



SHARAKA
FOR HOUSING PROJECTS BSC (-)

CORPOATE GOVERNANCE REPORT

2023

SHARAKA FOR HOUSING PROJECTS B.S.C. (C)

SHARAKA B.S.C. (C) COMMERCIAL REGISTRATION NO. 81244-1

CORPORATE GOVERNANCE REPORT FOR THE YEAR 2023

1- DESCRIPTION OF THE ACTIONS TAKEN TO COMPLETE THE CORPORATE GOVERNANCE CODE DURING THE YEAR 2023 AND HOW THEY WERE APPLIED.

Sharaka B.S.C (c) is a wholly owned subsidiary of Naseej BSC, specifically created to carry out the Public Private Partnership project with the Ministry of Housing. Being a special purpose vehicle (SPV), the company does not have its own audit committee or remuneration, nomination, and governance committee; it only has a dedicated Board of Directors. All its operations are handled by Naseej BSC. Naseej BSC has always endeavored to be compliant with the Corporate Governance practices over the years as part of best practices when the Corporate Governance code was introduced by CBB, although the Company is not regulated by CBB. Naseej BSC have carried out gap analysis of the group with the introduction of the new code and accordingly implemented the new code in full at group level. A "Corporate Governance Officer" was appointed and communicated to the Ministry of Industry and Commerce (MOIC).

2- DESCRIPTION OF THE TRANSACTIONS OF THE DIRECTORS, THEIR SPOUSES, AND SONS ON THE COMPANY'S SHARES DURING THE YEAR 2023.

There were no transactions related to the directors, their spouses, and sons on the Company's shares during the year 2023.

3- COMPOSITION OF THE BOARD:

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

1. Shaikh Hamed Mohamed Al-Khalifa

Name	Shaikh Hamed Mohamed Al-Khalifa
Type (executive, non-executive or independent)	Chairman of the Board of Directors, Independent & Non-Executive
Experience	Bahrain's former chief urban planner offering comprehensive background in community-based planning, project management and policy and program development. Formerly the General Director of Urban Planning in the Kingdom of Bahrain (for 9 years), was also an Investment Manager at Mumtalakat overlooking the real estate portfolio, and formerly served at the Board of Durrat Al-Bahrain and Southern Tourism Company.

Qualification	<ul style="list-style-type: none"> ▪ BS in Systems Analysis Engineering with a minor in Economics from the George Washington University, USA. ▪ Masters in engineering management with a concentration in economics, finance, and cost engineering from the George Washington University, USA.
The period of his term as a director of the Company starting from the date of his first election or appointment	Since 2018
Directorships and positions in other companies	<ul style="list-style-type: none"> ▪ Chairman in Sharaka B.S.C, Insaf W.L.L. and Hope Ventures ▪ Deputy Chairman in BQA ▪ Board Member in ASRY ▪ Formerly: General Director of Urban Planning at Ministry of Urban Planning & Municipalities, Investment Manager - Real Estate at Mumtalakat and Project Manager at Economic Development Board. ▪ Former Boards in Durrat Al-Bahrain and Southern Tourism Company, Bahrain National Space Science Agency, and Telecommunications Regulatory Authority
Positions in any other key regulatory, government or commercial entities.	None

2. Ahmed AbdulQader Saleh Taqi

Name	Ahmed AbdulQader Saleh Taqi
Type (executive, non-executive or independent)	Non-Independent, Non-Executive Director Member of the Executive Committee
Experience	Over 22 years of experience in leadership and executive management positions at local and international banking firms in the field of Retail & Wholesale Banking.
Qualification	<ul style="list-style-type: none"> ▪ Master of Business Administration (MBA), University of Glamorgan, UK – Currently known as the University of South Wales. ▪ Master of Applied Business Research, Swiss Business School, Switzerland. ▪ Completed several executive development programs from reputable universities and business schools such as: Harvard Business School – USA, Darden School of Business – USA, Cass Business School – UK, London Business School – UK, Cambridge Judge Business School – UK, and Insead Business School – FRA.
The period of his term as a director of the Company starting from the date of his first election or appointment	Since 2020
Directorships and positions in other companies	<ul style="list-style-type: none"> ▪ General Manager, Retail Banking Division, BBK. ▪ Board Member <ul style="list-style-type: none"> ○ CrediMax – Executive Director. ○ Sharaka for Housing Projects – Non-Independent/Non-Executive Director.
Positions in any other key regulatory, government or commercial entities.	None

3. Mohammed Khalil Alsayed

Name	Mohammed Khalil Alsayed
Type (executive, non-executive or independent)	Managing Director – up to 15 April 2023 Non-Independent, Executive Director Member of Remuneration, Nomination & Governance Committee Member of Executive Committee
Experience	Over 38 years of experience in Engineering, Project Management and Real Estate Development. Currently the Chief Executive Officer of Ithmaar Development Company
Qualification	<ul style="list-style-type: none"> ▪ MSc in Structural Engineering from the Southern Methodist University, Texas, USA. ▪ BSc in Civil Engineering from the University of Arkansas, USA; and an Advanced Diploma in Project Management from RMIT University, Australia.
The period of his term as a director of the Company starting from the date of his first election or appointment	Since 2009
Directorships and positions in other companies	<ul style="list-style-type: none"> ▪ Vice Chairman & CEO of Ithmaar Development Company ▪ Chairman: <ul style="list-style-type: none"> ○ Dilmunia Health Island Company ○ Olive VFM Holding Company ○ Chase Manara WLL ○ IDC Properties BSC ▪ Board Member: <ul style="list-style-type: none"> ○ Sharaka for Housing Projects BSC ○ Naseej Projects Co. S.P.C ○ Naseej Rabat WLL ▪ Managing Director: <ul style="list-style-type: none"> ○ HI One SPC ○ HI Four SPC ▪ Member: <ul style="list-style-type: none"> ○ Arabian Gulf Chapter of Project Management Institute, USA ○ Bahrain Society of Engineers ○ American Society of Civil Engineers ○ Society of American Value Engineers ○ American Management Association ▪ Formerly: <ul style="list-style-type: none"> ○ Undersecretary, Ministry of Works & Housing ○ Chairman of the Council for Regulating the Practice of Engineering Profession ○ President of the Bahrain Society of Engineers (for two consecutive terms)
Positions in any other key regulatory, government or commercial entities.	None

b. Description of the following:

1. Total Remunerations paid to the directors for the (last) year 2023.

For the year 2023, no Board remuneration was paid to the Directors'. Board Sitting fees amounted to BD 1,500

2. The proposed total remunerations to be paid to the directors for the year 2023, which will be presented at the annual general meeting for approval.

For the year 2023, no Board remuneration will be proposed.

3. Description of the sitting fees paid to the directors for attendance of the Board's committees for the financial year 2023 according to the following table:

Since Sharaka is a Special Purpose Vehicle created by Naseej B.S.C. to manage a single project, no separate committees were created for this company as all its operations are managed by Naseej BSC.

c. Number and dates of the Board's meetings held during the financial year 2023, in addition to the number of times directors attended in person or by visual communication and a description of the directors present by proxy.

Meeting No.	Board Meeting Date	No. of Directors Attending in person	No. of Directors Attending by phone/Virtual	No. of Directors present by proxy
1	2 April 2023	2	1	None
2	22 June 2023	3	0	None
3	19 Sept 2023	3	0	None
4	11 Dec 2023	2	1	None

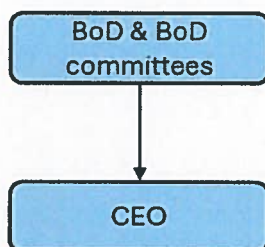
d. Description of the Board's duties and competences carried out on its behalf by the Executive Management by delegation of authority, specifying the duration and validity of the delegation.

The Board carries its duties and competences as per the Board charter and no duties of the Board have been carried out on its behalf by the Executive Management by delegation of authority.

- e. **Details of transactions with related parties (stakeholders), indicating the nature of relationship and type of transaction. (Naser to provide)**

Name	Relationship	Amount	Type of Transaction
Ithmaar Bank	Shareholder of Parent Co.	BD47,623	Income from bank deposits/placements
Ithmaar Bank	Shareholder of Parent Co.	BD400,000	Cash deposits / placements with the bank

- f. **The Company's organizational structure, including the first and second grades at a minimum and including the Company's general manager and/or chief executive officer, deputy general manager and managers.**



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

Total remunerations paid to the key executive officers was BD 6,250 in 2023.

4- EXTERNAL AUDITORS:

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

Deloitte & Touche (M.E.), Bahrain are external auditors of the Company. Deloitte in Bahrain was established in 1955 and is part of Deloitte & Touche (M.E.). Deloitte & Touche (M.E.) is a member firm of Deloitte Touche Tohmatsu Limited (DTTL). Through the years the variety of high quality of services delivered by Deloitte Bahrain has been instrumental in the setting up of a wide range of small, medium, and large businesses (including some banks and insurance companies) on the island.

- b. Fees and charges for the audit or services provided by the external auditor during the year 2023, in addition to a description of the auditor's years of service as the Company's external auditor. According to the following table:

Name of the audit firm	Deloitte & Touche (M.E.), Bahrain
Years of service as the Company's external auditor	7 years
Name of the partner in charge of the Company's audit	Mr. Irshad Mahmood
The partner's years of service as the partner in charge of the Company's audit	7 years
Total audit fees for the financial statements for the year 2023 (BD)	2,200/-
Other special fees and charges for non-audit services other than auditing the financial statements for the year 2023 (BD) if any. In the absence of such fees, this shall be expressly stated	2,220/-

5- AUDIT COMMITTEE:

Sharaka is supervised by the parent company's committee (Naseej B.S.C.).

- a. Names, competences, and duties of the audit committee's members.

#	Name	Position
1	Abdulelah Alqasimi	Chairman
2	Ahmed Abdulrahim	Member
3	Talal Almahroos	Member

The Committee members have relevant financial ability and experience, which include:

- The ability to read and understand corporate financial statements including a company's balance sheet, income statement and cashflow statement and changes in shareholders' equity.
- An understanding of the accounting principles which are applicable to the company's financial statements, experience in evaluating financial statements that have a level of accounting complexity comparable to that which can be expected in the company's business.
- Understanding of internal controls and procedures for financial reporting, and an understanding of the audit committee's functions and importance.
- The Audit & Risk Committee Meets at least four time a year. The Committee has a formal written charter.

- b. Number and dates of meetings held by the audit committee during the year to discuss issues related to financial statements and any other matters and the number of times members attended the meetings in person.

Meeting No.	Meeting Date	No. of Directors Attending in person	No. of Directors Attending by phone	No. of Directors present by proxy
1	21 st March 2023	3		None
2	13 th June 2023	3		None
3	7 th August 2023	3		None
4	10 th September 2023	3		None
5	4 th Dec 2023	3		None

6- REMUNERATION NOMINATION AND GOVERNANCE COMMITTEE (RNGC):

Sharaka is supervised by the parent company's committee (Naseej B.S.C.).

- a. Names, competences, and duties of the RNGC committee's members.

#	Name	Position
1	Dr. Khalid Abdulla	Chairman
2	Mohammed Khalil Alsayed	Member
3	Talal Almahroos	Member

The Committee members have relevant understanding and experience in ensuring fair, transparent, and responsible remuneration and nomination practices and align with the Company's performance, promoting transparency, and balancing stakeholder interests contributing to effective corporate governance. Committee members responsibility include:

- Awareness and understanding of the Laws of Bahrain and any approved Company policies relative to the business, legislative, regulatory, legal, or other matters.
- Review and recommend to the Board of Directors any salary increments and bonus awards for all levels of the staff, promotions or any other unusual or special increments throughout the year for any member of staff.
- Apply diligence and attentiveness in adopting governance best practices and responding to the requirements of the Company's business.

- Review and recommend changes to the Board size, structure, composition, duties, or meeting frequency.
 - Remain flexible to Company's governance principles, policies, standards, and practices to assist the Board and the Management to effectively and efficiently promote the best interests of the Company and its stakeholders.
- b. Number and dates of meetings held by the RENGOC committee during the year to discuss issues related to financial statements and any other matters and the number of times members attended the meetings in person.

Meeting No.	Meeting Date	No. of Directors Attending in person	No. of Directors Attending by phone	No. of Directors present by proxy
1	4 January 2023	0	3	None
2	2 March 2023	1	2	None
3	22 March 2023	3	0	None
4	29 November 2023	2	1	None

7- EXECUTIVE COMMITTEE (EXCOM):

Sharaka is supervised by the parent company's committee (Naseej B.S.C.).

- a. Names, competences, and duties of the audit committee's members.

#	Name	
1	Sattam Algosaibi	Chairman
2	Mohamed Alsayed	Member
3	Ahmed Taqi	Member
4	Maysan Almaskati	Member
5	Yusuf Althawadi	Member

The Committee members have a comprehensive understanding in conducting business matters of the Company include investments, operations, sales and marketing and corporate social responsibility:

- Consider, review, advise on investment transactions proposed by the management.
- Approve and instruct Management to proceed with investments which are compliant with the BOD's approved business plan and investment strategy.
- Conduct On-going investment monitoring and performance evaluation on the Company's portfolio.
- Develop an annual plan for CSR activities detailing the specific identified causes that it will support during the year to be approved by the BOD.

b. Number and dates of meetings held by the executive committee during the year to discuss issues related to financial statements and any other matters and the number of times members attended the meetings in person.

Meeting No.	Meeting Date	No. of Directors Attending in person	No. of Directors Attending by phone	No. of Directors present by proxy
1	8 February 2023	5	0	None
2	20 March 2023	4	1	None
3	29 May 2023	5	0	None
4	10 September 2023	5	0	None
5	30 October 2023	5	0	None
6	3 December 2023	3	2	None

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

Name:	Amer Janahi
Qualifications:	Amer Janahi has over 22 years of experience in human resources management (HRM) in the Kingdom of Bahrain. Prior to joining Naseej, he held various HRM positions with Ithmaar Bank, Bahrain National Gas Company (Banagas), and the Court of the Crown Prince of the Kingdom of Bahrain. His experience covers all aspects of human resources, with a particular focus on recruitment methodologies, compensation schemes, employee relations, training and development, competency-based career progression, employment law and regulations, performance management, and payroll administration. Amer holds a Master of Science degree in Human Resource Management from DePaul University, Chicago, USA, and a Bachelor of Arts degree in Business Information Management from Portobello College, Dublin, Republic of Ireland. An Associate Member of the UK Chartered Institute of Personnel & Development (CIPD), Amer is certified in both Personnel Practice (CPP) and Training Practice (CTP).
Date of Appointment:	10/7/2023
Contact Details:	Office No.16557955 Mobile No. 39977611 Email: amer.janahi@naseej.bh

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

None

- 10- DESCRIPTION OF THE CASH AND IN-KIND CONTRIBUTIONS MADE BY THE COMPANY DURING THE YEAR 2023 FOR THE PURPOSE OF COMMUNITY DEVELOPMENT AND ENVIRONMENT PRESERVATION (IN THE ABSENCE OF CONTRIBUTIONS, IT SHOULD BE STATED THAT THE COMPANY DID NOT MAKE ANY CONTRIBUTIONS), INDICATING THE RECIPIENTS OF THESE CONTRIBUTIONS.

In 2023, the company did not make any contributions.

- a. Statement of shareholders' equity as of 31/12/2023 (individuals, corporate, government or organizations) to be classified as follows: Local, Gulf, Arab, and foreign.

#	Shareholder classification	Shareholding %			
		Individuals	Corporate	Government or Organizations	Total
	Local	0.02%	99.98%	0%	100%
	Arab	-	-	-	-
	Foreign	-	-	-	-
	Total	0.02%	99.98%	0%	100%

- b. Description of the shareholders who hold 5% or more of the Company's share capital, indicating the name of the natural person who holds the shares, the final beneficiary, as at 31/12/2023 as follows:

#	Name	Number of shares held	Shareholding %	Name of the natural person, the final beneficiary
1	Bahrain PPP Investment Company Ltd	249,950	99.98%	Naseej B.S.C.

- a. Description of how shareholders are distributed according to their respective shareholding as at 31/12/2023 as follows:

#	Shareholding (share)	No of shareholders	Number of shares held	Shareholding %
1	<50,000	1	50	0.02%
2	50,000 to 500,000	1	249,950	99.98%

- b. Description of the significant events that occurred during the year 2023.
No significant events occurred in the year 2023.

11- COMPLIANCE WITH THE PROVISIONS OF THE CORPORATE GOVERNANCE CODE, AS FOLLOWS:

	Principle	Not Compliant	Partially Compliant	Fully Compliant	Explanation of non-compliance
1	The Company shall be headed by an effective, qualified, and expert Board.			✓	
2	The Directors and Executive Management shall have full loyalty to the Company.			✓	
3	The Board shall have rigorous controls for financial audit and reporting, internal control, and compliance with law.	✓			ARC & RNGC do not have Independent Directors
4	The Company shall have effective procedures for appointment, training, and evaluation of the Directors.			✓	
5	The Company shall remunerate Directors and Senior Officers fairly and responsibly.			✓	
6	The Board shall establish a clear and efficient management structure for the Company and define the job titles, powers, roles, and responsibilities.			✓	



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7	The Company shall communicate with Shareholders, encourage their participation, and respect their rights.			✓	
8	The Company shall disclose its corporate governance.			✓	
10	The Board shall ensure the integrity of the financial statements submitted to Shareholders through appointment of External Auditors.			✓	
11	The Company shall seek through social responsibility to exercise its role as a good citizen.			✓	
9 *	Companies which offer Islamic services shall adhere to the principles of Islamic Shari'a.				Not Applicable to Sharaka

12- ANY DISCLOSURES REQUIRED BY THE REGULATORY AUTHORITIES.

There are no further disclosures.

Chairman Signature



SHARAKA
FOR HOUSING PROJECTS BSC (c)

**C.R No: 81244-1, P.O. Box 1383
Manama, Kingdom of Bahrain**

Official Seal of the Company

Date: 22/05/2024