



**ANNUAL CORPORATE GOVERNANCE
DISCLOSURE (2020)**

TRAFICO GROUP B.S.C.

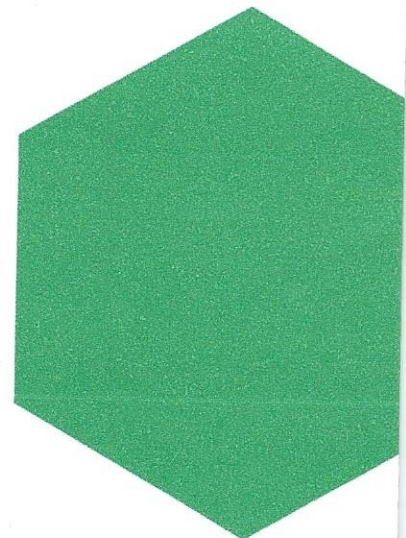
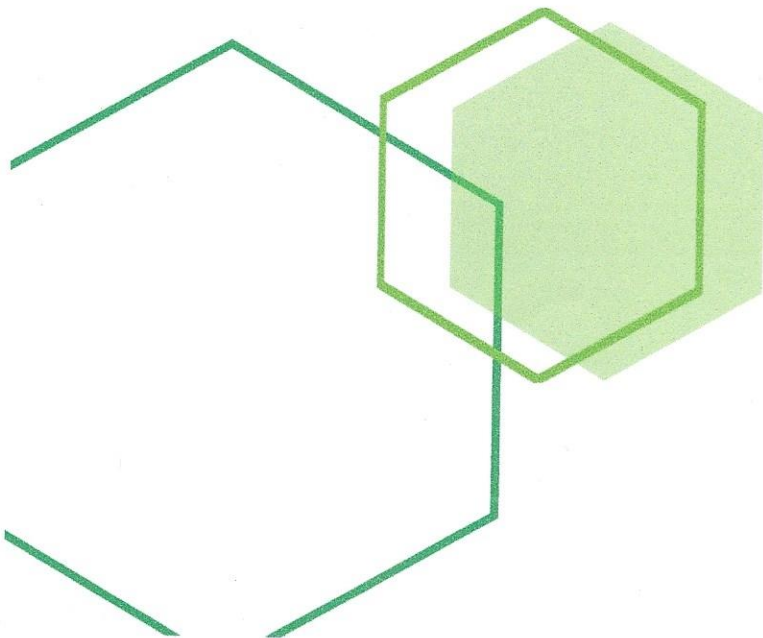
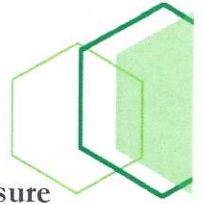




TABLE OF CONTENTS

1. CORPORATE GOVERNANCE POLICY	2
2. CORPORATE GOVERNANCE DEVELOPMENTS DURING THE YEAR	2
3. SHAREHOLDER INFORMATION	2
4. COMPANY'S BOARD, DIRECTORS AND MANAGEMENT	4
5. COMPANY ORGANIZATIONAL STRUCTURE.....	11
6. COMMITTEES	12
7. CORPORATE GOVERNANCE.....	17
8. CORPORATE GOVERNANCE OFFICER.....	17
9. IRREGULARITIES COMMITTED DURING THE FINANCIAL YEAR.....	17
10. EXTERNAL AUDITORS	18
11. CONFLICT OF INTEREST	18
12. RELATED PARTY TRANSACTIONS.....	18
13. MEANS OF COMMUNICATION WITH SHAREHOLDERS AND INVESTORS.....	18
14. EVALUATION OF BOARD PERFORMANCE.....	19
15. CONTRIBUTIONS TOWARDS COMMUNITY DEVELOPMENT AND ENVIRONMENT PRESERVATION.....	19
16. COMPLIANCE WITH THE PROVISIONS OF THE CORPORATE GOVERNANCE CODE	20
17. ANNEXURE 1: RELATED PARTY TRANSACTIONS:.....	21



1. CORPORATE GOVERNANCE POLICY

Good Corporate Governance practices are significant in creating and sustaining shareholder value and ensuring appropriate disclosures and transparency. Trafco Group B.S.C.'s ('the Company') Corporate Governance Policy provides the framework for the principles of effective Corporate Governance standards across the Group.

The Board of Directors (the Board) is committed to implementing robust Corporate Governance practices and continuous review and adherence to strong corporate governance practices help enhance compliance levels according to international standards and best practice.

Trafco Group B.S.C. shall continue its endeavor to enhance shareholders value, protect their interests and defend their rights by practicing the pursuit of excellence in corporate life. The Company shall continuously strive to best serve the interests of its stakeholders including shareholders, customers, employees and at public at large.

The management is committed to ensuring that procedures and processes are in place to reflect and support the Board approved Corporate Governance related policies to ensure the highest standards of Corporate Governance throughout the Group.

2. CORPORATE GOVERNANCE DEVELOPMENTS DURING THE YEAR

During the year, Mr. Sameer A. Alkhan as Corporate Governance Officer continues as per the requirement of Corporate Governance Code 2018 issued by Ministry of Industry, Commerce & Tourism (MOICT). The Company's Corporate Governance Code 2018 is being reviewed and updated accordingly as and when required.

3. SHAREHOLDER INFORMATION

The existing share structure of the Company consists of only ordinary shares and there are no different classes of ordinary shares. As on 31 December 2020, the Company had issued 80,675,052 ordinary shares, each with a nominal value of 100 fils per share. All the shares are fully paid.

Shareholders are invited by the Chairman to attend the AGM. The Chairman and other Directors attend the AGM and are available to answer any questions.

The Annual General Ordinary and Extraordinary Meetings will be held on 29 March 2021.



Major shareholders of the Company (Name of the shareholder holding 5% or more) as of 31st December, 2020 is as follows:

Name of Shareholder	Number of Shares	% of Holdings	Name of the natural person, the final beneficiary
Abdulhameed Zainal Mohamed Zainal	8,433,646	10.45%	Abdulhameed Zainal Mohamed Zainal

Shareholders as of 31 December 2020 (individuals, corporate, government or organizations) to be classified as follows:

S.No.	Shareholder Classification	Shareholding %			
		Individuals	Corporate	Government or Organizations	Total
1	Local	57.34	39.84	0.65	97.83
2	Arab	2.14	-	-	2.14
3	Foreign	0.03	-	-	0.03
	Total	59.51	39.84	0.65	100.00

Description of how shareholders are distributed according to their respective shareholding as at 31 December 2020 as follows:

S.No.	Shareholding (share)	Number of Shareholders	Number of shares held	Shareholding %
1	Less than 50,000	2756	10,548,534	13.08%
2	50,000 to 500,000	177	23,597,441	29.25%
3	500,000 to 5,000,000	23	31,844,778	39.47%
4	More than 5,000,000	2	14,684,297	18.20%

Description of the significant events that occurred during the year 2020 as follows:

During the year there is no significant financial impact, however a separate disclosure on Covid-19 published in Bahrain Bourse and Trafco website.



4. COMPANY'S BOARD, DIRECTORS AND MANAGEMENT

4.1. Board Procedure

The Board procedure is clearly defined by the Charter of the Board. The Company has the practice of circulation of agenda and other supporting documents well in advance to enable the directors to deliberate and decide on all matters listed in the agenda to constantly enhance the performance of the Group.

4.2. Board and Directors' Responsibilities

The specific responsibilities of the Board include:

1. Monitoring the overall business performance;
2. Monitoring the performance of the executive management to ensure that the executives are compensated fairly;
3. Monitoring management performance and succession plan for Senior Management;
4. Accurate preparation of the quarterly and annual consolidated financial statements and ensure that financial statements are free from errors and frauds;
5. Monitoring conflicts of interest and preventing abusive related party transactions;
6. Convening and preparing for the shareholders meetings;
7. Recommending dividends to shareholders and ensure its execution;
8. Adapting, implementing and monitoring compliance with the Company's Code of Business Conduct;
9. Disclosure of financial information to the Government Authorities and the public within the stipulated time;
10. Reviewing the Group's objectives and policies relating to social responsibilities; and
11. Overseeing the direction and management of the company in accordance with Commercial Companies Law and other Rules and Regulations ordained by the Government of Bahrain.

4.3. Material Transactions that require the Board approval

The following material transactions require review of the Board of Directors, evaluation and approval:

1. The Company strategy;
2. The annual budget, capital expenditure budget, major contracts, diversification plans/divestment;

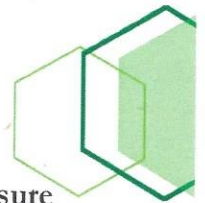


3. The financial statements;
4. Major resource allocations and capital investments; and
5. Management responsibilities and training, development and succession plan for Senior Management.

4.4. Director's profiles (Directorships of other Boards)

The following members of the Board of Directors are also the member of the other listed companies in the Kingdom of Bahrain:

S.No.	Name of Director	Designation	Directorships and positions in other listed companies	Positions in any other key regulatory, government or commercial entities.
1.	Mr. Ebrahim Mohamed Ali Zainal	Vice Chairman	United Paper Industries B.S.C.	None
2.	Mr. Yusuf Saleh Abdulla Alsaleh	Director	Delmon Poultry Company B.S.C.	None
3.	Dr. Esam Abdulla Yousif Fakhro	Vice Chairman Chairman Chairman	National Bank of Bahrain B.S.C. Bahrain Cinema Company (Cineco) B.S.C. Bahrain Islamic Bank B.S.C.	None
4.	Mr. A. Redha Mohamed Redha Aldailami	Director	Delmon Poultry Company B.S.C.	None
5.	Mr. Sami Mohammed Yusuf Jalal	Director	United Paper Industries B.S.C.	None
6.	Mr. Jehad Yusuf Abdulla Amin	Director Director Vice Chairman Director Director	Bahrain Duty Free Complex B.S.C. Bahrain National Holdings B.S.C. Banader Hotels Company B.S.C. BMMI B.S.C. Bahrain Cinema Company B.S.C.	None



4.5. Status of Directorships and Board Composition

SI no	Name of Director	Type (executive, non-executive or independent)	Experience	Qualification	The period of his term as a director of the Company starting from the date of his first election or appointment
1	Mr. Ebrahim Mohamed Ali Zainal	Chairman / Non - Executive / Non - Independent	56	Businessman	1978
2	Mr. Yusuf Saleh Abdulla Alsaleh	Vice Chairman / Non - Executive / Non - Independent	57	Businessman	1978
3	Dr. Esam Abdulla Yousif Fakhro	Director and Executive Committee member / Non - Executive / Non - Independent	53	Businessman	1995
4	Mr. Khalid A. Rahman Khalil Almoayed	Director and Executive Committee member / Non - Executive / Independent	54	Businessman	1978
5	Mr. A. Redha Mohamed Redha Aldailami	Director / Non - Executive / Independent	64	Businessman	1981
6	Mr. Fuad Ebrahim Khalil Kanoo	Director / Non - Executive / Non - Independent	58	Businessman	1994
7	Mr. Ali Yusuf A. Rahman A. Rahim	Director / Non - Executive / Non - Independent	55	Businessman	1994
8	Mr. Sami Mohammed Yusuf Jalal	Director / Non - Executive / Non - Independent	47	Businessman	1995
9	Mr. Ebrahim Salahuddin Ahmed Ebrahim	Director / Non - Executive / Independent	51	Businessman	1995
10	Mr. Jehad Yusuf Abdulla Amin	Director / Non - Executive / Non - Independent	42	Businessman	1998



4.6. Election and Termination of Appointment of Directors

Directors are elected for 3-year term. Elections take place in accordance with the Memorandum and Articles of Association of the Company and the Bahrain Commercial Companies Law. There is no maximum age limit at which a Director must retire from the Board. Each Director's term of appointment expires, pursuant to the terms of his Letter of Appointment and/or the provisions of the law.

4.7. Induction and Training of Directors

The Company has a formal induction programme in place, which is designed for each new Director. The induction programme includes i) an introductory pack containing, amongst other things, the Company Overview, Organisational Chart, Terms of Reference of the Board and Board Committees and key policies; ii) presentations on significant financial, strategic and risk issues; and iii) orientation meetings with key management as may be required. All continuing Directors are invited to attend orientation meetings.

4.8. Directors Ownership of Company's shares

Sl no	Name	Type of Shares	Number of shares held as at 31/12/2020	Percentage %
1	Mr. Ebrahim Mohamed Ali Zainal	Ordinary Shares	2,089,728	2.59%
2	Mr. Yusuf Saleh Abdulla Alsaleh	Ordinary Shares	702,238	0.87%
3	Mr. Khalid A. Rahman Khalil Almoayed	Ordinary Shares	457,089	0.57%
4	Dr. Esam Abdulla Yousif Fakhro	Ordinary Shares	1,583,161	1.96%
5	Mr. Ebrahim Salahuddin Ahmed Ebrahim	Ordinary Shares	311,115	0.39%
6	Mr. Sami Mohammed Yusuf Jalal	Ordinary Shares	203,901	0.25%
7	Mr. Jehad Yusuf Abdulla Amin	Ordinary Shares	1,060,000	1.31%
8	Mr. A. Redha Mohamed Redha Aldailami	Ordinary Shares	320,184	0.40%
9	Mr. Ali Yusuf A. Rahman A. Rahim	Ordinary Shares	149,660	0.19%
10	Mr. Fuad Ebrahim Khalil Kanoo	Ordinary Shares	179,757	0.22%



4.9. Director's Trading of Shares during the year

During the year, the following Board Member disposed / purchased additional shares in the Company:

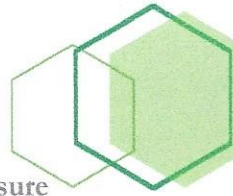
Name	Position/Kinship	Number of shares held as at 31/12/2019	Number of shares disposed	Additional shares purchased	Number of shares held as at 31/12/2020
Mr. Yusuf Saleh Abdulla Alsaleh	Vice Chairman	681,426	-	20,812	702,238
Mr Fuad Ebrahim Khalil Kanoo (Family Transfer)	Director	179,757	3,403	3,403	179,757

4.10. Board Meetings

The Group should hold a minimum of four Board meetings during each year. The following table summarizes the information about the members' attendance in the Board of Directors meetings:

Meetings of Board of Directors held in 2020: Six

Name of Director	Business Title	6 Jan	27 Feb	30 Mar	10 Aug	10 Nov	31 Dec	% Attended
Mr Ebrahim Mohamed Ali Zainal	Chairman	✓	✓	✓	✓	✓	✓	100%
Mr Yusuf Saleh Abdulla Alsaleh	Vice Chairman	✓	✓	✓	✓	✓	✓	100%
Mr Khalid A.Rahman Khalil Almoayed	Director and Executive Committee Member	✓	✓	✓	✓	✓	✓	100%
Dr Esam Abdulla Yousif Fakhro	Director and Executive Committee Member	✓	✓	✓	✓	✓	✓	100%
Mr Ebrahim Salahuddin Ahmed Ebrahim	Director	✓	✓	✓	✓	✓	✓	100%
Mr Sami Mohamed Yusuf Jalal	Director	✓	✓	✓	✓	✓	✓	100%
Mr Jehad Yusuf Abdulla Amin	Director	✓	✓	✓	✓	✓	✓	100%
Mr A.Redha Mohamed Redha Aldailami	Director	✓	✓	✓	✓	✓	✓	100%
Mr Ali Yusuf A.Rahman A. Rahim	Director	✓	✓	✓	✓	✓	✓	100%
Mr Fuad Ebrahim Khalil Kanoo	Director	✓	x	✓	✓	✓	✓	83%



4.11. Remuneration Policy of Board of Directors

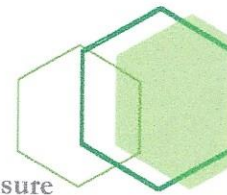
Article 188 of the Commercial Companies Law No.21 of 2001 explains the method of payment of remuneration to the directors. The remuneration policy is based on attendance fees and basic fees paid to the members of the Board of Directors.

Total remunerations paid to the directors for the year ended 31 December 2020 amounted to BD 92,250/- subject to AGM approval plus sitting fees BD 37,350 to all directors and BD 18,000 basic fees to Chairman.

The proposed total remunerations to be paid to the directors for the year 2020, will be presented at the annual general meeting for approval.

Description of the sitting fees paid to the directors for attendance of the Board's committees for the financial year 2020 is as follows:

S.No	Name	Sitting fees paid for attendance of the Board's committees		
		Name of committee	Sitting fees amount	Number of meetings
1.	Mr Ebrahim Mohamed Ali Zainal	Board meeting	2,700	6
		Executive Committee	900	2
		Nomination and Remuneration Committee	0	1
2.	Mr Yusuf Saleh Abdulla Alsaleh	Board meeting	2,700	6
		Executive Committee	900	2
		Nomination and Remuneration Committee	0	1
3.	Mr Khalid A.Rahman Khalil Almoayed	Board meeting	2,700	6
		Executive Committee	900	2
		Nomination and Remuneration Committee	0	1
4.	Dr Esam Abdulla Yousif Fakhro	Board meeting	2,700	6
		Executive Committee	900	2
		Nomination and Remuneration Committee	0	1
5.	Mr Ebrahim Salahuddin Ahmed Ebrahim	Board meeting	2,700	6
		Audit Committee	1,350	3
		Corporate Governance committee	450	1
6.	Mr Sami Mohamed Yusuf Jalal	Board meeting	2,700	6
7.	Mr Jehad Yusuf Abdulla Amin	Board meeting	2,700	6
		Audit Committee	1,350	3
		Corporate Governance committee	450	1



8.	Mr A. Redha Mohamed Redha Aldailami	Board meeting	2,700	6
		Audit Committee	1,350	3
		Corporate Governance committee	450	1
9.	Mr Ali Yusuf A.Rahman A. Rahim	Board meeting	2,700	6
		Audit Committee	1,350	3
		Corporate Governance committee	450	1
10.	Mr Fuad Ebrahim Khalil Kanoo	Board meeting	2,250	5

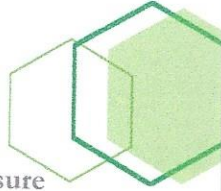
4.12. Management

The following table summarises the information about the profession, designation/business title, experience in years and the qualifications of the Senior Management:

S.No.	Name of members of senior management	Designation	Experience in years	Qualification
1.	Mr. S Sridhar	Group Chief Executive Officer	35	Fellow Member - Institute of Chartered Accountants of India
2.	Mr. Sameer Abdulla Alkhan	Assistant Group Chief Executive Officer	38	Diploma in Human Resources
3.	Mr. R. Balasubramanian	Group Financial Controller	33	Fellow Member - Institute of Chartered Accountants of India
4.	Mr. Azzam M A Moutragi	Sales Manager	35	Master's Degree in Business Administration
5.	Mr. Sequeira Francisco	Maintenance Manager	36	Diploma in Mechanical Engineering and Post Graduate Diploma in Production & Maintenance Management
6.	Mrs. Layla Darwish	Human Resource Manager	30	Education Diploma in Secretarial Studies
7.	Mr. Wael Ahmed	Stores Manager	26	-

The remuneration paid to the Senior Management during the year was as follows:

Name of members of senior management	Amount (BD)
Salaries	268,911
Employees' end of service benefits	11,007
Total	279,918

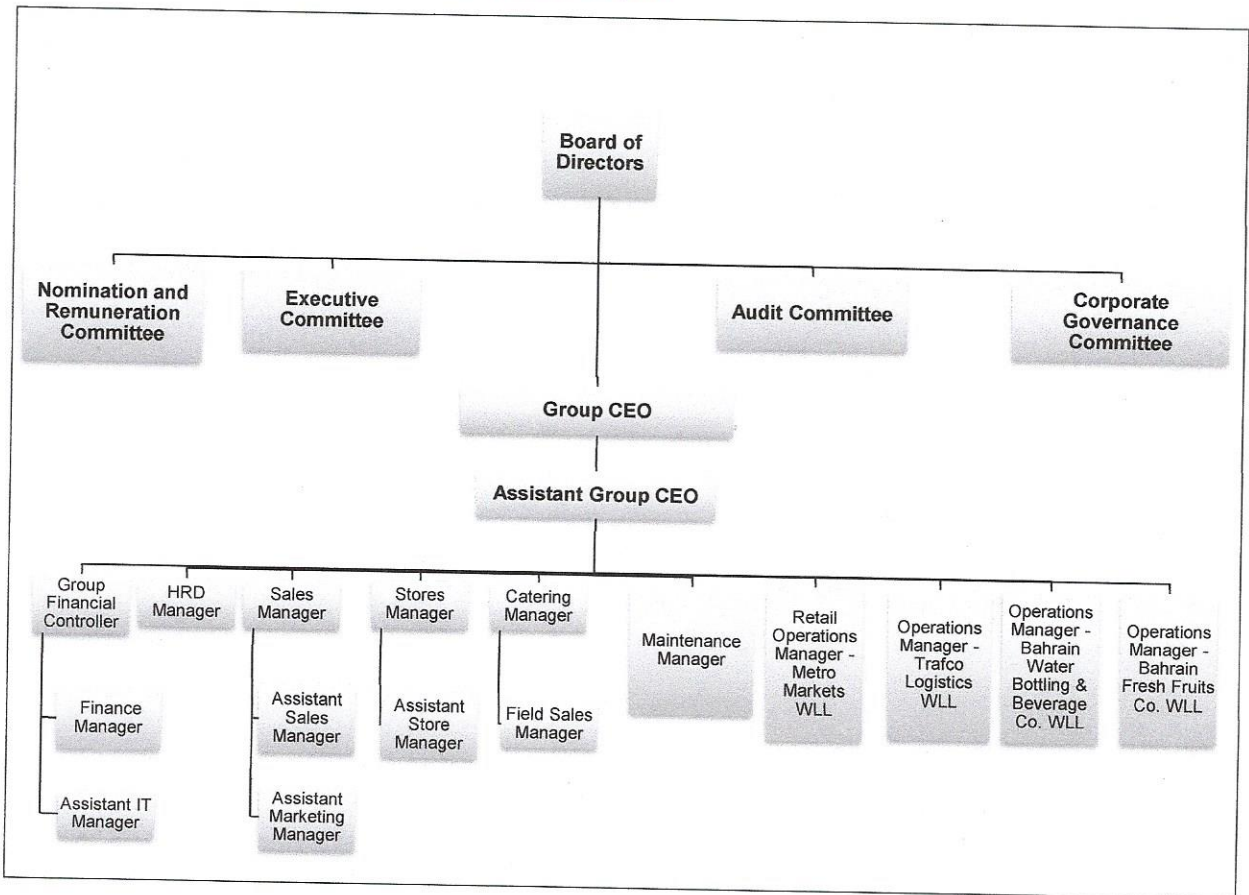


4.13. Code of Conduct/ Code of Ethics

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

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

5. COMPANY ORGANIZATIONAL STRUCTURE





6. COMMITTEES

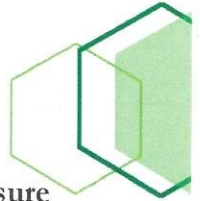
The Committees are constituted by the Board for the good corporate governance. Scope of authority and responsibilities are clearly defined by the Charters of the respective Committee. Committees put forward suggestions and recommendation to the Board as and when deem necessary. Minutes of the Committee meetings are distributed to the members of the Board periodically. The Board constantly evaluates the composition of the committees in the light of requirements of Law and for the successful functioning of the Company.

The following table summarises the information about the Board Committees, their members and objectives:

Board's Committee	Objective	Members	Independent/ Non-independent
Audit Committee	<p>The Audit Committee is responsible for:</p> <p>1) Monitoring the integrity of the financial reporting process, Trafco systems of Internal Control, review of the consolidated financial statements and reports, compliance of the board with legal and regulatory requirements and the performance of the Company's Internal Audit function.</p> <p>2) To recommend the appointment of external auditors, agreeing their compensation, overseeing their independence and preparing reports required to be prepared by the Committee pursuant to Central Bank of Bahrain, Bahrain Bourse, Bahrain Commercial Companies Law and other regulatory authorities in the Kingdom of Bahrain.</p>	<p>1. Mr Ebrahim Salahuddin Ahmed Ebrahim (Chairman)</p> <p>2. Mr Jehad Yusuf Abdulla Amin</p> <p>3. Mr A. Redha Mohamed Redha Aldailami</p> <p>4. Mr Ali Yusuf A. Rahman A. Rahim</p>	<p>Non-executive / Independent</p> <p>Non-executive / Non-Independent</p> <p>Non-executive / Independent</p> <p>Non-executive / Non-Independent</p>



Board's Committee	Objective	Members	Independent/ Non-independent
Executive (Investment & Finance) Committee	The Executive Committee is formed to discuss matters with the Company's management regarding senior staffing, financial performance, strategies, and all other issues as directed by the Board	<ol style="list-style-type: none"> 1. Mr Ebrahim Mohamed Ali Zainal 2. Mr Yusuf Saleh Abdulla Alsaleh 3. Mr Khalid A.Rahman Khalil Almoayed 4. Dr Esam Abdulla Yousif Fakhro 	<p>Non - Executive / Non-Independent</p> <p>Non -Executive / Non-Independent</p> <p>Non-Executive / Independent</p> <p>Non - Executive / Non-Independent</p>
Nomination and Remuneration Committee	Review and advise the Board of Directors on the Board's composition, new directors nominations in addition to Board and Senior Management remuneration.	<ol style="list-style-type: none"> 1. Mr Ebrahim Mohamed Ali Zainal (Chairman) 2. Mr Yusuf Saleh Abdulla Alsaleh 3. Dr Esam Abdulla Yousif Fakhro 4. Mr Khalid A.Rahman Khalil Almoayed 	<p>Non-executive / Non-Independent</p> <p>Non-executive / Non-Independent</p> <p>Non-executive / Non-Independent</p> <p>Non-executive / Independent</p>
Corporate Governance committee	To review and ensure compliance with Corporate Governance Code framework and guidelines.	<ol style="list-style-type: none"> 1. Mr Ebrahim Salahuddin Ahmed Ebrahim (Chairman) 2. Mr Jehad Yusuf Abdulla Amin 3. Mr A. Redha Mohamed Redha Aldailami 4. Mr Ali Yusuf A.Rahman A.Rahim 	<p>Non-executive / Independent</p> <p>Non-executive / Non-Independent</p> <p>Non-executive / Independent</p> <p>Non-executive / Non-Independent</p>



Audit Committee:

Mr. Ebrahim Salahuddin Ahmed Ebrahim is the Chairman of the Audit Committee. The Audit Committee comprises of four directors. The Charter of the Audit Committee specifies the roles and responsibilities assigned to the Committee.

Competences of the Audit Committee Members:

- 1- Review the Company's accounting and financial practices.
- 2- Review the credibility of the Company's financial control, internal control and financial statements.
- 3- Review and approve the Company's financial statements before presenting the same to the Board.
- 4- Discuss the significant accounting and financial policies and reporting issues for the financial year.
- 5- Review the Company's compliance with legal requirements.
- 6- Consider and recommend to the Board the appointment, resignation or dismissal of an external auditor, determine the audit fees and compensations and oversee the auditor's work.
- 7- Discuss the significant observations of external and internal Auditors and the response from the management.
- 8- Review the company's risk management and internal audit functions.
- 9- Ensure existence of appropriate policies, procedures, systems, internal controls and guidelines in the Company.
- 10- Deal with any concerns arising from the 'whistleblower' program adopted by the Board to allow for concerns to be raised confidentially.

The Company should hold a minimum of four Audit Committee meetings during each year. During the year, **three** meetings of the Audit Committee were held. The following table summarises the information about the members attendance in the Audit Committee meetings:

Members	23 Feb	29 Jul	04 Nov	% Attended
Mr Ebrahim Salahuddin Ahmed Ebrahim	✓	✓	✓	100%
Mr Jehad Yusuf Abdulla Amin	✓	✓	✓	100%
Mr A. Redha Mohamed Redha Aldailami	✓	✓	✓	100%
Mr Ali Yusuf A.Rahman A. Rahim	✓	✓	✓	100%

During the year, total fees paid to the members of the Audit Committee was BD 5,400/-.



Executive Committee:

Mr. Ebrahim Mohamed Ali Zainal is the Chairman of the Executive Committee. The Executive Committee comprises of four directors. The Charter of the Executive Committee specifies the roles and responsibilities assigned to the Committee.

Competences of the Executive Committee Members:

- 1- Address specific matters delegated to it by the Board of Directors.
- 2- Make recommendations thereon to the Board and make decisions based on authorities specifically delegated by the Board.
- 3- Review and approve business and investment opportunities and proposals, credit, major procurement, and outsourcing matters, as may be delegated by the Board.

The Company should hold a minimum of four Executive Committee meetings during each year. During the year, **two** meetings of the Executive Committee were held. The following table summarises the information about the members attendance in the Executive Committee meetings:

Members	20 May	24 Dec	% Attended
Mr Ebrahim Mohamed Ali Zainal	✓	✓	100%
Mr Yusuf Saleh Abdulla Alsaleh	✓	✓	100%
Mr Khalid A.Rahman Khalil Almoayed	✓	✓	100%
Dr Esam Abdulla Yousif Fakhro	✓	✓	100%

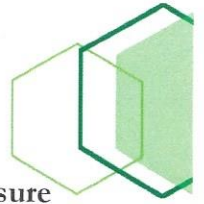
During the year, total fees paid to the members of the Executive Committee was BD 3,600.

Nomination and Remuneration Committee:

Mr. Ebrahim Mohamed Ali Zainal is the Chairman of the Nomination and Remuneration Committee. The Nomination and Remuneration Committee comprises of four directors. The Charter of the Nomination and Remuneration Committee specifies the roles and responsibilities assigned to the Committee.

Competences of the Nomination and Remuneration Committee Members:

- 1- Review the structure of the Board, periodically evaluate the directors' performance, and make recommendations to the Board on the necessary changes that should be made to address weaknesses to achieve the company's interests.
- 2- Ensure that adequate policies and procedures are in place for the evaluation of the performance of executive management.



- 3- Review the remuneration & sitting fees of the directors and making recommendations to the Board about their decision.
- 4- Approve of succession plans of senior management before the plans is presented to the Board for approval.

The Company should hold a minimum of two Nomination and Remuneration Committee meetings during each year. During the year, **one** meeting of the Nomination and Remuneration Committee were held. The following table summarises the information about the members attendance in the Nomination and Remuneration Committee meetings:

Members	24 Dec	% Attended
Mr Ebrahim Mohamed Ali Zainal	✓	100%
Mr Yusuf Saleh Abdulla Alsaleh	✓	100%
Mr Khalid A.Rahman Khalil Almoayed	✓	100%
Dr Esam Abdulla Yousif Fakhro	✓	100%

During the year, no fees paid to the members of the Nomination, Remuneration Committee .

Corporate Governance Committee:

Mr Ebrahim Salahuddin Ahmed Ebrahim is the Chairman of the Corporate Governance Committee. Corporate Governance Committee comprises of four directors. The Charter of the Corporate Governance Committee specifies the roles and responsibilities assigned to the Committee.

Competences of the Corporate Governance Committee Members:

- 1- Assist the board in developing Company's Corporate Governance policy framework and recommending changes from time to time to the framework developed.
- 2- Ensure the Company's practices conform to its corporate governance policy and is aligned to good governance practices.

The Company should hold a minimum of two Corporate Governance Committee meetings during each year. During the year, one meetings of the Corporate Governance Committee were held. The following table summarises the information about the members attendance in the Corporate Governance Committee meetings:

Members	04 Nov	% Attended
Mr Ebrahim Salahuddin Ahmed Ebrahim	✓	100%
Mr Jehad Yusuf Abdulla Amin	✓	100%
Mr A. Redha Mohamed Redha Aldailami	✓	100%
Mr Ali Yusuf A.Rahman A. Rahim	✓	100%



During the year, total fees paid to the members of the Corporate Governance Committee was BD 1,800.

7. CORPORATE GOVERNANCE

Actions taken to complete the Corporate Governance Code

The Board and the Company's employees are expected to maintain the highest level of corporate ethics and personal behaviour. The Company has established the Code which provides an ethical and legal framework for all employees in the conduct of its business. The Code also defines how the Company relates to its employees, shareholders and the community in which the Company operates.

The Board of Directors has adopted the Code and a Whistleblower Policy to monitor compliance with the ethical requirements of the Code. The Code provides clear directions on conducting business internationally, interacting with the Government entities, communities, business partners and general workplace behaviour having regard to the best practice of corporate governance models and ethics. The Code also sets out a behavioural framework for all employees in the context of a wide range of ethical and legal issues.

Compliances with the corporate governance code

Management and Board of Directors ensure compliance with corporate governance framework and guidelines to ensure compliance with the Corporate Governance Code and did not note any non-compliance during the years ended 2020.

8. CORPORATE GOVERNANCE OFFICER

S.No.	Name	Qualification	Date of Appointment	Contact Details
1	Mr. Sameer Abdulla Alkhan	Diploma in Human Resources	23/12/2018	Phone: +973-17723343 e-mail: sameer@trafco.com

9. IRREGULARITIES COMMITTED DURING THE FINANCIAL YEAR

There are no irregularities committed during the year 2020.



10. EXTERNAL AUDITORS

Fees and charges for the audit services provided by the external auditor during the year 2020, in addition to a description of the auditor's years of service as the Company's external auditor is as follows:

Name of the audit firm	Ernst & Young - Middle East
Years of service as the Company's external auditor	21 years
Name of the partner in charge of the Company's audit	Kazim Merchant
The partner's years of service as the partner in charge of the Company's audit	Second year
Total audit fees for the financial statements for the year 2020 (in BD)	Information about audit fees is available on request from Corporate Governance Officer.
Other special fees and charges for non-audit services other than auditing the financial statements for the year 2020 (in BD) if any. In the absence of such fees, this shall be expressly stated	

11. CONFLICT OF INTEREST

No conflicts of interest arose during the years ended 2020. In the instance of a conflict of interest arising as a result of any business transaction or any type of resolution to be taken, the concerned Board member shall refrain from participating at the discussion of such transaction or resolution to be taken. Members of the Board of Directors or its Committees usually inform the Board of a potential conflict of interest prior to the discussion of any transaction or resolution and concerned member(s) refrain from voting on these transactions or resolution where a conflict of interest arise.

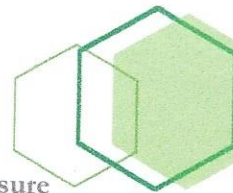
12. RELATED PARTY TRANSACTIONS

All related party transactions are done on an arm's length basis and approved by the management of the Group. No employee or director or member of executive management can trade the shares with the material information which is not made public.

Details of transactions with related parties (stakeholders), indicating the nature of relationship and type of transaction is detailed in section 17. All transaction listed in section 17 is with common directors except Bahrain Livestock Company B.S.C. (c) which is an Associate.

13. MEANS OF COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

The Company is committed to providing relevant and timely information to its shareholders, investors and regulators in accordance with its continuous disclosure obligations defined in the Code. Information is communicated to shareholders and regulators through the distribution of the Company's Annual Report and other information releases about the significant matters through



the Company's website in a timely manner. The Board Secretary is responsible for communications with the shareholders and regulators ensuring that the Company meets its continuous disclosures obligations as defined in the Code.

14. EVALUATION OF BOARD PERFORMANCE

The shareholders evaluate the performance of the Board of Directors and absolve them from liability in the Annual General Meeting. The Board of Directors evaluates the performance of the Chairman and Group CEO in the Board of Directors meeting.

During the year, 2020, evaluation was done in the following ways:

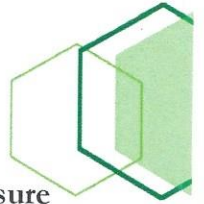
The Board has introduced annual performance evaluations of Board, its Committees, individual directors and executive management in accordance with their respective terms of reference and appointment agreements with the aim of improving the effectiveness and contributions towards the Group.

The evaluation is designed to determine whether the Board, its Committees, individual directors and executive management continues to be capable of providing the high level judgment required and are informed and up to date with the business and its goals and understand the context within which it operates.

15. CONTRIBUTIONS TOWARDS COMMUNITY DEVELOPMENT AND ENVIRONMENT PRESERVATION

Contribution to Charitable societies and others in cash BD 50,938 (including COVID-19 Feena Khair Campaign)

Contribution in kind of BD 11,002.



16. COMPLIANCE WITH THE PROVISIONS OF THE CORPORATE GOVERNANCE CODE

Principle	Non-compliant	Partially Compliant	Fully Compliant	Explanation in case of non-compliance
Principle 1: The Company shall be headed by an effective, qualified and expert board.			Yes	
Principle 2 The directors and executive management shall have full loyalty to the company.			Yes	
Principle 3: The Board shall have rigorous controls for financial audit and reporting, internal control, and compliance with law.			Yes	
Principle 4: The Company shall have effective procedures for appointment, training, and evaluation of the directors.			Yes	
Principle 5: The Company shall remunerate directors and senior officers fairly and responsibly			Yes	
Principle 6: The Board shall establish a clear and efficient management structure for the Company and define the job titles, authority, 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	



17. ANNEXURE 1: RELATED PARTY TRANSACTIONS:

Related party details for the year 2020

1. TRAFCO - Trafco Group B.S.C
2. ADC - Awal Dairy Company W.L.L.
3. BWBC - Bahrain Water Bottling & Beverages Company W.L.L.
4. BFFC - Bahrain Fresh Fruits Company W.L.L.
5. METRO - Metro Market W.L.L.
6. TLC - Trafco Logistics Company W.L.L.

MAZA B.S.C (C)	TRAFCO	ADC	BWBC	BFFC	METRO	TLC	TOTAL
Sales	1,906	-	-	-	-	-	1,906
Purchases	6,766	251,474	-	-	4,161	-	262,401
Other income	-	-	-	-	-	-	-
Receivables	48	-	-	-	-	-	48
Payables	-	40,556	-	-	141	-	40,697
Other expenses	-	-	-	-	-	-	-

Mohamed Jalal & Sons Company	TRAFCO	ADC	BWBC	BFFC	METRO	TLC	TOTAL
Sales	84,329	-	-	26,984	-	-	111,313
Purchases	-	-	-	-	50,797	-	50,797
Other income	-	-	-	-	-	-	-
Receivables	32,614	-	-	14,672	-	-	47,286
Payables	-	-	-	-	4,204	-	4,204
Other expenses	-	-	-	-	-	-	-

Saleh Alsaleh Company W.L.L	TRAFCO	ADC	BWBC	BFFC	METRO	TLC	TOTAL
Sales	33,056	-	-	4,103	-	-	37,159
Purchases	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-
Receivables	10,821	-	-	-	-	-	10,821
Payables	-	-	-	-	14	-	14
Other expenses	-	-	-	-	243	-	243

Manama Travel Centre	TRAFCO	ADC	BWBC	BFFC	METRO	TLC	TOTAL
Sales	-	-	-	-	-	-	-
Purchases	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-
Receivables	-	-	-	-	-	-	-
Payables	495	-	-	-	155	-	650
Other expenses	645	-	-	-	1,095	-	1,740



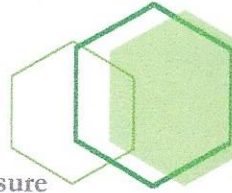
E K Kanoo Group	TRAFCO	ADC	BWBC	BFFC	METRO	TLC	TOTAL
Sales	-	-	18,020	-	-	-	18,020
Purchases	-	-	-	-	-	5,487	5,487
Other income	-	-	-	-	-	-	-
Receivables	-	-	5,948	-	-	-	5,948
Payables	448	-	12,040	326	-	4,796	17,611
Other expenses	4,589	-	34,597	2,454	-	-	39,640

Motorcity Holding Co	TRAFCO	ADC	BWBC	BFFC	METRO	TLC	TOTAL
Sales	-	-	-	-	-	-	-
Purchases	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-
Receivables	-	-	-	-	-	-	-
Payables	465	-	622	186	-	-	1,273
Other expenses	1,015	-	2,202	1,704	-	-	4,921

United Paper Industries	TRAFCO	ADC	BWBC	BFFC	METRO	TLC	TOTAL
Sales	-	-	-	-	-	-	-
Purchases	5,257	275,082	82,612	-	-	-	362,951
Other income	-	-	-	-	-	-	-
Receivables	-	-	-	-	-	-	-
Payables	-	73,554	17,409	-	-	-	90,963
Other expenses	-	-	-	-	-	-	-

Delmon Poultry	TRAFCO	ADC	BWBC	BFFC	METRO	TLC	TOTAL
Sales	-	-	-	-	-	2,844	2,844
Purchases	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-
Receivables	-	-	-	-	-	-	-
Payables	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-

Abdulla Yusif Fakhro	TRAFCO	ADC	BWBC	BFFC	METRO	TLC	TOTAL
Sales	-	-	256	-	-	-	256
Purchases	-	-	2,294	-	-	-	2,294
Other income	-	-	-	-	-	-	-
Receivables	-	-	151	-	-	-	151
Payables	929	-	523	-	-	-	1,452
Other expenses	4,278	-	-	-	-	-	4,278



Bahrain Cinema Company	TRAFCO	ADC	BWBC	BFFC	METRO	TLC	TOTAL
Sales	-	-	42	-	-	-	42
Purchases	-	-	-	-	-	-	-
Other income	500	-	-	-	-	-	500
Receivables	-	-	-	-	-	-	-
Payables	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-

Budget Rent A Car	TRAFCO	ADC	BWBC	BFFC	METRO	TLC	TOTAL
Sales	-	-	-	-	-	-	-
Purchases	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-
Receivables	-	-	-	-	-	-	-
Payables	-	-	147	-	-	-	147
Other expenses	-	-	1,858	-	-	-	1,858

Alosra Supermarket WLL	TRAFCO	ADC	BWBC	BFFC	METRO	TLC	TOTAL
Sales	63,395	29,930	250	33,941	-	-	127,516
Purchases	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-
Receivables	18,536	7,045	220	2,904	-	-	28,705
Payables	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-

National Transport Company	TRAFCO	ADC	BWBC	BFFC	METRO	TLC	TOTAL
Sales	-	-	-	-	-	-	-
Purchases	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-
Receivables	-	-	-	-	-	-	-
Payables	-	1,050	-	-	-	-	1,050
Other expenses	-	5,253	-	-	-	-	5,253



Yousuf Abdul Rahman Engineer	TRAFCO	ADC	BWBC	BFFC	METRO	TLC	TOTAL
Sales	-	-	-	-	-	-	-
Purchases	-	5,344	-	-	-	-	5,344
Other income	-	-	-	-	-	-	-
Receivables	-	-	-	-	-	-	-
Payables	182	39,759	-	-	-	-	39,941
Other expenses	1,728	151,165	-	-	-	-	152,893

FOOSCO	TRAFCO	ADC	BWBC	BFFC	METRO	TLC	TOTAL
Sales	-	14,964	6,305	-	-	201	21,470
Purchases	24,520	-	27,273	-	665	-	52,458
Other income	-	-	-	-	-	-	-
Receivables	20,720	1,677	85	-	-	-	22,482
Payables	11,957	-	3,623	-	57	-	15,636
Other expenses	-	-	-	-	-	-	-

Bahrain Livestock Co.	TRAFCO	ADC	BWBC	BFFC	METRO	TLC	TOTAL
Sales	24,020	-	120	441	-	-	24,581
Purchases	14,415	-	-	-	7,363	-	21,778
Other income	-	-	-	13,180	-	-	13,180
Receivables	3,036	-	31	3,399	-	-	6,466
Payables	2,444	-	-	-	207	-	2,651
Other expenses	-	-	-	-	-	-	-

BMMI Group	TRAFCO	ADC	BWBC	BFFC	METRO	TLC	TOTAL
Sales	147,186	-	-	-	-	-	147,186
Purchases	-	-	-	-	51,868	-	51,868
Other income	56,685	-	-	-	-	-	56,685
Receivables	27,244	-	-	-	-	144	27,388
Payables	-	-	-	-	2,970	-	2,970
Other expenses	-	-	-	-	-	-	-

BANZ Group	TRAFCO	ADC	BWBC	BFFC	METRO	TLC	TOTAL
Sales	-	-	2,894	-	-	-	2,894
Purchases	-	-	-	-	-	-	-
Other income	245,192	-	-	-	-	-	245,192
Receivables	-	-	421	-	-	-	421
Payables	-	-	-	-	-	-	-
Other expenses	-	-	878	-	-	-	878

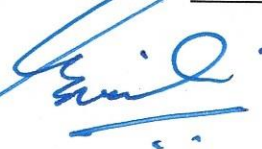


Banader Hotels	TRAFCO	ADC	BWBC	BFFC	METRO	TLC	TOTAL
Sales	1,081	-	-	-	-	-	1,081
Purchases	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-
Receivables	187	-	-	-	-	-	187
Payables	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-

Associates company	TRAFCO	ADC	BWBC	BFFC	METRO	TLC	TOTAL
Sales	24,020	-	120	441	-	-	24,581
Purchases	14,415	-	-	-	7,363	-	21,778
Other income	-	-	-	13,180	-	-	13,180
Receivables	3,036	-	31	3,399	-	-	6,466
Payables	2,444	-	-	-	207	-	2,651
Other expenses	-	-	-	-	-	-	-

Common directorship	TRAFCO	ADC	BWBC	BFFC	METRO	TLC	TOTAL
Sales	330,953	44,894	27,767	65,028	-	3,045	471,687
Purchases	36,543	531,900	112,179	-	107,491	5,487	793,601
Other income	302,377	-	-	-	-	-	302,377
Receivables	110,170	8,722	6,825	17,576	-	144	143,436
Payables	14,476	154,919	34,364	512	7,541	4,796	216,608
Other expenses	12,256	156,418	37,534	4,158	1,338	-	211,704

Description	Sales	Purchase of goods and services	Other Income	Expenses	Due from related parties	Due to related parties
	BD	BD	BD	BD	BD	BD
Associated companies	24,581	21,778	13,180	-	6,466	2,651
Common directors	471,687	793,601	302,377	211,704	143,436	216,608
	496,268	815,378	315,557	211,704	149,902	219,259


 Ebrahim Mohamed Ali Zainal
 Chairman
 24 February 2021.