



**Corporate Governance Report - 2025**

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## Corporate Governance Report for the year 2025

<b>Name of Company:</b>	<b>United Gulf Holding Company B.S.C.</b>
<b>Commercial Registration No.</b>	<b>114160-1</b>

### 1. Description of the actions taken to complete the Corporate Governance Code during 2025

United Gulf Holding Company (UGH, the Company) was incorporated in the Kingdom of Bahrain on 28 June 2017. It is registered with the Ministry of Industry and Commerce as a holding company under Commercial Registration (CR) 114160-1. The Company engages in commercial banking and asset and fund management activities through its principal subsidiaries, FIMBank plc domiciled in Malta, UGFS – NA, operating in Tunisia and its major associates Burgan Bank K.P.S.C. Kuwait and Al Rawabi Holding Company, K.S.C.C., Kuwait. Other business activities include commercial banking, proprietary investments, and treasury.

The Board of Directors (BOD) of United Gulf Holding Company B.S.C. (UGH) recognise the importance of good governance in promoting and strengthening the trust of their shareholders and the public. It is their firm belief that this enhances shareholder value. Members of UGH's Board of Directors affirm their consent to adhere to the:

- Laws of the Kingdom of Bahrain;
- Code of Corporate Governance (Code) issued by the Kingdom of Bahrain's Ministry of Industry and Commerce (MOIC);
- Rules of Module High Level Controls (Module HC) – Volume 6 issued by the Central Bank of Bahrain (CBB);
- Listing Rules of the Bahrain Bourse (BHB) and
- Rules of the Share Registrar - Bahrain Clear (BHC).

In accordance with the requirements of the Code, the Chief Compliance Officer of the Company was appointed as the Corporate Governance Officer and registered with the MOIC in May 2018.

The Board of Directors' primary responsibility encompasses overseeing the conduct of the Company's financial and corporate governance affairs and protecting the rights of the Company's stakeholders including that of minority shareholders. The ethical vision that governs their role within the Company's Corporate Governance Framework, is outlined in a series of Corporate Governance Policies and Procedures (PPMs) that were last approved by the Board in February 2026. The PPMs have been updated to incorporate new rules and amendments made by the regulators in the past two years.

UGH's shares are listed on the Bahrain Bourse under the category of the Financials sector. As a listed company, UGH publishes the corporate governance report that shows the extent of compliance and its explanation of non-compliance to its shareholders based on the Code's "Comply or Explain philosophy". A copy of the same is available as part of the Annual Report on

the Company's website: [www.ughbh.com](http://www.ughbh.com). Corporate Governance principles are also followed by several of the Company's subsidiaries, as applicable. The extent of the arrangements is however subject to the requirements of the regulators of the jurisdictions in which they operate.

On 30<sup>th</sup> March 2023, shareholders elected the following members at the annual general assembly, that was held in the presence of representatives of the MOIC, the Central Bank of Bahrain and the Bahrain Bourse for a three year period 2023 – 2026 commencing 31 March 2023.

Non - Executive Directors	Mr. Masoud J. Hayat
	Mr. Faisal Al Ayyar
	Mr. Khalid Sharrad
	Mr. Mazen Hawwa
	Mr. Sunny Bhatia
Independent Directors	Mr. Mohammed Haroon
	Mr. Mubarak Al Maskati
	Mr. Bader Al Awadhi

The Code of Corporate Governance defines a non-executive director as '*A member of the Board of Directors who is not fully involved in the management of the company (i.e., not an employee therein) or does not receive a monthly or annual salary, except for the remuneration for the directorship on the board of directors and committees.*'

The Directors have hence been classified accordingly.

There were no women representatives on the Board of UGH for the year ended 2025. UGH also discloses that no applications from women were received during the open period in February 2023, when interested candidates were invited to send their applications for Board membership for the term 2023-2026. The elections for the new Board will be conducted at the AGM which will be held on 31 March 2026.

In October 2023, UGH held an ordinary general meeting wherein the shareholders elected RSM Bahrain as the external auditors of the company. They replaced Ernst and Young who had been the auditors of the company since its inception in 2017.

There was no change in UGH's ownership during 2026. Its parent, Kuwait Projects Company (Holding) K.S.C.P. and its subsidiaries Overland Real Estate Company WLL, Burgan Bank KPSC and United Industries Company KSCC (together, "the Controller) continue to hold a combined 89.9% stake in UGH. Their individual ownership is mentioned in the following table. No government entity or sovereign fund owns any stake in UGH.

	%	# of Shares
Kuwait Projects Company (Holding) KSCP	52.08%	228,659,402
Overland Real Estate Company W.L.L.	21.2%	93,055,441
Burgan Bank K.P.S.C	9.9%	43,522,357



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United Industries Company KSCC	6.6%	29,000,000
<b>Total beneficial ownership of KIPCO Group entities in UGH</b>	<b>89.78% *</b>	<b>394,237,200</b>

\* Excluding 640,091 Treasury shares.

The current ownership of the KIPCO Group can be validated on <https://bahrainbourse.com/en/Company%20Documents/UGH/MajorShareholder.pdf>

In January 2025, a sale purchase agreement was signed between UGH and Burgan Bank K.P.S.C. whereby 100% of the shareholding of the Company in its subsidiary United Gulf Bank B.S.C. (closed) (UGB) was sold to Burgan Bank K.P.S.C. The final approval of the Ministry of Industry and Commerce was obtained on 25 February 2025, following which UGB became a subsidiary of Burgan Bank K.P.S.C.

## 2. Description of the transactions of the directors and/or their family members on the Company's shares:

No transactions in the trading of UGH shares, was conducted by any member of the Board of Directors during the year ended 2025.

Name	Shares held 1 January 2025	Total sales	Total purchases	Shares held 31 December 2025
<b>Non-Executive Directors</b>				
Masoud M.H. J. Hayat Chairman	-	-	-	-
Faisal Al Ayyar Vice-Chairman	-	-	-	-
Khalid Sharrad	-	-	-	-
Mazen Hawwa	-	-	-	-
Sunny Bhatia	-	-	-	-
<b>Independent Directors</b>				
Mubarak Al Maskati	-	-	-	-
Bader Al Awadhi	-	-	-	-
Mohammed Haroon	5,000	-	-	5,000

There were also no transactions conducted during this period by any members of the Management team.

### 3. Composition and Details of the Board and its Directors:

As at year end 2025, the Board of UGH comprised eight members comprising five non-executive directors and three independent directors. This met the requirement that in companies which have a controlling shareholder, at least one-third of the Board must be independent directors. It also met the guideline specified by the MOIC that there should be no more than fifteen members in the BOD.

Category	Number of Directors	Percentage of the Board
Non – Executive	5	62.5%
Independent directors	3	37.5%
<b>Aggregate</b>	<b>8</b>	<b>100%</b>

Gender	Number of Directors	Percentage of the Board
Male	8	100%
Female	-	-
<b>Aggregate</b>	<b>8</b>	<b>100%</b>

As mentioned earlier, there were no women representatives on the Board of UGH for the year ended 2025. There were also no applications received from women during the open period in 2023 when UGH invited the public to be considered for Board candidacy.

The table below gives a summary of the profile of the individual directors. These are also available on the Company's website <https://www.ughbh.com/board-of-directors/>.

Education/ Qualification	Work Experience	Position
<b>Masoud M.H.J. Hayat, Kuwaiti</b> <b>Chairman of the Board of Directors; Non - Executive Director</b> <b>Chairman of the Executive Committee</b> <b>Over 49 years' experience in the financial sector</b> <b>Representative of KIPCO</b>		



<ul style="list-style-type: none"> <li>– Bachelor’s degree in economics, Kuwait University</li> <li>– High Diploma in Banking Sciences - Institute of Banking Studies, Kuwait</li> </ul>	<ul style="list-style-type: none"> <li>– Vice Chairman, FIMBank plc – Malta</li> <li>– Board Member, Bank of Baghdad – Iraq</li> <li>– Board Member, Jordan Kuwait Bank – Jordan</li> <li>– Board Member, KAMCO Investment Company K.S.C.P. – Kuwait</li> <li>– Board Member, United Gulf Financial Services N.A. – Tunisia</li> <li>– Board Member, Mashare’a Al Khair Est. – Kuwait</li> <li>– Chairman - Kuwait Equestrian Federation – Kuwait</li> </ul>	<p>Non-Executive Director since August 2017</p>
<p><b>Faisal Hamad Mubarak Al Ayyar, Kuwaiti</b>  <b>Vice Chairman of the Board of Directors; Non – Executive Director</b>  <b>Member of the Executive Committee</b>  <b>Member of the Board Audit Committee</b>  <b>Over 39 years’ experience in the financial sector</b>  <b>Representative of KIPCO</b></p>		
<ul style="list-style-type: none"> <li>– Fighter pilot and joined the Kuwait Air Force., USA.</li> </ul>	<ul style="list-style-type: none"> <li>– Board Member, Kuwait Projects Company (Holding) K.S.C.P. – Kuwait</li> <li>– Board Member, Saudi Dairy &amp; Foodstuff Company –Saudi Arabia</li> <li>– Vice Chairman, Mashare’a Al Khair Est. – Kuwait</li> <li>– Honorary Chairman, Kuwait Association of Learning Differences – Kuwait</li> </ul>	<p>Non-Executive Director since August 2017</p>
<p><b>Khaled Al Sharrad, Kuwaiti</b>  <b>Non – Executive Director</b>  <b>Member of the Board of Directors</b>  <b>Member of the Executive Committee</b>  <b>Over 36 years of experience in organizational development and advisory</b>  <b>Representative of KIPCO</b></p>		



<ul style="list-style-type: none"> <li>– BA, St. Edward’s University, USA.</li> <li>– Certified Professional in Personnel Management</li> </ul>	<ul style="list-style-type: none"> <li>– Group Chief Human Resources &amp; Administration Officer</li> <li>– Board Secretary, Kuwait Projects Company (Holding) K.S.C.P. – Kuwait</li> <li>– Vice Chairman, IKARUS United Marine Services Company – Kuwait</li> <li>– Vice Chairman &amp; CEO, United Industries Company – Kuwait</li> <li>– Board Member, Kuwait Furniture Manufacturing &amp; Trading Company – Kuwait</li> </ul>	<p>Non-Executive Director since April 2022</p>
<p><b>Sunny Bhatia, Indian</b>  <b>Non – Executive Director</b>  <b>Member of the Board of Directors</b>  <b>Member of the Executive Committee</b>  <b>Over 32 years’ experience in the financial sector</b>  <b>Representative of KIPCO</b></p>		
<ul style="list-style-type: none"> <li>– Chartered Accountant, Institute of Chartered Accountants of India</li> <li>– Cost and Management Accountant, Institute of Cost and Works Accountants of India</li> <li>– Bachelor of Commerce (Honors), Delhi University, India.</li> </ul>	<ul style="list-style-type: none"> <li>– Group Chief Financial Officer, Kuwait Projects Company (Holding) K.S.P.C. – Kuwait</li> <li>– Board Member of FIMBank p.l.c. – Malta</li> </ul>	<p>Non-Executive Director since June 2022</p>
<p><b>Mazen Hawwa, Lebanese</b>  <b>Non – Executive Director</b>  <b>Member of the Board of Directors</b>  <b>Member of the Executive Committee</b>  <b>Over 28 years’ experience in the financial sector</b>  <b>Representative of KIPCO</b></p>		
<ul style="list-style-type: none"> <li>– B.Sc. Business Studies, American University of Beirut</li> </ul>	<ul style="list-style-type: none"> <li>– Nil</li> </ul>	<p>Non-Executive Director since August 2017.</p>

<ul style="list-style-type: none"> <li>– EMBA – HEC, Paris</li> <li>– Certified Public Accountant,</li> <li>– Certified Management Accountant</li> <li>– Chartered Global Management Accountant</li> <li>– General Management Program, Harvard Business School</li> </ul>		
<p><b>Mohammed Haroon Nur Rehman Abdlla Khan, Bahraini</b>  <b>Independent Director</b>  <b>Member of the Board of Directors</b>  <b>Chairman of the Board Audit Committee</b>  <b>Member of the Nominating &amp; Remuneration Committee</b>  <b>Over 57 years' experience in the financial sector</b></p>		
<ul style="list-style-type: none"> <li>– B.Sc. in Agriculture (Honors), University of Peshawar, Pakistan</li> <li>– Banking Diploma, Institute of Bankers, Pakistan</li> </ul>	<ul style="list-style-type: none"> <li>– Chairman &amp; CEO, Haroon Incorporated W.L.L. – Bahrain</li> <li>– Member of Board of Trustees &amp; Board of Directors, Pakistan Urdu School – Bahrain</li> </ul>	<p>Independent Director since March 2018.</p>
<p><b>Mubarak M J Al Maskati, Kuwaiti</b>  <b>Independent Director</b>  <b>Member of the Board of Directors</b>  <b>Chairman of the Nominating &amp; Remuneration Committee</b>  <b>Member of the Board Audit Committee</b>  <b>Over 40 years' experience in the financial sector</b></p>		
<ul style="list-style-type: none"> <li>- BSc, Political Studies and Economics, Pennsylvania State University, USA.</li> </ul>	<ul style="list-style-type: none"> <li>– Director, Royal Aviation – Kuwait</li> <li>– Consultant, Amiri Diwan / Amiri Fleet Manager – Kuwait</li> <li>– Deputy Director General, Kuwait Airways Company – Kuwait</li> </ul>	<p>Independent Director since March 2018.</p>
<p><b>Bader E.M.S. Al Awadhi, Kuwaiti</b>  <b>Independent Director</b>  <b>Member of the Board of Directors Member of the Nominating &amp; Remuneration Committee</b>  <b>Over 38 years' experience in the financial sector</b></p>		

<ul style="list-style-type: none"> <li>– B.Sc. in Industrial Engineering, University of Miami, USA</li> <li>– General Manager Program, Harvard Business School, USA</li> <li>– Program for Management Development, Harvard Business School, USA.</li> </ul>	<ul style="list-style-type: none"> <li>– Independent Director, Assoufid B.V. – Netherlands</li> </ul>	<p>Independent Director since March 2018</p>
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All independent directors give an annual affirmation to their independence. Three out of eight directors hence meet the criteria of independence. No director holds any directorship in any public company in Bahrain.

The Board has approved a separate policy called ‘**Annual / Extraordinary General Assembly Meetings Procedures.**’ In accordance with the Commercial Companies Law, voting takes place on a cumulative basis. A cumulative vote implies that each shareholder shall have a number of votes equal to the number of shares he holds and shall have the right to vote for one candidate or to distribute them to his chosen candidates if the resolution concerns the election or dismissal of a member of the Board of Directors or filing an action against him, or when the Chairman of the Board or a number of shareholders representing at least one tenth of the number of votes present at the Meeting, request voting.

UGH’s Board of Directors have approved the **Directors’ Induction Policy** that requires each new Director to receive a formal and tailored induction with respect to the Company’s vision, strategic direction, and core values including ethics, corporate governance practices, financial matters, and business operations. The familiarisation is aimed at ensuring that the new Director meets with representatives of Senior Management of the Company, and that he/she is provided with the necessary documents, brochures, reports and internal policies. The **Charter of the Nominating & Remuneration Committee** states that the Nominating & Remuneration Committee is responsible for the preparation of induction materials and orientation sessions for new Directors, in consultation with senior management and with the Board Secretary. However, no induction was conducted during 2025, as there were no new members. UGH’s Board of Directors have also approved the **Access to Professional Advice Policy** which gives individual directors, access to independent legal or other professional advice at the Company’s expense.

Appointment letters were issued to all the directors, following their re-election in March 2023. Their term is for three years; the new Board will be elected after elections are held during the AGM scheduled for March 2026.

The Company has a **Code of Conduct** that encompasses the criteria and determinants of professional conduct and ethical values. The Board of Directors have also approved a **Disclosure of Conflict of Interest Policy** that requires members to make every effort to arrange their

matters such that they avoid personal interest in any transactions with UGH's management or its operations. A Director is deemed to have a personal interest if he or any member of his family has a material financial interest in any transaction that is entered to with the Company. Directors and officers inform the NRC on an annual basis on all companies in which they hold a stake or have directorship roles. Any conflict transaction or contract that could be considered material should be tabled at the shareholders' meeting for approval.

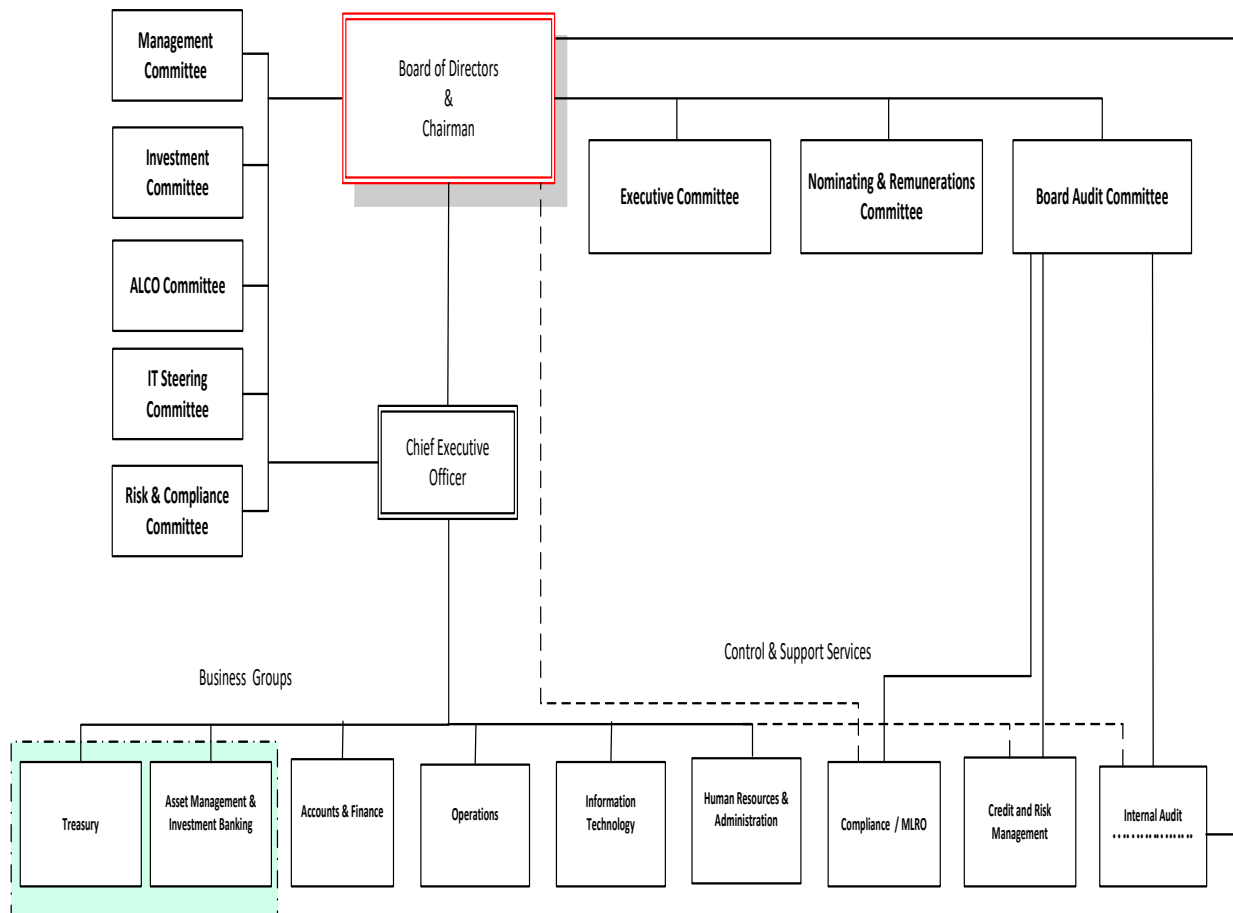
UGH's Corporate Secretary ensures that all decisions involving transactions where Directors/ employees have disclosed material conflicts of interest, are formally and unanimously approved by the Board of Directors (excluding the conflicted directors). No Director reported any conflict of interest; there were also no such instances in 2025 that involved a member having to abstain from voting on board matters due to disclosing a conflict of interest.

The Board, its Committees and individual directors are evaluated for their performance, effectiveness and contribution on an annual basis. This is in accordance with the **Evaluation Methodology** that has been approved by the Board of Directors. The annual evaluations of the Board, its individual directors and its committees were reviewed by the NRC at its meeting held on 16 February 2026. The completion of evaluations is affirmed to shareholders through this Corporate Governance Report that is presented at the Annual General Meeting. No abstentions or declarations of dissent concerns of the running of UGH, proposed actions or conflicts of interest were received by the Chairman or the Corporate Secretary during the year ended 31 December 2025.

## 4. Details of Management

UGH signed a **Service Level Agreement** with its affiliate United Gulf Bank B.S.C. (c) (UGB) on 24 August 2017. Under the terms of the service level agreement, the scope of services provided by UGB to UGH encompasses the Financial Control, Risk Management, Internal Audit, Corporate Governance, Anti Money Laundering, Compliance, Information Technology, Operations, Administration, Treasury, Investment Banking, Personnel and any other services as deemed necessary. There are hence no separate employees employed by UGH. The delegation of limits and the **Payment Authority Matrix** of UGB hence apply to UGH as well.

The Company's organizational structure as of 31 December 2025 is illustrated in the figure below. The Compliance, Credit & Risk Management and Internal Audit Functions report directly to the BAC.



Under the terms of the Service Level Agreement, the employees of UGB undertake and perform the above-mentioned services for UGH on an on-going basis. UGB provides at its own cost, all staff, facilities, premises, systems, data, information and equipment to facilitate the operations of the Company in lieu of a fee received from the latter. The NRC of UGB however has the

prerogative to remunerate certain executives for the additional responsibilities that they discharge for UGH. This was approved by them at their meeting held on 15 February 2026.

The list of Senior Management and their respective profiles are available in the Annual Report of the Company and the website <https://www.ughbh.com/executive-management/>. Details of the movement of UGH shares held by Senior Management as of December 2025 were as follows:

	Position	Shares held 1 January 2025	Total sales	Total purchases	Shares held 31 December 2025
Hussain Lalani	Chief Executive Officer	67	-	-	67
Mohammed Al Qumaish	Chief Audit Executive & Corporate Secretary	-	-	-	-
Deepa Chandrasekhar	Senior Vice President, Chief Compliance Officer & MLRO	-	-	-	-
Rehan Ashraf	Senior Vice President, Chief Financial Officer	-	-	-	-
Adel Al Arab	Senior Vice President, Head of Operations	-	-	-	-
Nirmal Parik	Vice President, Head of Asset Management & Investment Banking	-	-	-	-
Abbas Al Tooq	Assistant Vice President, Head of Credit & Risk Management	-	-	-	-
Hussain Khalil	Vice President, Head of Treasury	-	-	-	-
<b>Aggregate</b>		<b>67</b>	-	-	<b>67</b>

The Chief Audit Executive is the Corporate Secretary of the Company. This is a position that is mandated by the Code of Corporate Governance Code. The incumbent has particular responsibilities towards the conduct of the Board process, ensuring that statutory requirements are met, registration of information, documents and reports and supporting the Board. The **Charter of the Board of Directors** reiterates that all individual directors will have access to the Corporate Secretary. The appointment and removal of the Secretary is a matter for the Board as a whole, and not for the Chairman or the CEO or any other officer.



The Corporate Secretary assists the Chairman in discharging his duties as being the major point of contact between the Board and Management and also the Board and the Shareholders. His responsibilities are listed in the **Charter of the Board of Directors**. Each of the management team have detailed job descriptions that are in line with the requirements of the Code.

## 5. Remuneration Details:

### Remuneration of Directors:

In line with regulatory requirements on disclosure, the details of the Directors' fees for the year ended 2025 is indicated below

#### Board of Directors' remuneration

Name	Fixed remunerations				Variable remunerations				End-of-service award	Aggregate amount (Does not include expense allowance)	Expenses Allowance
	Remunerations of the chairman and BOD	Total allowance for attending Board and committee meetings	Others*	Total	Remunerations of the chairman and BOD	Incentive plans	Others**	Total			
<b>First: Independent Directors:</b>											
1- Mubarak Al Maskati	-	-	-	-	-	-	-	-	-	-	-
2- Bader Al Awadhi	-	-	-	-	-	-	-	-	-	-	-
3- Mohamed Haroon	-	-	-	-	-	-	-	-	-	-	-
<b>Second: Non-Executive Directors:</b>											
1- Masoud M. J. Hayat	-	-	-	-	-	-	-	-	-	-	-
2- Faisal Al Ayyar	-	-	-	-	-	-	-	-	-	-	-
3- Khaled Al Sharrad	-	-	-	-	-	-	-	-	-	-	-
4- Mazen Hawwa	-	-	-	-	-	-	-	-	-	-	-
5- Sunny Bhatia	-	-	-	-	-	-	-	-	-	-	-
<b>Third: Executive Directors: NIL</b>											
1-	-	-	-	-	-	-	-	-	-	-	-
2-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-	-	-	-	-	-
Note: All amounts must be stated in Bahraini Dinars.											
Other remunerations:											
* It includes in-kind benefits – specific amount - remuneration for technical, administrative and advisory works (if any).											
** It includes the board member's share of the profits - Granted shares (insert the value) (if any).											

Remuneration to the Board of Directors' is based on collective discretion and comprises the total allowance for attending Board and Committee Meetings if deemed warranted. No separate remuneration was paid to any Director for the year 2025. None of the independent directors received any performance-related elements such as grants of shares, share options or other deferred stock-related incentive schemes, bonuses, or pension benefits.

### Remuneration of Management:

In line with the Service Level Agreement signed between UGB and UGH on 24 August 2017, the CEO, CFO, Chief Audit Executive and Corporate Secretary, the Chief Compliance Officer and other officers of UGB including the AML, risk management and shareholders/investor relations functions, perform their corresponding roles for UGH. There are hence **no** employees hired separately by UGH or on the payroll of UGH.

The details of aggregate remuneration paid separately by UGH during 2025 to the six largest earning members of the executive team, including the Chief Executive Officer and the Chief Financial Officer are shown in the table below.

	Total Paid salaries and allowances	Total paid remuneration (Bonus)	Any other cash/in kind remuneration for the year ended 2025	Aggregate Amount
Remuneration paid to top six executives, including the CEO and Senior Financial Officer	-	-	-	-

*Note: In the event it is deemed appropriate to pay certain UGB officers a variable, one-off compensation in lieu of the additional critical responsibilities undertaken by them on behalf of UGH, such compensation is approved by the NRC of UGB and disclosed in the CG report of UGB for the year ended 2025. Such payments are totally discretionary, based on performance and at the behest of the NRC of UGB.*

During the year 2025, none of the employees of UGB who undertook responsibilities for UGH or any Director or officer received any performance-related elements such as grants of shares, share options or other deferred stock-related incentive schemes, bonuses, or pension benefits. There is no employee stock option plan.

Each listed company is expected to have a succession plan. As the staff of UGB assume the same responsibilities for UGH, a detailed succession plan documenting the skills, career paths and short- and long-term backups for each function is presented to the NRC of UGB on an annual basis. The scope of the plan covers both UGB and UGH.

## 6. Details of the Responsibilities of the Board, the Chairman, its Committees and its Meetings:

The Board of Directors is the collegial, deliberative apex body constituted by the shareholders for the overall supervision and governance of the Company. The Board's mandate is to approve, assess and evaluate the strategic direction of the Company, management policies and their effectiveness such that the long-term interest of the shareholder is being served. Each director brings his independent judgement while taking decisions.

The Board's arrangements for election, termination and duties and responsibilities and the responsibilities of the Chairman and the Corporate Secretary, are enumerated in detail in the **Charter of the Board of Directors**.

The Board's role and responsibilities include but are not limited to:

1. Adopting the commercial and financial policies associated with UGH's business performance and achievement of its objectives.
2. Drawing, overseeing and approving UGH's material decisions that involve budgets, plans, policies, strategies and key objectives.
3. Setting and generally supervising the regulations and systems of UGH's internal control.
4. Determining UGH's optimal capital structure, strategies, financial objectives and approving annual budgets.
5. Monitoring UGH's major capital expenditures and possessing and disposing assets.
6. Approving UGH's quarterly and annual financial statements and presenting them to the general assembly.
7. Monitoring the executive management's activities and ensuring that the operations run smoothly to achieve UGH's objectives.
8. Forming specialized committees emerging from the BOD as required by the nature of the company's activity as provided in the regulatory requirements and issuing the regulations of these committees.
9. Determining the types of remuneration for senior executives and directors, subject to the approval of the shareholders' general assembly, taking into consideration the provision of Article (188) of the Commercial Companies Law.
10. Setting a mechanism to regulate transactions with related parties in order to minimize conflicts of interest.
11. Setting standards and values governing UGH's business.
12. Ensuring the application of an appropriate control and risk management systems by setting framework of the risks that the company might face, creating an environment that is aware of risk

management knowledge at the company level, and transparently presenting it to company's related parties and stakeholders.

13. Assuring equitable treatment of shareholders, including the minority shareholders.
14. Setting internal regulations which determine the Board's duties and responsibilities, including the obligations and responsibilities of the directors, which the Board shall not be exempt therefrom even if it forms committees or delegates certain duties to other bodies or individuals. The BOD shall avoid issuance of general authorizations or authorizations with an unlimited duration.
15. Ensuring compliance with the relevant rules and requirements relating to the issuing and offering of securities.
16. Complying with the company's founding documentation, including but not limited to its Memorandum and Articles of Association and other relevant by-laws and resolutions.
17. Ensuring that any loans provided by the company are approved by the board in accordance with their authority for such items, including the respective limits and other relevant terms.
18. Providing approval in respect of the relevant fees, charges, subscriptions, commissions and other business and administrative sanctions, where relevant.
19. Ongoing obligations in respect of the listing requirements, including but not limited to issues relating to disclosure, dissemination of price sensitive information and other communication, and the prevention of market abuse and insider trading.

The responsibilities assigned to Board members are in line with the spirit of the care and loyalty expected from them vis a vis the Company and its shareholders. The need for all directors and officers to have full loyalty to the company is also mentioned in the appointment letters given to the Directors. It should also be noted that each of the Directors and Officers of the company has signed an undertaking with the Bahrain Bourse, agreeing to abide by their regulations as well.

The Charter was originally approved in December 2017 and was updated to incorporate changes made by the MOIC to the Corporate Governance Code and Module HC (High Level Controls) of the CBB's rulebook. The reviewed document and the **Corporate Governance Guidelines** were approved by the Board of Directors at their meeting held on 26 February 2026. A copy of this is available on the Company's website [www.ughbh.com](http://www.ughbh.com).

**The Chairman's role and responsibilities** include but are not limited to:

1. Represent the Company before others.
2. To prepare agendas for the Board meetings and the general assembly meetings, taking into consideration any matter proposed by other Directors;
3. To encourage all Directors to fully and effectively exercise their roles in the best interest of UGH;

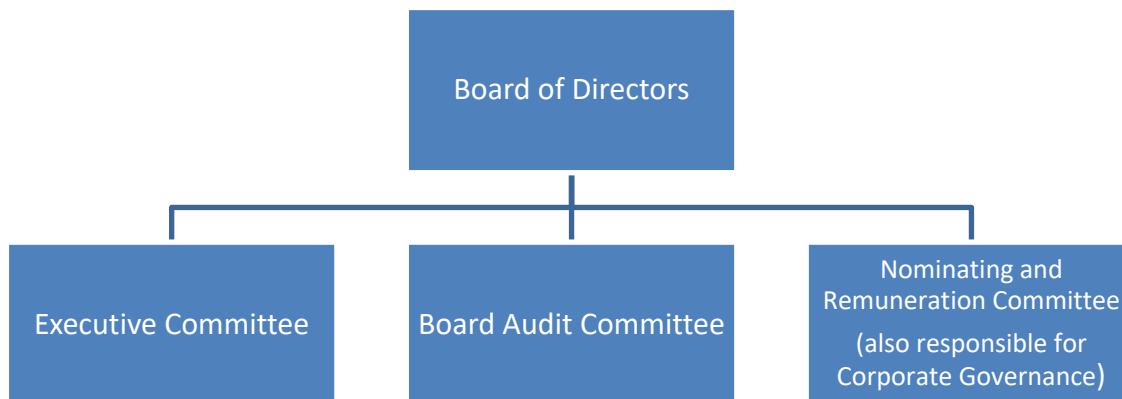
4. To ensure that the directors receive accurate, timely and clear information, including that on UGH's current performance, to enable the Board to take sound decisions, discuss all the information and items stated in the agendas, monitor effectively and provide advice to promote the success of the Company;
5. To ensure that all Directors receive the agenda, minutes of prior meetings, and adequate background information in writing before the Board meeting and whenever necessary between meetings. All directors will receive the same board information.
6. To take proper action for ensuring effective communication with UGH's shareholders and communicate their opinions to the Board of Directors.
7. To allow efficient participation of non-executive / independent directors in particular and to promote constructive relations between executive and non-executive/independent directors who can constructively scrutinize and challenge management. This also involves managing the Board to allow enough time for discussion of complex, divergent or contentious issues and ensuring that directors (particularly non-executive directors) have sufficient time to consider critical issues and obtain answers to any questions or concerns they may have and are not faced with unrealistic deadlines for decision making;
8. To hold meetings with non-executive and independent directors, without the attendance of the executives to take their views on matters related to UGH's activity;
9. To circulate written statements provided by non-executive directors, to the rest of the Board;
10. To create an environment that encourages constructive criticism and encourages mutual trust, open discussion, constructive dissent, and support for decisions after they have been made;
11. To notify other Board members if a Director has sought access to independent advice or voiced his concerns regarding the running of UGH or a proposed action;
12. To review the board's role and duties, particularly covering the legal and regulatory requirement and the Corporate Governance requirements with newly elected members to the Board, and arrange the induction program;
13. To evaluate requests from current Directors of minutes of meetings prior to their term, and approve these on a 'need to know' basis;
14. To confirm to shareholders when proposing re-election of a director (either after three years or after six years), that following a formal performance evaluation, the member's performance continues to be effective and continues to demonstrate commitment to the role;
15. To ensure that each new director receives formal and tailored training and induction to ensure his contribution to the Board from the beginning of his term. This induction includes meetings with

officers, visits to the Company, presentations regarding strategic plans, significant financial, accounting and risk management issues, compliance programs, internal and external auditors, and legal counsel. The Chairman will review the Board's roles and duties with the new Director, particularly covering legal and regulatory requirements and the High-Level Controls of the CBB's rulebook;

16. To request members to step down from the Board if they are unable to attend three or more consecutive Board meetings, or at least 75% of the meetings conducted in a financial year;
17. To conduct the Annual General Meeting in accordance with the regulatory requirements of the Ministry of Industry and Commerce and the CBB;
18. To report to the general assembly, the results of the related-party transactions approved by the Board that is accompanied by a report from the external auditor; and
19. Both controlling and non-controlling shareholders of UGH are aware of the controllers' specific responsibilities regarding their duty of loyalty to the Company and managing conflicts of interest. They are also aware of the rights that minority shareholders may have to elect specific directors under the Commercial Companies Law. The Chairman of the Board is expected to take the lead in clarifying such matters, with the help of professional advisors / lawyers / officers.

The current non-executive Chairman - Mr. Masoud J. Hayat, has been the Chairman of UGH since inception. He has been associated with UGH's Parent - KIPCO and its associate companies for over 36 years. He has a thorough understanding of the Company, its history, its functioning style and its operations. He represents the interests of the Company's main controller - KIPCO. As with all Directors, the Chairman is also required to comply with the requirement to manage conflict of interest.

The Board has approved three standing Committees – namely, the **Executive Committee, the Board Audit Committee and the Nominating & Remuneration Committee**. Each of these has its own charter that outlines the responsibilities of its members. The Board is authorised to constitute additional functional Committees from time to time, depending on the business needs. The hierarchy of the committees is illustrated below:



The Board or the standing committee may invite non directors to participate in a committee's

meetings, so that the committee may gain the benefit of their advice and expertise in financial or other subject areas.

All members of UGH's **Board of Directors** met the minimum 75% attendance threshold, for the five Board meetings that were held during 2025. Details of these are given in the table below. In the past members who stood for re-election have met the 75% attendance of the Board meetings over the past three years (since the date of their election/appointment). It should be noted that voting and attendance proxies for board meetings are always prohibited.

Attendance in 2025	27 Feb	24 Mar	13 May	13 Aug	13 Nov	% attendance
Masoud M. J. Hayat	x	x	x	x	x	100
Faisal Al Ayyar	x	x	x	x	x	100
Mr. Khalid Sharrad	x	x	x	x	x	100
Mr. Mazen Hawwa	x	x	x	x	x	100
Mr. Sunny Bhatia	x	x	x	x	x	100
Mr. Mohammed Haroon	x	x	x	x	x	100
Mr. Mubarak Al Maskati	x	x	x	x	-	80
Mr. Bader Al Awadhi	x	x	x	x	x	100

In addition to these meetings, seven Board resolutions were passed by written consent on 18 March, 1 June, 20 June, 25 June, 2 July and 29 October. All Directors received the agenda, minutes of prior meetings, and adequate background information in writing before the Board meeting, and whenever necessary between the meetings.

Meetings of the Board of Directors are held in Bahrain and Kuwait /or conducted by telephone or through video conferencing or other approved modes of real-time communication. Four of the five Board meetings were held in Bahrain with the fifth being conducted in Kuwait. Detailed minutes of the meetings of the Board of Directors are maintained by the Corporate Secretary. UGH's strategy is reviewed by the Board as part of the long-range plan.

During the year ended 31 December 2025, there were no decisions wherein, there were any reservations or objections voiced by any individual or a group of directors.

## 7. Executive Committee:

**Composition:** UGH's Executive Committee was constituted on 28 March 2018 and comprises **five Directors** as its members. Executive Committee's Resolutions are passed through circulation, as and when warranted.

**Responsibilities:** The Executive Committee (EC) is a delegated authority by the Board to take decisions in the interim periods between Board Meetings, and by circulation when a full meeting of the Board is not possible. The EC is also empowered by the Board to act on its behalf, if an immediate decision is required on any matters falling outside the authority of Management. The basic responsibility of the EC is to consider and approve/amend the overall impact of the policy recommended by the CEO in the key areas of strategy planning, investment and asset and liability management.

### Resolutions:

One Executive Committee resolution related to a business decision was passed on 24 August 2025. These were signed by all the members of the EC.

2025	Masoud J. Hayat Chairman	Faisal Al Ayyar Member	Khalid Al Sharrad	Sunny Bhatia Member	Mazen Hawwa Member
24 August 2025	x	x	x	x	x

No issue or dissent was expressed in the resolution. This was ratified by the Board of Directors on 26<sup>th</sup> February 2026.

## 8. Audit Committee:

**Composition:** UGH’s Board Audit Committee (BAC) was constituted on 28 March 2018 after the appointment of the independent directors. It comprises one non-executive director (Mr. Faisal Al Ayyar) and two independent directors (Mr. Mohammed Haroon - Chairman and Mr. Mubarak Al Maskati). The Chairman of the BAC is an independent director. All members are financially literate and have sufficient technical expertise and exposure to the financial industry that enable them to discharge their responsibilities cited below. UGH’s CEO is not a member of this Committee.

The Code of Corporate Governance states that the Chairman of the Audit Committee should not participate as a member of any other committee. Its Chairman – Mr. Haroon, is also a member of the Nominating and Remuneration Committee. No conflict of interest is perceived, as he is an independent member of the Board of Directors.

**Responsibilities:** The BAC assists the Board in its responsibility for overseeing the quality and integrity of the accounting, auditing and reporting practices of UGH, supervising the internal and external auditors and the Company’s compliance with the legal and regulatory requirements. Its main functions as enumerated in **its Charter** which was last approved by the Board of Directors, encompasses:

- the quality and integrity of financial reporting and the audit thereof;
- the recommendation for the appointment, compensation and oversight of the Company’s external auditor
- Overseeing the Internal Audit function and making recommendations for the appointment of the internal auditor who reports directly to the BAC and administratively to the CEO
- the soundness of internal controls of the Company;
- the measurement system of risk assessment and relating these to UGH’s capital;
- the methods for monitoring compliance with laws, regulations and supervisory and internal policies; and
- the business practices and ethical standards of the company including the implementation of a whistleblowing policy.

**Meetings:** The mandate of the BAC is to meet at least four times a year and have two meetings with the external auditors. No sitting fees were paid in 2025 to members of the committee for their attendance.

During the year 2025, the Board Audit Committee met either physically or virtually through vide conferencing for a total number of seven times; the attendance on these was as follows:

Date	Mohammed Haroon Chairman Independent Director	Faisal Al Ayyar Member Non-Executive Director	Mubarak Al Maskati Member Independent Director
26 February 2025	x	x	x
23 March 2025	x	x	x



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12 May 2025	X	X	X
12 August 2025	X	X	X
7 October 2025	X	X	X
12 November 2025	X	X	-
10 December 2025	X	X	-

All BAC minutes are presented to the Board for ratification.

The external auditors RSM met with the BAC on 7 October 2025 and 10 December 2025. No significant issue or dissent was expressed in any of the BAC meetings.

## 9. Nominating and Remuneration Committee (NRC):

**Composition:** As permitted by the CBB rulebook, the Nominating Committee of UGH has been combined with the Remuneration Committee. It is also in charge of corporate governance. No conflict of interest has been perceived between the duties of such committees. UGH's Nominating & Remuneration Committee (NRC) was hence constituted on 28 March 2018 after the appointment of the independent directors. It comprises three independent directors - (Mr. Mubarak Al Maskati – Chairman, Mr. Bader Al Awadhi, and Mr. Mohammed Haroon). The Chairman of the NRC is an independent director. The CEO is not a member of this Committee

**Responsibilities:** The NRC assists the Board in assessing the skill sets of Board members and ensures that there is an appropriate mix of eminent persons having an independent standing in their respective field/profession and who can effectively contribute to UGB's business and policy decisions. It oversees the appointment, training, and evaluation of the Board. Its main functions as enumerated in **its Charter** which was last approved by the Board of Directors, encompasses:

- Oversee the Corporate Governance processes of the Company.
- Nominate the persons eligible for directorship or chief executive officer, chief financial officer or secretary position, except for the internal auditor who is nominated by the audit committee.
- Make recommendations to the Directors of the Board from time to time regarding changes that the committee believes are desirable to the size of the Board or any committee of the Board.
- Review the preparation of appropriate nomination documents and notifications of candidates for Directorships. This includes ensuring that appropriate appointment documents, regulatory approvals and notifications are made on new directors.
- Supervise the evaluation process of the Board, the Directors and the Committees.
- Review the independence of Directors.
- Recommend/ review the remuneration of the Board of Directors.

**Meetings:** UGH's Nominating and Remuneration Committee (NRC) was constituted on 28 March 2018 after the **three independent Directors** were appointed to the Board at the AGM. The mandate of the NRC is to meet at least twice a year.

During 2025, the NRC met twice as follows:

Date	Mubarak Al Maskati Chairman Independent Director	Bader Al Awadi Member Independent Director	Mohammed Haroon Member Independent Director
16 February 2025	X	X	X
11 December 2025	-	X	X

Note: All NRC minutes are presented to the Board for ratification.

No significant issue or dissent was expressed in any of the NRC meetings.

## 10. Governance Committee:

The NRC is responsible for the supervision of corporate governance activities and the adherence to the tenets of the MOIC's Code of Corporate Governance. For the year ended 2025, the NRC completed the following activities related to the oversight of corporate governance.

- Review of Disclosure of Interest and other Directorships held by the Board of Directors.
- Review of Directors' annual affirmation of adherence to the **Code of Conduct** and Independent Directors' annual affirmation of independence. All the Directors signed this for the year ended 2025.
- Review of the annual evaluation of the Board, Committees and Individual Directors.
- Review of membership and structure of Board committees.
- Review of Key Persons' Trading for the year 2025.
- Review of Directorships representing UGH on the Boards of other companies.
- Review of applications received for membership to the Board of Directors, and providing a recommendation on the suitability of the candidates (during the years when there is an election).
- Review this Corporate Governance Report for the year ended 2025. This is presented to the shareholders at the Annual General Meeting held by 31 March of each year. The report is also part of the Annual Report of the Company, when it is published within four months of year end. A copy of the report is uploaded on UGH's website.
- Review of the external auditor's agreed upon procedures for related parties and the corporate governance report. This is required by the MOIC.

No significant issue or dissent was expressed in any of the NRC meetings.

## 11. Corporate governance officer's name, qualifications, date of appointment, and contact details.

In accordance with the requirements of the MOIC's directives, the Board of Directors of UGH ratified the decision of the Chairman to appoint the Chief Compliance Officer and MLRO of the Company as the Corporate Governance Officer. This was done at their meeting held on 14 May 2018. The Corporate Governance Officer's details are given below:

<b>Name</b>	Deepanjali Chandrasekhar
<b>Nationality</b>	Bahraini
<b>Date of Appointment</b>	May 2018
<b>Qualifications</b>	<ul style="list-style-type: none"> <li>• Masters in Business Administration (MBA) – University of Alberta, Canada</li> <li>• Fellow of the International Compliance Association – UK (FICA)</li> <li>• Certified Anti-Money Laundering Specialist – Financial Crime (CAMS – FCI and CAMS) – USA</li> <li>• Certified Fraud Examiner (CFE) – USA</li> <li>• Associate Professional Risk Manager (APRM) – USA</li> <li>• Chartered Member of the Chartered Institute of Securities and Investment - UK</li> </ul>
<b>Contact Details</b>	+973 17520186  dchandrasekhar@ugbbah.com

## 12. Details of Transactions with related parties (stakeholders):

Related parties represent the parent, associates and directors and key management personnel and entities which are controlled, jointly controlled or significantly influenced by any of the above-mentioned parties. The following is an extract of Note 29 of the UGH Financial Statements for the year ended 2025.

### RELATED PARTY TRANSACTIONS

The details of the income and expenses with respect to related parties' transactions during the year and the balance sheet items are included in Note 29 of the consolidated financial statements. A summary of these is reproduced below:

<b>2025</b>				
<i>Income and expenses</i>			<b><i>Other</i></b>	
			<b><i>related</i></b>	
	<b><i>Parent</i></b>	<b><i>Associates</i></b>	<b><i>parties</i></b>	<b><i>Total</i></b>
	<b><i>US\$ 000</i></b>	<b><i>US\$ 000</i></b>	<b><i>US\$ 000</i></b>	<b><i>US\$ 000</i></b>
Investment income – net	-	(66)	(1,431)	(1,497)
Fees and commissions - net	167	243	(1,229)	(819)
Dividend income	-	-	162	162
Rental income	176	-	-	176
Interest income	-	372	761	1,133
Interest expense	-	(28,283)	(6,395)	(34,678)
General and administrative expenses	(3)	(739)	(411)	(1,153)

<b>2024</b>				
<i>Income and expenses</i>			<b><i>Other</i></b>	
			<b><i>related</i></b>	
	<b><i>Parent</i></b>	<b><i>Associates</i></b>	<b><i>parties</i></b>	<b><i>Total</i></b>
	<b><i>US\$ 000</i></b>	<b><i>US\$ 000</i></b>	<b><i>US\$ 000</i></b>	<b><i>US\$ 000</i></b>
Investment income - net	26	-	2,507	2,533
Fees and commissions - net	4,125	5,018	465	9,608
Dividend income	-	9	961	970
Rental income	1,101	-	-	1,101
Interest income	55	509	400	964
Interest expense	-	(37,676)	(8,003)	(45,679)
General and administrative expenses	(8)	(365)	(2,106)	(2,479)



Deposits from customers	(18)	(11)	(5,684)	(5,713)
Loans payable	-	(509,812)	(53,900)	(563,712)
Loans from parent	(98,000)	-	-	(98,000)
Other liabilities	(46)	(6,910)	(432)	(7,388)
Perpetual Additional Tier 1 Capital	-	-	(5,000)	(5,000)

*Off statement of financial position items:*

Letters of guarantee	-	-	150	150
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All related party exposures are performing and are free of any provision for expected credit losses. The Parent has committed to acquire an FVTOCI investment of the Group at its carrying value of USD 65.7 million or higher (2024: USD 65.7 million).

The summary of transactions conducted with related parties that was submitted to the BAC during the year 2025 are as follows:

Entity	Financial Statement Line	Counterparty	US\$ '000
Various	Investment Income	Individually below US\$ 250 thousand	(4,079)
FIMBank	Interest Income	Brasifactors S.A.	372
UGH	Interest Income	United Gulf Bank	697
Various	Interest Income	Individually below US\$ 250 thousand	64
KAMCO	Fees and Commissions - net	Kuwait Proj Co Hold	579
UGH	Fees and Commissions - net	United Gulf Bank	(1,659)
Various	Fees and Commissions - net	Individually below US\$ 250 thousand	262
UGH	Interest Expenses	Burgan Bank	(28,194)
UGH	Interest Expenses	Jordan Kuwait Bank	(3,479)
FIMBank	Interest Expenses	United Gulf Bank	(1,603)
FIMBank	Interest Expenses	KAMCO Invest	(1,011)
Various	Interest Expenses	Individually below US\$ 250 thousand	(391)
UGH	General and administrative expenses	Burgan Bank	(434)
UGH	General and administrative expenses	Kuwait United Consulting Company	(353)
KAMCO	General and administrative expenses	United Real Estate Company	(305)

Various	General and administrative expenses	Individually below US\$ 250 thousand	(63)
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**2024**

Entity	Financial Statement Line	Counterparty	US\$ '000
UGB	Investment Income	Al Sharq Real Estate	1,468
UGB	Investment Income	Commercial Tower	1,218
UGB	Investment Income	Adv Technology Co	574
UGB	Investment Income	Commercial Tower	404
UGB	Investment Income	Chairman S Club	331
UGB	Investment Income	Tunis Intl Bank	298
UGB	Investment Income	Skipper Real Estate	271
Various	Investment Income	Individually below US\$ 250 thousand	39
FIMBank	Financing Income	Brasifactors S.A.	452
UGB	Financing Income	Tunis Intl Bank	364
Various	Financing Income	Individually below US\$ 250 thousand	148
KAMCO	Commission & Fees	Kuwait Projects Co Hold	4,125
KAMCO	Commission & Fees	Burgan Bank	3,431
KAMCO	Commission & Fees	Kamco Investment Fund	972
UGB	Commission & Fees	Burgan Private Equity	444
KAMCO	Commission & Fees	Adv Technology Co	364
Various	Commission & Fees	Individually below US\$ 250 thousand	272
UGH	Interest Expenses	Burgan Bank	(37,050)
UGH	Interest Expenses	JKB Cyprus	(5,159)
UGB	Interest Expenses	Tunis Intl Bank	(1,722)
UGB	Interest Expenses	Jordan Kuwait Bank	(1,046)
UGB	Interest Expenses	Syria Gulf Bank	(625)
Various	Interest Expenses	Individually below US\$ 250 thousand	(78)
KAMCO	General and administrative expenses	Twenty Two Projects Management Co.	(1,747)
UGB	General and administrative expenses	Burgan Bank	(397)
KAMCO	General and administrative expenses	Ufm Cleaning Co.	(249)
Various	General and administrative expenses	Individually below US\$ 250 thousand	(85)

It is noted that the Code of Corporate Governance requires all transactions between UGH and related parties to be approved by the Board of Directors prior to implementation. As this is not practically feasible, a report at the end of each year on all related party transactions is presented to

the Board of Directors. Furthermore the Board also provides their prior approval for all related party transactions, on the basis that their nature will remain consistent with those undertaken in previous years. For the year 2025, all related party transactions were in line with previous years transactions, and the Board provided their prior approval for all related party transactions in their meeting held on the 24<sup>th</sup> of March 2025.

In accordance with Article 189 of the Commercial Companies Law, the external auditor has issued an agreed upon procedures assurance report on related party transactions that confirms that all such transactions conducted during 2025 were approved by the Board of Directors and were traceable to the underlying accounting records of UGH. This is submitted to the shareholders at the Annual General Meeting of the Shareholders that is scheduled for 31 March 2026.

### 13. External Auditors:

The current auditors of UGH are RSM Bahrain. RSM is the 6th largest global network of audit, tax, and consulting firms. RSM Bahrain, is the Bahrain member firm of RSM International, with over 50 professionals locally and access to global resources from member firms which operate in over 900 offices in 120 countries with over 65,000 partners and staff. RSM have liaised extensively with the officers of UGH and have reviewed this CG report, the related parties report, and other internal control processes and procedures as part of their audit.

The fees and charges for the audit and non-audit services provided by RSM during the calendar year 2025, is provided in the following table.

Name of the external audit firm	RSM
Years of service as the Company's external auditor	2 years, 2 months
Name of the partner in charge of the Company's audit	Majed Al Rasromani
The partner's years of service as the partner in charge of the Company's audit	2 years, 2 months
Total audit fees paid to RSM (USD)	102,067
Other special fees and charges for non-audit services during the period (USD)	5,500
Aggregate fees paid/payable to RSM (including VAT) during the period (USD)	107,567

The External auditor reviewed the controls and internal processes of UGH, during the scope of their audit.

The Company's Board Audit Committee reviewed the non-audit services performed by external auditors during the year 2025. It was determined that they were in line with the Bank's policies and regulatory requirements. Furthermore, the Company has not provided its External Audit firm or its auditors with lending or credit facilities and has not entered any contracts of professional indemnity insurance with the External Auditors. The BAC received a certificate of affirmation from the current external auditors RSM Bahrain that was signed on 26<sup>th</sup> January 2026, confirming their adherence to the Company's "External Audit Independence policy" and non-audit services pre-concurrence list that are permissible under International Code of Ethics for Professional Accountants Code.

In line with the Ministry of Industry and Commerce Corporate Governance code the "Audit Firm" and the position of "Audit Partner" must not be undertaken by the same firm for five consecutive



years and the same partner for more than three consecutive years respectively. RSM Bahrain was appointed by the Company' shareholders on the 30th of October 2023 after obtaining CBB approval and Mr. Majed Al Rasromani took over the position of the company's designated Audit Partner.

#### 14. Details of any disclosures required by the regulatory authorities:




There were no fines imposed on UGH by any regulator during the year ended 2025.

#### 15. Description of the contributions made by UGH for community development




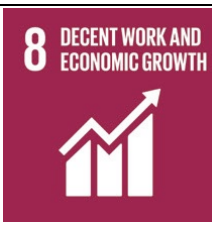
The Board of Directors of UGH recognize that in recent years, financial markets have taken measures aimed at improving environment, social and governance (ESG) practices. This is based on evidence that institutions which implement sustainable practices are widely respected and outperform the market across key sectors. Much of UGH’s donations and ESG initiatives have been undertaken by UGH’s associate UGB, with which the company has a Service Level Agreement.




A summary of these is provided below:

##### Environment related initiatives – Environmental Oversight




 <p>6 CLEAN WATER AND SANITATION</p>	<ul style="list-style-type: none"> <li>• Implementation of conscious water conservation measures across UGB Tower.</li> <li>• Closure of water valves when not operational to minimize water wastage.</li> <li>• Preventive maintenance programs to detect and prevent water leakage.</li> </ul>
 <p>7 AFFORDABLE AND CLEAN ENERGY</p>	<ul style="list-style-type: none"> <li>• Deployment of capacitors to enhance electricity efficiency (this was two years back)</li> <li>• Optimization of lighting systems to reduce overall energy consumption while maintaining safety standards.</li> </ul>
 <p>13 CLIMATE ACTION</p>	<ul style="list-style-type: none"> <li>• Recovery of approximately 680 kg of refrigerant gas through a structured recovery and reuse initiative.</li> </ul>

### Social Related Initiatives – CSR Oversight and commitment

 <p>3 GOOD HEALTH AND WELL-BEING</p>	<ul style="list-style-type: none"> <li>• Comprehensive health coverage inclusive of critical illnesses</li> <li>• Financial assistance in case of emergencies</li> </ul>
 <p>4 QUALITY EDUCATION</p>	<ul style="list-style-type: none"> <li>• Ongoing support for Trade Quest – the Trading Challenge.</li> <li>• Financial support for higher education of employees and staff children.</li> <li>• Ongoing coordination with Bahrain Institute of Banking &amp; Finance (BIBF) to provide professional training and career development opportunities.</li> <li>• Equal access to professional development opportunities across the workforce.</li> <li>• Hosting of the KIPCO Group Conference to facilitate knowledge sharing in audit, compliance, and governance.</li> </ul>
 <p>5 GENDER EQUALITY</p>	<ul style="list-style-type: none"> <li>• Female workforce representation of 34.2% across the organization.</li> <li>• Equal access to benefits, training, and career development opportunities for all employees.</li> <li>• Participation in Bahrain Women’s Day networking events organized by the Bahrain Association of Banks.</li> </ul>
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<ul style="list-style-type: none"> <li>• Safe working environment with zero workplace injuries recorded during the reporting period.</li> <li>• Total Employees (under the service level agreement with UGB): 38</li> <li>• New Hires: 11%</li> <li>• Resignations: 11%</li> <li>• Financial assistance framework and interest-free loan facilities to support employee financial wellbeing.</li> </ul>

	<ul style="list-style-type: none"> <li>• Ramadan financial support initiatives for low-income staff members.</li> </ul>
	<p>UGH promotes workforce diversity, inclusion, and equitable access to opportunities. (employees are as per its service level agreements with UGB)</p> <p>Key Contributions:</p> <ul style="list-style-type: none"> <li>• 84.2% national workforce representation.</li> <li>• 34.2% female workforce participation.</li> <li>• 15.8% expatriate workforce diversity across multiple nationalities.</li> <li>• Equal access to employee benefits and development programs.</li> <li>• Financial support mechanisms for employees in need.</li> </ul>
	<ul style="list-style-type: none"> <li>• Support for the Bahrain Authority for Culture &amp; Antiquities</li> </ul>
	<ul style="list-style-type: none"> <li>• Recycling of approximately 2.4 tons of paper waste.</li> <li>• Installation of automated tissue dispensers to reduce paper consumption.</li> <li>• Conversion to foam-based soap systems reducing material usage.</li> <li>• Implementation of “Go Green / Go Digital” initiatives reducing paper printing.</li> </ul>

### Governance related aspects and Board Oversight

	<ul style="list-style-type: none"> <li>• Code of Conduct – Board and Management</li> <li>• Comprehensive Corporate Governance framework with Board approved policies and procedures</li> </ul>
	<ul style="list-style-type: none"> <li>• Transparent Disclosure Policy</li> <li>• Corporate Governance Disclosure</li> </ul>
	<ul style="list-style-type: none"> <li>• Whistleblowing Policy</li> <li>• Customer Complaints Mechanism</li> </ul>

UGH’s donations are made through its associate United Gulf Bank B.S.C. (closed). During 2025, the Bank made the following distributions:

Recipients	Amount USD
Charitable and Community Welfare Activities	2,944
Cultural Institutions	53,050
Education	32,905
Health, Employee wellbeing and team engagement	4,792
Workplace Safety and Emergency Preparedness	1,326
Aggregate	<b>95,017</b>

## 16. Breakdown of Ownership

UGH has signed a share registrar agreement with Bahrain Clear, a subsidiary of the Bahrain Bourse that maintains shareholder records and handles the transfer of shares. The address of Bahrain Clear is:

Bahrain Financial Harbour, Harbour Gate, Level 4, P.O Box 3203,  
Manama, Kingdom of Bahrain  
Telephone: (+973) 17108833 E-mail: registry@bahrainclear.com

Information obtained from Bahrain Clear indicate the following:

### a. The breakdown of shareholders' equity by nationality as of 31 December 2025 is indicated below:

Nationality	#	%	Shares	%
Bahrain	1,154	64.1	3,624,822	0.8
Kuwait	617	34.2	434,915,760	99.1
GCC	26	1.4	495,297	0.1
Other	5	0.3	58,184	0.01
Total	1,802	100%	439,094,063	100.0

Source: Bahrain Clear

### b. Major Shareholders:

The following are the names and nationalities of the major shareholders, and the number of equity shares held, that exceed 5% of the Company's capital.

Name	Nationality	Shares	%
Kuwait Projects Company (Holding) K.S.C.P. (Held through KAMCO Investment Company K.S.C.P)	Kuwait	228,659,402	52.1%
Overland Real Estate Company W.L.L.	Kuwait	93,055,441	21.2%
Burgan Bank K.P.S.C.	Kuwait	43,522,357	9.9%
United Industries Company K.S.C.C	Kuwait	29,000,000	6.6%
		394,237,200	89.7%*

\* Excluding Treasury Shares. Source: Bahrain Clear, Bahrain Bourse and UGH records

No government or sovereign funds hold any shares of UGH. All shareholders have equal voting rights. The Ultimate Beneficial Owner are members of the ruling family of Kuwait.

**c. Ownership Categories:**

Distribution of Shareholding	Number of shareholders	Number of shares held	%
Less than 1%	1,796	7,880,017	1.8
1% up to less than 5%	2	35,986,946	8.2
5% up to less than 10%	2	72,522,357	16.5
Greater than 10%	2	322,704,743	73.5
Total	1,816	439,094,063	100.0

Source: Bahrain Clear

The share registry of UGH is maintained by Bahrain Clear (a subsidiary of the Bahrain Bourse), with whom the company has an electronic registry agreement. They maintain the shareholders' register that records the names of shareholders, their nationalities, the number of shares that they hold and any transactions that they make. The contact details are as follows:

Bahrain Clear B.S.C. (c)  
 PO Box 3203,  
 Manama, Kingdom of Bahrain  
 Tel : +97317108833  
 Fax: +973 17228061  
[info@bahrainclear.com](mailto:info@bahrainclear.com)  
[www.bahrainclear.com](http://www.bahrainclear.com)

## 17. Other Matters:

### 17.1. Disclosure and Transparency Policy

As a publicly listed company, UGH is aware of the importance of communicating with its minority shareholders and its controllers. All shareholders are treated equally and have the same voting rights. Relevant information and material information to shareholders is disseminated promptly through the Bahrain Bourse' website and the Company's website. This includes invitations to the general assembly meetings. In order to facilitate shareholders who are unable to attend the AGM, proxy forms are available on the Company's website [www.ughbh.com](http://www.ughbh.com). This gives them the opportunity to participate in the general assembly meetings. Votes cast by custodians or nominees must be given in a manner agreed upon with the beneficial owner of the shares i.e., the person who authorized the proxy. Other rights of the shareholders and the process of holding a general assembly meeting is documented in the **Annual / Extraordinary General Assembly Meetings Procedures**. These include:

- Secure methods of ownership registration that is facilitated through the Share Registrar – Bahrain Clear;
- The transfer of shares that is facilitated through the Share Registrar – Bahrain Clear;
- Obtaining relevant and material information on UGH in a timely and regular basis;
- Participating and voting in general shareholder meetings;
- Electing and removing members of the Board of Directors
- Sharing in the profits of UGH through the receipt of dividends
- Presentations by independent advisers as and when warranted
- Participating in corporate events e.g. Rights issue, dividend etc.

The Company has a Disclosure Policy that reiterates its commitment to disclose all relevant information to stakeholders on a timely basis and emphasises:

- Adequate documentation and definition of the key components of UGH's disclosure controls and procedures and the standards to which they are designed and implemented.
- Information with respect to the steps that UGH will take when it has material information to release to the public.
- Approval of the limited group of authorised spokespersons who are entitled to speak on behalf of the Company when material information may be disclosed.
- Adequate awareness for Directors and officers of UGH for understanding the disclosure practices and policies.

### 17.2. Means of Communication

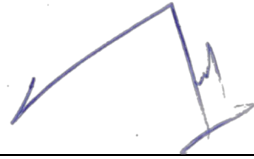

- **Annual General Meeting:** The Company schedules an annual general assembly for its shareholders within three months of yearend. This provides the forum for shareholders to approve the Board of Directors' report and financial statements for the year, appoint the external auditor, review the external auditor's report, review the corporate governance report

and the related party transactions and other matters which require their approval. The AGM is conducted in line with the MOIC, the CBB's and the Bahrain Bourse's requirements and standards. Invitations are sent to all Directors. The AGM is conducted in line with the MOIC, the CBB's and the Bahrain Bourse's requirements and standards. Invitations are sent to all Directors. Four Directors attended the last annual general assembly held on 26 March 2025, alongside representatives of the CBB, the Bahrain Bourse, Bahrain Clear, the MOIC and the external auditors. The invitation to attend general assembly meetings are sent to all directors; attendance of Board members is however primarily dependent on each member's availability.

- **Annual and Quarterly Results:** In accordance with the CBB's Disclosure Standards, the financial results of UGH are published in an English newspaper and an Arabic Newspaper and are in line with International Financial Reporting Standards. They include the balance sheet, income statement, cash flow statement and changes in shareholders' equity. The complete set of financial statements in English and Arabic including the name of the external auditor, the external auditor's signature date and the signature of the Chairman, Vice Chairman and CEO are also available on the Bahrain Bourse's website and the Company's website [www.ughbh.com](http://www.ughbh.com). Note 1 of the Financial Statements discloses the date of Board Approval and also reiterates their responsibility with regard to the preparation. The CEO and CFO certify to the Board of Directors that to the best of their knowledge, the financial statements present a true and fair view in all material respects of UGH's financial condition and results of operations, in accordance with applicable accounting and financial reporting standards
- **News Releases, Presentations, etc.:** Official news releases, detailed presentations made to the shareholders etc. are available on the Company's website [www.ughbh.com](http://www.ughbh.com), after they have been released to the CBB and the Bahrain Bourse. The external auditor's signature and date, as well as the Board's approval date, are disclosed either in the financial statements or through press releases.
- **Website:** The Company maintains a website [www.ughbh.com](http://www.ughbh.com) which contains information related to its profile. It also has an investor relations section along with financial information including the Annual Report which has the Management Discussion and Analysis that identifies and comments on principal risks and uncertainties faced by the business and this Corporate governance report.
- **Copies of the Dispute Resolution Policy and the Whistleblowing Policy** are available on the Company's website. There is also a whistleblowing form alongside procedures to highlight complaints and wrongdoing.

There is a separate section on the website (under Investor Relations) where the company posts relevant shareholders' information e.g., AGM agenda, proxies etc. The company has an email ([info@ughbh.com](mailto:info@ughbh.com)) which is already in place to allow shareholders to obtain the above information — shareholders who require more such information, can always raise their queries using this email address. In accordance with the CBB's disclosure standards, all agendas, notices of meetings and proxies are reviewed and approved by the CMSD before they are published or loaded onto the Company's website. This ensures that the standards are met.



<b>Hussain Lalani, Chief Executive Officer 9 March, 2026</b>	
<b>Deepa Chandrasekhar Corporate Governance Officer 9 March, 2026</b>	

<b>Official Seal of the Company</b>	
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## 17. Compliance with the provisions of the Corporate Governance Code:

Principle	Non-compliant	Partially Compliant	Fully Compliant	Explanation in case of non-compliance
<b>Principle 1:</b> The Company shall be headed by an effective, qualified and expert board.		x		The current Chairman - Mr. Masoud J. Hayat, is a non-executive director. He has been associated with UGH's controller - KIPCO for over 36 years and has been the Chairman of UGH since inception. He has a thorough understanding of the Bank, the Company, its history, its functioning style and its operations. He represents the interests of the Company's main controller - KIPCO.
<b>Principle 2:</b> The directors and executive management shall have full loyalty to the company.			X	
<b>Principle 3:</b> The Board shall have rigorous controls for financial audit and reporting, internal control, and compliance with law.			X	
<b>Principle 4:</b> The Company shall have effective procedures for appointment, training, and evaluation of the directors.			X	
<b>Principle 5:</b> The Company shall remunerate directors and senior officers fairly and responsibly.			X	



<b>Principle 6:</b> The Board shall establish a clear and efficient management structure for the Company and define the job titles, powers, roles, and responsibilities.			X	
<b>Principle 7:</b> The Company shall communicate with shareholders, encourage their participation, and respect their rights.			X	
<b>Principle 8:</b> The Company shall disclose its corporate governance.			X	
<b>Principle 9:</b> Companies which offer Islamic services shall adhere to the principles of Islamic Shari'a. *	NA	NA	NA	NA
<b>Principle 10:</b> The Board shall ensure the integrity of the financial statements submitted to shareholders through appointment of external auditors.			X	
<b>Principle 11:</b> The Company shall seek through social responsibility to exercise its role as a good citizen.			X	

\* Applicable only to the companies offering Islamic services.