



## Corporate Governance Report for the year 2019

### Gulf Hotels Group: 950

1. Description of the actions taken to complete the Corporate Governance Code during the year 2019 and how they were applied.

Corporate Governance Committee is an internal system that encompasses policies, processes, people, and which makes sure the needs of shareholders and other stakeholders are met in full. This is accomplished by directing and controlling managing activities using good business practices, objectivity, accountability and integrity. Corporate Governance Committee implements Corporate Culture of the organization, commitment of the board and senior management towards the corporate governance framework and approach of company to adhere to the code as integrity program rather than as compliance program.

Regular meetings of the committee are held and annual evaluation of the entire team undertaken.

2. Description of the transactions of the directors, their spouses and sons on the Company's shares during the year 2019 according to the following table:

#	Name	Position/kinship	Shares held as at 31/12/2018	Total Sale Transaction	Total Purchase Transaction
1	Mr. Farouk Yousuf Almoayyed	Chairman	4,722,917	None	None
2	Mr. Fawzi Ahmed Kanoo	Vice Chairman	193,975	None	None
3	Mr. Mohammed Husain Yateem	Director	1,732,343	None	None
4	Mr. Khalid Mohammed Kanoo	Director	141,436	None	None
6	Mr. Mohammed Jassim Buzizi	Director	448,119	None	None
7	Mr. Adel Maskati	Director	56,508	None	None

### 3. Composition of the Board:

- a. Description of the current Board composition according to the following table:

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e-mail: info@gulfhotelsgroup.com  
www.gulfhotelsgroup.com

ص. ب. ٥٨٠، المنامة، مملكة البحرين  
تليفون: ١٧٧٤ ٦٤٤٦ (٩٧٣) • فاكس: ١٧٧١ ٣٠٠٧ (٩٧٣)  
البريد الإلكتروني: info@gulfhotelsgroup.com  
الموقع الإلكتروني: www.gulfhotelsgroup.com

Owners & Operators of:



Operators of:





#	Name	Type (Executive, non-Executive or independent)	Experience	Qualification	The period of his term as a director of the Company staring from the date of his first election or appointment	Directorships and positions in other companies	Positions in any other key regulatory, government or commercial entities.
1	Mr. Farouk Yousuf Almoayyed	Non-Executive/ Non- Independent	56	Mechanical Engineer	1974	<ul style="list-style-type: none"> <li>• Y.K. Almoayyed &amp; Sons Group - Chairman</li> <li>• Y.K. Almoayyed &amp; Sons Property Co. - Chairman</li> <li>• Almoayyed Contracting Group - Chairman</li> <li>• Ashrafs - Chairman</li> <li>• Ashraf - BGDC - Chairman</li> <li>• National Concrete Co.</li> <li>• NBB - Chairman</li> <li>• Bahrain Duty Free - Chairman</li> <li>• Bahrain National Holding B.S.C. - Chairman</li> <li>• Ahlia University- Chairman</li> <li>• Ibn Khuldoon National - Chairman Board of Trustees</li> </ul>	<ul style="list-style-type: none"> <li>• Economic Development Board - Director</li> <li>• Real Estate Regulatory Authority (RERA), Bahrain - Representative of the Chamber of Commerce &amp; Industry</li> </ul>
2	Mr. Fawzi Ahmed Kanoo	Non-Executive/ Non- Independent	49	Bachelor of Science in Bus. Administratio	1991	<ul style="list-style-type: none"> <li>• Abdulrahman Jassim Kanoo co.</li> </ul>	None



				n, South West Texas State University, USA		<ul style="list-style-type: none"> <li>• Bahrain Ship Repairing &amp; Eng</li> <li>• AXA insurance</li> <li>• Bahrain Int Cargo Services</li> <li>• BDP Kanoo Chemical Logistic</li> <li>• NBB</li> <li>• Yusuf Bin Ahmed Kanoo Holdings</li> <li>• Kanoo Family holding Co.</li> </ul>	
3	Mr. Mohammed Husain Yateem	Non-Executive/ Non-Independent	48	Master in Business Administration	1991	<ul style="list-style-type: none"> <li>• A.M Yateem Bros.</li> <li>• Yateem Air Conditioning</li> <li>• Yateem Commercial</li> <li>• Royal Golf Club</li> </ul>	CBB board
4	Mr. Khalid Mohammed Kanoo	Non-Executive/ Non-Independent	50	Bachelor of Arts	1998	<ul style="list-style-type: none"> <li>• Bahrain Ship Repairing &amp; Eng</li> <li>• Oasis Capital bank</li> <li>• Acacia Investment</li> <li>• Yusuf Bin Ahmed Kanoo Co.</li> <li>• Yusuf Bin Ahmed Kanoo (holding)</li> <li>• Bahrain Int Cargo Services</li> <li>• Family Investment</li> <li>• Gulf Travel agency</li> <li>• Kanoo Electrical, Mechanical Construction</li> <li>• Kanoo Travel agency</li> <li>• Kanoo Family Holding Co.</li> </ul>	None



						<ul style="list-style-type: none"> <li>• United Travel &amp; Shipping Agency</li> <li>• K. Soft Co</li> <li>• Mokaan co.</li> <li>• Dar Akbar alkheej Press &amp; Publishing House</li> <li>• The K-hotel Bahrain</li> <li>• Kanoo Liwa Trading Co.</li> </ul>	
5	Mr. Ahmed Janahi	Non-Executive/ Non-Independent	20	Bachelor Degree in Chemical Engineering and MBA	2016	<ul style="list-style-type: none"> <li>• Durrat Ghaleej Al Bahrain</li> </ul>	None
6	Mr. Peter Cook	Non-Executive/ Non-Independent	35	Under Graduate	2018	Bahrain International Golf Course Co.	Advisor International Offices. Bahrain Tourism & Exhibition Authority
7	Mr. Khalid Taqi	Non-Executive/ Non-Independent	13	M.Sc. in Finance & B.Sc. in Finance	2018	Batelco	None
8	Mr. Mohammed Jassim Buzizi	Non-Executive/ Non-Independent	52	Higher National Diploma in IT Operation Management UK	2007	<ul style="list-style-type: none"> <li>• Amlak</li> </ul>	None
9	Mr. Adel Maskati	Non-Executive/ Independent	41	Master Degree in Engineering	2016	<ul style="list-style-type: none"> <li>• Maskati Commercial Services</li> <li>• Husain Mahdi Maskati &amp; Sons</li> <li>• Maskati Bros. &amp; Co.</li> <li>• United Paper Industries</li> <li>• Enmaa Investment Co.</li> </ul>	None
10	Mr. Jassim Abdulaal	Non-Executive/ Independent	32	Member Institute of Chartered accountants in England and Wales (ICAEW)	2010	Gulf Air	<ul style="list-style-type: none"> <li>• LMRA - Audit Committee.</li> <li>• Health Insurance Fund</li> </ul>



b. Description of the following:

1. Total remunerations paid to the directors for the year 2018 is BD 205,000/- net off sitting fees.
2. The proposed total remunerations to be paid to the directors for the year 2019 which will be presented at the annual general meeting for approval is BD 180,000/- net off sitting fees.
3. Description of the sitting fees paid to the directors for attendance of the Board's committees for the financial year 2019 according to the following table:

#	Name	Sitting fees paid for attendance of the Board's Committees		
		Name of Committee	Sitting fees amount	No. of meetings
1	Mr. Farouk Yousuf Almoayyed	Board	7,500	5
2	Mr. Fawzi Ahmed Kanoo	Board	7,500	5
3	Mr. Mohammed Husain Yateem	Board	7,500	5
4	Mr. Khalid Mohammed Kanoo	Board	4,500	3
5	Mr. Ahmed Janahi	Board	7,500	5
6	Mr. Peter Cook	Board	7,500	5
7	Mr. Khalid Taqi	Board	7,500	5
8	Mr. Mohammed Jassim Buzizi	Board	7,500	5
9	Mr. Adel Maskati	Board	7,500	5
10	Mr. Jassim Abdulaal	Board	7,500	5
1	Mr. Mohammed Husain Yateem	Executive	2,400	6
2	Mr. Fawzi Ahmed Kanoo	Executive	2,400	6
3	Mr. Ahmed Janahi	Executive	2,400	6
4	Mr. Mohammed Jassim Buzizi	Executive	1,200	3
1	Mr. Jassim Abdulaal	Audit	1,600	4
2	Mr. Khalid Mohammed Kanoo	Audit	400	1
3	Mr. Khalid Taqi	Audit	1,600	4
4	Mr. Adel Maskati	Audit	1,600	4
1	Mr. Farouk Yousuf Almoayyed	Investment	800	2
2	Mr. Mohammed Husain Yateem	Investment	400	1
3	Mr. Ahmed Janahi	Investment	800	2
4	Mr. Khalid Taqi	Investment	800	2
1	Mr. Farouk Yousuf Almoayyed	NRC	800	2
2	Mr. Mohammed Jassim Buzizi	NRC	800	2
3	Mr. Jassim Abdulaal	NRC	800	2
1	Mr. Farouk Yousuf Almoayyed	CGC	800	2
2	Mr. Peter Cook	CGC	800	2
3	Mr. Jassim Abdulaal	CGC	800	2
1	Mr. Mohammed Husain Yateem	Tender	400	1
2	Mr. Fawzi Ahmed Kanoo	Tender	800	2
3	Mr. Ahmed Janahi	Tender	800	2
4	Mr. Mohammed Jassim Buzizi	Tender	800	2



- c. Number and dates of the Board's meetings held during the financial year 2019, in addition to the number of times directors attended in person or by visual communication and a description of the directors present by proxy.

#	Name/ Meeting dates →	13 <sup>th</sup> Feb 2019	17 <sup>th</sup> Apr 2019	17 <sup>th</sup> Jul 2019	22 <sup>nd</sup> Oct 2019	27 <sup>th</sup> Nov 2019
1	Mr. Farouk Yousuf Almoayyed	Yes	Yes	Yes	Yes	Yes
2	Mr. Fawzi Ahmed Kanoo	Yes	Yes	Yes	Yes	Yes
3	Mr. Mohammed Husain Yateem	Yes	Yes	Yes	Yes	Yes
4	Mr. Khalid Mohammed Kanoo	Yes	X	X	Yes	Yes
5	Mr. Ahmed Janahi	Yes	Yes	Yes	Yes	Yes
6	Mr. Peter Cook	Yes	Yes	Yes	Yes	Yes
7	Mr. Khalid Taqi	Yes	Yes	Yes	Yes	Yes
8	Mr. Mohammed Jassim Buzizi	Yes	Yes	Yes	Yes	Yes
9	Mr. Adel Maskati	Yes	Yes	Yes	Yes	Yes
10	Mr. Jassim Abdulaal	Yes	Yes	Yes	Yes	Yes

- d. Description of the Board's duties and competences carried out on its behalf by the Executive management by delegation of authority, specifying the duration and validity of the delegation.

None

- e. Details of transactions with related parties (stakeholders), indicating the nature relationship and type of transaction.

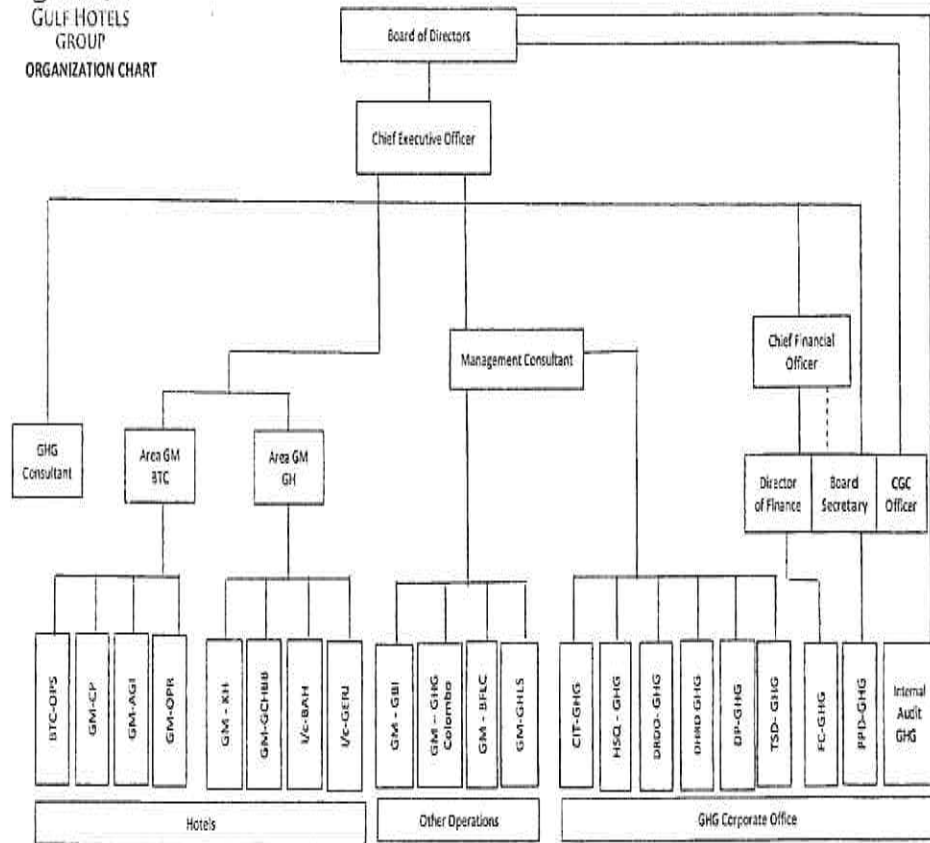
Related Parties	Purchases	Sales	Management fee income	Interest Expense	Share of profit from associates	Trade receivables	Other receivables	Trade payables	Bank loan
Major shareholders	622,477	566,380	403,556	895,839	-	319,886	143,409	64,908	12,560,000
Associates	14,035	74,723	-	-	1,607,916	27,043	-	283	-
Directors	-	68,025	-	-	-	17,221	-	-	-
Total	636,512	709,128	403,556	895,839	1,607,916	364,150	143,409	65,191	12,560,000



f. The Company's organizational structure:



2019/2020



Effective 23/11/19

Garfield Jones - Chief Executive Officer

Farouk Yusuf Almoazzayd - Chairman



g. Total remunerations paid to the key executive officers during the year 2019. BD 698,771

**4. External Auditors:**

Name of the audit firm	KPMG
Years of service as the company's external auditor	2 year
Name of the partner in charge of the company's audit	Mr. Jalil Al A'ali
The partner's years of service as the partner in charge of the company's audit	1 year
Total audit fees for the financial statements for the year 2019 (BD)	BD 35,000
Other special fees and charges for non-audit services other than auditing the financial statements for the year 2019 (BD) if any. In the absence of such fees, this shall be expressly stated. ( fee against VAT Consultation)	-

**5. Executive committee**

Name	Type (Executive, non-Executive or independent)
Mr. Mohammed Yateem	Non-Executive/ Non-Independent
Mr. Fawzi Kanoo	Non-Executive/ Non-Independent
Mr. Ahmed Janahi	Non-Executive/ Non-Independent
Mr. Mohammed Buzizi	Non-Executive/ Non-Independent

Name	28 <sup>th</sup> Jan 2019	4 <sup>th</sup> Feb 2019	15 <sup>th</sup> Apr 2019	1 <sup>st</sup> Jul 2019	14 <sup>th</sup> Oct 2019	24 <sup>th</sup> Nov 2019
Mr. Mohammed Yateem	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Fawzi Kanoo	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Ahmed Janahi	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Mohammed Buzizi	Yes	X	Yes	X	X	Yes



## 6. Audit Committee:

Audit committee reviews the internal audit program and internal control system, considers major findings of internal audit reviews, investigations and management's response. Ensure coordination among the internal and external auditors. For competencies please refer to their qualifications and industry experience.

Name	Type (Executive, non-Executive or independent)
Mr. Jassim Abdulaal	Non-Executive/ Non-Independent
Mr. Khalid Kanoo	Non-Executive/ Non-Independent
Mr. Khalid Taqi	Non-Executive/ Non-Independent
Mr. Adel Maskati	Non-Executive/ Non-Independent

During the year ended 31<sup>st</sup> December 2019, 4 audit committee meetings were held. The following table summaries the information about committee meeting dates and attendance of the directors:

Name	10 <sup>th</sup> Feb 2019	14 <sup>th</sup> April 2019	17 <sup>th</sup> July 2019	20 <sup>th</sup> Oct 2019
Mr. Jassim Abdulaal	Yes	Yes	Yes	Yes
Mr. Khalid Kanoo	X	X	X	Yes
Mr. Khalid Taqi	Yes	Yes	Yes	Yes
Mr. Adel Maskati	Yes	Yes	Yes	Yes

## 7. Investment committee

Name	Type (Executive, non-Executive or independent)
Mr. Farouk Yousuf Almoayyed	Non-Executive/ Non-Independent
Mr. Mohammed Husain Yateem	Non-Executive/ Non-Independent
Mr. Ahmed Janahi	Non-Executive/ Non-Independent
Mr. Khalid Taqi	Non-Executive/ Non-Independent

Name	20 <sup>th</sup> Feb 2019	16 <sup>th</sup> Oct 2019
Mr. Farouk Yousuf Almoayyed	Yes	Yes
Mr. Mohammed Yateem	X	Yes
Mr. Ahmed Janahi	Yes	Yes
Mr. Khalid Taqi	Yes	Yes



#### 8. Nomination and Remuneration Committee (NRC)

Name	Type
Mr. Farouk Almoayyed	Non-Executive/ Non-Independent
Mr. Mohammed Jassim Buzizi	Non-Executive/ Non-Independent
Mr. Jassim Abdulaal	Non-Executive/ Non-Independent

Name	20 <sup>th</sup> Feb 2019	16 <sup>th</sup> Oct 2019
Mr. Farouk Almoayyed	Yes	Yes
Mr. Mohammed Jassim Buzizi	Yes	Yes
Mr. Jassim Abdulaal	Yes	Yes

#### 9. Corporate Governance Committee:

Name	Type
Mr. Farouk Almoayyed	Non-Executive/ Non-Independent
Mr. Peter Cook	Non-Executive/ Non-Independent
Mr. Mr. Jassim Abdulaal	Non-Executive/ Non-Independent

Name	20 <sup>th</sup> Feb 2019	16 <sup>th</sup> Oct 2019
Mr. Farouk Almoayyed	Yes	Yes
Mr. Peter Cook	Yes	Yes
Mr. Jassim Abdulaal	Yes	Yes

#### 10. Corporate Governance Officer:

Name	Qualification	Date of appointment	Contact Details
Shaheed Elaiwi	M.com	April 2018	Tel 17746466 Shaheed.elaiwi@gulfhotelsgroup.com

#### 11. Details of irregularities committed during the financial year

None



12. Cash and in-kind contributions made by the company during the year 2019.

#	Description	Cash in BHD and in Kind
1	Injaz Bahrain	11,310
2	Bahrain Philanthropic Society	5,000
3	Migrant Workers Protection Society	3,000
4	Ministry of Justice & Islamic Affairs 7 WAQF	3,000
5	Muharraq Social Welfare Center	2,000
6	Bahrain Society for SCD Patients Care	2,000
7	Bahrain Association for Intellectual Disability and Autism	2,000
8	Bahrain Down Syndrome Society	2,000
9	UCO Parents Care Center	1,000
10	The Bahrain Historical & Archaeological Society	1,000
11	Bahrain ADHD Society	1,000
12	Bahrain Deaf Society	1,000
13	Bahrain Parents Care Home	1,000
14	Bahrain Sports Federation for Disabilities	500
	<b>Total Donations</b>	<b>35,810</b>

a. Shareholder equity as of 31<sup>st</sup> December 2019:

#	Shareholder classification	Shareholding %			
		Individuals	Corporate	Government or Organizations	Total
	Local	23.30%	35.49%	38.07%	96.86%
	Arab	3.02%			3.02%
	Foreign	0.12%			0.12%
	<b>Total</b>	<b>26.45%</b>	<b>35.49%</b>	<b>38.07%</b>	<b>100%</b>



b. Shareholder who hold 5% or more of the company share capital as at 31<sup>st</sup> December 2019:

#	Name	Number of Share held	Shareholding %	Name of the natural person, the final beneficiary
1	Bahrain Mumtalakat Holding Co. B.S.C (C)	57,558,331	25.47%	Bahrain Mumtalakat Holding Co. B.S.C (C)
2	Social Insurance Organization	28,382,960	12.56%	Social Insurance Organization
3	Family Investment company Ltd.	24,428,215	10.81%	Family Investment company Ltd.
4	Y.K Almoayyed & Sons B.S.C (C)	14,309,817	6.33%	Y.K Almoayyed & Sons B.S.C (C)

c. Category

#	Shareholding (Share)	No of Shareholders	Number of Share held	Shareholding %
1	<50,000	3,643	9,585,082	4.24%
2	50,000 to 500,000	170	26,549,173	11.75%
3	500,000 to 5,000,000	38	54,293,425	24.02%
4	>5,000,000	8	135,567,183	59.99%

d. Significant events that occurred during the year 2019

None

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

#	Principle	Non-compliant	Partially Compliant	Fully Compliant	Explanation in case of non-compliance
1	The Company shall be headed by an effective, qualified and expert board			Yes	
2	The directors and executive management shall have full loyalty to the company.			Yes	



3	The Board shall have rigorous controls for financial audit and reporting, internal control, and compliance with law.			Yes	
4	The Company shall have effective procedures for appointment, training, and evaluation of the directors			Yes	
5	The company shall remunerate directors and senior officers fairly and responsibly			Yes	
6	The Board shall establish a clear and efficient management structure for the Company and define the job titles, powers, roles and responsibilities.			Yes	
7	The Company shall communicate with shareholders, encourage their participation, and respect their rights.			Yes	
8	The Company shall disclose its corporate governance.			Yes	
9	The Board shall ensure the integrity of the financial statements submitted to shareholders through appointment of external auditors.			Yes	
10	The Company shall seek through social responsibility to exercise its role as a good citizen			Yes	

Farouk Yousuf Almoayyed  
Chairman of the Board  
Gulf Hotels Group