

CORPORATE GOVERNANCE REPORT FOR THE YEAR 2021

POLICY:

Bahrain Cinema Company has been an early adopter of Corporate Governance Code and aspires to adhere to the highest standards of Good Corporate Governance and Ethics. The Company achieves its objective of good corporate governance through incessant adherence of the rules and regulations laid down by the Regulatory Authorities and continuously remodel policies and practices in line with the best practices.

The Company adopted the Corporate Governance Code pursuant to the provisions stipulated in High level Controls in Volume 6 of the Central Bank of Bahrain Rule Book and Corporate Governance guidelines issued by Ministry of Industry, Commerce and Tourism (MOICT) to facilitate transparency and efficacy in the Company. The Company has well-defined framework for good corporate practices at all levels of the organization which ensures seamless implementation of organizational plans, effective use of organizational resources and fair practices. This enables the Company to meet regulatory requirements related to public disclosure of financial statements, disclosure of any material information and other relevant information in a timely fashion. This facilitates fair and swift dissemination of information to the stakeholders to enable them to make an informed decision.

A well-established Corporate Governance policy and procedure has allowed the Company to respond quickly to the growing challenges and changes presented by the pandemic. The Company has meticulously adapted to handle the business risk posed by the pandemic which included increase in the frequency of the Board of directors' meetings, regular interaction with the landlords to bring down the rental costs and effective cost control.

The Board of Directors of the Company believes that Corporate Excellence can only be achieved through incessant compliance with the rules and regulations and imbibing it as a habit within the corporate culture. The Board of Directors of the Company observes the highest level of Corporate Ethics and Effective Governance in all its dealings. The Board focuses on the long term goals and success of the Company while balancing the needs of its stakeholders. The Company performs Performance Evaluation of the Board to ensure its competency and efficiency of the Board. The Company also evaluates the Qualification and Independence of the Directors to warrant transparent and unbiased operations of the Company.

The Company regularly publishes the Annual Reports and quarterly interim Financial Statements on its website. Further, in adherence of the Corporate Governance Code, the Company also publishes the Notices of the Annual General Meeting and Extra-Ordinary General Meeting, other relevant information and Corporate Governance Guidelines for stakeholders.

The Company has a qualified team responsible for meeting the regulatory requirements stipulated by Central Bank of Bahrain, Ministry of Industry, Commerce and Tourism (MOICT) and other Regulators. The Company complies with the principle of 'comply or explain' and endeavors to maintain the highest standards of Governance within the organization and keep its shareholders, customers and stakeholders well up-to-date with the Company's operations to enable them to take informed decisions.

CORPORATE GOVERNANCE DEVELOPMENTS DURING THE YEAR, 2021

MAJOR SHAREHOLDERS AS ON DEC 31, 2021:

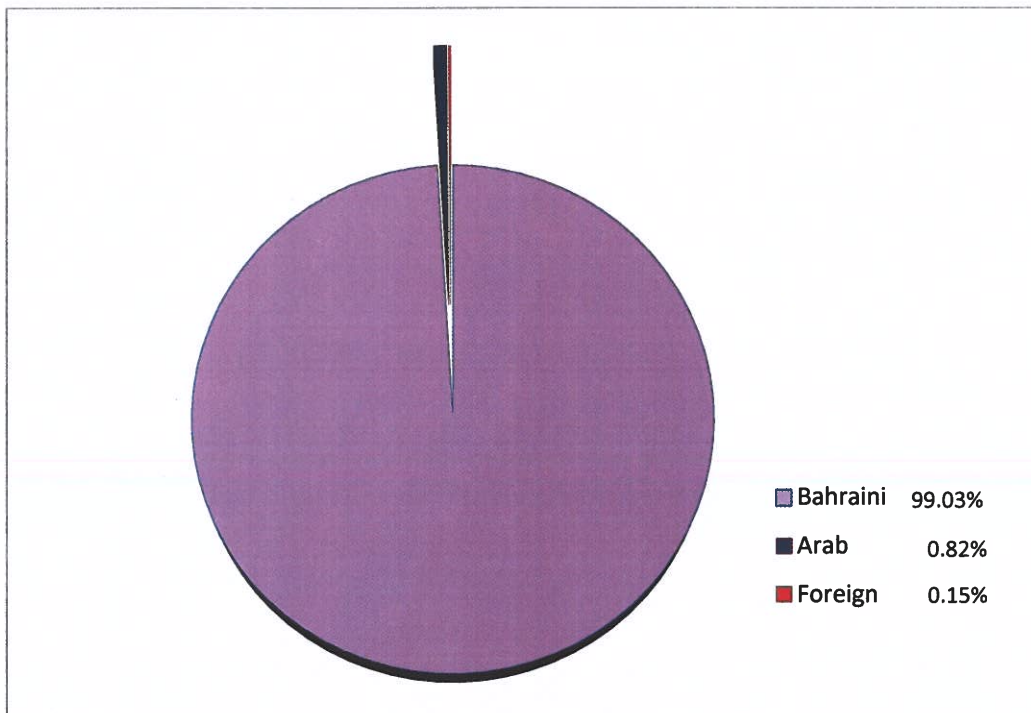
The existing share structure of the Company consists of only ordinary shares and there are no different classes of ordinary shares. The shares of the Company are listed on Bahrain Bourse and the face value of the share is 100 fils per share. All the shares are fully paid. The major shareholders of the Company as on 31st December, 2021 are as follows:

NAME	NATIONALITY	NUMBER OF SHARES	%OF HOLDINGS
1. Dr. Esam Abdulla Fakhro	Bahraini	4,789,244	5.80%
2. Bahrain Family Leisure Company BSC	Bahraini	4,185,137	5.07%

DISTRIBUTION OF OWNERSHIP BY NATIONALITY

Nationality	No. of shareholders	Total shares
Bahraini	544	81,824,671
Arab	24	679,525
Foreign	7	119,254
TOTAL	575	82,623,450

The percentage of shareholding by various nationalities is mentioned below:



DISTRIBUTION OF SHAREHOLDERS

No.	Shareholding (shares)	No. of shareholders	Number of shares held	Shareholding %
1	<50,000	407	4,928,955	6.0%
2	50,000 to 500,000	124	17,556,350	21.2%
3	500,001 to 5,000,000	44	60,138,145	72.8%
4	>5,000,000	-	-	-

OWENERSHIP BY GOVERNMENT:

The Government of Bahrain does not own any shares in the Company.

BOARD OF DIRECTORS:

The Board of Directors of the Company plays an important role in steering the Company. The leadership of Bahrain Cinema Company rests with the members of the Board who are highly experienced and competent. They are responsible for governing the Company in fair and transparent manner in accordance with the regulatory requirements. They are committed to take decisions which are in the best interest of the Company in order to maximize shareholders' value and betterment of the society. The Board follows equitable and balanced approach and set an example to be followed throughout the organization.

The Board of Directors of the Company are responsible for formulation of the policies and plans and setting long term and short term goals in line with the Company' s objectives. They are entrusted to oversee the implementation of organizational goals and ensure that corrective actions are taken in case of deviation. The Board also outlines the responsibilities of the executive management to ensure that the actions of the management are aligned with the well-being of the Company. The Board has complete access to all the information to enable them to take a well informed decision. The Board sets short-term and long-term objectives of the Company. The short term objectives are aligned with the Company's long term goals.

The Board regularly monitors the efficacy of the management team and makes suggestion for the better and effective control of the Company's affair. The Board of Directors keep themselves abreast with the latest development in technologies in cinema business in Bahrain and abroad to improve the customers' experience. The Board however, sometimes seeks independent consultation from the professionals for efficient discharge of their responsibilities.

The Chairman of the Board is responsible to lead and encourage the Board in accomplishing Company's goals while promoting trust and harmony within the members. The tenure of the directors of the Company is for a period of three years from the date of their appointment/re-appointment after which every director has to appear for re-election. The Board reviews the composition of the Board on an annual basis to ensure that it is competent in shouldering their responsibilities towards the Company.

BOARD PROCEDURE

The Board procedure is detailed in the Charter of the Board. The Company has the practice of sending the agenda alongwith the supporting documents to the directors in advance to allow them enough time to review and deliberate on all matters listed in the agenda.

MANDATE AND THE SPECIFIC RESPONSIBILITIES OF THE BOARD INCLUDE:

- Evaluate the feasibility and selection of new projects
- Disclosure of financial information to the Government Authorities and the public within the stipulated time.
- Ensure that financial statements are free from errors and frauds.
- Overseeing the direction and management of the company in accordance with Commercial Companies Law and other Rules and Regulations promulgated by the Government of Bahrain and the Central Bank of Bahrain.
- Ensuring integrity and fairness in preparation and reporting of the financial and accounting system, existence of well-defined internal control system, independence of audit and the system to ensure the compliance of Laws and Regulations.
- Recommendation of dividend payable to the shareholders.
- Ensure judicious allocation of resources to achieve the goals enshrined in the Corporate Strategy Plan.
- Reviewing the credit limits with the Banks
- Periodic evaluation of the operational performance of the company and give instructions for improvement.
- Periodical review of the Succession Plans of CEO and other members of the management who are directly reporting to CEO.
- Govern the management by issuing rules and formulating policies and procedures.
- Monitoring the performance of the executive management to ensure that the executives are compensated fairly.
- Reviewing charitable projects

MATERIAL TRANSACTIONS REQUIRING BOARD APPROVAL:

- Appointment of MD/CEO of the Company
- Approval of financial statements.
- Approval of investment above the authorized threshold limit of the Executive Committee.
- Approval for acquiring or selling patent rights, trade marks, licenses or other intellectual property rights.
- Approval of Policies and Procedures for the Company.
- Approval of Budgets, Capital Expenditure Budget, major contracts, diversification plans/ divestment.
- Optimum allocation of resources among various functions to attain the goals of the Company.
- Approval of Corporate Strategy Plan

DIRECTORS' PROFILES- Directorship in Other Companies:

Dr. Esam Abdulla Fakhro- Chairman

Chairman	Abdulla Yousif Fakhro & Sons
Deputy Chairman	Qatar Bahrain International Cinema WLL
Deputy Chairman	Cineco (Qatar)
Deputy Chairman	National Bank of Bahrain
Chairman of Executive Committee	National Bank of Bahrain
Executive Director	General Trading & Food Processing Co BSC(Trafco)
Director	Trafco Logistics Company
Board Director	Bahrain Live Stock Company
Chairman	Business International (Xerox)
Chairman	Fakhro Electronics
Board Director	Fakhro Restaurants Company (McDonald's)
Chairman	Budget Rent – A Car (Bahrain)
Chairman	Fakhro Insurance Services Co.
Board Director	Fakhro Shipping
Chairman	Go Rent A Car (Qatar)
Chairman	Fakhro Motors (BYD)
Chairman	Access Telecom (Dubai)
Chairman	Kingdom Investments SPC
Chairman	Bahrain Islamic Bank B.S.C (BisB)
Chairman	Jouri Gardening
Honorary Chairman	VOX Cineco Cinemas Company WLL

Mr. Ahmed A. Rashed AlBastaki -Managing Director and C.E.O

Managing Director & General Manager	Qatar Bahrain International Cinema WLL
Director	VOX Cineco Cinemas Company WLL
Director	Burooj Property Development & Trading Company WLL

Mr. Ali Yousif Ubaydli- Vice- Chairman

Director	Trans Gulf Consult
Managing Director	Yousuf Ali Ubaydli WLL
Managing Director	Yousuf Ali Ubaydli Ventures WLL
Director	Royal University for Women
Director	The Malls Real Estate Company
Director	Paradise Reality Holding Company BSC (c)

Mr. Jalal Mohamed Jalal- Director

Managing Director
Hon. Chairman
Chairman
Director
Director
Director
Managing Director

Mohammed Jalal & Sons Group of Companies
Gulf Business Machines
Bahrain Business Machines
Awal Readymix Concrete Co
Bahrain Duty Free Company
BIADCO
Awal Printing Press

Mr. Mohammed Ebrahim Kanoo- Director

President & Chairman
Director

Ebrahim Khalil Kanoo B.S.C. (c)
The Royal University for Women BSC (c)

Mr. Fareed Yousif Almoayyed- Director

Deputy Chairman
Deputy Chairman
Deputy Chairman
Chairman
Director
Director
Director
Deputy Chairman

Y.K.Almoayyed & Sons B.S.C ©
Y.K.Almoayyed & Sons Properties Co WLL
Ashrafs
Bahrain Property Management
Bahrain Foundation Construction Co.
Crown Industries
Fareed Almoayyed & Sons Co. W.L.L.
National Concrete Company W.L.L.

Mr. Jehad Yousif Amin- Director

Director
Member-Executive & Investment Committee
Member- Nominations, Remuneration &
Corporate Governance Committee
Director
Member-Executive and Investment Committee
Director
Member- Audit Committee
Member- Corporate Governance Committee
Director
Vice-Chairman- Executive Committee
Chairman- Investment Committee
Member- Nomination, Remuneration Committee
Director
Director
Member-Executive and Investment Committee
Director

Bahrain National Holding Company B.S.C
Bahrain National Holding Company B.S.C
Bahrain National Holding Company B.S.C

Bahrain National Insurance Company B.S.C(c)
Bahrain National Insurance Company B.S.C(c)
TRAFCO Group B.S.C
TRAFCO Group B.S.C
TRAFCO Group B.S.C
BMMI B.S.C
BMMI B.S.C
BMMI B.S.C
BMMI B.S.C.
Bahrain Live Stock B.S.C (c)
United Insurance Company B.S.C
United Insurance Company B.S.C
Bahrain Duty Free Company

Member- Investment Committee
Vice Chairman

Bahrain Duty Free Company
Banader Hotels Company BSC

Mr. Shawqi Ali Fakhro- Director

Director
Chairman-Audit and Compliance Committee
Vice Chairman
Chairman – Executive Committee
Director
Vice Chairman- Audit Committee
Chairman & Managing Director
Chairman & Managing Director
Chairman
Chairman & Managing Director
Chairman & Managing Director
Chairman & Managing Director

Zallaq Resort Co. BSC
Zallaq Resort Co. BSC
BMMI BSC
BMMI BSC
Bahrain Kuwait Insurance BSC
Bahrain Kuwait Insurance BSC
Ali Bin Yousif Fakhro & Sons W.L.L
Shawki Ali Fakhro & Sons W.L.L
Mohammed Fakhro & Bros W.L.L
Fakhro Trading Agencies W.L.L
Fakhro Investment W.L.L
Areej Trading Establishment W.L.L.
Amwaj Water Equipment W.L.L.
(Subsidiaries of Fakhro Investment W.L.L.)
Fakhro Information Technology Services W.L.L.
Shutdown Maintenance Services W.L.L
Alosra Charity Foundation
Yusuf Abdulrahman Fakhro Charitable Foundation
Bahrain Philanthropic Society
Bahrain Philanthropic Society

Chairman
Chairman
Member-Board of Trustees
Member-Board of Trustees
Director
Chairman- Investment Committee

STATUS OF DIRECTORSHIPS:

The terms Independent, non- independent, executive and non-executive are interpreted as per the definitions given for those terms under the Corporate Governance Code issued by the Ministry of Industry, Commerce and Tourism. The Constitution of the Board comprises of two Executive Non-Independent directors, five Non-executive Independent directors and one non-executive Non-Independent director. The independence of directors is reviewed annually as per the criteria mentioned in the Code.

Name of the Director	Executive/ non-executive	Independent/Non-independent
Dr. Esam Abdulla Fakhro	Executive	Non-Independent
Mr. Ahmed A. Rashed AlBastaki	Executive	Non-Independent
Mr. Ali Yousif Ubaydli	Non- executive	Independent
Mr. Jalal Mohamed Jalal	Non- executive	Independent
Mr. Mohammed Ebrahim Kanoo	Non- executive	Independent
Mr. Fareed Yousif Almмоayed	Non- executive	Independent
Mr. Jihad Yousif Amin	Non- executive	Non-Independent
Mr. Shawqi Ali Fakhro	Non- executive	Independent

BOARD COMPOSITION:

NAME OF THE DIRECTOR	YEAR OF BIRTH	NATION-ALITY	YEAR OF FIRST ELECTION AS A DIRECTOR	EXPIRY OF THE PRESENT TERM
Dr. Esam Abdulla Fakhro	1947	Bahraini	1984	2022
Mr. Ahmed A. Rashed AlBastaki	1951	Bahraini	2017	2023
Mr. Ali Yousif Ubaydli	1942	Bahraini	1967	2022
Mr. Jalal Mohamed Jalal	1948	Bahraini	1982	2022
Mr. Mohammed Ebrahim Kanoo	1940	Bahraini	1986	2022
Mr. Fareed Yousif Almmoayyed	1953	Bahraini	1992	2022
Mr. Jihad Yousif Amin	1958	Bahraini	1998	2022
Mr. Shawqi Ali Fakhroo	1953	Bahraini	2008	2022

ELECTION OF DIRECTORS

Articles 175 and 176 of the Bahrain Commercial Companies Law and Article 27 of the Articles of Association of the Company enumerates the procedure for election of directors. The Nomination and Remuneration Committee after careful assessment of the candidate's experience and competence makes recommendation to the Board for appointment of the directors. The shareholders of the Company have ultimate authority to elect the members of the Board in the Annual General Meeting of the Company. The directors are elected for a period of three years and are liable to retire by rotation. The directors may be re-elected upon expiration of the 3 years unless they are disqualified as per the provisions of Bahrain Commercial Law or Articles of Association.

The present members of the Board (except Mr. Ahmed A. Rashed AlBastaki) were elected in the Annual General meeting held in the year 2019 and their tenure expires in the Annual General meeting to be held in the year 2022. Therefore, they seek their re-appointment for a further term of 3 years from the conclusion of AGM to be held in 2022 till the ensuing AGM to be held in 2025.

INDUCTION OF NEW DIRECTORS

The Company carries induction programme for the new directors which details the businesses carried by the Company, details of all cinemas and restaurants operated by the Company, subsidiaries & Joint Ventures, introduction to the members of the management team, internal auditors, external auditors, lawyers, etc. to enable them to discharge their duties efficiently. The directors are also provided with a questionnaire to ascertain their level of acquaintance with the Group. In certain cases, the Company may undertake training program for the directors to provide them with requisite knowledge in entertainment and hospitality industry.

DIRECTORS' OWNERSHIP OF COMPANY'S SHARES

Names of Directors	Type of Shares	Number of shares
Dr. Esam Abdulla Fakhro	Ordinary	4,789,244
Mr. Ahmed A. Rashed Albastaki	Ordinary	1,865,861
Mr. Ali Yousif Ubaydli	Ordinary	-
Mr. Jalal Mohamed Jalal	Ordinary	482,658
Mr. Mohammed Ebrahim Kanoo	Ordinary	358,094
Mr. Fareed Yousif Almoayyed	Ordinary	475,781
Mr. Jehad Yousif Amin	Ordinary	2,000,000
Mr. Shawqi Ali Fakhro	Ordinary	712,555
Total		10,684,193

BOARD MEETINGS:

The Company adheres to the H.C. 1.3.3 of the Corporate Governance Code which mandates the Board to convene at least four meetings in a financial year. In addition to the Board meetings, the Board of directors also takes decisions by way of Circular Resolutions for matters of urgency and these resolutions are ratified and taken on record by the directors in the subsequent Board meeting. The details in respect of the meetings of the Board and the Committees held during the year 2021 and the details of the attendance of the directors are provided hereinunder:

**SUMMARY OF MEETINGS OF THE BOARD AND COMMITTEES
AND THE ATTENDANCE OF DIRECTORS**

Name of the Director	Board			Executive Committee		Corporate Governance and Audit Committee		Nomination & Remuneration Committee		Sub-committee of Executive Committee		Total		
	Total No. of meetings	Meetings attended	% of attendance	Total No. of meetings	Meetings attended	Total No. of meetings	Meetings attended	Total No. of meetings	Meetings attended	Total No. of meetings	Meetings attended	Total No. of meetings	Meetings attended	% of meetings attended
Dr. Esam Abdulla Fakhro	4	4	100%	4	4			2	2	9	9	19	19	100%
Mr. Ahmed A. Rashed Albastaki	4	4	100%	4	4					9	9	17	17	100%
Mr. Ali Yousuf Ubaydli	4	3	75%	4	4			2	2			10	9	90%
Mr. Jalal Mohamed Jalal	4	4	100%			4	4					8	8	100%
Mr. Mohamed Ebrahim Kanoo	4	2	50%	4	3			2	2			10	7	70%
Mr. Fareed Yusuf Almoayyed	4	4	100%			4	4					8	8	100%
Mr. Jihad Yousif Amin	4	4	100%	4	4			2	2	9	8	19	18	94.7%
Mr. Shawqi Ali Yusuf Fakhroo	4	4	100%			4	4	2	2			10	10	100%

The Board meeting may be summoned either by any two directors or by the Chairman/Vice- Chairman of the Company. A duly convened meeting of Board of directors shall be valid if it is attended by the majority of the directors either in person or through a videoconference/phone.

The notice, agenda and relevant documents for the meetings are circulated in advance to enable the directors to deliberate and take the decisions prudently.

DATE OF BOARD MEETINGS AND ATTENDANCE DETAILS:

DIRECTORS	16/02/2021	28/04/2021	05/08/2021	03/11/2021
Dr. Esam Abdulla Fakhro	Yes	Yes	Yes	Yes
Mr. Ahmed A. Rashed AlBastaki	Yes	Yes	Yes	Yes
Mr. Ali Yousif Ubaydli	Yes	No	Yes	Yes
Mr. Jalal Mohamed Jalal	Yes	Yes	Yes	Yes
Mr. Mohammed Ebrahim Kanoo	Yes	No	Yes	No
Mr. Fareed Yousif Almoayyed	Yes	Yes	Yes	Yes
Mr. Jihad Yousif Amin	Yes	Yes	Yes	Yes
Mr. Shawqi Ali Fakhro	Yes	Yes	Yes	Yes

REMUNERATION POLICY OF BOARD OF DIRECTORS:

The method of payment of remuneration to the directors is enunciated in Article 188 of Commercial Companies Law No.21 of 2001. The Board of directors is compensated on the basis of their attendance in the Board and the Committee meetings and also paid the annual remuneration. The participation in the meeting via Telephone/Video Conference is also accepted as attendance and the directors are paid fees accordingly. The remuneration is paid to the directors for their participation and contribution towards the Board and the Company. A fairly remunerated Board will help the Company to retain its directors who possess experience, knowledge and caliber by acknowledging their efforts and valuable time they give to the Company for its development. The remuneration of the directors is approved by the shareholders in the Annual General Meeting. The remuneration paid to the directors is debited to the Income Statement as an expense as per International Financial Reporting Standards.

The Board of Directors of the Company decided to waive their sitting fees and 50% of their remuneration for the year 2021.

AGGREGATE REMUNERATION TO BOARD OF DIRECTORS:

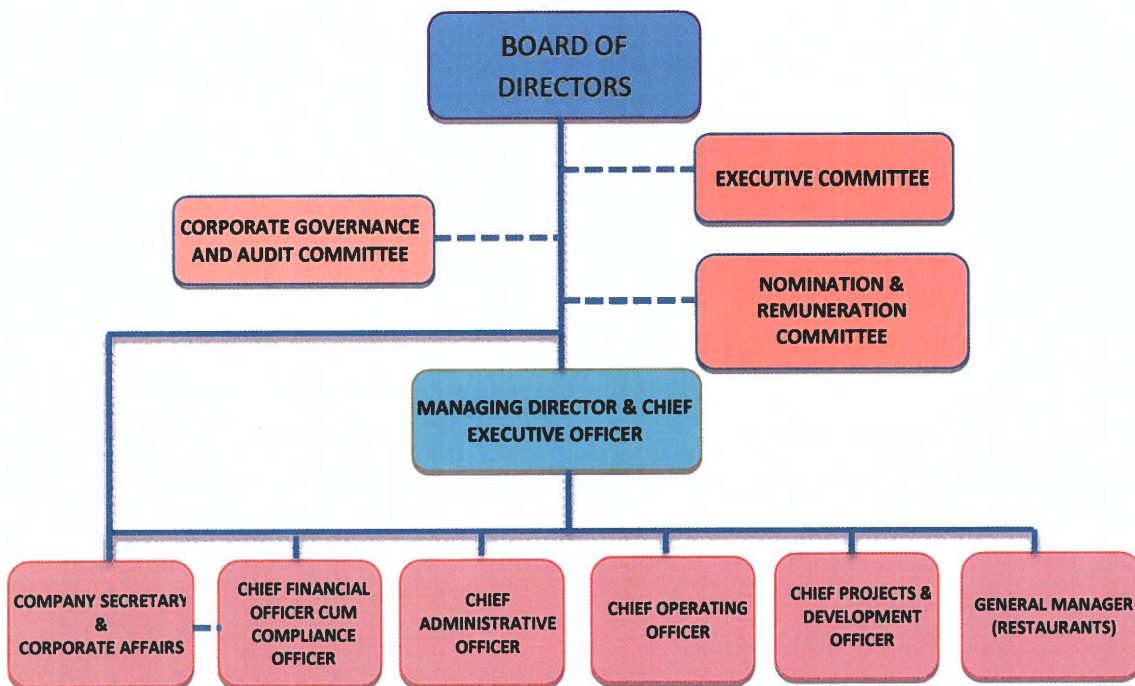
The amount of aggregate remuneration paid to the directors for the financial year 2020 and 2021 is mentioned in Note Number: 29 of the Financial Statement.

CODE OF CONDUCT/ CODE OF ETHICS:

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

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

ORGANISATIONAL STRUCTURE



COMPLIANCE

The Chief Financial Officer is also the Compliance Officer of the Company. The Company has dutifully complied with all the rules and regulations applicable to the Company and there was no instance of any procedural non-compliance of any provisions of the applicable Law. The Company has a well defined Compliance Policy Manual which elaborately covers the compliance procedure and functions. Some of the salient features of Compliance Manual are described below:

- Independence of compliance function
- The responsibility of the compliance function
- Cooperation with the regulators
- Monitoring and reporting of the functions
- Relationship with internal audit
- Relationship with other departments.

The Compliance officer is responsible to assess the compliance risks associated with the Company's business activities and assist the MD/CEO to effectively manage and mitigate compliance risks faced by the Company. The Board of Directors has the responsibility to oversee the management of the compliance risk of the Company.

ALLOCATION OF TASKS WITHIN THE BOARD OF DIRECTORS:

NAME	DESIGNATION	CORPORATE GOVERNANCE AND AUDIT COMMITTEE	EXECUTIVE COMMITTEE	NOMINATION AND REMUNERATION COMMITTEE
Dr. Esam Abdulla Fakhro	Chairman	-	(CHAIR)	(CHAIR)
Mr. Ahmed A. Rashed Albastaki	Managing Director and Chief Executive Officer	-	Member	-
Mr. Ali Yousif Ubaydli	Vice- Chairman	-	Member	Member
Mr. Jalal Mohamed Jalal	Director	Member	-	-
Mr. Mohammed Ebrahim Kanoo	Director	-	Member	Member
Mr. Fareed Yousif Almoayyed	Director	Member	-	-
Mr. Jehad Yousif Amin	Director	-	Member	Member
Mr. Shawqi Ali Fakhro	Director	(CHAIR)	-	Member

BOARD COMMITTEES:

The Board has constituted various Committees for effective governance in the Company. The Board has delegated some of their responsibilities to the Committees but continues to remain responsible and accountable for the decisions taken by the Committee. The main purpose of forming the committees is to enable the Board to attend to the more pressing matters of operation of the Company. The Committees make recommendations to the Board whenever necessary and the Board periodically evaluates the performance of the committee and the minutes of the committee meetings are taken on record at the Board meeting of the Company. The formulation of Committee is done in line with the requirements of the Law.

EXECUTIVE COMMITTEE:

Dr. Esam Abdulla Fakhro is the Chairman of the Executive Committee. The Executive Committee currently comprises of five directors. The Company has a well-defined Charter of the Executive Committee which defines the responsibilities assigned to the Committee.

Functions of the Executive Committee:

- Reviewing the policies with regards to risk, asset and liabilities.
- Approving the Budgets and changes therein for each financial year and reviewing performance against those budgets and key performance indicators.
- Invest the surplus funds on the basis of the Investment Policy and evaluate the performance of each investment vis-à-vis the expected Return on Investment.

- Analyzing and approving the Corporate Strategy Plan for every financial year before presenting the same to the Board.

In accordance with the terms of Charter of the Executive Committee, the minimum number of Executive Committee meeting is three in a year. The actual number of meetings of Executive Committee held during the year is 4. The details of the composition of the Executive committee and attendance of the members in the meetings are tabled below:

DATE OF MEETINGS

MEMBERS	27/01/2021	15/06/2021	22/09/2021	07/12/2021
Dr. Esam Abdulla Fakhro	Yes	Yes	Yes	Yes
Mr. Ahmed A. Rashed AlBastaki	Yes	Yes	Yes	Yes
Mr. Ali Yousif Ubaydli	Yes	Yes	Yes	Yes
Mr. Mohammed Ebrahim Kanoo	Yes	No	Yes	Yes
Mr. Jihad Yousif Amin	Yes	Yes	Yes	Yes

The members waived the payment of the sitting fees for attending the Executive Committee for the year 2021.

The Company also has a Sub Committee of Executive Committee comprising of three members, chaired by Dr. Esam Abdulla Fakhro to assist the Executive Committee and to make recommendations on matters of urgent nature. In the year, 2021 nine meetings of Sub Committee of Executive Committee were held to attend to the matters requiring immediate action. The details of the meetings and attendance of the Sub Committee of Executive Committee held during the year are as follows:

DATE OF MEETINGS

MEMBERS	04/01/2021	12/01/2021	21/02/2021	22/03/2021	01/04/2021
Dr. Esam Abdulla Fakhro	Yes	Yes	Yes	Yes	Yes
Mr. Ahmed A. Rashed AlBastaki	Yes	Yes	Yes	Yes	Yes
Mr. Jihad Yousif Amin	No	Yes	Yes	Yes	Yes
	15/06/2021	22/08/2021	23/08/2021	12/09/2021	
Dr. Esam Abdulla Fakhro	Yes	Yes	Yes	Yes	
Mr. Ahmed A. Rashed AlBastaki	Yes	Yes	Yes	Yes	
Mr. Jihad Yousif Amin	Yes	Yes	Yes	Yes	

NOMINATION AND REMUNERATION COMMITTEE

Dr. Esam Abdulla Fakhro is the Chairman of the Nomination & Remuneration Committee. The Nomination & Remuneration Committee currently comprises of five directors. The charter of the Nomination Committee was amended and approved in the Board meeting held on July 31, 2019 to include the manner of nomination and election/re-election of the directors and the minimum number of meeting of the Nomination and Remuneration Committee in a year to two(2). The Charter of the Nomination & Remuneration Committee describes the specific responsibilities assigned to this Committee.

Functions of the Nomination and Remuneration Committee:

- Approval of Succession Plans of senior management before the plans is presented to the Board for approval.
- Review of remuneration and sitting fees of the directors and making recommendations to the Board about their decisions.
- Ensure that adequate Policies and procedures are in place for the evaluation of the performance of executive management.
- Evaluate the balance of skills, knowledge and experience on Board, prepare description for every appointment, identify, nominate to the Board as and when Board vacancies arise.
- Recommend to the Board any change in the Job description of senior management, if required.

As per the terms of Charter of the Nomination & Remuneration Committee, the minimum number of meetings is two in a year. The actual number of meetings held during the year is 2. The details of the composition of the Nomination and Remuneration committee and attendance of the members in the meeting of this Committee are mentioned in the following table:

DATE OF MEETINGS

MEMBERS	27/01/2021	22/09/2021
Dr. Esam Abdulla Fakhro	Yes	Yes
Mr. Ali Yousif Ubaydli	Yes	Yes
Mr. Mohammed Ebrahim Kanoo	Yes	Yes
Mr. Jihad Yousif Amin	Yes	Yes
Mr. Shawqi Ali Fakhro	Yes	Yes

The members of the Nomination & Remuneration Committee waived the payment of sitting fees for attending the meeting during the year, 2021.

CORPORATE GOVERNANCE AND AUDIT COMMITTEE

Mr. Shawqi Ali Fakhro is the Chairman of the Corporate Governance and Audit Committee. The Corporate Governance and Audit Committee currently comprises of three directors. The duties of the Corporate Governance and Audit Committee are:

- Review and approve the integrity of interim and annual financial statements before presenting the same to the Board.
- Consider and recommend to the Board the appointment, resignation or dismissal of the external and internal auditors of the Company and the audit fee.
- Analyze impact of any change in Accounting Standards on the financial statements.
- Discuss the significant accounting and financial policies and reporting issues for the financial year.
- Ensure existence of appropriate policies, procedures, systems, internal controls and guidelines in the Company.
- Review the compliance of the Company with the legal requirements
- Discuss the significant observations of external and internal Auditors and the response from the management.
- Examine and review the internal control system and submit a written report on its opinion and recommendations on an annual basis
- Review the risk management and internal audit functions.
- Review and discuss the efficiency of the internal audit staff, internal control procedures, compliance control, any risk management systems and any changes therein.
- Discuss the management letter of external auditors.

As per the terms of reference of the Corporate Governance and Audit Committee, the Company shall conduct at least four Corporate Governance and Audit committee meetings in a year.

During the year 2021, the number of meetings of the Corporate Governance and Audit committee was four. The details of the composition of the Corporate Governance and Audit Committee and attendance of the members in the meetings are tabled below:

DATE OF MEETINGS

MEMBERS	14/02/2021	28/04/2021	05/08/2021	03/11/2021
Mr. Shawqi Ali Fakhro	Yes	Yes	Yes	Yes
Mr. Jalal Mohamed Jalal	Yes	Yes	Yes	Yes
Mr. Fareed Yousif Almoayyed	Yes	Yes	Yes	Yes

The members waived their sitting fees for the year 2021.

CONFLICT OF INTEREST:

The Company has a strict policy for Conflict of Interest which describes in detail the procedure to be followed if a conflict of Interest occurs for any transaction involving the directors. As per this policy, every director is bound to declare his present and potential conflict of interest, both direct and indirect to the Company. A director shall refrain from discussion and voting in the matters put forth in the meeting in which he has an interest so that the decisions taken are fair and free from any prejudice. During the year 2021, there was no instance of abstention of any director from voting due to conflict of interest.

If there is a potential conflict of interest of any director in a particular transaction, then advance approval from disinterested directors will be received before the motion is put before the directors for the deliberation and voting. The interested director will not participate in the discussion on that issue. The fact of absence of interested director(s) is recorded in the minutes of the relevant meeting.

RELATED PARTY TRANSACTIONS

All related party transactions are done on an arm's length basis and approved by the management of the Company. No employee or director or member of executive management in possession of material information which is not available to the public can trade in the shares of the Company. Please refer Note No: 32 of the financial statements for the details of related party transactions.

INTERNAL CONTROL

The Company has a well-placed Internal Control system to ensure that the operations of the Company are conducted efficiently and fairly. Internal control ensure the accuracy and completeness of the financial resources, achieve operational or strategic goals prevention and detection of frauds and errors, safeguarding the organizational resources, ensure optimum utilization of the organizational resources, taking corrective actions in case of discrepancy, mitigating risks and ensure compliance of the policies and procedures. The management of the Company is responsible for monitoring the implementation of the adequacy of the internal control system in the organization by conducting concurrent audits, standardizing the processes, implementation of policies and procedures, defining the responsibilities of the employees, etc., The Corporate Governance and Audit Committee and the management periodically evaluates the adequacy of the Internal Control policies and procedures.

THE ROLES OF THE CHAIRMAN AND EXECUTIVE MANAGEMENT:

The Board of Directors provides effective governance, guidance and supervision to the management. The Managing Director and Chief Executive Officer of the Company and the other members of the senior management are entrusted with the day to day affairs of the Company. The Chairman is responsible for providing a roadmap and strategic direction to the management to achieve the organization goals while the executive management is responsible for the financial and operational performance of the Company. The duties and responsibilities of the Chairman and the MD/CEO are clearly defined with no room for coincidences or duplication of duties and authorities. Furthermore, the duties and responsibilities of all departmental heads are well-defined.

SUCCESSION PLANS

The company has formulated the Succession Plans for CEO and all head of departments i.e., CAO, CFO and COO-Operations, CPDO and General Manager-Restaurants to maintain continuous functioning and to maintain highest level of efficiency of executive management without being affected by short term and long term absence of executive personnel. The Board annually reviews adequacy of Succession Plans to ensure that the Succession plans are in line with the requirements of the Company.

KEY PERSON DEALING POLICY

The Company has formulated Key Person Dealing Policy. The main purpose of this Policy is to prevent the abuse of insider information. The Key persons are defined to include the directors, executive management, designated employees and any other person identified as key person. Members of the Board of Directors and key persons are bound by specific rules and code of conduct relating to Key Person trading policies and are required to disclose their shareholdings and any change in their existing shareholding in the Company to the Bahrain Bourse. The Compliance Officer is vested with the responsibility of compliance of the latest Key Person trading regulations stipulated by Bahrain Bourse. During the year 2021, the Company has duly filed all forms and documents required to be filed with Bahrain Bourse/ Bahrain Clear.

PERFORMANCE EVALUATION:

H.C.8.3.9 of the Corporate Governance Code pronounces that the evaluation of directors with respect to their effectiveness and contribution needs to be disclosed in the Annual Report. For the year, 2021, evaluation was done as follows:

1. Directors of the Board have done self- evaluation as a director and as a member of each committee to assess themselves vis-a-vis the requirements.
2. Evaluation of the Board by each director has been done to assess the functioning of the Board.
3. Evaluation of each committee by each member of the respective committee has also been done for the financial year 2021 to ensure that the respective Committee functions to accomplish its specific purposes and responsibilities that are assigned to that committee.
4. The Chairman of the Board and the Chairman of each committee have done self-performance evaluation in order to continue to function with high level of efficiency.

WHISTLE BLOWER POLICY

The Company has established Whistle Blower Policy as part of its Corporate Governance Policy. The Company ensures to maintain the high level of ethical behavior and professionalism throughout the Company. The Company has Whistle Blower Policy wherein the employees can report any violation of rules, regulations or any provisions of law or any unethical behavior to their immediate boss or to any person designated by the Company in this regard. The report will be confidential, un-bias and will not be subjected to any discriminatory practices.

CEO & CFO CERTIFICATIONS:

CEO& CFO of the Company have certified that interim and final accounts of the Company present true and fair view of state of affairs of the Company and do not contain any material misstatement. These certifications have been given both to the Corporate Governance and Audit Committee as well as to the Board during the financial year 2021.

MEANS OF COMMUNICATION WITH SHAREHOLDERS AND INVESTORS:

- All the directors are generally present in the Annual General Meetings and Extra-ordinary General meetings to answer the questions raised by any attendant as the Company is statutorily obliged to comply with the Regulations and Laws regarding dissemination of information.

- The Company has appointed Bahrain Clear as the Registrar and Share transfer agent and KFin Technologies (Bahrain) WLL (KFTWLL) as the sub-registrar and the Board of directors of the Company recommended their reappointment for the financial year 2021.
- The Company published annual results for each quarter and for the entire financial year, 2021 through newspapers in Arabic and English and on the Bahrain Bourse website.
- The shareholders have easy access to all the financial information and can get proxy and other relevant forms from the Company.
- The Company publishes both interim & final financial statements on its website.
- CFO will be the point of contact with Bahrain Bourse and CBB.
- The Company also communicates with its staff through internal communication.

Compliance with the Corporate Governance Code, 2018 issued by the Ministry of Industry, Commerce & Tourism (MOIC&T)

Details of Corporate Governance Officer:

The Company appointed Mr. Ahmed A. Rashed AlBastaki, as the Corporate Governance Officer of the Company in the year 2018. Mr. Ahmed A. Rashed AlBastaki has been leading the operations of Bahrain Cinema Company for more than three decades and he has expertise in entertainment and restaurant industry.

Evaluation of the Board and Committee:

The Nomination and Remuneration Committee has done the evaluation of the efficacy of the Board, Board Committees and the members of the Board for the financial year 2021 as per the format recommended by the MOICT.

Profile of the statutory auditors of the Company:

The following table shows the details regarding the external auditor:

Name of the audit firm	BDO
Years of service as the Company's external auditor	Since 2002, 20 years
Name of the partner in charge of the Company's audit	Mr. Nath Venkitachalam
The partner's year of service as the partner in charge of the Company's audit	Two years
Total audit fees for the financial year 2021	The information is kept at the corporate office and will be produced upon request, after the approval of the Board of Directors
Other special fees and charges for non-audit services other than auditing the financial statements for the year 2021.	None

Compliance with the provisions of the Corporate Governance Code:

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	-	Yes	-	-
Principle 2: The directors and executive management shall have full loyalty to the Company.	-	-	Yes	-
Principle 3: The Board shall have rigorous controls for financial audit and reporting, internal control, and compliance with law.	-	-	Yes	-
Principle 4: The Company shall have effective procedures for appointment, training and evaluation of directors	-	Yes	-	-
Principle 5: The Board shall remunerate directors and senior officers fairly and responsibly.	-	Yes	-	-
Principle 6: The Board shall establish a clear and efficient management structure for the Company and define the job titles, powers, roles and responsibilities.	-	-	Yes	-
Principle 7: The Company shall communicate with shareholders, encourage their participation, and respect their rights.	-	Yes-	-	-
Principle 8: The Company shall disclose its corporate governance	-		Yes	
Principle 9: The Board shall ensure the integrity of the financial statements submitted to shareholders through appointment of external auditors			Yes	
Principle 10: The Company shall seek through social responsibility to exercise its role as a good citizen,			Yes	
Principle 11: Companies which offer Islamic services shall adhere to the principles of Islamic Shari'a	N.A	N.A	N.A	N.A

Bahrain Cinema Company B.S.C. currently complies with all the provisions of the Code with the *exception* of following:

Principle 1: The Company shall be headed by an effective, qualified and expert board.

Principle 1 requires that the Company's Chairman of the Board of Directors is an independent director and that he is not the Company's CEO. The Chairman of the BOD is a non-independent director whereas he is not a Company's CEO. However, this does not dilute the highest standards of corporate governance that the company maintains as a) business transactions are entered into on arms' length basis, b) Existence of efficient system of management of conflict of interest in Board decisions and c) in case of motions in which some directors are interested, the concerned directors refrain from the discussion as well as in voting to pass the motion as resolution. Highest standards of corporate governance and policies are followed for managing the conflict of interest without any type of lacunae in the implementation. Therefore, Dr. Esam Abdulla Fakhro's status of non-independence does not impair his ability to exercise judgment free from personal conflict of interest.

Principle 1 requires that the Company's directors shall not hold directorship in more than three companies. However, Mr. Jehad Yousif Amin, Director of the Company holds more than three directorships in Bahraini Public shareholding companies but his directorships in more than three Bahraini Public shareholding Companies does not dilute the *sanctum sanctorum* of the interests of the Company and does not affect the effectiveness and efficiency of the Board of Directors as Mr. Jehad Yousif Amin is an active member of the Board and provides required attention in discharge of his responsibilities as a director of the company and there exists no conflict of interest between his directorships in other Companies and his directorship in BCC.

Principle 4: The Company shall have effective procedures for appointment, training, and evaluation of the directors

Principle 4 requires that the Nomination Committee ("NC") consists of at least 3 directors, all of whom are independent or non-executive. However, the Nomination Committee ("NC") consists of five directors. Out of five directors, three directors are independent and non-executives, one director is non-independent and non-executive and one director is non-independent and executive. The Chairman of committee is not an independent director. However, this does not dilute the highest standards of corporate governance that the company maintains for effective discharge of duties for appointment, training, and evaluation of the directors.

Principle 5: The Company shall remunerate directors and senior officers fairly and responsibly.

Principle 5 requires that Remuneration Committee ("RC") consists of at least 3 directors, the majority of whom are independent or non-executive and that the Chairman is an independent director. However, the Remuneration Committee ("RC") consists of five directors. Out of five directors, three directors are independent and non-executives, one director is non-independent and non-executive and one director is non-independent and executive. The Chairman of committee is not an independent director. However, this does not dilute the highest standards of corporate governance that the company maintains in respect of fairly remunerating the directors and senior officers.

Principle 7: The Company shall communicate with shareholders, encourage their participation, and respect their rights.

Principle 7 requires from the Company to assign a specific section on their website thereof to describe shareholders' right to participate and vote at each shareholder's meeting, and post significant documents relating to meetings including invitations and minutes. However, the Company has not assigned a specific section on their website thereof to describe shareholders' rights to participate and vote at each shareholders' meeting, however, these rights are mentioned in notice of meetings which are uploaded on website. The Company does not have electronic means of submission of proxies for the shareholders' meeting. However, the notice of the shareholders' meeting and minutes thereto are uploaded on the Company's website and Bahrain Bourse website for the information of the shareholders.

Bahrain Cinema Company B.S.C. currently complies with all the provisions of the Code with the exception of following:

- HC1.4.5 of the High Level Controls (Corporate Governance) issued by CBB requires that the Chairman of the Board of Directors should be an Independent Director. Dr. Esam Abdulla Fakhro is a non-independent director as the Company has business transactions with the entities in which Dr. Esam Abdulla Fakhro is a director. However, this does not dilute the highest standards of corporate governance that the company maintains as a) business transactions are entered into on arms' length basis, b) Existence of efficient system of management of conflict of interest in Board decisions and c) in case of motions in which some directors are interested, the concerned directors refrain from the discussion as well as in voting to pass the motion as resolution. Highest standards of corporate governance and policies are followed for managing the conflict of interest without any type of lacunae in the implementation. Therefore, Dr. Esam Abdulla Fakhro's status of non-independence does not impair his ability to exercise judgment free from personal conflict of interest.
- The provision of HC1.3.6 of the High Level Controls (Corporate Governance) issued by CBB provides that no director of the Company shall hold more than 3 directorships in public companies in Bahrain, with the provision that no conflict of interest may exist, and the Board should not propose the election/ re-election of any such director. Mr. Jehad Yousif Amin , Director of the Company holds more than three directorships in Bahraini Public shareholding companies but his directorships in more than three Bahraini Public shareholding Companies does not dilute the *sanctum sanctorum* of the interests of the Company and does not affect the effectiveness and efficiency of the Board of Directors as Mr. Jehad Yousif Amin is an active member of the Board and provides required attention in discharge of his responsibilities as a director of the company and there exists no conflict of interest between his directorships in other Companies and his directorship in BCC.
- The provision of HC 4.2.2 and HC 5.3.2 of the High Level Controls (Corporate Governance) issued by CBB provides that the Chairman of the Nomination and Remuneration Committee should be an Independent Director. Dr. Esam Abdulla Fakhro is a non- independent director as the Company has business transactions with the entities in which Dr. Esam Abdulla Fakhro is a director. However, this does not dilute the highest standards of corporate governance that the company maintains. Therefore, Dr. Esam Abdulla Fakhro's status of non-independence does not impair his ability to exercise judgment free from personal conflict of interest.

- The provision of HC 1.3.7 of the High Level Controls (Corporate Governance) issued by CBB requires that the Board members to attend atleast 75% of all the Board meetings in a financial year. The attendance of Mr. Mohammed Ebrahim Kanoo (Director) in the Board meeting held during the year 2021 was 50%. In adherence to HC 1.3.10, the Company had duly intimated CBB about his level of attendance and circumstances affecting his non-attendance.
- The Company has not assigned a specific section on their website thereof to describe shareholders' rights to participate and vote at each shareholder's meeting. However, these rights are mentioned in notice of meetings which are uploaded on website. The Company does not have electronic means of submission of proxies for the shareholders' meeting. However, the notice of the shareholders' meeting and minutes thereto are uploaded on the Company's website and Bahrain Bourse website for the information of the shareholders.
- Details regarding remuneration paid to executive personnel are disclosed in the Board report and profiles of senior managers and the shareholding of senior managers may be obtained from the Company by making request for the same subject to the approval of the Chairman.
- The details regarding fees paid to auditors for audit services and non-audit services can be obtained from the Corporate Office of the company.

CORPORATE SOCIAL RESPONSIBILITY REPORT

Bahrain Cinema Company (BCC) has been an early adopter of Corporate Social Responsibility (CSR) activities and for over 5 decades it has created a legacy of promoting social well-being and sustainable living. The Group's focus has always been to contribute to the development of the society and environment. The Company is mindful of the impact of its actions on the society and environment and therefore believes in doing its bit for the socio economic development. The Company is committed to minimize the impact of its operations on the environment. The Company truly believes in building a better future by undertaking activities for eradicating disparity, equitable development of the society and creating awareness about the environmental issues.

BCC has always been committed for the improvement of the neglected section of the Society by granting donations to the Charitable Institutions, Charity Funds and organizations working towards the upliftment of the standard of living of the poor, promoting education, better health care facilities, social services, etc. and to individuals in need to instill a sense of belonging in them. The corporate social responsibility initiatives related to education and care for children, culture and religion, sustainability and charities and donations are reviewed and approved periodically.

The Company has a well-defined Corporate Social Responsibility Policy which was approved by the Board on 5th August, 2021. The CSR Policy specifies the objectives, focus areas, Committee members and responsibility of the Committee.

Bahrain Cinema Company partners with non-government organizations (NGOs), Charitable Institutions and Charity Funds to make a difference among the local communities and society by granting donations. The contributions made by the Group are expended for the following CSR activities: (1) improvement of health care facilities in the Country, (2) educational development of youth and children, (3) caring senior citizens, orphans, destitute and indigents, (4) edification of the society by spreading awareness about Islam, (5) promotion of sports & culture, (6) mother care, (7) welfare of the people affected by war, (8) environment sustainability, and (9) promotion of art and culture.

Regular Charitable activities:

Religion & Arab Culture

The Company also has the policy of sponsoring pilgrimage to Holy Makkah to the Muslim employees each year under Employee Gift Scheme. However, in the year 2021, due to travel restrictions imposed by the Government to combat coronavirus, the Company could not grant this privilege to its employees.

Development of Bahraini Youth and Children

- The Company offers employment opportunities to University students and other deserving Bahraini Youths to enable them to earn while learning. This will enable them to have hands on experience of application of theoretical knowledge.
- Education is the bed rock of the culture and is a path way to progress. Therefore, Company is constantly sponsoring training programme to Bahraini employees under Tamkeen programme to nurture the home grown talent.
- The Company provides free tickets to the differently abled persons, orphans and the school children.
- Advertisements for educational and informative purposes and advertisements in the national interest are allowed to be screened free of cost.

Environmental sustainability

Bahrain Cinema Company has deep values and ethics towards environment sustainability and protection. The Company has been consciously making efforts to ensure reuse and recycle the waste to minimize the amount of waste going to the landfill. In this endeavor, the Company has been using projectors with digital technology instead of Analog Projectors with an aim to reduce the environmental hazard caused by 35mm projector reels.

Accredited Societies and Funds who are Beneficiaries of Donations and Contributions by Bahrain Cinema Company during the year 2021 are as follows:

- AL BU KWARA CHARITY SOCIETY
- MALKIYA CHARITY SOCIETY
- AL MUSALLA CHARITY SOCIETY
- MANAMA CHARITY SOCIETY
- THE HOLY QURAN CUSTODY SOCIETY
- DAR YUKO PARENTS CARE CENTER
- INTERNATIONAL LADIES GROUP
- MUHARRAQ PARENTS CARE HOME
- BAHRAINI ASSOCIATION FOR PARENTS & FRIENDS OF DISABLED
- HIDD CHARITY SOCIETY
- SHAKHURAH SOCIETY CHARITY FUND
- RIFFA CHARITY SOCIETY
- GULF DISABILITY SOCIETY
- MUHARRAQ CHARITY SOCIETY
- AL BAYAN SOCIETY
- BAHRAIN DEAF SOCIETY
- TUBLI CHARITY SOCIETY
- AL ANFAL SOCIETY
- ROYAL HUMANITARIAN FOUNDATION
- MINISTRY OF HEALTH
- BAHRAIN ATHLETICS ASSOCIATION
- BCICAI

Remarkable Charitable Initiatives of the Company during the year 2021:

BCC has been providing donations not only to various Charitable Societies and Funds but also help the individuals in need. The Company has contributed a total amount of BD 16,996 towards various charitable purposes during the year 2021.

Charity Reserve as on 31st December, 2021:

To serve the Society on a bigger scale, BCC had acquired a residential building in the year 2014 with the aim of utilizing the rental income accrued therefrom only for a big Charitable Project by transferring the rental income to the Charity Reserve. As on 31st December, 2021, the Company has BD 305,695 in the Charity Reserve.

ESG REPORT 2021

Bahrain Cinema Company B.S.C. (Cineco) is a public shareholding cinema company engaging in operating in cinema and managing cinemas, film distribution as well as running restaurants and investment in real estate. Being fully dedicated, the ultimate goal of Cineco is to value both, the business reputation and our customer's satisfaction without compromising our responsibilities towards the environment or the society we are part of. We at Cineco strive for excellence and transparency across all our operations and placing ESG responsibilities at the heart of the business.

This report contains future goals and ESG related data for the financial year 2021.

ESG	Focus Areas	Details
Environmental	Energy Usage	<ul style="list-style-type: none"> To contribute to the HRH Crown Prince's vision to make Bahrain net zero carbon emissions by 2060 Emphasis on use of renewable source of energy Monitor the consumption of water usage and effective management
	Operations and management of resources	<ul style="list-style-type: none"> Focus reuse and recycle of resources and minimize the footprint Develop policies for effective management and promoting sustainability Identify and invest in climate related issues in 2022
	Green Initiatives	<ul style="list-style-type: none"> Increase digitization and automation of process to reduce usage of paper throughout the organization Emphasis on online ticket bookings for cinema and digital tickets in future to reduce paper waste
Social	Gender Diversity and Equality	<ul style="list-style-type: none"> Of the 227 total employees, 204 numbers are men and 23 are women 30% of the executive level position is occupied by women 13 % of the total salary is drawn by women working in the organization Improve women headcount and embrace diversity
	Health and Safety	<ul style="list-style-type: none"> Adherence to the highest level Health and Safety Programs throughout the organization Regularly review H&S Policy of the Company to in line with the best standards and reduce the risks To inspire people to focus on improving their health and wellness through several initiatives and awareness camps

Social	Employee satisfaction and non-discrimination	<ul style="list-style-type: none"> • Training programs for development of employees' skill and career advancement • Monthly complimentary cinema tickets are given to the employees for them and their family's entertainment and recreational activity • We have strict non-discrimination policy and channels to report any employee related issue discreetly and address their concerns • Company provides medical insurance to all the employees to reduce their medical expenses to promote better health and prevention.
	Sustainable Supplier engagement	<ul style="list-style-type: none"> • Encourage our suppliers to implement ESG initiatives, share our commitments and observe best practices
	Social Welfare and Culture preservation	<ul style="list-style-type: none"> • During 2021, Cineco donated BD 16,996 to various charities for social welfare • We are preserving and maintaining a heritage building (Al Hamra cinema) in Bahrain to showcase our culture to future generations
Governance	Board Diversity	<ul style="list-style-type: none"> • Eight directors came with vast experience backgrounds guiding the company. • 62% of the Board seats are occupied by Independent Directors
	Code of Conduct and Ethics	<ul style="list-style-type: none"> • The Company has formal Code of Conduct and Ethics Policy and Whistle Blower mechanism to report any unethical practice • To encourage the suppliers of the Company to adhere to the Company Code of Conduct Policy • Promote ethical decision making and effective risk management in adherence to the policies of the Company
	Corporate Governance and CSR	<ul style="list-style-type: none"> • Annual disclosure of Corporate governance and CSR in the annual Report • Board Committees to oversee and monitor adherence to best Corporate governance practices and CSR activities • Fostering transparency and business ethics
	Sustainability	<ul style="list-style-type: none"> • To broaden portfolio and invest in green bonds, renewable energy and sustainable bonds • To invest in sustainable living • The first report on sustainability on ESG will form a part of Annual Report for FY 21

The COVID-19 presented several financial and operational challenges to the Company in FY-21 due to which the Company could not undertake initiatives we initially intended for. The pandemic is a reminder and places more importance on ESG activities now more than ever. The climate change is a serious issue and we at Cineco are committed to build a better future for the next generations.



Dr. Esam Abdulla Fakhro

Chairman

Date: 17-02-2022