# Corporate Governance Report for the year 2025

1. **Description of the actions taken to complete the Corporate Governance Code during the year 2025 and how they were applied.**

The Board and the Company's employees are expected to maintain the highest level of corporate ethics and personal behaviour. The Company has established a Code of Conduct which provides an ethical and legal framework for all employees in the conduct of its business. The Code of Conduct defines how the Company relates to its employees, shareholders and the community in which the Company operates. The Board of Directors has adopted the Code of Business Conduct and a company Whistle-blower policy to monitor compliance with company ethics.

There have been no changes to the Company corporate governance guidelines of the Company during 2025.

2. **Description of the transactions of the directors, their spouses and sons on the Company's shares during the year 2025.**

The Directors, their spouses and sons did not trade in company shares during the year ended 31 December 2025.

3. **Composition of the Board:**

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

The following table summarizes the information about the profession and business title and composition of the current Board members;

| | Name of Board Member | Type | Experience in years | Qualification | Employment / Directorships in other Companies |
|---|---|---|---|---|---|
| 1. | Mr. Abdul Latif Khalid Al Aujan | Independent | 56 | University Degree in Commerce – England | Businessman |
| 2. | Mr. Ahmed Janahi | Non-Executive | 26 | Bachelor Degree in Chemical Engineering and MBA | ▪ Gulf Hotels Group (GCEO)<br>▪ Bahrain Tourism Company – Crowne Plaza Bahrain WLL<br>▪ African & Eastern (Bahrain) WLL |

| | | | | | |
|---|---|---|---|---|---|
| | | | | | ▪ Paradise Reality BSC ©<br>▪ Gulf Hotel Laundry Services Company WLL<br>▪ Bahrain Airport Hotel Company WLL<br>▪ GHG Hospitality WLL<br>▪ Injaz Bahrain |
| **3.** | Mr. Adel Salman Kanoo<br>(left on 14 October 2025) | Independent | **41** | Master Degree in Business Administration and MSC Air Transport Management. | Businessman |
| **4.** | Mr. Sharif Mohd Ahmadi | Independent | **48** | Bachelor's Degree - Electrical Engineering | ▪ Bahrain Waste Treatment Company WLL<br>▪ Dar Al Khaleej Trading & Contracting WLL |
| **5.** | Mr. Bashar Mohd Alhasan | Independent | **48** | Bachelor Degree - Economics | Businessman |
| **6.** | Mrs. Reem Alrayes | Non- Executive | **18** | Bachelor's Degree in Law – London School of Economics and Political Sciences | Gulf Hotels Group (Legal Counsel, Compliance & Board Secretary) |
| **7.** | Mr. Mohamed AlGharbi | Non- Executive | **17** | ▪ FCCA<br>▪ Bachelor's degree in Accounting & Finance from Swansea University | Gulf Hotels Group (Group – Chief Financial Officer) |
| **8.** | Mr. Farooq AlKhaja<br>(Joined on 14 October 2025) | Independent | **5** | Bachelor's degree in Finance & Entrepreneurship from North-eastern University | Almoayed Marine Services WLL (Business Development Manager) |

The following table summarizes the information about the current Board members title, year of first election/appointment and number of years in the Board.

| | Name | Title in BFLC Board | Nationality | First Election/ Appointment Date | Last Election/ Appointment Date | Total number of years in BFLC Board | Non-Executive/ Independent | Number of Directorships in Listed Companies |
|---|---|---|---|---|---|---|---|---|
| 1. | Mr. Abdul Latif Khalid Al Aujan | Chairman | Bahraini | 1994 | 23.03.2022 | 30 Years | Independent | Nil |
| 2. | Mr. Ahmed Janahi | Vice Chairman | Bahraini | 2021 | 23.03.2022 | 4 Years | Non-Executive | Nil |
| 3. | Mr. Adel Salman Kanoo (left on 14 October 2025) | Director | Bahraini | 2000 | 23.03.2022 | 24 Years | Independent | Nil |
| 4. | Mr. Bashar Mohd Alhasan | Director | Bahraini | 1997 | 23.03.2022 | 27 Years | Independent | Nil |
| 5. | Mr. Sharif Mohd Ahmadi | Director | Bahraini | 2003 | 23.03.2022 | 21 Years | Independent | Nil |
| 6. | Mrs. Reem Alrayes | Director | Bahraini | 2024 | 26.09.2025 | 1 Years | Non-Executive | Nil |
| 7. | Mr. Mohamed AlGharbi | Director | Bahraini | 2025 | 01.01.2025 | 1 Years | Non-Executive | Nil |
| 8. | Mr. Farooq AlKhaja (Joined on 14 October 2025) | Director | Bahraini | 2025 | 14.10.2025 | <1 Years | Independent | Nil |

** 14.3% of the Board Members is represented by women*
** 85.7% of the Board Members is represented by men.*

**b. Description of the following**

1. *Total remunerations paid to the directors for the year 2024 is BD Nil.*
2. *No remuneration is proposed for the directors for the year 2025.*
3. *Total sitting fees paid to the Board Members for attendance of AGM, EGM, Board and Committee meetings for financial year 2025 totals to* ***BD 43,750/-***

| # | Name | Sitting fees paid for attendance of the Board's Meetings | | |
|---|---|---|---|---|
| | | Name of Committee | Sitting fees amount | No. of meetings |
| 1. | Mr. Abdul Latif Khalid Al Aujan | Board | 3,000 | 5 |
| 2. | Mr. Ahmed Janahi | Board | 2,500 | 5 |
| 3. | Mr. Adel Salman Kanoo (Left on 14 October 2025) | Board | 1,000 | 2 |
| 4. | Mr. Bashar Mohd Alhasan | Board | 2,500 | 5 |

| | | | | |
|---|---|---|---|---|
| 5. | Mr. Sharif Mohd Ahmadi | Board | 2,000 | 4 |
| 6. | Mrs. Reem Alrayes | Board | 2,000 | 4 |
| 7. | Mr. Mohamed AlGharbi | Board | 2,500 | 5 |
| 8. | Mr. Farooq AlKhaja (Joined on 14 October 2025) | Board | 500 | 1 |

| # | Name | Sitting fees paid for attendance of the Board's Meetings | | |
|---|---|---|---|---|
| | | **Name of Committee** | **Sitting fees amount** | **No. of meetings** |
| 1. | Mr. Ahmed Janahi (Chairman) | EXCOM | 1,600 | 4 |
| 2. | Mr. Adel Salman Kanoo (Left in October 2025) | EXCOM | 1,050 | 3 |
| 3. | Mrs. Reem Alrayes | EXCOM | 1,400 | 4 |
| 4. | Mr. Farooq AlKhaja (Joined on 14 October 2025) | EXCOM | 350 | 1 |
| | | | | |
| 1. | Mr. Sharif Mohd Ahmadi | AUDIT | 1,600 | 4 |
| 2. | Mr. Bashar Mohd Alhasan | AUDIT | 1,400 | 4 |
| 3. | Mr. Mohamed AlGharbi | AUDIT | 1,400 | 4 |
| | | | | |
| 1. | Mr. Abdul Latif Khalid Al Aujan (Chairman) | NRCG | 1,200 | 3 |
| 2. | Mr. Ahmed Janahi | NRCG | 1,050 | 3 |
| 3. | Mr. Adel Salman Kanoo (Left in October 2025) | NRCG | 700 | 2 |
| 4. | Mr. Sharif Mohd Ahmadi | NRCG | 700 | 2 |
| 5. | Mrs. Reem Alrayes | NRCG | 1,050 | 3 |
| 6. | Mr. Farooq AlKhaja (Joined on 14 October 2025) | NRCG | 350 | 1 |

Total fee paid to the Board members for during 2025 amounted to **BD 29,850/-** as meeting attendance fees (excluding AGM & EGMs).

**c. Number and dates of the Board's meetings held during the financial year 2025, in addition to the number of times directors attended in person or by visual communication and a description of the directors present by proxy.**

| | *Names of Directors Present* | 5 Feb | 12 May | 08 July | 13 Aug | 10 Nov |
|---|---|---|---|---|---|---|
| 1 | Mr. Abdul Latif Khalid Al Aujan | √ | √ | √ | √ | √ |
| 2 | Mr. Ahmed Janahi | √ | √ | √ | √ | √ |
| 3 | Mr. Adel Salman Kanoo (Left on 14 October 2025)* | X | √ | X | √ | - |
| 4 | Mr. Bashar Mohd Alhasan | √ | √ | √ | √ | √ |
| 5 | Mr. Sharif Mohd Ahmadi | X | √ | √ | √ | √ |
| 6 | Mrs. Reem Alrayes | √ | √ | X | √ | √ |
| 7 | Mr. Mohamed AlGharbi | √ | √ | √ | √ | √ |
| 8 | Mr. Farooq AlKhaja (Joined on 14 October 2025) | - | - | - | - | √ |

* Adel Salman Kanoo meeting attendance is equating to 50% and as per HC-1.3.7- Individual board members must attend at least 75% of all board meetings in a given financial year to enable the board to discharge its responsibilities effectively.

**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 of relationship and type of transaction.**

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties include the major shareholders, directors, key management personnel and their close family members and such other companies over which the Company or its major shareholders, directors, key management personnel and their close family members can exercise significant influence or can be significantly influenced by those parties. Transactions with the related parties are authorized by the management and are on arm's length basis.

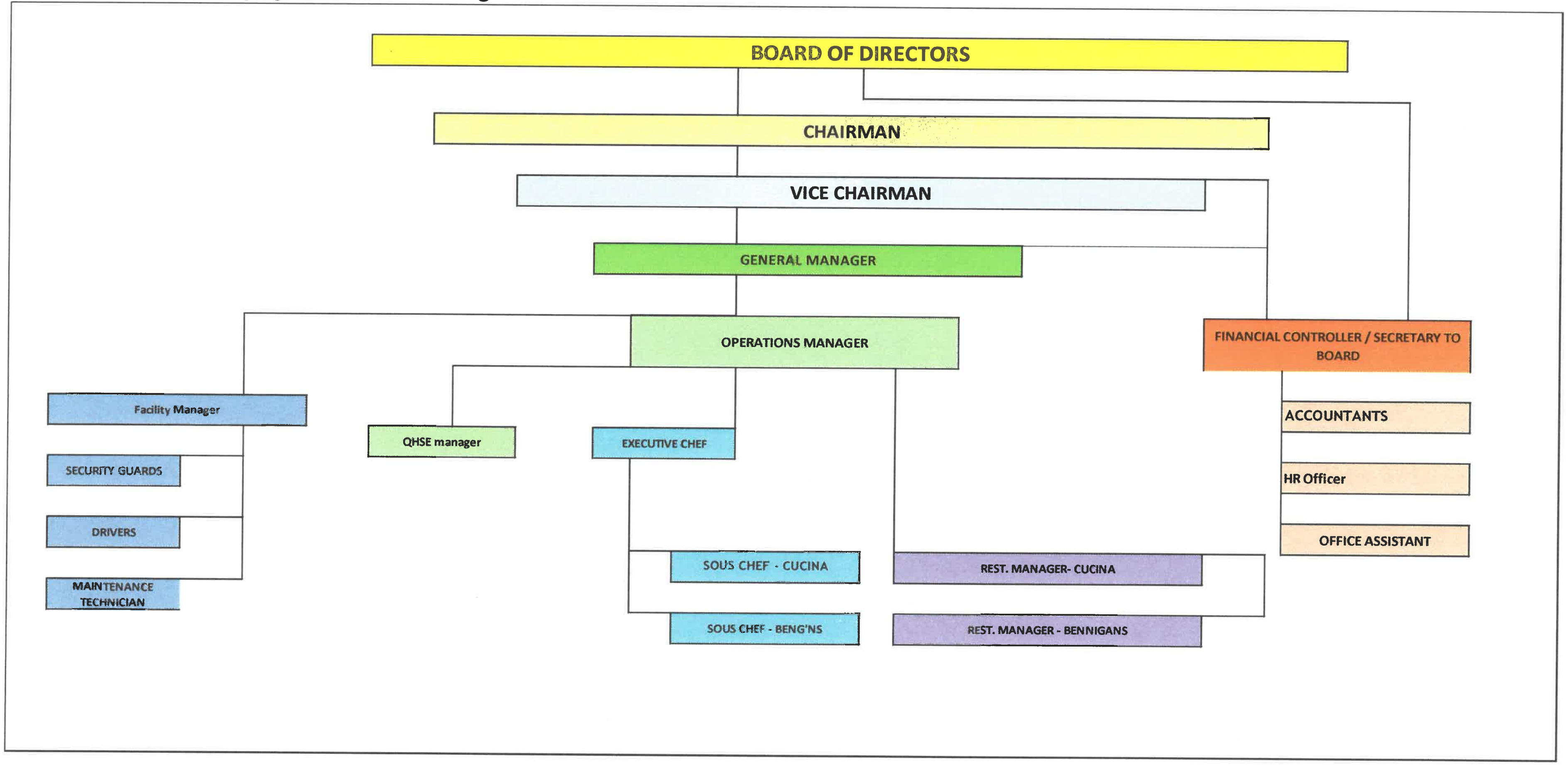
A summary of related party transactions as on 31st December 2025 is as follows:

| Related party | Related party relationship | Type of transaction | Year ended 31 December 2025 | Year ended 31 December 2024 |
|---|---|---|---|---|
| **Directors** | Directors | Attendance fees for attending Board meetings | 43,750 | 39,250 |
| **Key management personnel** | Key management personnel | Salaries and other short-term benefits | 46,916 | 69,501 |
| **Gulf Hotels Group** | Shareholder | AGM meeting hall rent etc. | 2,094 | 686 |
| | | Staff expenses | - | 717 |
| | | Food & Beverage Supply | 225,106 | 266,835 |
| **Novotel Bahrain Al Dana Resort WLL** | Common Shareholder | Food & Beverage Supply | 51,290 | 69,819 |
| **Bahrain Tourism Company – Crowne Plaza Bahrain WLL** | Common Shareholder | Food & Beverage Supply | 79,304 | 50,458 |
| | | maintenance charge | 3,515 | 1,932 |
| | | Rent and utility expense | 78,300 | 50,281 |
| **Abdul Latif Al Aujan Food International** | Common Shareholder | Purchase of food items | 60,687 | 62,585 |
| **African & Eastern (Bahrain) WLL** | Common Shareholder | Purchase of Beverage items | 7,749 | 3,741 |
| **Bahrain Gas W.L.L.** | Common Shareholder | Supply of kitchen equipment | - | 22,849 |
| | | Purchase of cooking gas | 3,430 | 3,787 |
| | | Repairs and maintenance | 1,489 | - |

**A summary of related party balances are as follows:**

| | Related party relationship | 31 December 2025 | 31 December 2024 |
|---|---|---|---|
| Gulf Hotels Group B.S.C. | Shareholder | 3,320 | 49,892 |
| Bahrain Tourism Company – Crowne Plaza Bahrain WLL | Common Shareholder | 7,950 | 13,603 |
| Novotel Bahrain Al Dana Resort WLL | Common Shareholder | - | 20,637 |
| Abdul Latif Al Aujan Food International | Common Shareholder | 7,669 | 11,876 |
| Bahrain Gas W.L.L. | Common Shareholder | 2,180 | 4,978 |
| African & Eastern (Bahrain) WLL | Common Shareholder | 1,488 | 403 |

**f. The Company's organizational structure, including the first and second grades at a minimum and including the Company's Board of Directors, general manager and/or Managing Director and managers.**




**g) Total remunerations paid to the key executive officers (the top two employees), including salaries, benefits, allowances, increases, stock options, end-of-service benefits, pensions, etc.**

| Details | Financial Controller & Board Secretary | Operation Manager | Total |
|---|---|---|---|
| Salaries and Allowances | 23,032 | 19,848 | **42,880** |
| Bonus paid in 2025 | - | 2,100 | **2,100** |
| Share in Profits | - | - | - |
| Attendance/ Representation Allowances | - | - | - |
| Expenses | 2,388 | 1,648 | **4,006** |
| **Total** | **25,420** | **23,596** | **BD 49,016** |

The total remuneration paid to the executive management for the year 2025 amounted to BD **49,016/-.**

4. **EXTERNAL AUDITORS:**

a. **Providing shareholders with the auditor's profile and overview of its professional performance.**

b. **Fees and charges for the audit or services provided by the external auditor during the year 2025, in addition to a description of the auditor's years of service as the Company's external auditor. According to the following table:**

| | |
|---|---|
| **Name of the Audit Firm** | BDO |
| **Years of Service as the Company's external Auditor** | Since 2002, 24 years |
| **Name of the partner in charge of the Company's audit** | Mr. Samson George |
| **The partner's years of service as the partner in charge of the Company's audit** | Three years |
| **Total Audit fees for the financial statements for the year 2025 (in BD)** | BD 7,315 (Seven thousand Three Hundred Fifteen only) |
| **Other special fees and charges for non-audit services other than auditing the financial statements for the year 2025.** | BD 650 (Six hundred fifty only) |

## 5. AUDIT COMMITTEE:

The Audit Committee reviews the internal audit program and internal control system, considers major findings of internal audit reviews, investigations, risk management and managements response. Ensures coordination among the internal and external auditors. It comprises of:

| | |
|---|---|
| Mr. Sharif Mohd Ahmadi | Independent |
| Mr. Bashar Mohd Alhasan | Independent |
| Mr. Mohamed AlGharbi | Non-Executive / Non-Independent |

During the year ended 31st December 2025, 4 committee meetings were held. The following table summarizes the information about committee meeting dates and attendance of the directors:

| | 03 - February | 06 - May | 13 - Aug | 05 – Nov |
|---|---|---|---|---|
| Mr. Sharif Mohd Ahmadi | √ | √ | √ | √ |
| Mr. Bashar Mohd Alhasan | √ | √ | √ | √ |
| Mr. Mohamed AlGharbi | √ | √ | √ | √ |

Total sitting fees paid to the Audit Committee members during 2025 amounted to **BD 4,400/-**.

## 6. NOMINATION & REMUNERATION, CORPORATE GOVERNANCE COMMITTEE (NRCG Committee):

The NRCG Committee is responsible for identifying qualified candidates for the Board of Directors and senior executive management, excluding internal auditors. It oversees the Board and committee composition, recommends director appointments and removals, and develops a succession plan for the Board and senior management, ensuring regular reviews. The Committee also sets remuneration and incentive policies for the Board and senior management, aligning them with market standards to attract and retain top talent. Additionally, it ensures that corporate governance principles are upheld through policies, processes, and ethical business practices, fostering accountability, integrity, and shareholder confidence. The Committee plays a key role in promoting a strong corporate culture and ensuring the company's commitment to governance extends beyond compliance to a foundation of integrity. It comprises of the following members:

| | |
|---|---|
| Mr. Abdul Latif Khalid Al Aujan | Independent |
| Mr. Ahmed Janahi | Non-Executive / Non-Independent |
| Mr. Adel Salman Kanoo (Left in October 2025) | Independent |
| Mr. Sharif Mohd Ahmadi | Independent |
| Mrs. Reem Alrayes | Non-Executive / Non-Independent |
| Mr. Farooq AlKhaja (Joined on 14 October 2025) | Independent |

During the year ended 31st December 2025, 3 committee meetings were held. The following table summarizes the information about committee meeting dates and attendance of the directors:

| | **12 May** | **21 Sep** | **10 Nov** |
|---|---|---|---|
| Mr. Abdul Latif Khalid Al Aujan | √ | √ | √ |
| Mr. Ahmed Janahi | √ | √ | √ |
| Mr. Adel Salman Kanoo (Left in October 2025) | √ | √ | - |
| Mr. Sharif Mohd Ahmadi | √ | X | √ |
| Mrs. Reem Alrayes | √ | √ | √ |
| Mr. Farooq AlKhaja (Joined on 14 October 2025) | - | - | √ |

Total sitting fees paid to the NFCG Committee members during 2025 amounted to **BD 5,050/-.**

## 7. EXECUTIVE COMMITTEE:

The Executive Committee reviews the internal audit program and internal control system, considers major findings of internal audit reviews, investigations, risk management and managements response. Ensures coordination among the internal and external auditors. It comprises of:

| | |
|---|---|
| Mr. Ahmed Janahi | Non-Executive / Non-Independent |
| Mr. Adel Salman Kanoo (Left on 14 October 2025) | Independent |
| Mrs. Reem Alrayes | Non-Executive / Non-Independent |
| Mr. Farooq AlKhaja (Joined on 14 October 2025) | Independent |

During the year ended 31st December 2025, 4 committee meetings were held. The following table summarizes the information about committee meeting dates and attendance of the directors:

| | 28 Jan | 27 Apr | 10 Aug | 28 Oct |
|---|---|---|---|---|
| Mr. Ahmed Janahi | √ | √ | √ | √ |
| Mr. Adel Salman Kanoo (Left in October 2025 | √ | √ | √ | - |
| Mrs. Reem Alrayes | √ | √ | √ | √ |
| Mr. Farooq AlKhaja (Joined on 14 October 2025) | - | - | - | √ |

Total sitting fees paid to the Executive Committee members during 2025 amounted to **BD 4,400/-**.

**8. CORPORATE GOVERNANCE OFFICER'S NAME, QUALIFICATIONS, DATE OF APPOINTMENT, AND CONTACT DETAILS.**

| Name | Qualification | Date of Appointment | Contact Details |
|---|---|---|---|
| Abdul Haseeb | Bachelor's in Commerce | 02 March 2025 | Tele: 39730151 / 17292973<br>Fax: 17294676<br>e-mail: finance@bflc.com.bh |

**9. DETAILS OF ANY IRREGULARITIES COMMITTED DURING THE FINANCIAL YEAR, THEIR CAUSES (IF ANY), AND THE PLAN TO ADDRESS THEM IN ORDER TO AVOID FUTURE RECURRENCE.**

There were no irregularities committed or reported during the financial year 2025.

**10. DESCRIPTION OF THE CASH AND IN-KIND CONTRIBUTIONS MADE BY THE COMPANY DURING THE YEAR 2025 FOR THE PURPOSE OF COMMUNITY DEVELOPMENT AND ENVIRONMENT PRESERVATION (IN THE ABSENCE OF CONTRIBUTIONS, IT SHOULD BE STATED THAT THE COMPANY DID NOT MAKE ANY CONTRIBUTIONS), INDICATING THE RECIPIENTS OF THESE CONTRIBUTIONS.**

There were no cash and in-kind contributions made by the Company during the year 2025.

a. **Statement of shareholders' equity as of 31/12/2025 (individuals, corporate, government or organizations) to be classified as follows: Local, Gulf, Arab, and foreign.**

b.

| | SHARE HOLDING % | | | |
|---|---|---|---|---|
| Shareholder Classification | Individuals | Corporate | Government or Organizations | Total |
| **Local** | 45.716% | 43.473% | 0.250% | **89.439%** |
| **Arab** | 9.588% | 0.973% | - | **10.561%** |
| **Foreign** | - | - | - | **-** |
| **Total** | 55.304% | 44.446% | 0.25% | **100.00%** |

c. **Description of how shareholders are distributed according to their respective shareholding as at 31/12/2025 as follows:**

| Serial Number | Shareholding (Share) | No. of Shareholders | Number of Shares held | Shareholding % |
|---|---|---|---|---|
| **1** | Directors | 3 | 53,750 | 0.54% |
| **2** | Less than 1% | 911 | 3,817,402 | 38.17% |
| **3** | 1% up to less than 10% | 12 | 3,603,848 | 36.04% |
| **4** | More than 20% | 1 | 2,525,000 | 25.25% |
| **Total** | | **927** | **10,000,000** | **100.00%** |

d. **Description of the shareholders who hold 5% or more of the Company's share capital, indicating the name of the natural person who holds the shares, the final beneficiary, as at 31/12/2025 as follows:**

| # | Name | Number of Share held | Shareholding % | Name of the natural person, the final beneficiary |
|---|---|---|---|---|
| 1 | Gulf Hotels Group BSC | 2,525,000 | 25.25% | Gulf Hotels Group BSC |
| 2 | Bahrain Family Leisure Company BSC | 1,000,042 | 10.00% | BFLC (treasury shares) |

e. **Description of the significant events that occurred during the year 2025.**

BFLC is in the final stages to complete the share-swap merger transaction involving a merger with Truffle, the food and beverage subsidiary of Dividend Gate Capital WLL. In its latest disclosure, the company announced the signing of a definitive agreement that sets the terms of a share-swap merger. Under this arrangement, Dividend Gate Capital will become the majority shareholder of BFLC, holding 58% of the post-transaction share capital in exchange for 100% ownership of BFLC in Truffle Hospitality. Completion of the merger is subject to regulatory and shareholder approval.

## 11. 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. | | | 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 | | Explained Below |
| Principle 4: The Company shall have effective procedures for appointment, training, and evaluation of the directors | | | Yes | |
| Principle 5: The Company 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 | | Explained Below |
| 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: Companies which offer Islamic services shall adhere to the principles of Islamic Sharia. | Not Applicable | | | |
| Principle 10: The Board shall ensure the integrity of the financial statements submitted to shareholders through appointment of external auditors. | | | Yes | |
| Principle 11: The Company shall seek through social responsibility to exercise its role as a good citizen. | | Yes | | Explained Below |

**Bahrain Family Leisure Company B.S.C. currently complies with all the provisions of the Ministry of Industry and Commerce Corporate Governance Code with the exception of the following:**

**Principle 3:**
**The Board shall have rigorous controls for financial audit and reporting, internal control, and compliance with law.**
Principle 3 requires that the Audit Committee should consist of at least three directors and majority of them are independent, including Chairman of the Audit Committee. As at year end, the Audit Committee comprises of Mr. Sharif Ahmadi as Chairman and Mr. Bashar Hasan and Mr. Mohamed AlGharbi as members. Both the Chairman and Mr. Bashar are a non-executive and independent director. However, he is also a member of Nomination and Remuneration Committee and Corporate Governance Committee. However, the Board of Directors are of the opinion that the current positions do not dilute the highest standards of corporate governance that the Company maintains.

**Principle 6:**
**The Board shall establish a clear and efficient management structure for the Company and define the job titles, powers, roles and responsibilities.**
Principal 6 requires that the Board of Directors should perform an annual review of succession plan for the Chief Executive Officer ("CEO"). The Company has not appointed a CEO. The Company does not have a CEO and the Financial Controller performs the duties that are commensurate to those of a CEO. The company is going through a major share-swap merger transaction and intended to hire required key personnel post-merger.

**Principle 11:**
**The Company shall seek through social responsibility to exercise its role as a good citizen.**
Principle 11 requires from the Company to formulate a corporate social responsibility policy and disclose the corporate social responsibility activities in the annual report. The Company does not formulate a corporate social responsibility policy and have not disclosed the corporate social responsibility activities in the annual report. However, for the year ended 2025, the Company will prepare an ESG Report and has appointed a third-party consultant to assist in this process. The Company will formulate a policy for the corporate social responsibility.

**Bahrain Family Leisure Company B.S.C. currently complies with all the provisions of the Central Bank of Bahrain Volume 6 HC Module with the exception of the following:**

**HC 1.3.10, 6.2 and 1.6.2 of the CBB Rule Book Volume 6** relating to Corporate Governance requires that the CBB should be communicated in case any directors attending less than 75% of the board meetings. The non-compliance occurred due to the retirement of Mr. Adel Kanoo during the year.

The above point relating to independent directors have been discussed in the Board of Directors meeting and they are of the opinion that these do not dilute the highest standards of corporate governance that the Company maintains and at present it is not possible to keep the required Board Committee composition as required by the CBB rule Book Volume VI. However, the Board of Directors have noted the point and commented that the Company will aim to formulate the Committees as per the regulatory requirements in due course.

**Whistle Blower Policy**

The Board of directors has adopted the corporate governance code and a company Whistle blower policy to monitor compliance with company ethics. The Code of Conduct provides clear directions on conducting business internationally, interacting with governments, communities, business partners and general workplace behaviour having regard to the best practice corporate governance models. The Code of Conduct sets out a behavioural framework for all employees in the context of a wide range of ethical and legal issues. The Code of Conduct will be published in the 'Corporate Governance' section of the Company's website.

**Conflict of interest:**

In 2025, no instances of conflict of interest have arisen. In the instance of a conflict of interest arising as a result of any business transaction or any type of resolution to be taken, the concerned Board member shall refrain from participating at the discussion of such transaction or resolution to be taken. In this respect, BFLC Board members usually inform the Board of a potential conflict of interest prior to the discussion of any transaction or resolution. The Board member(s) concerned would also refrain from voting in any instance where a conflict of interest shall arise.

**12. ANY DISCLOSURES REQUIRED BY THE REGULATORY AUTHORITIES.**

N/A.

**Mr. Abdul Latif Khalid Al Aujan**
**Chairman of the Board**
**Date: 25/02/2026**