

Corporate Governance Disclosure 2021

CORPORATE GOVERNANCE DISCLOSURE

Nass Corporation BSC

Manama – Kingdom of Bahrain

1. CORPORATE GOVERNANCE POLICY

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

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

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

The management is committed to implement procedures and processes to reflect and support the Board approved Corporate Governance framework to ensure the highest standards of Corporate Governance throughout the Company.

2. CORPORATE GOVERNANCE DEVELOPMENTS DURING THE YEAR

All directors of the Company were elected by the shareholders of the Company in the AGM held on March 30, 2021. After March 30, 2021 no director position became vacant and thus no new directors were elected or stood for re-election.

3. SHAREHOLDER INFORMATION

The existing share structure of the Company consists of only ordinary shares and there are no different classes of ordinary shares. As on December 31, 2021, the Company had issued 220,000,000 ordinary shares, each with a nominal value of BD 0.100 per share. All the shares are fully paid.

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

The Annual General Ordinary Meeting is scheduled on March 30, 2022 subject to CBB and MOIC&T approval.

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3.1 Major shareholders of the Company (Names of the shareholders holding 5% or more) as on December 31, 2021 are as follows:-

S. No.	Name of Shareholder	Number of Shares	% of Holdings	Name of the natural person, the final beneficiary
1	Mr. Sameer Abdulla Nass	18,810,000	8.55	Mr. Sameer Abdulla Nass
2	Mr. Sami Abdulla Nass	18,810,000	8.55	Mr. Sami Abdulla Nass
3	Mr. Adel Abdulla Nass	18,810,000	8.55	Mr. Adel Abdulla Nass
4	Mr. Ghazi Abdulla Nass	18,810,000	8.55	Mr. Ghazi Abdulla Nass
5	Mr. Fawzi Abdulla Nass	18,810,000	8.55	Mr. Fawzi Abdulla Nass
6	Abdul Rahman Saleh Al Rajhi & Partners Co Ltd	15,969,864	7.26	Abdul Rahman Saleh Al Rajhi Family members

3.2 Statement of shareholders' equity as of 31/12/2021 by Nationality to be classified as follows:

S. No.	Shareholder Classification	Shareholding %			
		INDIVIDUALS	CORPORATE	GOVERNMENT OR ORGANIZATIONS	TOTAL
1	Local	66.88%	13.62%	0.02%	80.52%
2	Arab	17.06%	1.83%	-	18.89%
3	Foreign	0.48%	0.11%	-	0.59%
	Total	84.42%	15.56%	0.02%	100.00%

3.3 Description of how shareholders are distributed according to their respective shareholding as at 31/12/2021 as follows:

S. No.	Shareholding (share)	Number of Shareholders	Number of shares held	Shareholding %
1	<50,000	7,750	13,613,997	6.19%
2	50,000 to 500,000	122	18,546,442	8.43%
3	500,000 to 5,000,000	43	64,223,001	29.19%
4	>5,000,000	8	123,616,560	56.19%
	TOTAL	7,923	220,000,000	100.00%

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4. COMPANY'S BOARD, DIRECTORS AND MANAGEMENT

4.1 Board Procedure

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

4.2 Board and Directors' Responsibilities

The specific responsibilities of the Board include:

- 1 Adopting the commercial and financial policies associated with the company's business performance and achievement of its objectives.
- 2 Drawing, overseeing and periodically reviewing the company's plans, policies, strategies and key objectives.
- 3 Setting and generally supervising the regulations and systems of the company's internal control.
- 4 Determining the company's optimal capital structure, strategies and financial objectives and approving annual budgets.
- 5 Monitoring the company's major capital expenditures, and possessing and disposing assets.
- 6 Approving the company's quarterly and annual financial statements and presenting them to the general assembly.
- 7 Monitoring the executive management's activities, and ensuring that the operations run smoothly to achieve the company's objectives and that they do not conflict with the applicable Laws and Regulations.
- 8 Forming specialized committees emerging from the BoD as required by the nature of the company's activity as provided in the regulatory requirements, and issuing the regulations of these committees.
- 9 Determining the types of remunerations for senior executives and directors, subject to the approval of the shareholders' general assembly, taking into consideration the provision of Article (188) of the Commercial Companies Law.
- 10 Setting a mechanism to regulate transactions with related parties in order to minimize conflicts of interest.
- 11 Setting standards and values governing the company's business.
- 12 Ensuring the application of an appropriate control and risk management systems by setting framework of the risks that the company might face, creating an environment that is aware of risk management knowledge at the company level, and transparently presenting it to company's related parties and stakeholders.
- 13 Assuring equitable treatment of shareholders, including the minority shareholders.
- 14 Setting internal regulations which determine the Board's duties and responsibilities, including the obligations and responsibilities of the directors.

4.3 Material Transactions that require the Board approval

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

- 1 The Company strategy;
- 2 The annual budget, capital expenditure budget, major contracts, diversification plans/divestment;
- 3 The financial statements;
- 4 Major resource allocations and capital investments; and
- 5 Management responsibilities and training, development and succession plan for Senior Management.

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4.4 Director's profiles (Directorships of other Boards)

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

S. No.	Name of Director	Designation	Name of the Company
1	Mr. Hisham S Al Saie	Non-Executive & Independent Director	Al Salam Bank - Bahrain BSC
2	Mr. Bashar Sameer Nass	Non-Executive & Non-Independent Director	Solidarity BSC

4.5 Status of Directorships and Board Composition

Name of Director	Type (executive, non-executive or independent)	Experience	Qualification	The period of his term as a director of the Company starting from the date of his first election or appointment	Positions in any other key regulatory, government organisations
Mr. Sameer Abdulla Nass	Executive	42	Bachelor of Science	01-01-2005	Chairman of Bahrain Chamber of Commerce & Industry
Mr. Sami Abdulla Nass	Executive	38	Bachelor of Business Administration	01-01-2005	None
Mr. Adel Abdulla Nass	Executive	33	Master of Business Administration	01-01-2005	None
Mr. Ghazi Abdulla Nass	Executive	30	BSc – Civil Engineering	01-01-2005	None
Mr. Fawzi Abdulla Nass	Executive	27	Diploma In Mechanical Engineering	01-01-2005	None
Mr. Bashar Sameer Nass	Executive	14	Bachelor of Science in Construction Management	23-09-2013	None
Mr. Hemant Joshi	Executive	40	B.com, MBA, FCMA, AICMA, FCA & LLB	19-03-2015	None
Mr. Jamal A Al -Hazeem	Non-Executive & Independent	34	Certified Public Accountant - USA	01-01-2005	None
Mr. Hisham S Al Saie	Non-Executive & Independent	24	Master of Business Administration	01-01-2005	None
Mr. Abdulla Nooruddin Abdulla Nooruddin	Non-Executive & Independent	16	Master of Business Administration	30-03-2021	None

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4.6 Appointment & Termination / Resignation of Directors

Directors are elected for 3-year term. Elections take place in accordance with the Memorandum and Articles of Association of the Company and the Bahrain Commercial Companies Law. There is no maximum age limit at which a Director must retire from the Board. Each Director's term of appointment expires, pursuant to the terms of his Letter of Appointment and/or the provisions of the law. The shareholders appointed the current board of directors of the Company on March 30, 2021.

4.7 Induction and Training of Directors

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

4.8 Directors Ownership of Company's shares

S. No.	Name of Director	Type of Shares	Number of Shares	% of shares held
1	Mr. Sameer Abdulla Nass	Equity Shares	18,810,000	8.55
2	Mr. Sami Abdulla Nass	Equity Shares	18,810,000	8.55
3	Mr. Adel Abdulla Nass	Equity Shares	18,810,000	8.55
4	Mr. Ghazi Abdulla Nass	Equity Shares	18,810,000	8.55
5	Mr. Fawzi Abdulla Nass	Equity Shares	18,810,000	8.55
6	Mr. Bashar Sameer Nass	Equity Shares	100,000	0.05

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4.9 Director's Trading of Shares during the year

During the year 2021 none of the Board Members purchased or sold any shares of the Company.

4.10 Board Meetings

The Company should hold a minimum of four Board meetings during each year. During the year 2021 five Board meetings were held. The following table summarizes the information about member's attendance in the Board of Directors meetings held in 2021:

Name of Director	Business Title	24-02-2021	11-05-2021	12-08-2021	11-11-2021	28-12-2021	% Attended
Mr. Sameer Abdulla Nass	Chairman	✓	✓	–	✓	✓	80%
Mr. Sami Abdulla Nass	Deputy Chairman	✓	✓	✓	✓	✓	100%
Mr. Adel Abdulla Nass	Director - Finance	✓	✓	✓	✓	✓	100%
Mr. Ghazi Abdulla Nass	Director	✓	✓	✓	✓	✓	100%
Mr. Fawzi Abdulla Nass	Director	✓	✓	✓	✓	✓	100%
Mr. Bashar Samir Nass	Director	✓	✓	✓	✓	✓	100%
Mr. Hemant Joshi	Director	✓	✓	✓	✓	✓	100%
Mr. Jamal A Al-Hazeem	Non-Executive Independent Director	✓	✓	✓	✓	✓	100%
Mr. Hisham S Al-Saie	Non-Executive Independent Director	✓	✓	✓	✓	✓	100%
Mr. Abdulla Nooruddin Abdulla Nooruddin	Non-Executive Independent Director	–	✓	✓	✓	✓	80%
Dr. Mustafa Al Sayed	Non-Executive Independent Director	✓	–	–	–	–	20%

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4.11 Remuneration For Board of Directors

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

For the (last) year 2020 sitting fees (including sitting fees for attending committee meetings) of BD. 215,000/- was paid and there was no remuneration paid to the directors due to reported loss for the year.

For the year 2021 sitting fees (including sitting fees for attending committee meetings) of BD. 210,750/- was paid and there is no proposed remuneration to be paid to the directors due to reported loss for the year.

4.12 Management

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

S. No.	Name of members of senior management	Designation	Experience in years	Qualification
1	Mr. Shawqi Mohamed Al-Hashimi	Chief Executive Officer	38	B. Eng. (Hons) Instrumentation & Control Engineering
2	Yusuf Ahmed Nass	General Manager – HR & Administration, Nass Sand Plant, Nass Ice Plant	36	BSc- Civil Engineering
3	Nigel Barrie Hector	General Manager – Core Contracting	40	Higher National Diploma in Civil Engineering
4	Jamal Mohammad Nass	General Manager – Plant & Transport Department	33	Bachelor in Computer Engineering
5	Ian Edward Boys	Chief - Commercial Manager(Core Contracting)	33	Associate – Quantity Surveying
6	Jonathan Charles Mottram	General Manager – DRMC & DPC	20	B.Eng. Mining (Hons)
7	Ahmed Saber El Fawal	General Manager – Nass Commercial	17	Bachelor of Science in Mechanical Power Engineering & Master of Business Administration
8	Matthew Howes	Regional General Manager – Nass Scafform	28	Scaffolding Certificate
9	Sunil Nair	General Manager – Nass Foods	25	Master of International Business
10	Gian Franco Stefanoni	General Manager – Nass Industrial Services	28	Diploma-Civil Eng. Bachelors' Degree Second Level in Mech. Eng.
11	Maged Tolba Saed	Manager – Nass Electrical	20	BSc- Electrical Engineering

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The remuneration paid to Senior Management during the year 2021 was as follows:

Senior Management - Cost	Amount (BD) '000
Salaries, allowances, inclusive of all costs	940
Employees' end of service benefits	43

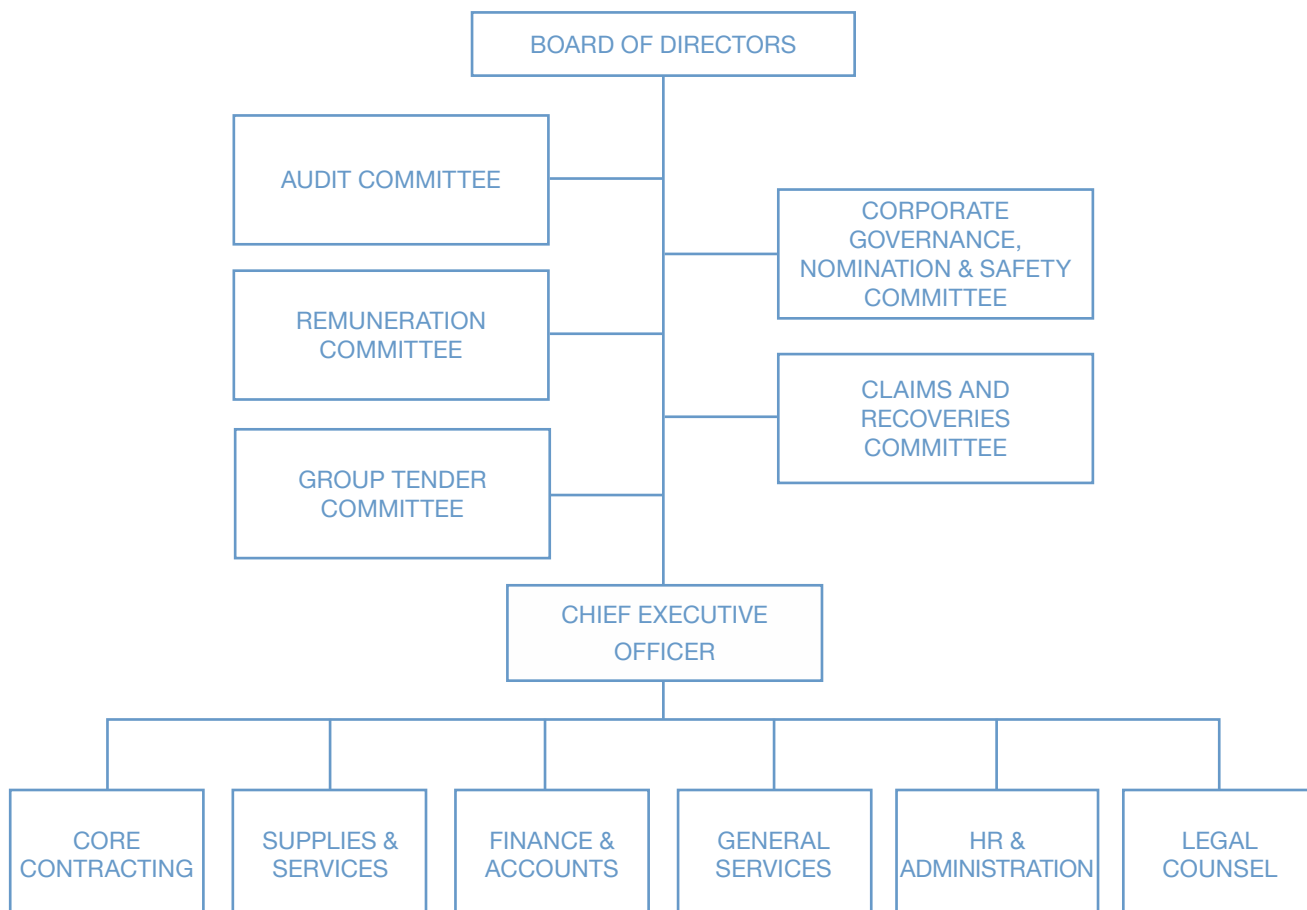
The Senior Management does not hold any Shares of the Company.

4.13 Code of Conduct/ Code of Ethics

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

- Act with an honesty, integrity and in good faith, with due diligence and care, in the best interests of the Company and its Shareholders.
- Respecting the confidentiality of information obtained during the course of business.
- Integrity in dealing with the Company's assets.

5. COMPANY ORGANISATIONAL STRUCTURE



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6. COMMITTEES

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

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

6.1 AUDIT COMMITTEE

Sl. No.	Members	Independent/ Non-independent
1	Mr. Jamal A Al-Hazeem	Non-Executive Independent Director
2	Mr. Hisham S Al-Saie	Non-Executive Independent Director
3	Mr. Hemant Joshi	Executive Director

Mr. Jamal A Al-Hazeem is the Chairman of the Audit Committee. The Audit Committee comprises of 3 directors. The Charter of the Audit Committee specifies the roles and responsibilities assigned to the Committee.

Competences of the Audit Committee Members:

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

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

Members	23-02-2021	24-02-2021	10-05-2021	11-05-2021	11-08-2021	12-08-2021	24-10-2021	10-11-2021	11-11-2021	% Attended
Mr. Jamal A. Al-Hazeem	√	√	√	√	√	√	√	√	√	100%
Mr. Hisham S. Al-Saie	√	√	√	√	√	√	√	√	√	100%
Mr. Hemant Joshi	√	√	√	√	√	√	√	√	√	100%

During the year, total fees paid to the members of the Audit Committee was BD 20,250/-.

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6.2 Corporate Governance, Nomination & Safety Committee:

Sl. No.	Members	Independent/ Non-independent
1	Mr. Sami Abdulla Nass	Executive Director
2	Mr. Adel Abdulla Nass	Executive Director
3	Mr. Jamal A Al-Hazeem	Non-Executive Independent Director
4	Mr. Hisham Al-Saie	Non-Executive Independent Director

Mr. Sami Abdulla Nass is the Chairman of the Corporate Governance, Nomination & Safety Committee. The Corporate Governance, Nomination & Safety Committee comprises of four directors. The Charter of the Corporate Governance, Nomination & Safety Committee specifies the roles and responsibilities assigned to the Committee.

Competences of the Corporate Governance, Nomination & Safety Committee Members:

1. Ensure the Company's practices conform to its corporate governance policy and is aligned to good governance practices.
2. Review and ensure adequacy and integrity of the Company's internal control and management information systems, including systems for compliance with all applicable laws and regulations.
3. Ensure the Company adheres to the highest standards of ethics and corporate behavior.
4. Ensure appropriate financial planning, operating and reporting framework as well as a risk management framework is established.
5. Monitor the adequacy and implementation of the Company's Corporate Governance Framework.
6. Providing the Board with reports and recommendations based on its findings in the performance of its duties.
7. Review the structure of the Board, periodically evaluate the directors' performance and make recommendations to the Board on the necessary changes that should be made to address weaknesses to achieve the company's interests.
8. Make recommendations to the Board from time to time on changes that the committee believes to be desirable in the management structure or in the job descriptions.
9. Ensure that adequate policies and procedures are in place for the evaluation of the performance of executive management.
10. Develop succession plans of senior management before the plans is presented to the Board for approval.

The Company should hold minimum of two meetings of Corporate Governance, Nomination & Safety Committee during each year. During the year, there was one meeting of Corporate Governance, Nomination & Safety Committee were held.

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The following table summarises the information about the members attendance in the Corporate Governance, Nomination & Safety Committee meetings:

Sl. No.	Members	23-12-2021	% Attended
1	Mr. Sami Abdulla Nass	√	100%
2	Mr. Adel Abdulla Nass	√	100%
3	Mr. Jamal A Al-Hazeem	√	100%
4	Mr. Hisham Al-Saie	√	100%

During the year, total fees paid to the members of the Corporate Governance, Nomination & Safety Committee was BD. 2,000/-.

6.3 Remuneration Committee:

Sl. No.	Members	Independent/ Non-independent
1	Mr. Hisham S Al-Saie	Non-Executive Independent Director
2	Mr. Jamal A Al-Hazeem	Non-Executive Independent Director
3	Mr. Abdulla Nooruddin Abdulla Nooruddin	Non-Executive Independent Director
4	Mr. Hemant Joshi	Executive Director

Mr. Hisham S Al-Saie is the Chairman of the Remuneration Committee. The Remuneration Committee comprises of four directors. The Charter of the Remuneration Committee specifies the roles and responsibilities assigned to the Committee.

Competences of the Remuneration Committee Members:

- 1 Consider and make specific recommendations to the Board on both the remuneration policy and the remuneration package for the chief executive officer and other senior officers.
- 2 Review the remuneration & sitting fees of the directors and making recommendations to the Board about their decision.

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

Sl. No.	Members	20-12-2021	22-12-2021	% Attended
1	Mr. Jamal A Al-Hazeem	√	√	100%
2	Mr. Hisham S Al-Saie	√	√	100%
3	Mr. Abdulla Nooruddin Abdulla Nooruddin	√	√	100%
4	Mr. Hemant Joshi	√	√	100%

During the year, total fees paid to the members of the Remuneration Committee was BD. 3,000/- however, no fees was paid for attending 22-12-2021 meeting.

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6.4 Group Tender Committee

Sl. No.	Members	Independent/ Non-independent
1	Mr. Jamal A Al-Hazeem	Non-Executive Independent Director
2	Mr. Hisham S Al-Saie	Non-Executive Independent Director
3	Mr. Ghazi Abdulla Nass	Executive Director
4	Mr. Bashar Sameer Nass	Executive Director
5	Mr. Hemant Joshi	Executive Director

Mr. Jamal A Al-Hazeem is the Chairman of the Group Tender Committee. The Group Tender Committee comprises of five directors. The Charter of the Group Tender Committee specifies the roles and responsibilities assigned to the Committee.

Competences of the Group Tender Committee Members:

- Establishing Intra-group pricing framework covering:
 - Bilateral pricing between two Group entities for regular business dealings;
 - Bid for special Tenders / contracts (below the threshold limit set by the Board);
 - Bid for special Tenders / contracts (above the threshold limit set by the Board).
- Review and recommend the threshold limit to the Board for bidding process by any Group Entity;
- Set the ground rules for engaging any other third party other than the Group Company;
- Participate in the pricing process for tenders or bids of over the threshold limit set by the Board.
- The Committee shall periodically review with the management of group entities, internal auditor regarding the intra-group pricing policy matters and take corrective action if required.

During the year there was one meeting of the Group Tender Committee were held. The following table summarises the information about the members attendance in the Group Tender Committee meetings:

Sl. No.	Members	25-11-2021	% Attended
1	Mr. Jamal A Al-Hazeem	√	100%
2	Mr. Hisham S Al-Saie	√	100%
3	Mr. Ghazi Abdulla Nass	√	100%
4	Mr. Bashar Sameer Nass	√	100%
5	Mr. Hemant Joshi	√	100%

During the year, total fees paid to the members of the Group Tender Committee was BD. 2,500/-.

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6.5 Claims and Recoveries Committee

Sl. No.	Members	Independent/ Non-independent
1	Mr. Sami Abdulla Nass	Executive Director
2	Mr. Ghazi Abdulla Nass	Executive Director
3	Mr. Jamal A Al-Hazeem	Non-Executive Independent Director
4	Mr. Abdulla Nooruddin Abdulla Nooruddin	Non-Executive Independent Director

Mr. Sami Abdulla Nass is the Chairman of the Claims and Recoveries Committee. The Claims and Recoveries Committee comprises of four directors. The Charter of the Claims and Recoveries Committee specifies the roles and responsibilities assigned to the Committee.

Competences of Claims and Recoveries Committee Members:

- 1 To periodically review with the management of group entities receivables and claims.
- 2 To monitor and expedite the recovery process of overdue receivables and claims.

During the year there was four meeting of the Claims and Recoveries Committee were held. The following table summarises the information about the members attendance in the Claims and Recoveries Committee meetings:

Sl. No.	Members	23-06-2021	14-07-2021	13-10-2021	02-12-2021
1	Mr. Sami Abdulla Nass	√	√	√	√
2	Mr. Ghazi Abdulla Nass	√	√	√	√
3	Mr. Jamal A Al-Hazeem	√	√	√	√
4	Mr. Abdulla Nooruddin Abdulla Nooruddin	√	√	√	√

During the year, no fees paid to the members of the Claims and Recoveries Committee.

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7. CORPORATE GOVERNANCE

Corporate Governance Code

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

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

Compliances with the corporate governance code

Management and Board of Directors ensure compliance with corporate governance framework and guidelines to ensure compliance with the Corporate Governance Code and that it did not take note of any non-compliance during the year ended 2021.

8. CORPORATE GOVERNANCE OFFICER

As per MOIC & T requirement the Company had appointed Corporate Governance Officer during 2018. The details of Corporate Governance Officer is as follows:

Name	Qualification	Date of Appointment	Contact Details
Ramesh Panigrahi	B.A. (Hons) Economics, AICMA, CMA and CPA from The American Institute of Certified Public Accountants, USA.	02-08-2018	Telephone No. 1772 5560 Mobile No. 3999 2301 Email id: ramesh@aanass.net compliance@nasscorporation.com

9. IRREGULARITIES COMMITTED DURING THE FINANCIAL YEAR

There was no irregularity committed during the year.

10. EXTERNAL AUDITORS

Fees and charges for the audit services provided by the external auditor during the year 2021, in addition to a description of the auditor's years of service as the Company's external auditor is as follows:

Name of the audit firm	KPMG Fakhro
Years of service as the Company's external auditor	16 years
Name of the partner in charge of the Company's audit	Jalil Al Aali
The partner's years of service as the partner in charge of the Company's audit	6 years
Total audit fees for the financial statements for the year 2021 (in BD)	61,725/-
Other special fees and charges for non-audit services other than auditing the financial statements for the year 2021 (in BD) if any. In the absence of such fees, this shall be expressly stated	9,800/-

The Board of Directors propose to recommend re-appointment of M/S KPMG Fakhro as the Statutory Auditors of the Group for the year 2022.

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11. CONFLICT OF INTEREST

The company has a Conflict of Interest Policy in place which describes the procedures followed for any conflict of interest transactions. During the year 2021, necessary processes was followed as per Conflict of Interest Policy and proper due diligence was conducted for conflict of interest transaction.

12. RELATED PARTY TRANSACTIONS

All related party transactions are carried out at arm's length basis and approved by the management of the Company. No employee or director or member of executive management can trade in the shares with the material information which is not made public.

Below are the details of the related party transactions:

Related Party Transactions (Income) for the year 2021

S. No.	Name of Related Parties	Nature of Transaction	Figures in BD'000
1	Nass Contrack JV	Manpower, equipment hire and other services to Joint venture	78
2	Abdulla Ahmed Nass & Sons Co. W.L.L.	Supply of goods, manpower and other services	133
3	Abdulla Ahmed Nass & Sons Co. W.L.L.	Transfer of leasehold improvements	250
4	Gulf City Cleaning Co. W.L.L.	Sale of equipment, spares, consumables and services	219
5	Allied Car Rental W.L.L.	Sale of spares, buses etc.	178
6	Nass Marine Services Co. W.L.L.	Civil works and services etc.	168
7	Abdulla Nass Partners Co. - KSA	Sale/ hire of equipment	151
8	Nass Directors & Nass Family	Supply of goods and services	344
9	Sarens Nass Middle East W.L.L.	Supply of goods, hire of manpower and other services	74
10	Dona Marine Co. W.L.L.	Hire of equipment, goods and services	19
11	Other Related Parties	Supply of goods, other services, hire of equipment etc.	31
		Total	1,645

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Related Party Transactions (Purchases) for the year 2021

S. No.	Name of Related Parties	Nature of Transaction	Figures in BD'000
1	United Cement Company BSC (C)	Purchase of cement	2,386
2	Bahrain Building Chemicals W.L.L.	Purchase of construction chemicals, fly ash and micro silica	917
3	Dona Marine Co. W.L.L.	Hire of tug and barge for transportation of materials	1,202
4	Abdulla Ahmed Nass & Sons Co. W.L.L.	Hire of land, labour camp, staff accommodation, and other services	1,307
5	Abdulla Ahmed Nass & Sons Co. W.L.L.	Executive management contract services	1,560
6	Sarens Nass Middle East W.L.L.	Hire of cranes and equipment	674
7	Allied Car Rental W.L.L.	Hire of vehicles & buses	795
8	Nass Corporation Directors	Hire of land, camp, staff accommodation	715
9	Gulf City Cleaning Co. W.L.L.	Cleaning , waste removal services and supply of manure	85
10	Abdulla Nass Partners Co.- KSA	Hire of manpower, equipment and agency services	323
11	Other Related Parties	Supply of goods, other services, hire of equipment etc.	236
		Total	10,200

13. MEANS OF COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

The Company is committed to provide relevant and timely information to its shareholders, investors and regulators in accordance with its continuous disclosure obligations defined in the Code. Information is communicated to shareholders and regulators through the distribution of the Company's Annual Report and other information releases about the significant matters through the Company's website in a timely manner. The Board Secretary / Corporate Governance Officer is responsible for communications with the shareholders and regulators ensuring that the Company meets its continuous disclosures obligations as defined in the Code.

CORPORATE GOVERNANCE DISCLOSURE

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14. EVALUATION OF BOARD PERFORMANCE

The shareholders evaluate the performance of the Board of Directors and absolve them from liability in the Annual General Meeting.

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

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

15. CONTRIBUTIONS TOWARDS COMMUNITY DEVELOPMENT AND ENVIRONMENT PRESERVATION

Nass Corporation's corporate social responsibility initiatives cover a wide range of activities in charity, sports, environment and culture.

We actively encourage young Bahrainis to aspire to sporting excellence and encourage athletes to participate in sporting events.

Our contributions for 2021 are as follows:-

Sl. No.	Particulars	Amount in BHD
1.	Bahrain Bowling Association	1,500
2.	Bahrain Volleyball Association	2,500
3.	Rashid Equestrian & Horseracing Club	4,000
4.	Riffa Tennis Club	200
5.	Migrants Workers Protection Society	500
6.	Charity to Needy	7,827
	TOTAL	16,527

CORPORATE GOVERNANCE DISCLOSURE

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16. COMPLIANCE WITH THE PROVISIONS OF THE CORPORATE GOVERNANCE CODE

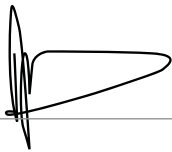
Principle	Non-compliant	Partially Compliant	Fully Compliant	Explanation in case of non-compliance
Principle 1: The Company shall be headed by an effective, qualified and expert board.		√		As per CG Code Chairman of the Board shall be an Independent Director. However, the position of Chairman is held by the Founder member, whose experience, vision and continuous guidance has enhanced the company's stature and his contribution and support to management and shareholders benefit is extremely necessary.
Principle 2: The directors and executive management shall have full loyalty to the company.		√		a) Routine operational Related Party transactions are on an arm's length basis. b) Transactions was approved by the Board of Directors on 27th February 2022.
Principle 3: The Board shall have rigorous controls for financial audit and reporting, internal control, and compliance with law.		√		a) The Chairman of the Audit Committee is also a member in other Committees. b) 50% of Nomination Committee members are independent and 50% are executive. Chairman of the Nomination Committee is not independent. c) Considering the board composition of independent and executive members the board decided to elect committee members based on their experience and expertise in the business.
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			√	

CORPORATE GOVERNANCE DISCLOSURE

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Principle	Non-compliant	Partially Compliant	Fully Compliant	Explanation in case of non-compliance
Principle 6: The Board shall establish a clear and efficient management structure for the Company and define the job titles, authority, 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: The Board shall ensure the integrity of the financial statements submitted to shareholders through appointment of external auditors.			√	
Principle 10: The Company shall seek through social responsibility to exercise its role as a good citizen.			√	



Sameer Abdulla Nass

Chairman

CONTACT :

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