
ALUMINIUM BAHRAIN B.S.C. (Alba)

Corporate Governance Report for the Year-Ending 31 December 2019 (FOR PRESENTATION BY BOARD TO SHAREHOLDERS AT AGM ON 08 March 2020)

Aluminium Bahrain B.S.C.: Commercial Registration No. 999
Manama [ALBH]

CONTEXT

The Corporate Governance Code of the Kingdom of Bahrain (the “MOICT Code”) was issued in 2010 by the Ministry of Industry, Commerce and Tourism (the “MOICT”) and has been revised in subsequent years. The MOICT promulgated an updated version of the Corporate Governance Code (the “Code”) which supplements the previous Code and came into effect on 01 September 2018.

The Code requires public-listed companies to adopt corporate governance guidelines covering the matters stated in the Code, report annually to their shareholders on their compliance with those guidelines and the Code as well as explain to the shareholders any instance (s) of non-compliance followed by a justification where appropriate.

In July 2011, the Central Bank of Bahrain (the “CBB”) issued the Corporate Governance Module (the “CBB Module”) under the Capital Markets’ section of the CBB Rulebook. Certain sections of the CBB Module are extracts and/or expansions of the requirements in the Code and apply to all public-listed companies. Companies are required to report and explain any areas of non-compliance by way of an annual report to Shareholders and to the CBB. The CBB Module has been revised in subsequent years.

This report sets-out Alba’s Corporate Governance Report as required by both - The Code (2018) and the CBB Module.

The Corporate Governance Report for 2019 and for prior years can be viewed by visiting Alba’s website at www.albasmelter.com.

1. Description of the actions taken to complete the Corporate Governance Code during 2019 and how they were applied

Alba has adopted and is committed to implement both the Corporate Governance Code of the Kingdom of Bahrain (the “MOICT Code”) and the Corporate Governance Module (the “CBB Module”). The Company seeks, where applicable, to exceed the minimum requirements of the MOICT Code and the CBB Module and to implement the additional recommendations and guidance of the MOICT Code as well as other international best practices in the Corporate Governance. The Company operates in line with a set of Board approved ‘Corporate Governance Guidelines’. Compliance with the Code is monitored by the Board Nomination, Remuneration and Corporate Governance Committee by utilizing reports prepared by the Corporate Governance Officer and Corporate Governance related audits by Internal Audit.

A Board approved ‘Code of Conduct’ for Alba - on par with leading international codes of ethics, and setting-out required ethical conduct for all employees and representatives of the Company - has been launched across the Company by the Executive team through a comprehensive communication and training program. Compliance with the Code of Conduct is monitored by Alba’s Integrity Task Force, which reports directly to the Board Audit Committee through the Chief Internal Auditor, who acts as Chairman of the Task Force. Monitoring tools include an independently operated confidential hotline along with a reporting system in multiple languages by phone and internet 24-hours a day and every day. With effect from 01st September 2018, the Company has also appointed a Corporate Governance Officer as per the requirement of the

ALUMINIUM BAHRAIN B.S.C. (Alba)

revised Code to ensure that the policies and procedures applied at Alba are in accordance with the regulatory and legal requirements of the Corporate Governance Code of 2018.

2. Description of the transactions of the Directors, their spouses and children on the Company's shares during 2019 according to the following table

#	Name	Position/Kinship	Shares Held as at 31/12/2019	Total Sale Transaction	Total Purchase Transaction
1	Mutlaq H. Al Morished	Board Member	1,250,000		50,000

3. Composition of the Board

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

Name	Age	Member Since	Directorships of other Boards	Position
Shaikh Daij Bin Salman Bin Daij Al Khalifa	50	2014	Arab Shipbuilding and Repair Yard Co. (ASRY) until October 2019	Chairman
			Masafat Travel & Tourism S.P.C.	Owner
Yousif A. Taqi	58	2008	Bahrain Middle East Bank	Board Member
			Kuwait Finance House Bahrain	Board Member
			Al Sorouh Management Company	Board Member
			Eskan Bank	Board Member
Osama M. Al Arrayedh	56	2006	None	None
Suha S. Karzoon	44	2015	ASMA Limited	Board Member
			Mumtalakat Sukuk Holding Company	Board Member
			Hawar Aviation Company B.S.C. ©	Board Member
			Bahrain National Dredging Company B.S.C. ©)	Board Member
			Mazad B.S.C.	Board Member
			Atbahrain B.S.C. ©	Board Member
			Jewel Holding Limited	Board Member
			Zeus Holding Limited	Board Member
			H. Al Dhaen Boats W.L.L.	Board Member
			Khairat Al Bahrain 1 & 2 Holding S.P.C.	Board Member
Dr. Mohamed Saleh Kameshki	61	2014	Saleh Abdulla Kamashki & Sons B.S.C. ©	Board Member/Vice Chairman
			Mawteni Trading Company W.L.L. until October 2019	Chairman
			Gulf Turkey Trading Co. W.L.L.	Board Member
			Radio Bahrain Company	Board Member
			Murooj Al Bahrain Co. LTD	Board Member
Yaser E. Humaidan	48	2017	BMHC Investment 1	Board Member
			Muhaq S.P.C.	Board Member
			Shura Council	Member

ALUMINIUM BAHRAIN B.S.C. (Alba)

Ali Al Shamrani	52	2017	None	None
Uwaidh Al Harethi (Retired on 10 March 2019)	51	2014	None	None
Omar Abdullah Al Amoudi (Elected on 10 March 2019)	57	2019	Saudi Kayan Company	Chairman
			Gulf Coast Growth Ventures	Board Member
Ahmed Al Jabr	56	2017	National Industrial Gases Company	Chairman
			Jubail Saudi Arabia City Council	Member
Mutlaq H. Al Morished (Elected Independent Director)	63	2015	National Metal Manufacturing & Casting (Maadaniyah)	Chairman
			Alinma Tokio Marine Company (ATMC)	Board Member
			Alinma Bank	Board Member
			NAPCO	Board Member
			Saudi Arabian Airlines	Board Member
			GCC Board Directors Institute (GCCBDI)	Board Member
			Saudi General Authority for Military Industries	Board Member
			Tronox – NYC - USA	Board Member
			Citi Group - KSA	Board Member

Members of the Board and its Committees are divided into independent and non-independent; executive and non-executive categories based on their disclosures as follows:

	Board Members	Committees			Categories of Directors	Reasons
		Board	Board Audit Committee	NRCGC Committee		
1.	Shaikh Daij Bin Salman Bin Daij Al Khalifa	✓ Chairman		✓ Chairman	✓ Chairman	Independent Non-executive
2.	Yousif A. Taqi	✓	✓ Chairman			Independent Non-executive
3.	Osama M. Al Arrayedh	✓		✓		Independent, Non-executive
4.	Dr. Mohamed S. Kameshki	✓			✓	Independent, Non-executive
5.	Suha S. Karzoon	✓	✓			Non-Independent, Non-executive
						As per the Appendix 1 of the Corporate Governance Code 2018, a Director shall be non-independent if he/she is a director of the parent company or any of its subsidiaries or any of the company's associates in which he/she is a nominee for directorship

ALUMINIUM BAHRAIN B.S.C. (Alba)

6.	Yaser E Humaidan	✓	✓			Independent, Non-executive	
7.	Uwaidh Al Harethi (Elected Director) Retired on 10 March 2019	✓			✓	Non-independent, Non-executive	As per the Appendix 1 of the Corporate Governance Code 2018, a Director shall be non-independent if he/she is a representative of a legal person who holds 10% or more of the shares of the company, parent company or any of its subsidiaries or associates
8.	Ahmed Al Jabr	✓		✓		Non-independent, Non-executive	As above in row 7
9.	Ali Al Shamrani	✓	✓			Non-independent, Non-executive	As above in row 7
10.	Omar Abdullah Al Amoudi (Elected Director) Elected on 10 March 2019	✓			✓	Non-independent, Non-executive	As above in row 7
11.	Mutlaq H. Al Morished (Elected Director)	✓			✓	Independent Non-executive	
12.	Ahmed M. Al Khamis, (Member of the Board Audit Committee only)		✓			Non-independent, Non-executive	As above in row 7
13.	Dr. Ahmed Mohammed Al Balooshi (Member of the Board Audit Committee only)		✓			Independent Non-executive	

Following the Ordinary General Meeting that was held on 07 March 2019, the classification of Directors (including the latest Board appointments to the Board Committees) is as follows:

	Members	Independent	Non-Executive	Non Independent	Executive
Board	10	6	10	4	-
Executive Committee	4	3	4	1	-
Audit Committee	6	3	6	3	-
Nomination Remuneration and Corporate Governance Committee	3	2	3	1	-

ALUMINIUM BAHRAIN B.S.C. (Alba)

Below is a short bio for the Alba Board of Directors:

Shaikh Daij Bin Salman Bin Daij Al Khalifa: Shaikh Daij was appointed as Chairman of the Board of Directors of Aluminium Bahrain B.S.C. (Alba) on 27 February 2014. Shaikh Daij is also the Chairman of the Executive Committee and the Nomination, Remuneration and Corporate Governance Committee. Shaikh Daij held the following directorship positions: Chairman of Arab Shipbuilding and Repair Yard Company (ASRY Bahrain) which ended in October 2019, Chairman of ASRY Marketing Services Ltd. (ASRMAR) U.K. which ended in 2015, Vice Chairman of United Arab Shipping Company, Dubai-U.A.E. until June 30, 2015, and Board Member of Bahrain Convention and Exhibition Authority which ended in 2015. Additional previous key directorships include chairmanships at the General Organisation of Sea Ports, Bahrain Airport Company, and GCC Patent Office. Shaikh Daij has held various positions in the government of the Kingdom of Bahrain to include the Ministry of Finance and the Ministry of Industry and Commerce.

He was also a Board Member of Aluminium Bahrain B.S.C. in 2005.

Shaikh Daij was awarded the “Personality of the Year” by the Seatrade Middle East & Indian Subcontinent in 2010. He received a B.S.B.A. International Business at The American University Washington D.C., U.S.A. in 1991 and in 1999 Shaikh Daij completed a leadership management Program (Gulf Executive Program) from the University of Virginia, Darden School, U.S.A.

Yousif A. Taqi: Mr. Taqi has more than 25 years of experience in the financial services sector and is a recognised leader in the Islamic finance industry. He played a key role in formulating and implementing new standards and guidelines for the accountancy Boards of various Islamic financial institutions and organisations in the Kingdom of Bahrain and other countries. Mr. Taqi was appointed as a member of the Company’s Board of Directors in 2008. In addition to serving on the Board of Directors of Aluminium Bahrain B.S.C., he is currently the Chairman of the Board Audit Committee. Prior to his appointment as Chief Executive of Al Salam Bank Bahrain in 2006 -2018 he worked as the Deputy General Manager of Kuwait Finance House from 2003-2006. From 1983 to 2003, he worked with Ernst & Young, Bahrain office, in various capacities and was promoted to a partner in the firm in 1999, a position that he held until 2003. He received a bachelor’s degree in Accounting from Husson College in the United States in 1990, and qualified as a Certified Public Accountant in 1991.

Osama M. Al Arrayedh: Mr. Al Arrayedh started his career in the Kingdom of Bahrain’s Ministry of Electricity and Water in 1986 as a Systems Developer. From 1992 to 2002 he was the Chief of Computer Systems Development & Maintenance. In 2003, he joined the Ministry of Industry as the Director Hi-Tech and Informatics. In 2005, he was appointed the Assistant Undersecretary for Industrial Development at the Ministry of Industry and Commerce. Currently, Mr. Al Arrayedh is the Undersecretary for Industry Affairs. He was appointed as a member of the Board of Directors of Aluminium Bahrain B.S.C. in 2006 and is a member of the Nomination, Remuneration and Corporate Governance Committee. Mr. Al Arrayedh has been a Board Member in the Gulf Organization for Industrial Consultancy 2008-2014, and a member of the Executive Board for the Arab Organization for Industrial Development and Mining since 2016. He received a bachelor’s degree in Computer Science and Mathematics from St. Edward’s University, Austin Texas, in 1985. In 1995, he received his Master of Philosophy (Mphil) in Computer Science from the University of Nottingham, and presented his thesis on the Evolution of Synthesized Relational Database Schemas. In 2002, he underwent an Executive Development Programme at University of Virginia.”

Dr. Mohamed Kameshki: Dr. Kameshki, a member of the Board of Directors of Aluminium Bahrain B.S.C. since 27 February 2014, is the Founder/Managing Director of MiniMax Business Consulting. A renowned Bahraini business strategist and consultant, Dr. Kameshki’s career spans over 30 years of advising several local companies in various sectors on their strategy formulation, operational excellence, customer satisfaction and human capital resourcing. He also has a sound academic background supported by quantitative research capabilities and strong communication skills.

ALUMINIUM BAHRAIN B.S.C. (Alba)

Dr. Kameshki started his career as an engineer at Bahrain Petroleum Company gradually becoming the Assistant Secretary General of the Bahrain Centre for Research & Studies (BCSR), where he served for almost twenty years. Since 2008, Dr. Kameshki has served on several boards of companies and financial institutions including listed and regulated entities, contributing to the boards mostly as Independent Director in various roles such as Vice-Chairman, Executive Committee Member and Head of Audit, Risk and Compliance Committee.

Educated in the UK, Dr. Kameshki holds a B.Sc. (Honours) in Engineering from Staffordshire University; a M.Sc. in Management Science & Operational Research from Warwick University Business School; and a Ph.D. Management (Business Economics) from Loughborough University of Technology Business School.

Suha S. Karzoon: Mrs. Karzoon joined Mumtalakat in September 2014 and currently holds the role of Chief Financial Officer, overseeing the Finance, Treasury and External Portfolio functions. As the Chief Financial Officer, Suha is currently responsible for implementing effective financial policies and controls, financial reporting to relevant stakeholders in addition to developing, implementing and managing an optimal capital structures that effectively meets short term liquidity needs and long term strategic objectives.

Prior to holding this role, Mrs. Karzoon was Chief Operating Officer, with the responsibility of overseeing Mumtalakat's corporate functions including Legal, Risk Management, Human Resources and Administration, and Information Technology. She was also responsible for corporate governance practices at Mumtalakat, and ensuring compliance with legal and regulatory requirements where needed.

With over 20 years of experience in finance and accounting, audit, advisory and statutory reporting services, Mrs. Karzoon's industry exposure includes Financial Services, Insurance and the Public Sector. Prior to joining Mumtalakat, Mrs. Karzoon held the role of Vice President, Finance and Support at Tamkeen (Labour Fund), where she was responsible for Tamkeen's internal operating units, including Finance, Human Resources, Legal and Information Technology. Formerly, Mrs. Karzoon held different managerial positions at KPMG International working within the Audit and Advisory Units in Bahrain, Qatar, and the United States.

On 10 June 2015, Mrs. Karzoon was appointed on the Board of Alba – making her the first woman on Alba's Board since its establishment. Mrs. Karzoon is a Certified Public Accountant, and holds a Bachelor's of Science in Accounting from the University of Bahrain.

Yaser E Humaidan: Mr. Yaser E. Humaidan is an Investment Professional with over twenty years banking experience in enterprise finance strategy and asset classes including equities, fixed income, hedge funds, private equity, and structured investments. Mr. Humaidan is a member of the Shura Council and a member of the Economic and Financial Affairs Committee within the Council. Previously, he held the position of Head of Investment at Gulf International Bank, Bahrain and prior to that he was a member of the Fixed Income/Derivatives Unit at Gulf International Bank, Bahrain. He has also served on the Board of Bahrain Bourse.

Mr. Humaidan holds a Bachelor of Science degree in Finance from Lehigh University in Pennsylvania, United States of America.

Mutlaq H. Al Morished: Mr. Mutlaq H. Al-Morished is the Chief Executive Officer, CEO of TASNEE, one of the largest Saudi diversified industrial companies having investments in several fields.

Prior to his present post, he was Executive Vice President of Corporate Finance, (CFO) at SABIC, Vice President of Metals SBU, EVP Shared Services, President of SADAF and HADEED, consecutively. He was also Chairman of the Board of YANSAB, SABIC Capital in Netherland, SAUDI KAYAN, SABIC Captive Insurance Limited in UK and Alinma Investment Co. He was

ALUMINIUM BAHRAIN B.S.C. (Alba)

board member of Gulf Bank in Bahrain & the Advisory Board for Economic Affairs of the Supreme Economic Council of Saudi Arabia.

In addition, Mr. Al-Morished is board member of General Organization of Saudi Arabian airlines, Alinma Tokio Marine (ATMC), Aluminum Bahrain (ALBA), Gulf Petrochemical & Chemical Association (GPCA), CITI Group in Saudi Arabia, Alinma Bank and Saudi General Authority for Military Industries. Chairman of the board of National Metal Manufacturing & Casting Co. (Maadaniyah).

Mr. Al-Morished holds an MBA degree from Stanford University, a Master of Science degree in Nuclear Engineering from Princeton University, and a Bachelor of Science degree in Nuclear Physics & Mathematics from the University of Denver.

Ali Al Shamrani: Mr. Al Shamrani draws on more than a thirty years of experience in the petrochemicals industry. He currently working as Vice president for CEO Business Support & Executive Affairs reports directly to the SABIC Vice Chairman & CEO. Ali joined SABIC as a computer programmer in 1989, then earning several promotions.

Since that time, he has undertaken a series of progressively more responsible positions at SABIC, including Manager of SABIC Dubai and General Manager, Asia/Pacific (based in Singapore), prior to joining the CEO's office in 2007. In addition to his work at SABIC, Mr. Al Shamrani serves as a member of the board of Yanbu National Petrochemical Co. (YANSAB) chairman of SABIC India. A graduate of King Saud University-Riyadh's Computer & Information Science College, he received an Associate Degree in Programming Technology. Ali earn a Bachelor of Science degree in Economics & Administration from King Abdul Aziz University-Jeddah and a Master's in Business Administration from the University of Sharjah.

Ahmed Al-Jabr: Mr. A- Jabr has more than 30 years of dynamic experience in Saudi Basic Industries Corporation (SABIC) as a top-level Executive in different management, manufacturing, and technical functions and currently holding the post of the President of Saudi Arabian Fertilizer Company (SAFCO), National Chemical Fertilizer Company (Ibn Al-Baytar) & Al-Jubail Fertilizer Company (AlBayroni). He has previously also served as a Board member at Arabian Industrial Fibers Company (Ibn Rushd) and Ibn Al Baytar and currently served as National Industrial Gases Company (Gas) Board Chairman.

He encompasses profound technical expertise in manufacturing, operations, merger & acquisition and projects, work effectively with Government bureaus and with a wide range of clients and suppliers in a diverse community. Mr. Al Jabr also actively participates in social events, and community contributions.

He has graduated from King Fahd University of Petroleum and Minerals securing a Bachelor of Science Degree in Chemical Engineering.

Omar Abdullah Al-Amoudi: Mr. Al-Amoudi has a Bachelor of Science in Chemical Engineering from the King Fahd University of Petroleum and Minerals (KFUPM) and an MS Chemical Engineering from Drexel University, USA.

Mr. Omar A. Al-Amoudi has been the Executive Vice President, Shared Services, from January 1, 2013 to 14/10/2016 then transferred as Executive Vice President, Engineering & Project Management till date.

Omar is the chairman of the board of directors of SAUDI KAYAN SABIC affiliate and Board Member of Gulf Coast Growth Ventures

Prior to his present post, he was the President of PETROKEMYA and IBN ZAHR. He was also the Chairman of the board of directors of SPECIALTY CHEM, Gas & Arrazi SABIC Affiliates, also he was board member of SHARQ, IBN RUSHD, Petrokemya, Sadaf, Ibn Sina and MARAFIQ.

ALUMINIUM BAHRAIN B.S.C. (Alba)

Mr. Uwaidh H. Al Harethi: Prior to his posting, Mr. Al-Harethi was the Executive Vice President of the Chemicals business unit and, before that, the Vice President of Global Procurement Services. He has led sophisticated overseas manufacturing and service organizations with profit and loss responsibility up to \$4.6 billion and more than 2500 employees.

Al Harethi is skilled at establishing operational excellence within culturally diverse environments, translating conceptual models into specific growth strategies, and planning/executing multi-faceted global business development campaigns designed to improve market share, gross revenue and EBITDA.

Key qualifications include but not limited to: global and cross culture experience of joint ventures and strategic business partnerships; corporate vision and strategic/operational planning; media crises management; projects management; global environment, health and safety, labor law; capital investment planning and financial modeling; acquisitions, divestitures; forecasting and budgeting; energy saving and sustainability studies.

Mr. Al Harethi is a Chemical Engineer and holds a Master's in Business Administration with a concentration in Management Information Systems from King Fahd University of Petroleum and Minerals. Mr. Al Harethi retired as Director on Alba's Board back in March 2019.

b. Description of the following:

1. Total remunerations paid to the Directors for the (last) year 2018: BD 210,000.
2. Description of the sitting fees paid to the Directors for attendance of the Board's committees for the financial year 2019 as per the following subsection:

An attendance allowance of BD 500 per meeting was agreed by the Board in the 105th Alba Board Meeting date 15 April 2007. In September 2009, the Chairman of the Board approved an allowance of BD 300 to each Board Director travelling from Saudi Arabia to Bahrain. On 11 June 2014, the Board approved a new Policy for Board Directors and Board Committee Members' Remuneration Fees, Attendance Fees and Per Diem Allowance effective 24 September 2014. This policy was further revised at the 147th Board Meeting held on 25 May 2017 and an Attendance Allowance of BD 1,000 per meeting was agreed by the Board at this meeting.

In addition, an aggregate amount of BD 72,000 will be paid to the Board of Directors as Sitting Fees for attending the Board and Committee meetings in the financial year 2019 in line with the Policy. An aggregate amount of BD 12,000 was paid to two members of Board Audit Committee as Sitting Fees in the in the financial year 2019.

c. Number and dates of the Board meetings held during the financial year 2019, in addition to the number of times the Directors attended in person or by visual communication as well as the description of the Directors present by proxy:

Meetings of the Company's Board of Directors take place at least quarterly or more frequently as deemed necessary. There were 4 Board Meetings in 2019 which were held on 07 February, 30 April, 25 September and 01 December.

Shaikh Daij Bin Salman Bin Daij Al Khalifa	(4 meetings)
Yousif A. Taqi	(4 meetings)
Osama M. Al Arrayedh	(4 meetings)
Ms. Suha S. Karzoon	(4 meetings)
Dr. Mohamed S. Kameshki	(4 meetings)
Mutlaq H. Al Morished	(4 meetings)
Yaser E. Humaidan	(4 meetings)
Ali Al Shamrani	(4 meetings)
Ahmed Al Jabr	(4 meetings)

ALUMINIUM BAHRAIN B.S.C. (Alba)

Omar Al Amoudi	(3 meetings)
Uwaidh Al Harethi	(1 meeting)

d. Description of the Board's duties and functions:

The functions of the Board are those established by the Corporate Governance Code 2018 and the Commercial Companies Law of the Kingdom of Bahrain as well as the Memorandum and Articles of Association of the Company (the "Articles"). In particular the Board's duties include:

- Setting and monitoring the overall business strategy and business plan for the Company;
- Ensuring that the operations run smoothly to achieve the company's objectives and that they do not conflict with the applicable Laws and Regulations;
- Causing financial statements to be prepared which accurately disclose the Company's financial position;
- Monitoring management performance;
- Convening and preparing the agenda for shareholders' meetings;
- Monitoring conflicts of interest and preventing abusive related-party transactions;
- Assuring equitable treatment of shareholders including minority shareholders;
- Exercising all powers and performing necessary acts for the management of the Company in conformity with its objectives, within the bounds of the Law, the Articles of Association, and resolutions of the General Meetings;
- Establishing key Company policies;
- Determining the remuneration for Directors, subject to the approval of the shareholders' Annual General Meeting, taking into consideration the provision of Article 188 of the Commercial Companies' Law;
- Setting the Management structure; appointing or removing key/senior executives and employees, determining their duties, setting their remuneration and incentive programmes, (ensuring that these are aligned with the long-terms interests of the Company and shareholders), and overseeing succession planning;
- Forming Executive, Audit and other Committees, appointing their members and specifying their powers, as well as ensuring a formal board nomination and election process;
- Ensuring the integrity of the corporation's accounting and financial reporting systems, and that appropriate systems of control are in place, particularly for risk management, financial and operational control as well as compliance with the law and relevant standards;
- Ensuring compliance with the requirements relating to the issuing of securities, including obligations relating to disclosure, dissemination of price sensitive information, and the prevention of market abuse and insider trading;
- Purchasing, selling and mortgaging assets, withdrawing funds and securities owned by the Company, applying for finance, issuing debentures, securities, giving guarantees to third parties, giving authorization to institute actions and defend the interests of the Company before the judiciary, entering into agreements for conciliation and arbitration, waiving the Company's priority rights, and deciding on the use of Company funds; and
- Approving those matters reserved to the Board in the 'Levels of Authority' document reviewed by the Board from time to time.

ALUMINIUM BAHRAIN B.S.C. (Alba)

Types of materials transactions that require Board's approval:

The Levels of Authority (LOA) summarises areas relating to strategies, long-term commitments and policies where approval of the Board is necessary. These include:

- Investment and expansion projects above monetary thresholds in accordance with capital expenditure policy approved by the Board and as set-out in the LOA;
- Sales and purchase contracts (materials and services) greater than 5-years and, in some instances, above certain monetary thresholds and contract quantities;
- Equity and dividend related recommendations for Shareholders' approval;
- Recommendation of acquisitions, mergers, diversification, divestment, expansions and other business combination related decisions for Shareholders' approval;
- Strategic hedging strategies;
- Cumulative short-term borrowing limits;
- Annual plan and operating plan; and
- Key policies, such as the Levels of Authority, Code of Conduct, Tender Policy, Risk Management Policy, Capital Expenditure Policy and key HR Policies.

The Levels of Authority (LOA) was reviewed and updated by the Board on 25 September 2019 to stream-line processes for better clarity and to reflect the organizational changes which occurred in 2019.

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

Related parties as defined by International Accounting Standards (IAS) 24 are natural persons and entities that Alba has the ability to control and/or on which the Company can exercise significant influence, or natural persons and entities that have the ability to control or exercise significant influence on Alba, or that are influenced by another related-party of Alba. Although, Alba has a number of related-parties; however, the financial transactions are materially done with few only. The key related parties are described below:

The Company has overall banking transactions with National Bank of Bahrain B.S.C. (NBB) including an open facility to avail any short-term Borrowings. In addition, the National Bank of Bahrain B.S.C. (NBB) is part of the syndicated refinancing facility.

Tatweer is the sole supplier of all the natural gas used as fuel in the Company's power stations. Tatweer is wholly owned by The Oil and Gas Holding Company B.S.C. ©, which is owned by the Government of Bahrain, which in turn directly owns and controls Bahrain Mumtalakat Holding Company B.S.C. © - the Company's single-largest shareholder.

Bahrain Petroleum Company B.S.C. supplies diesel to Alba. Like Tatweer, BAPCO is also wholly owned by The Oil and Gas Holding Company B.S.C. ©, which is owned by the Government of Bahrain, which in turn directly owns and controls Bahrain Mumtalakat Holding Company B.S.C. © - the Company's single-largest shareholder.

The company extend sponsorship to Bahrain International Circuit Company S.P.C. for Formula 1 Race. Bahrain International Circuit Company S.P.C. is a subsidiary of Bahrain Mumtalakat Holding Company B.S.C. © - the Company's single-largest shareholder.

ALUMINIUM BAHRAIN B.S.C. (Alba)

Alba sells its products to GARMCO - Gulf Aluminium Rolling Mill Company B.S.C ©, which is an associated company of Bahrain Mumtalakat Holding Company B.S.C. © - the Company's single-largest shareholder.

The company sells its aluminium products to, as well as purchase raw materials (Alloys) from Asturiana de Aleaciones S.A which is one of the associates of Bahrain Mumtalakat Holding Company B.S.C. © - the Company's single-largest shareholder.

Approximately 50% of the land housing the Company's various facilities is licensed or leased to the Company by the Government of Bahrain or entities like BAPCO, which are wholly owned and controlled by it.

Potable water is a by-product of the Company's in-house calciner. Under the terms of a water supply agreement dated August 5, 2002, the Company sells more than half of the water produced to the Government of Bahrain, acting through its Electricity and Water Authority. This contract is for a period of 25-years. The water is sold at the rate of 225 fils per cubic meter. The electricity required by the Company's calciner is supplied by the national grid operated by the Bahrain Electricity and Water Authority.

In addition to the aforementioned, the Company conducts regular transactions with:

- Bahrain Telecommunications Company B.S.C. (Batelco)
- Gulf Hotels Group B.S.C.

f. Numbers & names of Independent Directors can be found in section 3.a.

g. Board terms & start-date of each term are set-out in Article 24 of the Articles of Association of the Company

- Bahrain Mumtalakat Holding Company B.S.C. © with its percentage share of 69.38% is entitled to appoint six directors. Sabic Industrial Investments Company with its percentage share of 20.62% is entitled to appoint two directors. These appointments took place at the Annual General Meeting held on 21 March 2017.
- In line with the Shareholders' Agreement between Bahrain Mumtalakat Holding Company B.S.C. © (69.38%) and Sabic Industrial Investments Company (20.62%), one director was elected by the Shareholders' using the free shares on 21 March 2017. Subsequently, this Director retired and a new Director was elected to replace the retired Director on 10 March 2019.
- With the approval of the Shareholders, at the Extraordinary General meeting held on 10 June 2015, one director was elected as an independent board director representing the 10% public listed shares. He was re-elected at the Annual General Meeting held on 21 March 2017.

h. Directors' ownership of the Company shares as of year-end 2019

Currently, one Board Director holds Alba ordinary shares. Below is the current shareholding status:

(1) Mutlaq H. Al Morished

Shareholding as at 31 st December 2018:	1,200,000
Shareholding as at 31 st December 2019:	1,250,000

ALUMINIUM BAHRAIN B.S.C. (Alba)

i. New Directors' orientation

A personal orientation is done by the Chairman with the new Directors. A Director's handbook consisting of key documents and other contexts on the Directors' responsibilities was created in 2011 and was lastly updated in March 2019 for the members of the Board.

j. Election system & process for termination of Directors [might be subject to changes once the Board recommends the approval of the Memorandum and Articles of Associations to the shareholders and the shareholders approve them in Extraordinary General Meeting]

- The Company shall be administered by a Board of Directors consisting of 10 (ten) Directors to be appointed and/ or elected in accordance with the provisions of the Articles of Association and Article 175 of the Commercial Companies Law of the Kingdom of Bahrain (the "Law"). The number of Directors may be varied according to paragraph 5 of Article 24 as per Alba's revised Memorandum and Articles of Association (approved by Alba shareholders during the Extraordinary General Meeting on 07 March 2019) subject to the provisions of the Commercial Companies' Law and the Central Bank of Bahrain and Financial Institutions' Law and the regulations issued to its effect.
- A shareholder who owns 10% or more of the capital shall appoint his representative on the Board of Directors proportionately to the total number of members of the Board of Directors, so that one member shall be appointed for each 10% shareholding in the share capital, and the shareholder shall forfeit his right of voting to elect the remaining number of Board of Directors to the extent of the percentage or percentages of shares for which an appointment is made. If the shareholder still holds a percentage that is not enough to make him eligible for appointment of another member, he may use such percentage in voting with the other shareholders who have the right to elect members of the Board of Directors (other than the appointed members) in accordance with the provisions of paragraph 2 of Article 24 as per Alba's revised Memorandum and Articles of Association.
- After making the appointments for membership of the Board of Directors by eligible shareholders through the application of the provisions of paragraph 2 above, the Ordinary General Meeting shall elect the remaining number of members of the Board of Directors by secret ballot. The election shall be by simple majority of eligible votes subject to the provisions of paragraph 2 above with respect to eligibility for voting in the election which shall be based on a list or lists of qualified nominees presented to the Ordinary General Meeting by the Board of Directors before the date of the General Meeting at which elections are scheduled to take place in accordance with the provisions of paragraph 3 of Article 24 as per Alba's revised Memorandum and Articles of Association.
- The Ordinary General Meeting may from time to time determine the number of members of the Board of Directors otherwise than specified in paragraph 1 above, provided the number of members shall at no time be less than five. The purpose of determining the number of members in this manner is to include the number of members appointed pursuant to Paragraph 2, and those members elected pursuant to paragraph 3 of this Article as well as the expert members of the Board of Directors who are not shareholders but appointed from time to time by the Ordinary General Meeting in accordance with the provisions of paragraph 4 of Article 24 as per Alba's revised Memorandum and Articles of Association.
- Members of the Board of Directors shall be elected for a three-year renewable term. A corporate person who has appointed one or more members of the Board of Directors may replace them by others whether during the said period or on its expiry. An elected member of the Board of Directors may be re-elected upon the expiry of his term of office and this shall be considered to be a new nomination which requires

ALUMINIUM BAHRAIN B.S.C. (Alba)

satisfaction by such member of all the terms and conditions required to be satisfied by a person nominated for membership of the Board of Directors for the first time as set-out in Article 25 of Alba's revised Articles of Association. The term of office of the Board of Directors may be extended by Resolution of the Minister of Industry, Commerce and Tourism for a period not exceeding six months at the request of the Board of Directors.

k. Termination

A director's membership of the Board of Directors terminates in the following events:

- In accordance with Article 18 (repeated), 178 and 197 of the Commercial Companies' Law.
- If he was appointed or elected contrary to the provisions of the Central Bank of Bahrain rules and regulations, the Commercial Companies' Law and/or the Articles of Association.
- If he forfeits any of the conditions stated in Article (25) of the Articles of Association.
- If he misuses his position as director in carrying on personal matters or business in which he has a personal interest, or that is competitive to that of the Company or if he causes any type of actual damage to the Company or adversely affected its reputation. Termination from the Board of Directors shall not prejudice the Company's right to compensation.
- If he fails to attend at least 75% of all the Board meetings in a given financial year without lawful excuse notified in writing to the Board, and the Board shall resolve on this matter as it may deem fit.
- If he resigns or withdraws from his office, provided the foregoing shall be done in an opportune and suitable time, otherwise he shall be liable to pay compensation to the Company.
- If he accepts appointment in any other office in the Company for which he would receive salary or remuneration other than that which the Board of Directors may decide from time to time to remunerate him because of the executive nature of his duties.
- If the shareholder who appointed him submits a request for his termination as his representative.

I. List of Senior Executives and the profile of each

Name	Age	Position	Date of First Appointment	Appointment Date to Current Position
Ali Al Baqali	50	Acting Chief Executive officer	May 1998	Appointed as the Acting Chief Executive Officer on 01 August 2019
Amin Sultan	51	Chief Power Officer	May 1997	Appointed as the Chief Power Officer in May 2017
Khalid Abdul Latif	48	Chief Marketing Officer	September 1989	September 2015

ALUMINIUM BAHRAIN B.S.C. (Alba)

Abdulla Habib	48	Chief Operations Officer	March 1995	February 2018
Waleed Tamimi	45	Chief Admin & Supply Officer	May 2011	September 2017
Bryan Harris	49	Chief Financial Officer	2009	December 2018
Timothy "Tim" J. Murray	48	Ex-Chief Executive Officer	May 2007	Ended on 31 July 2019

Alba Executive Management is primarily responsible for managing the Company's day-to-day operations and implementing the strategy and policies set forth by the Company's Board of Directors. Below is a brief profile for each Executive:

Ali Al Baqali, Acting Chief Executive Officer: Ali Al Baqali was appointed as the Acting CEO of Aluminium Bahrain B.S.C. (Alba) on 01 August 2019. Al Baqali has been a part of the Alba family for more than two decades and brings years of leadership and honed experience from within the Company. Al Baqali joined Alba as a Purchasing Officer back in 1998 and was appointed as the Manager for Procurement in 2010.

In 2013, Al Baqali became part of Alba's Executive fold with his appointment as the Chief Financial Officer moving further up the ranks to become Deputy CEO and Chief Supply Chain Officer in 2017. In his Executive Management roles, Al Baqali has been instrumental in the fast-paced progress of Alba's landmark Line 6 Expansion Project, especially in securing the US\$3 billion financing for the Project and formulating sourcing strategies for key raw materials.

As a Bahraini who grew from within Alba, Al Baqali believes that Alba's growth and success depend heavily on the Company's entrenched principles on Safety, Development of Human Capital, Social and Civic Responsibility as well as Community Development.

Al Baqali is a professional member of the Chartered Institute of Purchasing & Supply (CIPS), UK; Board member of the International Aluminum Institute (IAI), INJAZ and is on the Board of Tenmou, the first Bahraini Business Angels Company. Ali holds a B.Sc. degree in Accounting from the University of Bahrain and an MBA from the French Arabian Business School - ESSEC.

Khalid Abdul Latif, Chief Marketing Officer: Khalid A. Latif was appointed as Chief Marketing Officer at Aluminium Bahrain B.S.C. (Alba) on September 30, 2015, in line with Alba's strategy to develop Bahraini nationals from within the Company into key leadership positions.

In his current role, Khalid leads the Company's global marketing strategies to drive innovation across its business divisions, depending on the deep knowledge he has in both marketing and operations fields. He continuously stimulates Alba's existing business and develops new markets to meet the Company's growth targets.

Khalid joined Alba as an apprentice in 1989 and worked in various operational areas including Power Station, Reduction Lines and Carbon Plant. He rose through the ranks and was promoted to Supervisor followed by Superintendent. Prior to his current executive role, in 2012, he was promoted to Manager of Engineering and then to Alba's Marketing Manager for Customer Services & Marketing Operations.

An MBA from the French Arabian Business School/ESSEC (Bahrain), he holds a Bachelor's Degree in Electrical Engineering from Gulf University in Bahrain as well as a Diploma in Mechatronics from Abertay University, Dundee, UK. He also

ALUMINIUM BAHRAIN B.S.C. (Alba)

possesses a completion certificate for the Executive Education Programme in Strategic Sales Management from University of Chicago, USA.

Amin Sultan, Chief Power Officer: Mr. Amin Sultan holds Chief Power Officer Position in Alba managing its 2,249 MW ISO Power & Utilities plant and Potline 6 expansion project for new 1,792 MW Power Station. He also oversees Alba wide property and business interruption all risks insurance. He has been with Alba since 1997.

Mr. Amin played instrumental roles in Alba organization restructuring process in 2010, implementation of Lean & Six Sigma tools during STAR project 2011/2012 and finally cost saving Titan project. He is currently leading Titan Phase III and energy conservation Tesla projects.

Before joining Alba, Mr. Amin Sultan spent 5 years at leading Japanese control and instrumentation Yokogawa where in his role he covered engineering, maintenance and project experiences in vast industries such power & utilities, refineries and petrochemicals.

Mr. Amin holds M.Sc. in Electrical Engineering from University of Bahrain and an MBA from ESSEC Business School. He has also attended various Executive Management Programs at University of Chicago Business School and University of Cranfield School of Management.

Outside of work, Mr. Amin enjoys spending time with his family, playing golf and reading.

Waleed Tamimi, Chief Admin & Supply Officer: Waleed Tamimi was appointed Chief Administration & Supply Officer of Aluminium Bahrain B.S.C. (Alba) on 1st August 2019. Prior to his appointment as the Chief Admin & Supply Officer, he held the position of Chief Administration Officer since September 2017, overseeing the departments of Public Relations, Human Resources, Training, Operational Excellence, and Alba Healthcare Centre.

Prior to his current role, Waleed was the Director of Administration, and before that he was the Senior Manager of Strategic Supply & Planning, charged with controlling the company's procurement requirement of all major raw material and corresponding logistics. Moreover, Waleed was responsible for the management and development of Alba's raw material and freight suppliers' network in addition to managing all trading & selling initiatives for excess procured Alumina and surplus production of Calcined Petroleum Coke.

In 2013, Waleed served as Operational Excellence Manager where he led the operational excellence initiatives alongside the continuous improvement strategy and roadmap. Moreover, Waleed was responsible for the development, establishment and initiation of an Enterprise Continuous Improvement and Cost Cutting Programme (Titan Programme), based on the Lean-Six Sigma methodology. The developed Programme is a company-wide philosophy aimed at improving quality, reducing lead time and bringing in sizable cost reduction levels.

Prior to his roles with Alba, he was General Manager of Business Improvement Group at Rezayat Group of Companies in Khobar, Saudi Arabia where he led a strategy building initiative at Rezayat Group, resulting ultimately in the establishment and direct utilization of Balance Score Cards. He also led the development, establishment and initiation of an Enterprise Excellence Program. The developed system was called Rezayat Achieving Competitive Excellence (RACE) and is a mix of the Six Sigma philosophy, the Lean Manufacturing methodology and Continuous Improvement principles.

Waleed holds an Executive MBA from the French Arabian Business School / ESSEC in addition to a BS and MS degrees in Industrial Engineering from Wichita State University in the USA. He is also a Certified Six Sigma and Lean Manufacturing Master Black Belt. Waleed has served for 20 years in different capacities for a number of companies in the USA and in the

ALUMINIUM BAHRAIN B.S.C. (Alba)

Middle East ranging from an Implementation Consultant in a software start-up company in San Jose, California to a Six Sigma Black Belt in a world-class Aircraft Manufacturer (Lear-Jet, Bombardier).

In his free time, Waleed enjoys reading and spending time with family and friends.

Dr. Abdulla Habib Ahmed, Chief Operations Officer: Abdulla Habib was appointed as Chief Operations officer on 2nd December 2018 and he has been Director of Reduction Line 6 Start-up since July 2017. Prior to this he was Director of Reduction Lines and Services since February 2015. Abdulla Habib has been with Alba since 1995 when he joined as trainee engineer after completing his B.Sc. in chemical Engineering with first honor class. During the last 23 years, Abdulla has grown in Alba and held the roles of Superintendent Reduction Line, R&D Manager, Reduction Lines Manager, and Customers Technical Support Manager. Abdulla has played a vital role in improving safety performance in Alba Operations. He was in charge of Line-5 recovery in 2017 after long power outage in one of the safest and faster recovery in the world. He contributed significantly in increasing metal production in Alba to 1,011,101 in 2018 by aligning the teams, driving innovative ideas and introducing more disciplined culture among workforce.

Abdulla holds a PhD in Chemical Engineering and Master's Degree in Aluminium Smelting from University of New South Wales, Australia. He also holds MBA from ESSEC/ French Arabian School. Abdulla is a member of many international committees related to Aluminium Industry like TMS (The Material Society) and has been advisor to the Engineering College of Bahrain University. During his private time, Reading is his favourite hobby.

Bryan Harris, Chief Financial Officer: Bryan joined Alba in 2009 as Chief Internal Auditor and Risk Officer, reporting to the Board and Board Audit Committee, and indirectly to the CEO. During this time Bryan's team initiated process and control improvements across all parts of the organisation, and established an Enterprise Risk Management Framework on par with leading global standards. During this time Bryan also led the development and implementation of a transformational Integrity and Ethics program, including the Code of Conduct and Integrity Reporting hotline system.

Bryan was appointed Acting CFO on 4 December 2018, and was appointed CFO on 25 September 2019. As part of his role, Bryan oversees the Finance, Legal, IT and Operational Excellence departments, as well as serving on a number of subsidiary directorships and chairing a number of management committees. During his time in this role, Bryan has overseen Alba's 'Titan' cost-control program, the introduction of VAT, and key Financial and IT aspects of the \$3.5B Line 6 expansion project, including the Refinancing of \$1.5 B of corporate loans, and other restructuring.

Bryan is a qualified Chartered Accountant with 26 years of experience. He started his career with PWC, from which he had received a university scholarship. After a 2-year career interruption of community service in South Africa and Namibia, Bryan worked for 3 years for another big 5 accounting and auditing firm, before taking on a role as Financial Manager of a South African telecoms company.

Prior to moving to Bahrain, Bryan spent 10 years in international leadership roles in Internal Audit, Risk, Planning and Performance Management as well as Compliance and Ethics, in BP, one of the world's largest energy companies. Five of these years were spent heading BP's UK Internal Audit team, and his last role was as the Manager of Compliance & Ethics for BP Downstream Europe, Africa and Australasia.

Besides hanging out with his family, and serving in community roles, Bryan enjoys kayaking, hiking, reading, and participating in Ironman triathlons.

Tim Murray, former-CEO: Tim Murray was appointed as an advisor to the Alba Board Chairman effective August 1, 2019. He was Chief Executive Officer of Alba from 01 October 2012 till 31 July 2019. He joined Alba in 2007 as General Manager of Finance and held several other Executive roles during his time in Alba.

ALUMINIUM BAHRAIN B.S.C. (Alba)

Tim holds an MBA from Vanderbilt University where he graduated Beta Gamma Sigma. He also holds a Bachelor of Science in Accounting from Susquehanna University. He is a CPA and member of the American Institute of CPAs.

Tim played an instrumental role in the US\$3 billion Line 6 Expansion Project which will bring Alba's production to 1.5M mt per annum making it the largest Aluminium smelter in the world.

Tim also played an instrumental role in the transformation of Alba's Safety Culture through the implementation of the "ZERO Accident Principles". In 2017, Tim was recognized as a "CEO Who Gets It" by the US National Safety Council for his contributions to Safety.

In 2017, he led the "Line 5 Recovery" where Alba set the benchmark for the safest and fastest recovery of a Potline. During Tim's time as Alba CEO he implemented the "Project Titan" initiative which improved Alba's operating performance by approximately US\$250 per mt.

Before joining Alba, Mr. Murray spent 10 years at ARC Automotive where in his last role he was the Vice President and Chief Financial Officer.

m. Shareholding by Executive Management

The current shareholding of the CEO and CXOs are as follows. There were no transactions made in 2019:

(1) Ali Al Baqali, Acting CEO	1,000 ordinary shares
(2) Khalid Abdul Latif, Chief Marketing Officer	1,000 ordinary shares
(3) Amin Sultan, Chief Power Officer	3,000 ordinary shares
(4) Abdulla Habib, Chief Operations Officer	3,777 ordinary shares
(5) Waleed Tamimi, Chief Admin and Supply Officer	-
(6) Bryan Harris, Chief Financial Officer	1,000 ordinary shares
(7) Tim Murray, Ex-Chief Executive Officer	0 ordinary shares (previously owned 3,777 shares which were sold on 27 July 2019)

n. 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, Executives, Directors and Managers

Included at the end of the 2019 Corporate Governance Report.

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

The total remunerations paid to Alba's Executive Management (Acting Chief Executive Officer, ex-Chief Executive Officer, Chief Marketing Officer, Chief Power Officer, Chief Admin & Supply Officer, Chief Operations Officer and Chief Financial

ALUMINIUM BAHRAIN B.S.C. (Alba)

Officer) to include other allowances and benefits amounted US\$3,232,771 (equivalent to BD 1,215,522) in 2019 [excluding the indemnities paid to the former CEO for stepping down on 31 July 2019].

4. External Auditors

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

In line with the Section 10 – Principle, 10 First E. of the Corporate Governance Code: an external auditor shall be appointed for a term of one financial year, to be renewed for similar periods not exceeding five (5) consecutive financial years.

Ernst & Young, Alba's external auditor until 2018, had surpassed the aforementioned term endorsed by the Code. Hence, on the recommendation of the members of the Board Audit Committee, the Company conducted a tendering process and appointed KPMG Fakhro as its external auditor for 2019 further to the Shareholders' approval during the Annual General Meeting which was held on 07 March 2019.

KPMG in Bahrain was established over 50 years ago and has grown to over 300 staff led by 9 partners. KPMG recruits the best and brightest from around the world and currently has 17 nationalities working across teams but also draw on local talent. Bahrainis represent over 60% of the total workforce and hold many of senior leadership positions.

KPMG provides Audit, Tax and Advisory services locally, drawing on the latest thinking and best practices from around the world. KPMG works with some of Bahrain's largest public and private sector organizations across most of the core industries. This gives KPMG deep insight into the challenges and opportunities that KPMG clients experience and a comprehensive understanding of how KPMG can help clients to respond to these.

KPMG brings local knowledge, international experience and industry expertise to ensure that the engagements are delivered using global best practice, tailored to the local operating environment.

b. Fees and charges for the audit or services provided by the external auditor during the year 2018, 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	KPMG Fakhro
Years of service as the Company's external auditor	Since 2019
Name of the partner in charge of the Company's audit	Mahesh Balasubramanian
The partner's years of service as the partner in charge of the Company's audit	1
Total audit fees for the financial statements for the year 2019 (BD 50,000.000)	BD 32,000 for year-end audit and BD 18,000 for three quarterly reviews
Other special fees and charges for non-audit services other than auditing the financial statements for the year 2019, if any. In the absence of such fees, this shall be expressly stated.	BD 20,005 [Executive payroll – BD 11,268; Advisory – BD 6,737; ASBS – BD 1,000; Production quantities AUP – BD 500; Spares consumption 2 years AUP – BD 500]

ALUMINIUM BAHRAIN B.S.C. (Alba)

5. Board Audit Committee

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

The purpose of the Board Audit Committee (BAC) is to assist the Company's Board of Directors in fulfilling its oversight responsibility with respect to (i) the integrity of the Company's financial statements, financial reporting process and its systems of internal accounting and financial controls, (ii) the annual independent audit of the Company's financial statements, the engagement of external auditors and the evaluation of the external auditors' qualifications, independence and performance, (iii) the appointment of an internal auditor and regular review of the internal audit function and (iv) the Company's compliance with the legal and regulatory requirements including its disclosure controls and procedures. The Board approved a revised Charter of the Board Audit Committee on 30 April 2019 and it is reviewed annually by the Committee. The Board Audit Committee consists of six members, the majority of whom are independent and all Directors are non-executive directors. The members of the Board Audit Committee during 2019 were: Mr. Yousif A. Taqi (the Chairman of BAC), Ms. Suha Karzoon, Mr. Yaser E. Humaidan, Mr. Ali Al Shamrani, Mr. Ahmed M. Al Khamis (who is not a Board Director but a representative of the Shareholder, Sabic Industrial Investments Company) and Dr. Ahmed Al Balooshi (who is not a Board Director but was appointed to the Board Audit Committee on 11 June 2014).

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.

The Board Audit Committee Meetings during 2019 were held on 05 February, 28 April, 15 September and 17 November. All meetings were attended by all members.

6. Nomination, Remuneration and Corporate Governance Committee (NRGC)

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

Following the CBB Module on Corporate Governance, the Nomination Committee and Remuneration Committee could be combined for the purpose of:

Nominating Functions:

1. Identify & nominate persons qualified to become members of the Board, the CXOs, Corporate Secretary and any other officers of the Company designated by the Board, with the exception of the appointment of the Chief Internal Auditor, which shall be the responsibility of the Board Audit Committee in accordance with CBB rule HC-3.2.1 above; and
2. Make recommendations to the whole Board regarding nominations, including candidates for Board membership for recommendation to the Annual Shareholders' Meeting.

Remunerating Functions:

1. Review the company's remuneration policies for the Board and Executive Management (CXOs) for approval by the shareholders
2. Review the company's remuneration policies for the Board and Executive Management (CXOs) for approval by the shareholders
3. Remunerate board members based on their attendance and performance.

Corporate Governance Functions:

As per Principle 8.d of the Corporate Governance Code 2018, the Board must establish a Corporate Governance Committee of at least three independent directors or the Governance Committee may be merged with the Nomination and Remuneration Committee. Hence, post the Board's approval at the meeting held on 26th September 2018, the Nomination and Remuneration Committee was merged with the Corporate Governance Committee, thus renaming it to the Nomination, Remuneration and Corporate Governance Committee.

ALUMINIUM BAHRAIN B.S.C. (Alba)

1. The Corporate Governance Committee shall be responsible for developing and making recommendations on the changes required under the company's Corporate Governance policy from time to time. The governance committee may be merged with the Nomination and Remuneration Committee;
2. Monitoring and overseeing the implementation of the Corporate Governance framework by working together with the Executive Management, Audit Committee and the Board;
3. Providing the Board with reports and recommendations based on its findings in the performance of its duties.

The company shall appoint an employee as the company's Corporate Governance officer. He/She shall undertake the tasks of verifying the company's compliance with the Corporate Governance rules, laws, regulations and decisions issued to implement them. He/She shall coordinate with the Corporate Governance Committee in relation to all Corporate Governance matters, follow-up and coordinate with the Concerned Department on the Corporate Governance matters.

The Nomination, Remuneration and Corporate Governance Committee is composed of three Directors: the Chairman of the Board Shaikh Daij Bin Salman Bin Daij Al Khalifa (who chairs the Committee) and two other Board Directors Mr. Osama M. Arrayedh and Mr. Ahmed Al Jabr. The Board approved the revised Charter of the Nomination, Remuneration and Corporate Governance Committee on 02 December 2018 and it is reviewed annually by the Committee.

b. Number and dates of meetings held by the committee during the financial year and the number of times members attended the meetings

The Nomination, Remuneration and Corporate Governance Committee Meetings during 2019 were held on 04 February, 25 April, 17 September and 26 November. All meetings were attended by all members.

7. Governance Committee

a. Names, competences and duties of the governance committee's members [refer to item 6.a]

b. Summary of the Committee performance report during 2019

Post the Board's approval on 26 September 2018 to merge the Nomination and Remuneration Committee with the Corporate Governance Committee, the Committee was renamed to Nomination, Remuneration and Corporate Governance Committee. The Corporate Governance Officer, Ms. Eline Hilal, presented the Company's Corporate Governance Report for 2019 to the members of the Board Audit Committee as well as the Nomination, Remuneration and Corporate Governance Committee as per the MOICT template. The Company is on course to improve and advance its Corporate Governance Guidelines in line with the Code. This is an on-going process and more thought-initiatives will be carried-out in 2020.

8. Corporate Governance Officer's name, qualifications, date of appointment, and contact details

Ms. Eline Hilal, holder of passport no. LR1029794 has been appointed as the Corporate Governance Officer for Aluminium Bahrain B.S.C. (Alba) with effect from 01st September 2018. Below are the contact details:

Office No.: +973 1783 5100

Mobile No.: +973 39907255

Email address: eline.hilal@alba.com.bh

Eline holds a Master in Business Administration from ESSEC, Master in International Finance from University of New South Wales (UNSW) and a Bachelor of Science in Banking & Finance from Lebanese American University (LAU).

ALUMINIUM BAHRAIN B.S.C. (Alba)

9. Board Executive Committee

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

The purpose of the Executive Committee is to assist the Board in fulfilling its oversight responsibility with respect to develop long-term and mid-term strategy for the Company including any strategic initiatives. The Board Executive Committee is composed of four Directors: the Chairman of the Board Shaikh Daij Bin Salman Bin Daij Al Khalifa (who chairs the Committee) and three other Board Directors, Dr. Mohamed S. Kameshki, Mr. Omar Al Amoudi who replaced Mr. Uwaidh Al Harethi (retired on 10 March 2019) and Mr. Mutlaq H. Al Morished. The Board approved the Charter of the Executive Committee on 11 June 2014 and it is reviewed annually by the Committee.

b. Number and dates of meetings held by the committee during the financial year and the number of times members attended the meetings

The Board Executive Committee Meetings during 2019 were held on 06 February, 24 April, 19 September and 28 November. All meetings were attended by all members.

10. 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

The MOICT Code and the CBB Module state that the majority of the members of the Audit Committee including its Chairman shall be independent. Currently, per the collective definitions in the MOICT Code and the CBB Module, three of the six members (including the Chairman) are classified as independent. The remaining three are classified as non-independent due to the fact that they hold management positions in controlling shareholders. The Alba Board has reviewed this matter and is of the opinion that the specific circumstances that led to the members' classification do not present actual conflict of interests with the activities carried-out by the Audit Committee and do not impair the members' abilities to exercise judgment free from conflicts.

11. Description of the cash and in-kind contributions made by the Company during the year 2019 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

Alba is one of the leading philanthropic companies in Bahrain that is committed towards making a positive contribution to the society.

One of the key areas of Corporate Social Responsibility (CSR) initiatives we have in Alba is spreading the message of living and working Safely. We believe Safety practices should be promoted in daily life activities and some of the ways we spread this message were via donating booster car-seats to 22 charitable societies within Bahrain to promote car Safety for toddlers and children in the age group from 2 to 7 years; donating smoke detectors amongst the local community to promote Fire and Safety awareness.

Environmental and Social causes are key to our CSR-led programmes. Following the principle of 'Utilize and Reuse', Alba donated used furniture and home appliances to Al Eker Charitable Society, Bank of Bahrain Elderly Home and Ma'ameer Charity Society. Televisions were also donated to Sacred Heart School as well as a Society for the physically challenged.

In addition, Alba provides practical support to Alia School for Early Intervention which has been praiseworthy. Alba is also the only business organization in Bahrain that provides a substantial amount of garden resources to the community. The Company is fully committed to preserve a greener world through its active participation in the Bahrain International

ALUMINIUM BAHRAIN B.S.C. (Alba)

Garden Show and by making provisions for external communities to take excess water from Alba Lake for irrigation purposes.

Further, Alba took the initiative to arrange a Fun Day for the children in some of Bahrain's orphanages, offered meals for elderly at Al Hekma society and arranged a tour of Alba Club for the elderly from Al Manar Elderly Day care Society.

Alba Health Care Center also plays a vital role in the Company's CSR activities. Annually and/or bi-annually, the Health Care Centre holds a blood donation campaign, wherein employees from Alba donate blood. The Centre also holds health awareness sessions in collaboration with various NGOs and government organisations on important subjects such as Breast Cancer, Hypertension, Cancer Awareness, etc.

a. Statement of shareholders' equity as of 31/12/2019 (individuals, corporate, government or organizations) to be classified as follows: Local, Gulf, Arab, and foreign

#	Shareholder Classification	Shareholding %			
		Individuals	Corporate	Government or Organizations	Total
1	Local	1.0337%	72.3245%	0.7548%	74.1130%
2	Arab	0.4981%	20.9118%	0.0024%	21.4123%
3	Foreign	0.0879%	4.3868%	-	4.4747%
	Total	1.6197%	97.6231%	0.7572%	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 31/12/2019 as follows:

#	Name	Number of Shares Held	Shareholding %	Name of the Natural Person/the Final Beneficiary
1	Bahrain Mumtalakat Holding Company BSC (C)	985,196,000	69.38%	-
2	Sabic Industrial Investment Co.	292,804,000	20.62%	-

c. Description of how shareholders are distributed according to their respective shareholding as at 31/12/2019 as follows:

#	Shareholding (Share)	No. of Shareholders	# of Shares Held	Shareholding %
1	<50,000	3,119	7,199,745	0.5070%
2	50,000 to 500,000	56	9,228,494	0.6499%
3	500,000 to 5,000,000	17	29,657,470	2.0886%
4	>5,000,000	8	1,373,914,291	96.7545%

ALUMINIUM BAHRAIN B.S.C. (Alba)

d. Description of the significant events that occurred during the year 2019

His Majesty King Hamad bin Isa Al Khalifa the King of the Kingdom of Bahrain, in the presence of His Royal Highness Prince Salman bin Hamad Al Khalifa the Crown Prince, Deputy Supreme Commander and First Deputy Prime Minister, patronised and graced the Inauguration Ceremony of Alba's Line 6 Expansion Project on 24 November 2019. The inauguration of Alba's Line 6 Expansion Project marks a turning point for the Company as it approaches its Golden Jubilee and as it gears-up to be the largest smelter in the world ex-China.

At the Board Meeting that was held on the 07th February 2019, the Board of Directors of Aluminium Bahrain B.S.C. (Alba) approved the payment of 1.5 Accounting Period (AP) Basic salary as bonus for the fiscal year 2018.

12. Compliance with the provisions of the Corporate Governance Code as follows:

Principle	Non-compliant	Partially Compliant	Fully Compliant	Explanation in case of non-compliance
Principle 1: The Company shall be headed by an effective, qualified and expert board.			✓	
Principle 2: The directors and executive management shall have full loyalty to the company.			✓	
Principle 3: The Board shall have rigorous controls for financial audit and reporting, internal control, and compliance with law.			✓	
Principle 4: The Company shall have effective procedures for appointment, training, and evaluation of the directors			✓	
Principle 5: The Company shall remunerate directors and senior officers fairly and responsibly.			✓	
Principle 6: The Board shall establish a clear and efficient management structure for the Company and define the job titles, powers, roles and responsibilities.			✓	
Principle 7: The Company shall communicate with shareholders, encourage their participation, and respect their rights.			✓	
Principle 8: The Company shall disclose its corporate governance.			✓	
Principle 9: Companies which offer Islamic services shall adhere to the principles of Islamic Shari'a.*			NA	
Principle 10: The Board shall ensure the integrity of the financial statements submitted to shareholders through appointment of external auditors.			✓	
Principle 11: The Company shall seek through social responsibility to exercise its role as a good citizen.			✓	

* Applicable only to the companies offering Islamic services.

ALUMINIUM BAHRAIN B.S.C. (Alba)

13. Any disclosures required by the regulatory authorities

Daj bin Salman bin Daj Al Khalifa
Chairman of the Board

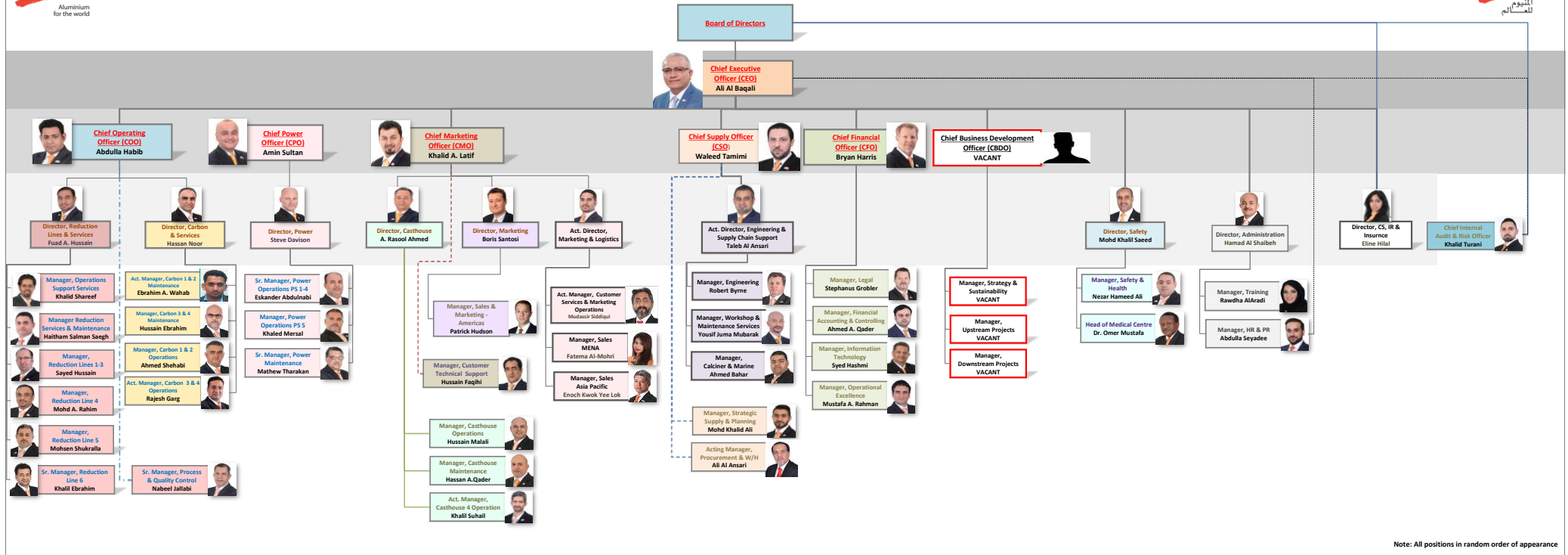
Official Seal of the Company



Date: 08 March 2020



ALBA MANAGEMENT STRUCTURE 2020



Note: All positions in random order of appearance