
ALUMINIUM BAHRAIN B.S.C.

(FOR PRESENTATION BY BOARD TO SHAREHOLDERS AT AGM ON 7th MARCH 2019)
Corporate Governance Report for the year ending 31st December 2018

Aluminium Bahrain B.S.C.: Commercial Registration No. 999

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 1 September 2018.

The Code requires public companies to adopt written 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 if it has varied them or believe that any non-compliance was justified.

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 or expansions of the requirements found in the Code, and apply to all 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 report as required by both The Code (2018) and the CBB Module.

The Corporate Governance Report for 2018 and for prior years as well as Alba’s Board approved Corporate Governance Guidelines can be viewed by visiting Alba’s corporate website at www.albasmelter.com.

1. Description of the actions taken to complete the Corporate Governance Code during 2018 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’. The aforementioned document is fully aligned with the MOICT Code and is published on Alba’s website. Compliance with the Code is monitored by the Board Nomination, Remuneration and Corporate Governance Committee by utilizing reports prepared by the Corporate Secretary 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 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.

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2. Description of the transactions of the Directors, their spouses and sons on the Company's shares during 2018 according to the following table

#	Name	Position/Kinship	Shares Held as at 31/12/2018	Total Sale Transaction	Total Purchase Transaction
1	Shaikh Daij Bin Salman Bin Daij Al Khalifa	Family members	30,000	190,000	-

3. Composition of the Board

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

Name	Age	Member in Alba Since	Directorships of other Boards	Position
Shaikh Daij Bin Salman Bin Daij Al Khalifa	49	2014	Arab Shipbuilding and Repair Yard Co. (ASRY)	Chairman
Yousif A. Taqi	57	2008	Eskan Bank Kuwait Finance House Al Sorouh Management Company WLL	Board Member Board Member Board Member
Osama M. Al Arrayedh	55	2006	None	None
Suha S. Karzoon	43	2015	ASMA Limited Mumtalakat Sukuk Holding Company Hawar Aviation Company B.S.C. © Bahrain National Dredging Company B.S.C.(c) Mazad B.S.C.(c) AtBahrain B.S.C. © Jewel Holdings Limited Zeus Holding Limited H. Al Dhaen Boats W.L.L. Khairat Al Bahrain 1 & 2 Holding S.P.C.	Board Member Board Member Board Member Board Member Board Member Board Member Board Member Board Member Board Member
Dr. Mohamed Saleh Kameshki	60	2014	Saleh Abdulla Kamashki & Sons B.S.C. (c) Mawteni Trading Company W.L.L. Gulf Turkey Trading Company W.L.L. Ibdar Bank	Board Member/Vice Chairman Chairman Board Member Board Member
Yaser E. Humaidan	47	2017	None	None

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Ali Al Shamrani	51	2017	None	None
Uwaidh Al Harethi	50	2014	Dussur Company SSTPC	Board Director Chairman
Ahmed Al Jabr	55	2017	None	None
Mutlaq H. Al Morished (Elected Independent Director)	62	2015	National Metal Manufacturing & Casting (Maadaniyah) Alinma Tokio Martine Company (ATMC) Alinma Bank Alinma Investment Company Saudi Arabian Airlines GCC Board Directors Institute	Chairman Board Member Board Member Chairman Board Member 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	Board	Board Audit Committee	NRCG Committee	Executive Committee	Categories of Directors	Reasons
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 clarified by MOICT and 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

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							company or any of its subsidiaries or any of the company's associates in which he/she is a nominee for Directorship
6.	Yaser E Humaidan	✓	✓			Independent, Non-executive	
7.	Uwaidh Al Harethi (Elected Director)	✓			✓	Non-independent, Non-executive	As clarified by MOICT and 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	Mutlaq H. Al Morished (Elected Director)	✓			✓	Independent Non-executive	
11	Ahmed M. Al Khamis, (Member of the Board Audit Committee only)		✓			Non-independent, Non-executive	As above in row 7
12	Dr. Ahmed Mohammed Al Balooshi (Member of the Board Audit Committee only)		✓			Independent Non-executive	

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Following the Ordinary General Meeting that was held on 21 March 2017, 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	0
Executive Committee	4	3	4	1	0
Audit Committee	6	3	6	3	0
Nomination and Remuneration Committee	3	2	3	1	0

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. on 27 February 2014. Shaikh Daij is also the Chairman of the Executive Committee and the Nomination, Remuneration and Corporate Governance Committee. Currently, Shaikh Daij is also the Chairman of Arab Shipbuilding and Repair Yard Company (ASRY Bahrain). He was also the 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. 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 including the Ministry of Finance and the Ministry of Industry & 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 30 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., 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 Board Audit Committee for the period from August 2006 to February 2014, and a member of the Board Nomination and Remuneration Committee since February 2014. Mr. Al Arrayedh is a member of the Executive Board of the Arab Industrial Development and Mining Organization since 2016. He also had been a Board Member in the Gulf Organization for Industrial Consultancy from 2008 to 2014. He received a bachelor’s degree in Computer Science and Mathematics from St. Edward’s University, Austin Texas, in 1985. In 1995, he

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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 was appointed as a member of the Board of Directors of Aluminium Bahrain B.S.C. on 27 February 2014. He is a renowned Bahraini business strategist with a strong academic and practical background.

Dr. Kameshki, over his 30 years professional career, he has advised numerous local companies in various sectors on their strategy formulation, operational excellence, customer satisfaction and human capital resourcing. This was supported by his sound academic background and quantitative research capabilities, in addition to strong communication skills. Dr. Kameshki was the Assistant Secretary General of the Bahrain Centre for Research & Studies (BCSR), where he served for almost twenty years; and before that he started his working career as an engineer at the Bahrain petroleum Co.

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.

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. Besides being an active member on several boards, Dr. Kameshki’s current role is the Founder/Managing Director of MiniMax Business Consulting.

Suha S. Karzoon: Ms. 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, Ms. 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, Ms. Karzoon’s industry exposure includes Financial Services, Insurance and the Public Sector. Prior to joining Mumtalakat, Ms. 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, Ms. Karzoon held different managerial positions at KPMG International working within the Audit and Advisory Units in Bahrain, Qatar, and the United States.

On the 10th of June 2015, Ms. Karzoon was appointed on the Board of Alba, the appointment makes Ms. Karzoon the first woman on Alba’s Board since its establishment. Ms. 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. He is proficient at assisting companies to position themselves in order to achieve stability and growth in fluctuating economies. He also holds an extensive client-centric portfolio oversight and management skills.

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His last position was 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 previously 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. Al Morished has extensive experience in the field of corporate finance and Manufacturing in the fields of refineries, Chemicals, Metals, etc. Before taking up his current position as Chief Executive of National Industrialization Company (TASNEE)-Saudi Arabia in January 2015, Mr. Al Morished was the Executive Vice President, Corporate Finance, CFO at Saudi Basic Industries Corporation (SABIC), he was successively Vice President of Shared Services, President of the Saudi Petrochemical Company, and also of the Saudi Iron and Steel Company. Mr. Al Morished was a member of the Board of Directors of Aluminum Bahrain B.S.C. from 1st May 2003 until 31st December 2014; and was also a member of the Executive Committee.

At the Extraordinary General Meeting of Alba Shareholders that was held on the 10th of June 2015, Mr. Al Morished was elected as an independent Board Director of Alba. Currently he serves on the Boards of Alinma Bank, Alinma Tokyo Marine Insurance Co., Saudia Airline, Citi Group in KSA and Chairman of the Board of Maadaniyah. He was also on the advisory committee to the Supreme Economic Council of Saudia Arabia and Board member of the Board of Directors Institute for the GCC.

Mr. Al Morished received a bachelor's degree in Nuclear Physics and Mathematics from the University of Denver. He obtained his MBA from Stanford University, and an MSc in Nuclear Engineering from Princeton University.

Mr. Uwaidh H. Al Harethi: Prior to his present 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.

Ali Al Shamrani: Ali Al Shamrani draws on almost thirty years of experience in the petrochemicals industry. He is currently Vice President, CEO Business Support & Executive Affairs reporting directly to the SABIC CEO. Ali joined SABIC as a computer programmer in 1989, earning promotion to analyst and then planner. He later helped implement the Baan Enterprise Resource Planning (ERP) software project.

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, Ali previously served as Chairman of the Board of SABIC India and member of the board of Yanbu National Petrochemical Co. (YANSAB).

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A graduate of King Saud University-Riyadh's Computer & Information Science College, Ali received an Associate Degree in Programming Technology. He learned English at the English Language Training Institute in Charlotte, North Carolina in the US. Ali went on to 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*.

b. Description of the following:

1. Total remunerations paid to the Directors for the (last) year 2017: BHD 210,000.
2. The proposed total remunerations to be paid to the directors for the year 2018, which will be presented at the Annual General Meeting for approval: BHD 210,000
3. A one-time bonus amounting to BHD 210,000 will be presented for approval at the Annual General Meeting in recognition of the Directors' efforts towards the successful and safe completion of the Line 6 Expansion Project.
4. Description of the sitting fees paid to the Directors for attendance of the Board's committees for the financial year 2018 as per the following paragraph:

An attendance allowance of BD Five Hundred 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 Three Hundred 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 and Per Diem Allowance effective for implementation by 24 September 2014. This policy was further revised at the 147th Board Meeting held on 25th May 2017 and an attendance allowance of BD One thousand 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 attendance of the Board and Committee meetings in the financial year 2018 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 2018.

c. Number and dates of the Board meetings held during the financial year 2018, 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 2018 which were held on 08 February, 09 May, 26 September and 02 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)
Uwaidh Al Harethi	(4 meetings)

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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, and by the Memorandum and Articles of Association of the Company (the "Articles"). In particular they include:

- Setting and monitoring the overall business strategy and business plan for the Company;
- 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 all acts necessary for the management of the Company in conformity with its objectives, within the bounds of the Law, the Articles, and resolutions of the General Meetings;
- Establishing key Company policies;
- Setting the Management structure; appointing or removing key executives and employees, determining their duties, setting their remuneration and incentive programmes, (ensuring that these are aligned with the long-term 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 relevant ongoing 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.

Types of material transactions that require Board approval:

The Levels of Authority (LOA) summarises areas related 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;

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- 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 26th September 2018 to stream-line processes for better clarity and to reflect the organizational changes which occurred in 2018.

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

The Company is able to operate its production facilities in the Kingdom of Bahrain pursuant to the terms of the Concession Agreement with the Government of Bahrain dated October 1, 1968 which grants the Company the non-exclusive right to construct and operate an aluminum smelter for a period of 50 years. Pursuant to the terms of the Concession Agreement, the Company made royalty payments to the Ministry of Finance until the third quarter of 2018.

The Company also has an open facility with the National Bank of Bahrain B.S.C. to avail any short term Borrowings.

BAPCO is the sole supplier of all the natural gas used as fuel in the Company's power stations. BAPCO is wholly owned by The Oil and Gas Holding Company B.S.C. (c), which is owned by the Government of Bahrain, which in turn directly owns and controls Mumtalakat - 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 approximately 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.

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 22: 1, 2, 3, 4, & 5

- Bahrain Mumtalakat Holding Co. 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 21st March 2017.
- In line with the Shareholders' Agreement between Bahrain Mumtalakat Holding Co. (69.38%) and Sabic Industrial Investments Company (20.62%), one director was elected by the Shareholders' using the free shares on 21st March 2017.
- With the approval of the Shareholders, at the Extraordinary General meeting held on 10th 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 21st March 2017.

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h. Directors' ownership of the Company shares as of year-end 2018

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 2017:	1,200,000
Shareholding as at 31 st December 2018:	1,200,000

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 2017 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 27 (as per Alba's revised Memorandum and Articles of Association) 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 3 of this Article. 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.
- 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.

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- 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 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 28 of the 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 28 repeated, 178 and 197 of the Commercial Companies' Law.
- If he was appointed or elected contrary to the provisions of the Law or the Articles of Association.
- If he loses any of the qualifying conditions referred to in Article 23 above or in Articles 173 of the "Law".
- If he forfeits any of the conditions stated in Article 28 of the Articles of Association.
- If he mis-uses his position as 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 Board meetings in a given financial year without lawful excuse notified in writing to the Board, and the Board shall resolve on the 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 the appointing shareholder has notified the Board of Directors of its desire to terminate the membership of the member representing it or to appoint a replacement thereof.
- 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.

l. List of Senior Executives and a profile of each

Name	Age	Position	Date of First Appointment	Appointment Date to Current Position
Timothy "Tim" J. Murray	47	Chief Executive Officer	May 2007	October 2012

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Ali Al Baqali	49	Deputy Chief Executive Officer and Chief Supply Chain Officer (CSCO)	May 1998	Appointed as the Deputy Chief Executive Officer and Chief Supply Chain Officer (CSCO) in September 2017
Amin Sultan	50	Chief Power Officer	May 1997	Appointed as the Chief Power Officer in May 2017
Khalid Abdul Latif	47	Chief Marketing Officer	September 1989	September 2015
Abdulla Habib	47	Chief Operations Officer	March 1995	February 2018
Waleed Tamimi	44	Chief Administration Officer	May 2011	September 2017
Adnan Hashim	49	Chief Financial Officer	March 2018	March 2018 till 02 December 2018
Bryan Harris	48	Acting Chief Financial Officer	2009	December 2018

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:

Timothy "Tim" J. Murray, Chief Executive Officer: Tim Murray has been Chief Executive Officer of Alba since October 2012. He has been with Alba since 2007 when he joined as General Manager of Finance. During his time at Alba, he has held the roles of Chief Finance & Supply Officer, Chief Financial Officer, and Chief Marketing Officer.

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. He has attended various Executive Management Programs at Wharton and University of Chicago.

In 2019, Alba will begin commissioning the \$3 billion Line 6 Expansion Project which has been guided under Tim's leadership since June 2015. Line 6 will bring Alba's production to 1.5M mt per annum which will make Alba the largest Aluminium smelter in the world.

Tim has 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. Over the past 5 years under his "Project Titan" initiative, he has improved Alba's operating performance by approximately \$250 per metric ton.

Tim has played a pivotal role in the training and development at Alba including the company's MBA sponsorship program. In 2010, he led Alba's IPO where the company listed on both the London and Bahrain Stock exchanges.

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. Outside of work, Tim enjoys reading and spending time with his family in Cape Cod Massachusetts.

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He also serves as Chairman of St Christopher's School in Bahrain which is considered one of the top international schools in the MENA region.

Ali Al Baqali, Deputy CEO and Chief Supply Chain Officer: Ali Al-Baqali, who was appointed as the Deputy CEO and Chief Supply Chain Officer of Aluminium Bahrain B.S.C. (Alba) in September 2017, oversees the departments of Strategic Supply & Planning, Procurement & Warehousing, Calciner & Marine Plant and Strategy & Business Development. Previously, since June 2013, Ali was the Chief Financial Officer of Alba.

Before he joined Alba's executive management team, Ali was the Company's Manager of Procurement & Warehousing, where he led the Purchasing, Warehouse & Inventory Management functions since April 2010, during which he made significant improvements in the procurement cycle & the supply chain, as well as formulated various sourcing strategies for key material categories.

Ali's experience in procurement is extensive as he was known for being perceptive in handling strategic issues with the company's major vendors. At various stages during his 20 years with Alba, he led many successful projects namely the Bar-coding system in Warehouse, Satellite Stores optimisation, AlbaSmartWay Wave program, etc.

Starting his career in Alba as a purchasing officer, Ali then got certified as QMS & EMS internal auditor and headed various sections in Materials Management. Prior to Alba, Ali worked in the fields of Accounting in YBA Kanoo and of Purchasing in GIIC (Gulf Industrial Investment Company) and Delmon Poultry.

Ali, who holds a B.Sc. degree in Accounting from the University of Bahrain and an MBA from the French Arabian Business School / ESSEC, is a professional member of the Chartered Institute of Purchasing & Supply (CIPS), UK. Moreover, he is a Board member of INJAZ and Tenmou, The first Bahraini Business Angels Company.

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

Amin Sultan, Chief Power Officer: Amin Sultan holds Chief Power Officer position of Alba's 2249 MW ISO Power & Utilities and Potline 6 expansion project for new 1792 MW Power Station. He also oversees Alba wide property and business interruption all risks insurance. Amin Sultan has been with Alba since 1997.

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Amin Sultan played instrumental roles in Alba's organization restructuring process in 2010, implementation of Lean & Six Sigma tools during STAR project 2011/2012 and finally cost saving Titan project.

Before joining Alba, he spent 5 years at the leading Japanese control and instrumentation firm, Yokogawa, wherein his role covered engineering, maintenance and projects experiences in vast industries such power & utilities, refineries, and petrochemicals.

Amin Sultan 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, Amin Sultan enjoys spending time with his family, playing golf and reading.

Waleed Tamimi, Chief Admin Officer: Since September 2017, Waleed Tamimi is the Chief Administration Officer at Aluminium Bahrain B.S.C. (Alba), where he spearheads the Company's Administration departments consisting of Public Relations, Human Resources, Training, Operational Excellence, and Alba Healthcare Centre.

Prior to his current designation, Waleed was the Director of Administration, and before that he was the Senior Manager of Strategic Supply & Planning, charged with overseeing 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 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.

Adnan Hashim, Chief Financial Officer: Adnan Hashim was appointed as Chief Financial Officer of Aluminium Bahrain B.S.C. (Alba) in March 2018 and has resigned in December 2018.

Adnan has over 25 years of experience in the finance and banking industry. Before joining Alba, Adnan held positions of Chief Financial Officer of NCB Capital, the investment arm of The National Commercial Bank of Saudi Arabia and General Manager of the Bahrain branch.

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Prior to joining NCB Capital, he was working in the Finance Division of NCB in both the Jeddah's Head Office and Bahrain branch. His last role at NCB was Senior Financial Controller for the Asset Management Sector, which covered the Treasury, Investment Services, Asset Management, Brokerage and Investment Banking Divisions in addition to the Bahrain branch. Adnan was also the Founder and Managing Partner of Istishara, a Bahrain based consulting firm serving the MENA region. He sat on numerous Executive committees, Boards, Audit Committees and Compensation committees of various financial institutions. Adnan is also the Chairman for ACCA Bahrain's Members Advisory Committee.

Adnan is a Fellow of the U.K. Certified Chartered Accountants (FCCA) and holds a Master's Degree in Business Administration from the University of Strathclyde, Scotland. In his spare time, Adnan enjoys spending time with his family and friends, playing football and reading.

Dr. Abdulla Habib Ahmed, Chief Operations Officer: Dr. Abdulla Habib was appointed as the Chief Operations Officer on December 02, 2018. He has been Director of Reduction Lines and Services since February 2015. He 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 24 years, Abdulla has grown in Alba and held the roles of Superintendent Reduction Line, R&D Manager, Reduction Lines Manager, Customers Technical Support Manager, Director of Reduction Lines and Services and Director of Reduction Line 6 Start-up. He was appointed as the acting Chief Operations officer on 8th February 2018 thereafter the Chief Operations Officer on 02 December 2018.

Abdulla has played a vital role in improving safety performance in Reduction Lines and services. He has been 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 by aligning the teams, driving innovative ideas and introducing more disciplined culture among workforce.

Abdulla holds a PhD in Chemical Engineering and Master in Aluminium Smelting from University of New South Wales, Australia. He also holds MBA from ESSEC/ French Arabian School. Abdulla has been 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 most favorite hobby.

Bryan Harris, acting 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. He was appointed as the acting Chief Financial Officer on 02 December 2018.

In addition to his responsibilities overseeing Internal Audit and Enterprise Risk management, he has also led the development and implementation of the Integrity and Ethics program, including the Code of Conduct and Integrity Reporting hotline system.

Bryan is a qualified Chartered Accountant with 25 years of experience. He started his career with PWC, from whom he had received a university scholarship. After a 2-year career interruption to do 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, Planning & Performance Management, Risk, and Compliance & Ethics in BP, one of the world's largest energy companies. These years included extended time working across Africa, the UK, Europe and the USA. 5 of these years were spent heading BP's UK Internal Audit team, and his last role was as Compliance & Ethics Manager for BP Downstream Europe, Africa and Australasia.

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Bryan is accompanied in Bahrain by his wife and 2 youngest children, while his eldest is at university in the UK. Besides hanging out with his family, and serving in community roles, Bryan enjoys kayaking, hiking, reading, and participating in Ironman triathlons.

m. Shareholding by Executive Management

The current shareholding of the CEO and CXOs are as follows. There were no transactions made in 2018:

(1) Tim Murray, Chief Executive Officer	3,777 ordinary shares
(2) Ali Al Baqali, Deputy CEO and Chief Supply Chain Officer	1,000 ordinary shares
(3) Khalid Abdul Latif, Chief Marketing Officer	1,000 ordinary shares
(4) Amin Sultan, Chief Power Officer	3,000 ordinary shares
(5) Abdulla Habib, Chief Operations Officer	3,777 ordinary shares
(6) Waleed Tamimi, Chief Administration Officer	-
(7) Adnan Hashim, Chief Financial Officer	-
(8) Bryan Harris, acting Chief Financial Officer	1,000 ordinary shares

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, deputy general manager and managers

Included at the end of the 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 (Chief Executive Officer, Deputy Chief Executive Officer and Supply Chain Officer, Chief Marketing Officer, Chief Power Officer, Chief Admin officer, Chief Operations Officer and acting Chief Financial Officer) to include other allowances and benefits amounted US\$4,086,917 (equivalent to BD 1,536,681) in 2018.

4- External Auditors

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

Ernst & Young has been in Bahrain since 1928, making it the oldest and most prominent professional service firm operating in the country for a period of more than 83 years. Ernst & Young offer highly specialized services in the areas of Assurance, Advisory, Tax and Transactions.

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With approximately 400 employees and 8 partners in Bahrain, Ernst & Young is the most globally integrated professional services organization with a truly borderless approach. As a local office, Ernst & Young have unrestricted access to global resources, bringing together people and ideas from across the world.

Ernst & Young is uniquely structured to achieve the advantages of global capabilities and local knowledge and have a reputation for providing quality professional services to a well-diversified client portfolio - working with the public and private sectors. EY Bahrain has aligned its service offerings to better understand the market needs and service client requirements.

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	Ernst & Young
Years of service as the Company's external auditor	Since 2005
Name of the partner in charge of the Company's audit	Sarah Sanders
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 2018 (BD 76,700.000)	BD 62,600 for year-end audit and BD 14,100 for three quarterly reviews
Other special fees and charges for non-audit services other than auditing the financial statements for the year 2018 (BD 8,179.000) if any. In the absence of such fees, this shall be expressly stated.	BD 9,250 [ASBS – BD 4,000; Line 6 spares – one off AUP – BD 2,500; Filing fee - BD 250; Production quantities AUP – BD 500; Spares consumption 2 years AUP – BD 2,000]

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 11 June 2014 and it is reviewed annually by the Committee. The Board Audit Committee consists of six members, the majority of whom are independent and non-executive directors. The members of the Board Audit Committee during 2018 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.

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The Board Audit Committee Meetings during 2018 were held on 06 February, 29 April, 26 September and 25 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.

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

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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 2018 were held on 05 February, 02 May, 18 September and 19 November. All meetings were attended by all members.

7- Governance Committee

a. Names, competences and duties of the governance committee's members. *Discussed under item 6.a*

b. Summary of the Committee performance report during 2018

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 appointed Corporate Governance Officer, Ms. Eline Hilal, presented a report to the Nomination, Remuneration and Corporate Governance Committee in Q4 2018 on the Charter of the Committee and proposed amendments in line with the Corporate Governance Code 2018; in addition, the Company's Corporate Governance Report for 2018 was amended as per the MOICT template then discussed in detail amongst the Board Audit Committee as well as the Nomination, Remuneration and Corporate Governance Committee.

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).

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. Uwaidh Al Harethi 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 2018 were held on 04 February, 30 April, 17 September, 25 October and 18 November. All meetings were attended by all members with the exception of Mr. Uwaidh Al Harethi who didn't attend the meeting on November 18, 2018.

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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 2018 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

The Company didn't make any cash donations in 2018 but has held various Corporate Social Responsibility (CSR)-led initiatives. The CSR team was engaged in a number of activities that were inspired by the pillars of our Corporate Citizenship Philosophy all the while focusing on the core values of spreading Safety awareness and knowledge-pooling amongst the members of the Bahraini society.

'Going Green' and 'Think Safety' were the major CSR activities led by Alba: planting vegetables and flowers in Sacred Heart School and within the area of Alia for Early Intervention; cleaning Askar Beach; providing Swimming Pool Safety Pledge to Saint Christopher's School, Sacred Heart School, AMA and Alia Intervention Centre; and conducting Fire Safety Mock Drill for Sacred Heart School.

a. Statement of shareholders' equity as of 31/12/2018 (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	0.973872%	72.220620%	0.753748%	73.95%
2	Arab	0.484442%	20.930708%	-	21.41%
3	Foreign	0.174179%	4.461970%	-	4.64%
	Total	1.632493%	97.613298%	0.753748%	100.00%

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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 31/12/2018 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 31/12/2018 as follows:

#	Shareholding (share)	No of shareholders	Number of shares held	Shareholding %
1	<50,000	3,161	7,289,041	0.51%
2	50,000 to 500,000	71	12,100,299	0.85%
3	500,000 to 5,000,000	19	30,614,007	2.16%
4	>5,000,000	8	1,369,996,653	96.48%

d. Description of the significant events that occurred during the year 2018

At the Board Meeting that was held on the 08th February 2018, the Board of Directors of Aluminium Bahrain B.S.C. approved the payment of 1.5 Accounting Period (AP) Basic salary as bonus for the fiscal year 2017. The Company had accrued 1AP salary bonus that was not paid in 2017. Hence, a total of 2.5 AP Basic Salary was paid to the employees for 2017 employee bonus.

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			✓	

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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.

13- Any disclosures required by the regulatory authorities

Chairman Signature

Official Seal of the Company

Date: 07/03/2019