style-type: none"> Engineering degree in Telecommunication and Computing Engineering - INPT Morocco Master of Science in Computer and Electrical Engineering - Wichita State University, Kansas, USA. 	2016
Shaikh Bader Al Khalifa General Manager Corporate Communications & CSR	Shaikh Bader has 24 years' experience across diverse fields including HR, Learning & Development, Coaching, Marketing and Corporate Communications. His experience prior to Batelco included ALBA where he was involved in important projects such as the expansion of the smelter. Since joining Batelco in 2010, Shaikh Bader has held a number of managerial and executive roles and currently in addition to being responsible for Corporate Communications, CSR & Sustainability, he also looks after the needs of the VIP Segment.	<ul style="list-style-type: none"> BA in Business Administration - Boston University, USA. Master of Science in Management - Boston University, USA. 	2010
Bilal Adham Chief Marketing Officer	Mr. Adham's has over 12 years' experience within the ecommerce, retail and telecoms sector having worked for a number of International businesses, VC backed and privately owned such as Accenture and Landmark group. Additionally, he sat on customer advisory boards for global tech companies enabling first to market Digital commerce initiatives.	<ul style="list-style-type: none"> BSc in Internet Business - University of Westminster. Chartered Marketer accredited by the Chartered Institute of Marketing. 	2019
Buddhadeb Samanta Head of Internal Audit	Mr. Samanta has 20 years of experience in the international telecommunications industry, having established the Internal Audit functions for mobile operators in Indonesia, Dubai and India. Among his previous roles he was Chief Internal Auditor of Smartfren Telecom (Indonesia) and held various roles with Du Telecom (Dubai) including the post of Director Internal Audit.	<ul style="list-style-type: none"> Bachelor's degree in Commerce - St Xavier's College, Calcutta University. Chartered Accountant qualifications from the Institute of Chartered Accountants of India. 	2019
Christopher Hild Chief Strategy Officer	With over 12 years' experience in strategy development and execution, Mr. Hild's previous roles include senior positions in strategy consulting, leading projects related to digital transformation, customer experience, topline growth, operational excellence, and cost optimization, for a number of telecom operators in the Middle East, Europe, Africa and Asia.	<ul style="list-style-type: none"> BA in Public Management & Governance - Zeppelin University, Germany. 	2019
Faisal Al-Jalahma Chief Human Resources Officer	Mr. Al Jalahma held various roles including Director of Finance, IT and HR at the Bahrain Telecommunications Regulatory Authority (TRA), prior to joining Batelco. The role included transformational projects to digitalise and automate systems at the TRA. Mr. Al-Jalahma was also a key player and a member of the Steering Committee for the 4th National Telecommunications Plan (NTP4).	<ul style="list-style-type: none"> MBA - University of Strathclyde, UK Several executive qualifications from Harvard Business School and Harvard University, John F. Kennedy School of Government. 	2018
Hani Askar A/General Manager Global Business	Since joining Batelco, Mr. Askar has held various roles across the Company including the position of Manager Datacom Products National and International in the Enterprise Division and Senior Manager Global Products and Capacity Management in the Global Division. He was a key player in the development of Manama Internet Exchange (MN-IX), Global Zone Bahrain and Batelco Gulf Network (BGN).	<ul style="list-style-type: none"> BEng (Hons) in Computing and Communications Systems Engineering - University of Manchester, Institute of Science and Technology (UMIST), UK. Postgraduate Certificate in Management (Telecoms) - Lancaster University, UK. 	2004

Name and Position	Experience	Education	Appointment date in the Company
Karel Staněk General Manager IT	Mr. Staněk has over 15 years of experience in the technology sector, which includes key roles in the telecommunications industry. Prior to joining Batelco, he held the role of Chief Information Officer with Vodafone Czech Republic and before that, he was responsible for Digital Transformation, Core IT, and delivery of strategic projects for the company. His previous roles include senior positions in IT projects delivery, and leading major ERP implementations across various geographies in Europe.	<ul style="list-style-type: none"> • Master's degree in System Engineering & Informatics - VSB - Technical University of Ostrava, Czech Republic. • Several professional certifications in the Agile and Project management domain. 	October 2020
Maitham Abdulla General Manager Consumer Division	During over 15 years with Batelco, Mr. Abdulla has demonstrated strong skills in telecom product management and development. His wide experience covers business planning, mobile technology, fiber-based products, Data Centers and content services.	<ul style="list-style-type: none"> • MBA in Marketing & Business Management from Al-Ahlia University. • BSc in Management Information Systems from NYIT. 	2006
Shaikh Mohamed Al Khalifa Chief Digital Growth Officer	Shaikh Mohamed was Head of Strategic Projects, and ICT Business Development at the Bahrain Economic Development Board prior to joining Batelco. His role revolved around public and private sector cloud adoption, Blockchain, startups and enhancing infrastructure development across the GCC. Previously, Shaikh Mohamed was advisor to the Minister of Foreign Affairs.	<ul style="list-style-type: none"> • Bachelor's degree in Politics - American University, Washington DC. • MSC in Middle East Politics - School of Oriental and African Studies, UK. 	January 2020
Noora Sulaibeekh General Counsel and Board Secretary	Mrs. Sulaibeekh is a qualified Bahraini lawyer specialized in Telecom, Media and Technology, with over 13 years of international experience within the telecom industry. Her previous roles include the position of Group Legal Counsel at Etisalat Group from 2013 to 2015 and prior to that held the role of Group Legal Counsel with Batelco from 2009.	<ul style="list-style-type: none"> • Master's degree in International Relations and Sustainable Development Law - Paris Sorbonne University. 	2015
Rashid Mohamed General Manager Network	Mr. Mohamed has more than 15 years' experience in telecommunications, having joined Batelco as a network engineer in 2005. He has held key management positions in various divisions at Batelco including Mobile Network development, Fixed Operations as well as leading the Strategy role for Network and IT to deliver the latest digital technologies.	<ul style="list-style-type: none"> • Master's degree in Engineering & Management from Northumbria University, UK. • BSc in Electronics & Communication Engineering from Napier University, UK. 	2005
Saurabh Gupta Chief Technology and Information Officer	Mr. Gupta worked with Vodafone for over 8 years across UK, Germany, and Czech Republic where he held the role of Chief Information Officer, before joining Batelco. Previously, he spent over 10 years with Unilever in India and the UK in a number of technology delivery and management roles.	<ul style="list-style-type: none"> • Engineering degree - IIT (Indian Institute of Technology) Roorkee. • Post-graduate in Management - IIM (Indian Institute of Management) Ahmedabad. • Technology Excellence Programme - Imperial College Business School London. 	January 2020

**Adel Al-Daylami served as Chief Global Business Officer until 31st December, 2020.

CORPORATE GOVERNANCE (CONTINUED)

Total Remuneration paid to the Key Executive Management for the year 2020:

The Company has a framework in place to monitor and evaluate the performance of the executive management and employees of the Company. An equitable and transparent system of limits and performance metrics is in place which is used to reward the employees of the Company for their accomplishments during the year. The executive management under the guidance of the Remuneration Committee is responsible for administering the employee performance process.

The total key executive management compensation was recorded at BD 1,586 million, Please refer the **note 37** (Transactions with Related Parties) of the financial statements for the details of Key personnel management.

4. External Auditors

KPMG has had a presence in the Kingdom of Bahrain for nearly 50 years. From a small local accounting firm, founded in 1968 by university friends Jassim M. Fakhro and Hussain Kasim, KPMG in Bahrain has become one of the largest and most prestigious professional services firms in the country. KPMG in Bahrain employs over 300 professional staff and partners. They also provide clients a suite of locally-supported Audit, Tax and Advisory services.

Name of the Audit Firm	KPMG Fakhro
Years of service as the Company's External Auditor	Since 1993
Name of the Partner in Charge of the Company's Audit	Salman Manjlai
The Partner's years of service as the partner in charge of the Company's audit	1 st year
Total audit fees for the financial statements for the year 2020 (BD)	87,500
Other special fees and charges for non-audit services other than auditing the financial statements for the year 2020 (BD) if any. In the absence of such fees, this shall be expressly stated	127,500

5. Board Committees Structure

In line with the Code of Governance the Board have set up sub committees to oversee some of their responsibilities which are clarified in each Committee's charter, below is the Company's Board Committee's Structure:



Audit Committee

As per the Charter of the Audit Committee, the Directors are required to meet at least 4 times in a given financial year to discharge its responsibilities effectively. During the year, the Audit Committee met on **8** occasions on the following dates.

Members	16 Jan	19 Feb	6 Apr	14 Apr	29 Apr	3 Jun	26 Jul	26 Oct
Mr. Jean Christophe Durand (Chairman)	-	-	☎	☎	☎	☎	☎	☎
Mr. Abdulla Bukhwa (Deputy Chairman)	-	-	☎	☎	☎	☎	☎	☎
Sh. Ali Al Khalifa (Member)	☎	☎	☎	☎	☎	☎	☎	☎
Maj. Gen. Ali AlNoaimi (Member)	-	-	☎	☎	☎	☎	☎	☎
Mr. Ahmed Al Hujairy (Previous Member)	☎	☎	-	-	-	-	-	-
Mr. Oliver McFall (Previous Member)	☎	☎	-	-	-	-	-	-
Mrs. Khulood Al Qattan (Previous Member)	☎	☎	-	-	-	-	-	-

31 March 2020 – Committee membership changes.

Remuneration, Nomination, Donation and Corporate Governance Committee

As per the Charter the Directors are required to meet at least 2 times in a given financial year to discharge its responsibilities effectively. During the year, the Committee met on **8** occasions on the following dates.

Members	9 Feb	13 Feb	18 Mar	9 Apr	22 Apr	14 Jul	13 Sep	15 Nov
Sh. Abdulla Al Khalifa (Chairman)	☎	☎	☎	☎	☎	☎	☎	☎
Mr. Raed Fakhri (Deputy Chairman)	☎	☎	☎	☎	☎	☎	☎	☎
Mr. Khalid Taqi (Member)	☎	☎	☎	☎	☎	☎	☎	☎
Ms. Fatema AlArayedh (Member)	-	-	-	☎	☎	☎	☎	☎
Mr. Jean Christophe Durand (Previous Member)	☎	☎	☎	-	-	-	-	-

31 March 2020 – Committee membership changes.

Executive Committee

As per the Charter of the Executive Committee, the Directors are required to meet at least 4 times in a given financial year to discharge its responsibilities effectively. The committee in first quarter of the year was composed of 5 members, the Board resolved to reduce the size of the committee to 4 members instead.

During the year, the Executive Committee met on **12** occasions on the following dates:

Members	15 Jan	2 Feb	16 Feb	12 Mar	28 Apr	8 Jun	18 Jun	23 Jul	23 Sep	22 Oct	26 Nov	7 Dec
Mr. Raed Fakhri (Chairman)	☎	☎	☎	☎	☎	☎	☎	☎	☎	☎	☎	☎
Mr. Khalid Taqi (Deputy Chairman)	☎	☎	☎	☎	☎	☎	☎	☎	☎	☎	☎	☎
Mr. Abdulla Alhammadi (Member)	-	-	-	-	☎	☎	☎	☎	☎	☎	☎	☎
Mr. Ahmed Abdulrahman (Member)	-	-	-	-	☎	☎	☎	☎	☎	☎	☎	☎
Mr. Jean Christophe Durand (Previous Member)	☎	☎	☎	☎	-	-	-	-	-	-	-	-
Mr. Arif Rahimi (Previous Member)	☎	☎	☎	☎	-	-	-	-	-	-	-	-
R. Adm Yousif Al Sabt (Previous Member)	☎	☎	☎	☎	-	-	-	-	-	-	-	-

31 March 2020 – Committee membership changes.

CORPORATE GOVERNANCE (CONTINUED)

6. Corporate Governance Officer

Batelco appointed Ms. Noor Bukamal as Corporate Governance Officer in December 2018; she has an MA in Human Resource Management.

7. Details of any irregularities committed during the financial year

Nil

8. Cash and in-kind contributions made by the Company during the year 2020

The AGM last year approved a budget of BD 1.29M for the purpose of donation. The amount mentioned has been donated to different societies and causes that aimed to better the local community. Major contributions were given towards the Health, Community, Environment, Sports and Youth domains.

9. Ownership Structure

Batelco is a Public Listed Company which its share capital is owned by various Government, Organizations and the General Public from different regions. The Table below displays the details of the shareholders' equity and distribution:

Name	Number of Shares held	Percentage of shares held	Type	Shareholder Classification
1 Mumtalakat Holding Company	609,840,000	36.67%	Government	Local
2 Amber Holding Company	332,640,000	20%	Organization	Foreign
3 Social Insurance Organization	337,835,705	20.31%	Government	Local
4 Public	382,884,295	23.02%	Individuals, corporate, government and organizations	Local, Gulf, Arab, and Foreign

Shareholders who hold 5% or more of the Company's share capital as at 31/12/2020:

According to the Company's share register as at 31/12/2020, there is no individual that holds over 5% of the Company's share capital.

Shareholders Distribution by Size of Ownership:

The table below shows the distribution of Ownership of Batelco shares by Size of Ownership:

Shareholding Amount	Number of Shareholders	Number of shares held	Percentage of shares held
Less than 50,000	10,028	32,745,328	1.969%
50,000 to 500,000	664	92,947,093	5.588%
500,000 to 5,000,000	113	143,505,763	8.628%
More than 5,000,000	12	1,394,001,816	83.814 %
Total	10,817	1,663,200,000	100 %

Significant events that occurred during the year 2020

Nil

10. Compliance with the provisions of the Corporate Governance Code, as follows:

Principle	Non-Compliant	Partially Compliant	Fully Compliant	Explanation in case of non-compliance
Principle 1: The Company shall be headed by an effective, qualified and expert board.			✓	
Principle 2: The directors and executive management shall have full loyalty to the company.			✓	
Principle 3: The Board shall have rigorous controls for financial audit and reporting, internal control, and compliance with law.			✓	
Principle 4: The Company shall have effective procedures for appointment, training, and evaluation of the directors			✓	
Principle 5: The Company shall remunerate directors and senior officers fairly and responsibly.			✓	
Principle 6: The Board shall establish a clear and efficient management structure for the Company and define the job titles, powers, roles and responsibilities.			✓	
Principle 7: The Company shall communicate with shareholders, encourage their participation, and respect their rights.			✓	
Principle 8: The Company shall disclose its corporate governance.			✓	
Principle 10: The Board shall ensure the integrity of the financial statements submitted to shareholders through appointment of external auditors.			✓	
Principle 11: The Company shall seek through social responsibility to exercise its role as a good citizen.			✓	
*Principle 9: Companies which offer Islamic services shall adhere to the principles of Islamic Shari'a. *			Not Applicable to Batelco	

* Applicable only to the companies offering Islamic services.

11. Any disclosures required by the regulatory authorities

Nil