

CORPORATE GOVERNANCE REPORT FOR THE YEAR 2025

POLICY

Bahrain Cinema Company B.S.C. (“the Company”) is committed to maintaining the highest standards of corporate governance by promoting transparency, accountability, integrity, and effective oversight throughout the organization. The Company believes that strong governance practices are fundamental to sustainable growth, sound risk management and the protection of stakeholder interests.

The Company has established a comprehensive Corporate Governance framework in compliance with the Corporate Governance Code issued by the Ministry of Industry and Commerce (MOIC), the Bahrain Commercial Companies Law and its implementing regulations, the Central Bank of Bahrain Rulebook (Volume 6 – High-Level Controls Module (HC)) and the applicable laws, regulations, and directives of Bahrain Bourse. This framework is reviewed on a regular basis to ensure ongoing compliance with regulatory requirements and alignment with evolving best practices in corporate governance.

The Company ensures regular and accurate dissemination of material information to stakeholders. This includes the publication of annual reports and audited financial statements, disclosure of material developments and timely announcements and notices relating to General Meetings, in accordance with applicable regulatory and disclosure requirements.

CORPORATE GOVERNANCE DEVELOPMENTS DURING THE YEAR, 2025

- The Company published its second Environmental, Social and Governance Report for the year 2024.
- The evaluation process for the Board and Board Committees was conducted to assess its efficacy and adequacy
- The Board reviewed the independence of Directors and took declaration of directorship from the directors as per the regulatory requirements

SHAREHOLDING AND OWNERSHIP STRUCTURE

SHARE CAPITAL AND MAJOR SHAREHOLDERS AS ON DECEMBER 31, 2025:

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.

DISTRIBUTION OF OWNERSHIP BY NATIONALITY

Nationality	Individual	Corporate	Government/ organization	Total shares	Percentage
Bahraini	50,370,424	31,738,159	22,355	82,130,938	99.40%
Arab	429,823	-	-	429,823	0.52%
Foreign	62,689	-	-	62,689	0.08%
TOTAL	50,862,936	31,738,159	22,355	82,623,450	100%

The major shareholders (5% or above) of the Company as on 31st December, 2025 are as follows:

NAME	NATIONALITY	NUMBER OF SHARES	%OF HOLDINGS
1. Bahrain Cinema Company BSC	Bahraini	6,462,476	7.82%
2. Dr. Esam Abdulla Fakhro	Bahraini	4,789,244	5.80%
3. Bahrain Family Leisure Company BSC	Bahraini	4,149,147	5.02%

DISTRIBUTION OF OWNERSHIP BY SIZE (Number of Shares)

No.	Shareholding (shares)	No. of shareholders	Number of shares held	Shareholding %
1	≤50,000	461	5,096,209	6.17%
2	50,001 to 500,000	106	17,393,374	21.05%
3	500,001 to 5,000,000	41	53,676,904	64.97%
4	>5,000,000	1	6,456,963	7.81%

OWNERSHIP OF THE BOARD OF DIRECTORS

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. Abdulla Esam Abdulla Fakhro	Ordinary	43,128
Mr. Faisal Mohamed Yusuf Engineer	Ordinary	316,284
Mr. Khaled Mohamed Alhammadi	Ordinary	-
Mr. Yusuf Fareed Almoayyed	Ordinary	-
Mr. Yusuf Nabeel Ameen	Ordinary	-
Mr. Ahmed Ebrahim Salahuddin	Ordinary	47,068
Total		7,061,585

DIRECTORS (INCLUDING THEIR CONNECTED PERSONS) TRADING DURING 2025:

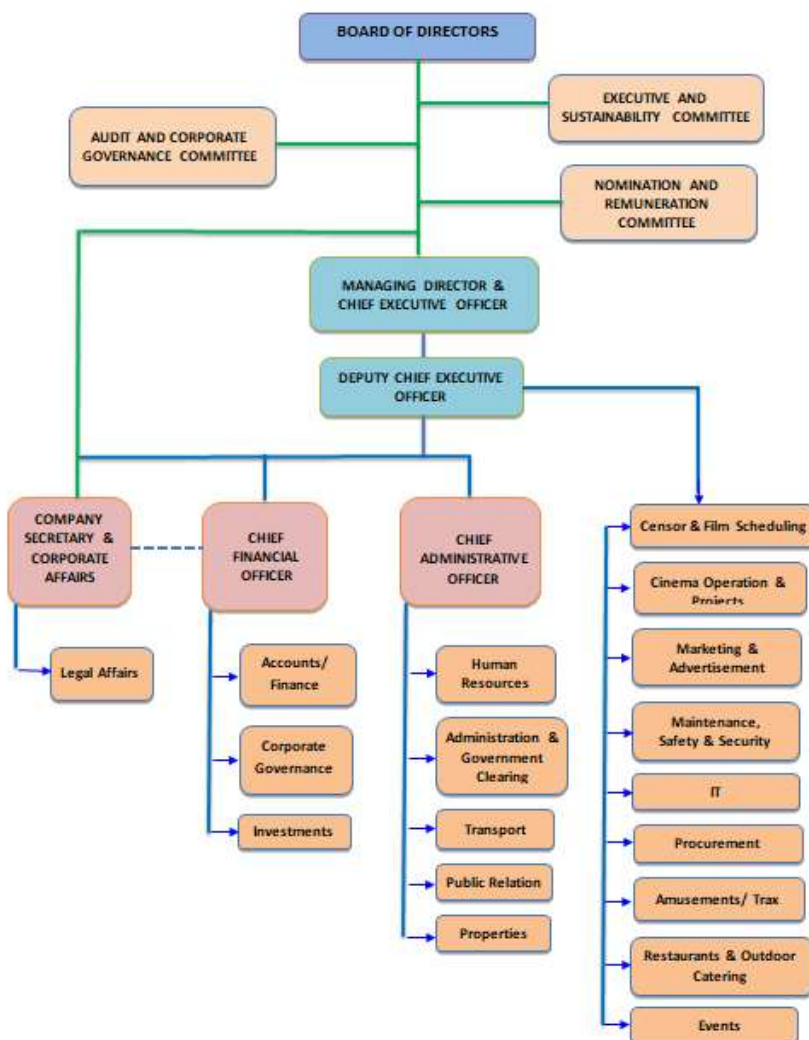
Name of Director	Position/ Kinship	Shares held at 31-12-2024	Changes between 1-Jan-25 to 31-Dec-25			Shares held at 31-12-2025
			Purchase	Transfer	Sale	
Dr. Esam Abdulla Fakhro	Connected Person	6,532,103	292,328	35,670	-	6,860,101
Mr. Abdulla Esam Fakhro *	Connected Person	5,015,155	292,328	35,670	-	5,343,153
Mr. Faisal Mohamed Yusuf Engineer*	Director	1,783,452	264,640	-	-	3,349,195
	Connected Person		1,301,103	-	-	
Mr. Ahmed Ebrahim Salahuddin*	Director	99,753	17,068	-	-	116,821

* Shares held at 25-03-2025

COMPANY TRADING DURING 2025:

	Shares held at 31-12-2024	Changes between 1-Jan-25 to 31-Dec-25		Shares held at 31-12-2025
		Purchase	Sale	
Bahrain Cinema Company B.S.C. (Treasury Shares)	4,380,645	2,081,831	-	6,462,476

ORGANISATIONAL STRUCTURE



BOARD OF DIRECTORS

The Board of Directors of Bahrain Cinema Company B.S.C. consists of experienced and competent members and the Board is comprised in accordance with the rules set out in the Commercial Companies Law and in compliance with HC-1.4.4 of Volume 6 of the CBB Rulebook, where at least half of the Company's Board consists of non-executive directors and at least three (3) of those persons are independent directors.

During 2025, the Board of Directors of the Company underwent a significant reconstitution, wherein six out of eight Directors retired upon completion of their term of office on 25th March 2025 and six new Directors were appointed to the Board with effect from the same date. The reconstitution of the Board was carried out in compliance with the provisions of the applicable Law.

The Board of Directors bears ultimate responsibility for the governance and overall performance of the Company. It provides strategic guidance, oversees management, ensures the effective implementation of policies and internal controls, and monitors the achievement of the Company's strategic objectives. Acting on behalf of the shareholders, the Board is committed to protecting shareholder interests and enhancing long-term shareholder value. Led by the Chairman, the Board oversees its overall functioning and provides strategic direction.

The Board defines the roles and responsibilities of its Committees and the executive management, ensuring clarity and accountability across all levels of governance.

DIRECTORS' PROFILES

Dr. Esam Abdulla Fakhro- Chairman

Nationality	Bahraini
Experience	50+ years
Year of first election as a director	1984
Expiry of the present term	2028

Board Memberships in Companies

Chairman	Bahrain Cinema Company B.S.C.
Chairman	Abdulla Yousif Fakhro & Sons
Deputy Chairman	Qatar Bahrain International Cinema WLL
Deputy Chairman	Cineco (Qatar)
Chairman	Business International Group WLL (Xerox)
Chairman	Fakhro Electronics
Board Director	Fakhro Restaurants Company WLL (McDonald's)
Chairman	Fakhro Transport (Budget Rent – A Car (Bahrain)
Chairman	Fakhro Insurance Services WLL
Board Director	Fakhro Shipping Agency WLL
Chairman	Go Rent A Car (Qatar) (Budget Rent A Car)
Chairman	Fakhro Motors (BYD)
Chairman	Access Telecom (Dubai)
Chairman	Kingdom Investments
Chairman	Jouri Gardening
Honorary Chairman	VOX Cineco Cinemas Company WLL
Chairman	Mezan Investment Limited(Dubai)

Mr. Ahmed A. Rashed Albastaki -Managing Director and CEO

Nationality	Bahraini
Experience	45+ years
Year of first election as a director	2017
Expiry of the present term	2026

Board Memberships in Companies

Managing Director & CEO	Bahrain Cinema Company B.S.C.
Managing Director & General Manager	Qatar Bahrain International Cinema WLL
Director	VOX Cineco Cinemas Company WLL
Director	Burooj Property Development & Trading Company WLL
Director	Abdulrahman Rashed Albastaki & Sons Company W.L.L

Mr. Abdulla Esam Fakhro- Vice- Chairman

Nationality	Bahraini
Experience	20+ years
Year of first election as a director	2025
Expiry of the present term	2028

Board Memberships in Companies

Vice Chairman	Bahrain Cinema Company B.S.C.
Vice Chairman	Kingdom Investments WLL
Director	Suncity Ventures W.L.L
Executive Director	Fakhro Insurance Services WLL
Director	Gulf Agency Co. Bahrain W.L.L.
Director	Business International WLL
Director	Trafco Group BSC
Director	Masar Inc. WLL

Mr. Faisal Mohamed Engineer - Director

Nationality	Bahraini
Experience	14+ years
Year of first election as a director	2025
Expiry of the present term	2028

Board Memberships in Companies

Director	Bahrain Cinema Company B.S.C.
Director	Trafco Group BSC
Director	Bahrain Water Bottling & Beverages Company WLL
Director	The Food Supply Co. Ltd.

Mr. Khaled Mohamed Alhammedi - Director

Nationality	Bahraini
Experience	15+ years
Year of first election as a director	2025
Expiry of the present term	2028

Board Memberships in Companies

Director	Bahrain Cinema Company B.S.C.
Director & CEO	DGC BSC (closed)
Director	S Eleven WLL
Director	Tikka and Kabab Ameen W.L.L.
Director	Solara Carpentry Co. W.L.L.
Director	Haiba Tailoring W.L.L.
Director	Dividend Gate Capital W.L.L.
Director	Silicon Gate Shares W.L.L.
Director	Hong Kong Cuisine Taste W.L.L.
Director	F.B. Shares Gateway W.L.L.
Director	Bombo Shawarma W.L.L.
Director	CPCO Shares Co. W.L.L.
Director	Rasmalai Restaurant W.L.L.
Director	Tikka Gateway Management W.L.L.
Director	Growth Shares Capital W.L.L.
Director	Mayfair Professionals W.L.L.
Director	Jamal Almoayyed & Partners Contracting W.L.L.
Director	Greek Gate Partners W.L.L.
Director	Hong Kong Gateway Restaurant W.L.L.
Director	Delmacure Pharmacy W.L.L.
Director	Hydratech Homeland Security W.L.L.
Director	Sole Corp W.L.L.
Director	Goodness Café W.L.L.
Director	Hidden Stations Co. W.L.L.
Director	Truffle Hospitality Holding W.L.L.
Director	Shawarma Hlayel W.L.L.
Director	S Eleven Educational Company W.L.L.
Director	S Eleven Medical Company W.L.L.
Director	S Eleven Properties Company W.L.L.
Director	Um Nasser Finland Preschool W.L.L.
Director	Dr. Gabriela Clinic Bahrain W.L.L.
Director	Medica Gateway W.L.L.
Director	Global Shares Capital W.L.L.
Director	Immuna Bahrain Company W.L.L.
Director	Juhood Contracting Materials W.L.L.

Mr. Yusuf Fareed Almoayyed- Director

Nationality	Bahraini
Experience	8+ years
Year of first election as a director	2025
Expiry of the present term	2028

Board Memberships in Companies

Director	Bahrain Cinema Company B.S.C.
Director	Y.K. Almoayyed & Sons B.S.C (c)
Director	Y.K. Almoayyed Properties
Director	Fareed Yusuf Almoayyed & Sons Co. W.L.L.
Co-founder/ Owner	Yabany House Restaurant

Mr. Yusuf Nabeel Ameen- Director

Nationality	Bahraini
Experience	8+ years
Year of first election as a director	2025
Expiry of the present term	2028

Board Memberships in Companies

Director	Bahrain Cinema Company B.S.C.
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Mr. Ahmed Ebrahim Salahuddin - Director

Nationality	Bahraini
Experience	15+ years
Year of first election as a director	2025
Expiry of the present term	2028

Board Memberships in Companies

Director	Bahrain Cinema Company B.S.C.
Board Member	Salahuddin Group
Member of the Board of Trustees	Ibn Khuldoon National School
Vice Chairman	Bahrain Padel Federation
Director	Mohamed Salahuddin Consulting Engineering Bureau
Co-Founder	Blu Steel Films

STATUS OF BOARD OF DIRECTORS

During the year, the composition of the Board of Directors underwent a significant change. The terms of office of seven Directors expired on 25th March 2025. Subsequently, Dr. Esam Abdulla Fakhro (Chairman) was re-elected alongwith the election of the six new directors. The reconstitution of the Board was carried out in compliance with relevant regulatory laws and guidelines ensuring continuity of governance and an appropriate balance of skills, experience and oversight.

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 and Commerce. The independence of directors is reviewed annually as per the criteria mentioned in the Corporate Governance Code.

Name of the Director	Designation	Executive/ Non-executive	Independent/Non-independent
Dr. Esam Abdulla Fakhro	Chairman	Executive	Non-Independent
Mr. Ahmed A. Rashed Albastaki	Managing Director & CEO	Executive	Non-Independent
Newly elected directors w.e.f 25-03-2025			
Mr. Abdulla Esam Fakhro	Vice- Chairman	Non- executive	Non-Independent
Mr. Faisal Mohamed Engineer	Director	Non- executive	Independent
Mr. Khaled Mohamed Alhammadi	Director	Non- executive	Independent
Mr. Yusuf Fareed Almoayyed	Director	Non- executive	Independent
Mr. Yusuf Nabeel Ameen	Director	Non- executive	Independent
Mr. Ahmed Ebrahim Salahuddin	Director	Non- executive	Independent
Retired Directors			
Mr. Ali Yusuf Ubaydli		Upto 25-03-2025	
Mr. Jalal Mohamed Jalal		Upto 25-03-2025	
Mr. Mohamed Ebrahim Kanoo		Upto 25-03-2025	
Mr. Fareed Yusuf Almoayyed		Upto 25-03-2025	
Mr. Jihad Yusuf Amin		Upto 25-03-2025	
Mr. Shawqi Ali Fakhroo		Upto 25-03-2025	

MEMBERSHIP STATISTICS BY GENDER

The Board of Directors of the Company does not have any representation by a female member. The Board is 100% represented by the male members.

REMUNERATION POLICY OF BOARD OF DIRECTORS

The Board is remunerated in accordance with Article 188 of Commercial Companies Law No.21 of 2001. The Board of directors is paid sitting fees for their attendance in the Board and the Committee meetings. The annual salary of the directors is approved by the shareholders in the Annual General Meeting.

AGGREGATE REMUNERATION TO BOARD OF DIRECTORS

Remuneration paid to the Directors for the financial year ended 31st December, 2024 was BD 54,200 as approved in the Annual General Meeting.

The proposed remuneration to be paid to the Directors for financial year ended 31st December, 2025 subject to the shareholders' approval in the upcoming Annual General Meeting is BD 102,640.

BOARD PROCEDURE

The Board procedure is detailed in the Charter of the Board. The Board Secretary is responsible for reporting to the Board on board procedures, circulating the agenda and the supporting documents to the directors and recording the minutes. The directors have access to the Company's Board secretary at all times.

MANDATE AND THE SPECIFIC RESPONSIBILITIES OF THE BOARD INCLUDE:

- 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
- Ensure that financial statements are free from errors and frauds
- Recommendation of dividend payable to the shareholders
- Monitoring the performance of the executive management to ensure that the executives are compensated fairly
- Evaluate the feasibility and selection of new projects
- 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
- Periodical review of the Succession Plans of CEO and other members of the management who are directly reporting to CEO
- Reviewing the credit limits with the Banks
- Periodic evaluation of the operational performance of the Company and give instructions for improvement
- Govern the management by issuing rules and formulating policies and procedures
- Ensure judicious allocation of resources to achieve the goals enshrined in the Corporate Strategy Plan
- Reviewing charitable projects
- The appointment and removal of the Board secretary and Senior management personnel

MATERIAL TRANSACTIONS REQUIRING BOARD APPROVAL:

- Approval of financial statements
- Approval of Budgets, Capital Expenditure Budget, major contracts, diversification plans/divestment
- Appointment of MD/CEO of the Company
- Approval of Policies and Procedures for the Company
- 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
- Optimum allocation of resources among various functions to attain the goals of the Company
- Approval of Corporate Strategy Plan

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. 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 may be re-elected for further term/s upon expiration of the three years unless they are disqualified as per the provisions of Bahrain Commercial Law or Articles of Association.

GENERAL MEETING OF THE SHAREHOLDERS

The Company conducts its General Meetings of Shareholders in accordance with the applicable provisions of the relevant laws. Adequate notice and agenda papers are provided to enable informed participation and effective exercise of voting rights. The Board of Directors, senior management and the statutory auditors attend the shareholders' meetings. The shareholders are encouraged to attend the meeting, ask questions and exercise their voting rights ensuring transparency and fairness.

INDUCTION OF NEW DIRECTORS

The Company carries induction program for the new directors which details the businesses carried by the Company, the subsidiaries and Joint Ventures, introduction to the members of the management team, internal auditors, external auditors, lawyers, etc. to enable them to discharge their duties efficiently. In certain cases, the Company may undertake training program for the directors to provide them with requisite knowledge in entertainment and hospitality industry.

BOARD MEETINGS

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 Company complies with H.C. 1.3.3 of the Corporate Governance Code, which requires the Board to convene at least four meetings per financial year. In addition to these meetings, the Board may also make decisions through Circular Resolutions for urgent matters, which are subsequently ratified in the next Board meeting. Details of the Board and Committee meetings held during the year 2025, along with director attendance and sitting fees, are provided below:

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






Name of the Director	Board			Executive & Sustainability Committee		Audit & Corporate Governance Committee		Nomination & Remuneration 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	% of meetings attended
Dr. Esam Abdulla Fakhro#	6	6	100%	4	4			1	1	11	11	100%
Mr. Ahmed A. Rashed Albastaki	6	6	100%	4	4					10	10	100%
Mr. Abdulla Esam Fakhro*	5	5	100%	3	3			1	1	9	9	100%
Mr. Faisal Mohamed Engineer*	5	5	100%	3	3	3	3			11	11	100%
Mr. Khaled Mohamed Alhammadi*	5	5	100%	3	3	3	3	1	1	12	12	100%
Mr. Yusuf Fareed Almoayyed*	5	5	100%			3	3	1	1	9	9	100%
Mr. Yusuf Nabeel Ameen*	5	5	100%	3	3			1	1	9	9	100%
Mr. Ahmed Ebrahim Salahuddin*	5	5	100%			3	3	1	1	9	9	100%
Mr. Ali Yusuf Ubaydli **	1	1	100%	1	1			1	1	3	3	100%
Mr. Jalal Mohamed Jalal**	1	1	100%			1	1			2	2	100%
Mr. Mohamed Ebrahim Kanoo**	1	1	100%	1	1			1	1	3	3	100%
Mr. Fareed Yusuf Almoayyed**	1	1	100%			1	1			2	2	100%
Mr. Jehad Yusuf Amin**	1	1	100%					1	1	2	2	100%
Mr. Shawqi Ali Yusuf Fakhro**	1	1	100%			1	1	1	1	3	3	100%


Re-elected w.e.f. 25-03-2025

*Elected w.e.f. 25-03-2025

**Retired w.e.f. 25-03-2025

DATE OF BOARD MEETINGS AND ATTENDANCE DETAILS

DIRECTORS	19-02-2025	27-03-2025	06-05-2025	12-08-2025	22-10-2025	11-11-2025	Sitting fees (BD)	
Dr. Esam Abdulla Fakhro (Chairman)	Present	Present	Present	Present	Present	Present	3,000	
Mr. Ahmed A. Rashed Albastaki	Present	Present	Present	Present	Present	Present	3,000	
Mr. Ali Yusuf Ubaydli (VC)		Retired w.e.f. 25-03-2025						500
Mr. Jalal Mohamed Jalal	Present						500	
Mr. Mohamed Ebrahim Kanoo	Present						500	
Mr. Fareed Yusuf Almoayyed							500	
Mr. Jehad Yusuf Amin	Present						500	
Mr. Shawqi Ali Fakhroo	Present						500	
Mr. Abdulla Esam Fakhro (VC)	Newly elected w.e.f. 25-03-2025						Present	Present
Mr. Faisal Mohamed Engineer		Present	Present	Present	Present	Present	2,500	
Mr. Khaled Mohamed Alhammadi		Present	Present		Present	Present	2,500	
Mr. Yusuf Fareed Almoayyed		Present	Present	Present	Present	Present	2,500	
Mr. Yusuf Nabeel Ameen		Present		Present	Present		2,500	
Mr. Ahmed Ebrahim Salahuddin		Present	Present	Present	Present	Present	2,500	
							24,000	

 represents meeting attended through videoconferencing or phone

BOARD COMMITTEES

The Board has constituted various Committees for effective governance in the Company in order to attend to the more pressing matters of operation of the Company. The Committees are constituted in line with the requirements of the Law. The performance of the Committee is evaluated annually and the minutes of the committee meetings are taken on record at the Board meeting of the Company.

EXECUTIVE & SUSTAINABILITY COMMITTEE

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





Functions of the Executive Committee


- 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
- Overseeing the Company's sustainability strategy, policies, and performance, ensuring alignment with regulatory requirements and long-term stakeholder value

- Analyzing and approving the Corporate Strategy Plan for every financial year before presenting the same to the Board
- Reviewing the policies with regards to risk, asset and liabilities

In accordance with the terms of Charter of the Executive & Sustainability Committee, the minimum number of Executive & Sustainability Committee meeting is four in a year and four meetings were held during the year 2025. The detail of the composition of the Executive & Sustainability Committee, attendance and sitting fees of the members in the meetings are tabled below:

DATE OF MEETINGS AND ATTENDANCE DETAILS

MEMBERS	29-01-2025	28-05-2025	16-09-2025	03-12-2025	Sitting fees (BD)
Dr. Esam Abdulla Fakhro (Chairman)	Present	Present	Present	Present	2,000
Mr. Ahmed A. Rashed Albastaki	Present	Present	Present	Present	2,000
Mr. Ali Yusuf Ubaydli		Retired w.e.f. 25-03-2025			500
Mr. Mohamed Ebrahim Kanoo	Present				500
Mr. Abdulla Esam Fakhro	Newly elected w.e.f. 25-03-2025	Present	Present	Present	1,500
Mr. Faisal Mohamed Engineer		Present		Present	1,500
Mr. Khaled Mohamed Alhammadi		Present	Present	Present	1,500
Mr. Yusuf Nabeel Ameen		Present			1,500
					11,000

 represents meeting attended through videoconferencing or phone

NOMINATION AND REMUNERATION COMMITTEE




The Nomination & Remuneration Committee currently comprises of five directors chaired by Mr. Khaled Mohammed Alhammadi w.e.f. 25th March, 2025. The Charter of the Nomination & Remuneration Committee describes the specific responsibilities assigned to this Committee.


Functions of the Nomination and Remuneration Committee

- Review the applications and recommend to the Board, the candidature of the nominees for the Board membership
- 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
- Ensure that adequate Policies and procedures are in place for the evaluation of the performance of executive management
- Review and 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
- Recommend to the Board any change in the Job description of senior management, if required

The charter of the Nomination & Remuneration Committee stipulates minimum of two meeting in a year and two meetings were held during the year 2025. The detail of the composition of the Nomination and Remuneration committee, attendance and sitting fees of the members is mentioned in the following table:

DATE OF MEETINGS AND ATTENDANCE DETAILS

MEMBERS	29-01-2025	16-09-2025	Sitting fees (BD)
Dr. Esam Abdulla Fakhro (Chairman)	Present	Upto 25-03-25	500
Mr. Ali Yusuf Ubaydli		Retired w.e.f. 25-03-2025	500
Mr. Mohamed Ebrahim Kanoo	Present		500
Mr. Jihad Yusuf Amin	Present		500
Mr. Shawqi Ali Fakhroo	Present		500
Mr. Khaled Mohamed Alhammadi (Chairman)	Newly elected w.e.f. 25-03-2025		Present
Mr. Abdulla Esam Fakhro		Present	500
Mr. Yusuf Fareed Almoayyed		Present	500
Mr. Yusuf Nabeel Ameen			500
Mr. Ahmed Ebrahim Salahuddin			500
			5,000

 represents meeting attended through videoconferencing or phone




AUDIT AND CORPORATE GOVERNANCE COMMITTEE


The Audit and Corporate Governance Committee currently comprises of four directors, chaired by Mr. Faisal Mohamed Engineer w.e.f. 25th March, 2025. The duties of the Audit and Corporate Governance Committee are:

- Review and approve the integrity of interim and annual financial statements before presenting the same to the Board
- Discuss the significant accounting and financial policies and reporting issues for the financial year
- 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 observations of external and internal Auditors and the response from the management
- Review and discuss the efficiency of the internal audit staff, internal control procedures, compliance control, any risk management systems and any changes therein
- Examine and review the internal control system and submit a written report on its opinion and recommendations on an annual basis
- 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 management letter of external auditors
- Review the risk management and internal audit functions

The Audit and Corporate Governance Committee Charter require a minimum of four meetings per year. In 2025, four meetings of the Audit and Corporate Governance Committee were held. Details of the Committee's composition, member attendance, and sitting fees are provided in the table below:

DATE OF MEETINGS AND ATTENDANCE DETAILS

MEMBERS	17-02-2025	05-05-2025	11-08-2025	10-11-2025	Sitting fees (BD)
Mr. Shawqi Ali Fakhroo (Chairman)	Present	Retired w.e.f. 25-03-2025			500
Mr. Jalal Mohamed Jalal	Present				500
Mr. Fareed Yusuf Almoayyed					500
Mr. Faisal Mohamed Engineer	Newly elected w.e.f. 25-03-2025	Present	Present	Present	1,500
Mr. Khaled Mohamed Alhammadi		Present		Present	1,500
Mr. Yusuf Fareed Almoayyed		Present	Present	Present	1,500
Mr. Ahmed Ebrahim Salahuddin			Present	Present	1,500
					7,500

 represents meeting attended through videoconferencing or phone

CODE OF CONDUCT/ CODE OF ETHICS

The Company has the Code of Conduct/Code of Ethics policy narrating the standards expected from 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
- No employee should take bribe from any outside person on behalf of the Company
- Each and every employee should protect the assets of the Company

COMPLIANCE

The Chief Financial Officer is also the Compliance Officer of the Company. The Company strives to adhere to 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:

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

The Compliance Officer is responsible for assessing compliance risks related to the Company's business activities and assist the MD/CEO in effectively managing and mitigating these risks. The Board of Directors holds the overall responsibility for overseeing the management of the Company's compliance risk.

CONFLICT OF INTEREST

The Company maintains a strict Conflict of Interest policy. Every director and employee is required to disclose any actual, perceived, or potential conflicts of interest. Directors must abstain from discussions and voting on matters in which they have an interest to ensure fair and impartial decision-making. During the year 2025, there was no instance of abstention of any director from voting due to conflict of interest.

If a director has a potential conflict in a particular transaction, prior approval from disinterested directors is obtained before the matter is deliberated and voted upon. The fact of interested director(s) is duly recorded in the meeting minutes.

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: 31 of the financial statements for the details of related party transactions.

INTERNAL CONTROL

The Company has a well-placed Internal Control system for financial and non-financial controls. The management of the Company is responsible for monitoring the implementation of the adequacy of the internal control system in the organization. The Audit and Corporate Governance Committee periodically evaluate the adequacy of the Internal Control systems.

The Company has Internal Auditors responsible for evaluating and reporting on the adequacy of the internal functions. They also provide recommendations for best practices to enhance efficiency and governance.

THE ROLES OF THE CHAIRMAN AND EXECUTIVE MANAGEMENT

The Chairman is responsible for the effective governance of the Board meetings and providing strategic direction to the management to achieve the organization goals and his responsibility include minimum of those that are mentioned in the Corporate Governance Code. The executive management is responsible for the financial and operational performance of the Company. The duties and responsibilities of the Chairman are segregated from those of the Chief Executive Officer. Furthermore, the duties and responsibilities of all departmental heads are also well-defined.

SUCCESSION PLANS

The Company has a well-defined Succession Plans for CEO alongwith the succession plans for the executive personnel i.e. Deputy CEO, CFO and CAO, to ensure efficient and uninterrupted actions in discharge of managerial duties without being affected by short term and long term absence of executive personnel. The Board annually reviews the Succession Plans to ensure its adequacy with the requirements of the Company.

KEY PERSON DEALING POLICY

The Company has a well-established Key Person Dealing Policy. The main purpose of this Policy is to prevent the abuse of insider information. The Compliance Officer is vested with the responsibility of compliance of the latest Key Person trading regulations stipulated by Bahrain Bourse. During the year 2025, the Company has duly filed all forms and documents required to be filed with Bahrain Bourse/ Bahrain Clear.

PERFORMANCE EVALUATION

In accordance with Principle 4 of the Code and H.C.8.3.9 of the High Level Controls, the Nomination and Remuneration Committee has completed the evaluation of the efficacy of the Board, Board Committees and the members for the financial year 2025 as below:

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 2025 to ensure that the respective Committee functions to accomplish its specific purposes and responsibilities that are assigned to it.
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 framework. The employees may report any violation of rules, regulations or any provisions of law or any unethical behavior to their immediate boss or to the 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 Audit and Corporate Governance Committee as well as to the Board during the financial year 2025.

MEANS OF COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

- All the directors and the Auditors are 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 of the Company for the financial year 2025.
- The Company discloses relevant information, quarterly and annual financial results on the Bahrain Bourse and Company's website. The Company has a dedicated sector for Investor Relation in accordance with the requirements of the Code.
- CFO/Company Secretary will be the point of contact with Bahrain Bourse and CBB.
- The shareholders' rights are clearly outlined on the Company's website to apprise the shareholders and encourage them to exercise their rights.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE, 2018 ISSUED BY THE MINISTRY OF INDUSTRY AND COMMERCE (MOIC)

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.

EXTERNAL AUDITORS- Profile of the statutory auditors of the Company

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 year of service as the partner in charge of the Company's audit	Three years
Total audit fees for the financial year 2024	BD 15,400 + VAT
Other special fees and charges for non-audit services other than auditing the financial statements for the year 2025	During 2025, there were no non-audit services provided to the Company by the external auditor except BD 1,500 (plus 10% VAT) for agreed upon procedures and review engagements performed to meet the regulations prescribed by the Central Bank of Bahrain and BD 200 (plus 10% VAT) for sales report certification

COMPLIANCE WITH THE CODE AND CBB RULEBOOK

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 Corporate Governance Code and High Level Controls (Corporate Governance) issued by CBB with the *exception* of following:

Principle 1 of the Code and HC1.4.5 of the High Level Controls: The Company shall be headed by an effective, qualified and expert board

The Company's Chairman of the Board of Directors shall be an independent director and that he shall not be the Company's CEO. The Chairman of the BOD is a non-independent director but he is not the Company's CEO. However, this does not dilute the highest standards of corporate governance that the Company maintains in business transactions and management of conflict of interest in Board decisions. Therefore, Dr. Esam Abdulla Fakhro's status of non-independence does not impair his ability to exercise judgment free from personal conflict of interest.

HC 1.3.5 of the CBB Rule Book Volume 6 relating to Corporate Governance requires that the Board must have no more than 15 members and no less than 5 members considering the representation of women and men in the formation of the Board. As of 31 December 2025, Bahrain Cinema has no women representation in the Board. However, we are committed to ensure women representation in the Board through next election cycle.

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.

CORPORATE SOCIAL RESPONSIBILITY REPORT

Bahrain Cinema Company (BCC) has played an active role in supporting community development and socio-economic progress for more than five decades. The Company views its responsibility toward society, especially the upliftment of the underprivileged communities as an integral part of its values, ethical standards, and organizational culture. Over the years, BCC has undertaken a wide range of charitable and social initiatives aimed at improving quality of life, while also contributing to the growth of arts, culture, and education across the community.

To ensure that its social efforts remain effective and aligned with its values, the Company has a Sustainability Committee which is tasked with the responsibility of undertaking and periodically reviewing the Company's CSR initiatives, sustainability practices, and charitable engagements. By overseeing these efforts, the CSR Committee helps ensure that BCC's contributions positively impact society and uphold the Company's commitment to social good.

The Company has a developed annual action plan supported by a defined budget, which is reviewed and approved by the Sustainability Committee. The Committee provides ongoing oversight of the execution of CSR and sustainability initiatives and ensures that resources are effectively deployed in line with the Company's sustainability priorities.

The Company regularly grants donations to the Charitable Institutions, Charity Funds and partners with non-government organizations (NGOs). 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 sponsors pilgrimage to Holy Makkah to the Muslim employees every year under Employee Gift Scheme.

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 concessional/free tickets to the differently abled persons, orphans and the school children. During the year, approximately BD 40,695 were given as discounts for school children and BD 8,037 in free tickets
- Advertisements for educational and informative purposes and advertisements in the national interest are allowed to be screened free of cost.
- To promote sports amongst the youth, advertisement for chess, basketball, football and handball tournaments were screened free of charge at the cinemas
- The Company also screened free advertisement for spreading awareness to conserve water and avoid water wastage.
- The Company is offering discount scheme to University students

SUSTAINABILITY

The Company remains firmly committed to contributing to a cleaner and more sustainable future by proactively reducing its environmental footprint across its operations. A strong emphasis has been placed on waste reduction through reuse and recycling initiatives, aimed at limiting landfill disposal. The Company continues to advance paper-reduction initiatives, deploy energy-efficient equipment, and assess further environmentally responsible practices to enhance overall operational sustainability.

In 2025, the Company published its Environmental, Social, and Governance (ESG) Report for the year 2024, detailing its ESG framework, strategic priorities, and measurable objectives. The report underscores the Company's commitment to transparency and accountability, offering stakeholders a clear view of its environmental performance, social responsibility initiatives, and governance practices. The ESG Report is publicly accessible on the Company's official website at www.cineco.net.

The Company has undertaken various activities related to sustainability and ESG during the year 2025. A comprehensive description of these ESG initiatives, along with the ESG report prepared in accordance with applicable regulatory requirements for the year 2025, will be published on the Company's website before 30 June 2026.

Accredited Societies, Funds and Institutes who have been the Beneficiaries during the year 2025:

Tarbeia Isamic Society
Muharraq Parents Care Home
Good Word
Abuquwah Charity Society
The Holy Quran Custody Society
Bahrain Society for Children with Behavioral & Communication Difficulties
Al-Anfal Society
Jidhafs Charity Society
National Institute for Disabled
Muharraq Charity Society
Hamad Town Charity Society
Manama Charity Society
Al Bayan Society

Tubli Charity Society
Al Eker Charitable Society
Malkiya Charity Society
A'ali Charity Work Society
Drug Recovery Association
Al-Ehsan Welfare Society
Sanabis Charity Society
Hidd Charity Society
Child Care Home
Al Sanabel Orphans Care Society
Bahrain Voluntary Work Society
Ministry Of Interior (Celebrations of National Day - 2025)
Royal Humanitarian Foundation for Event of "Bahrain Road Runners 2025"
Abdulla Bin Yusif Fakhro Parents Community

Charitable Initiatives of the Company during the year 2025:

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 12,770 in cash towards various charitable purposes during the year 2025.

Charity Reserve as on 31st December, 2025:

The Company has BD 270,340 in the Charity Reserve as on 31st December, 2025 as against the Charity Reserve of BD 283,110 as on 31st December, 2024.



Dr. Esam Abdulla Fakhro
Chairman
Date: 17-02-2026