

Falcon Cement Company BSC (c)

Corporate Governance Report for financial year 2024

1. Falcon Cement Company (FCC) provides cement to large, complex and demanding projects for public and private customers primarily in the Kingdom of Bahrain. FCC has supplied cement to numerous landmark infrastructures, industrial and commercial projects in the Kingdom of Bahrain. FCC was registered as a Closed Joint Stock Company on December 19, 2005 with basic objective to manufacture cement.
2. The Corporate Governance Code of the Kingdom of Bahrain (the "MOICT Code") was issued in 2010 by the Ministry of Industry and Commerce (the "MOIC") and has been revised in subsequent years. The MOIC 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 companies to adopt written corporate governance guidelines covering the matters stated in the Code, and report annually to their shareholders on their compliance with guidelines of the Code; additionally, to explain the non-compliance instances to the shareholders if the company has not complied fully with the Code or believe that any non-compliance was justified. This report sets-out the details of Falcon Cement Company B.S.C.(c) (FCC) compliance with The Code (2018).
3. During the year 2024 there are no transactions held in the company's shares involving the Board members, their spouses or children.
4. Composition of the Board:

Name and position of Board member	Date of first appointment in BOD/ Re-appointment	Membership Classification (Independent/ Non-Executive / Executive)	Representation	Date of resignation/ Term completed	Number of memberships in other boards of Directors	Number of memberships in other boards of Directors in Bahrain
Baha Mohammed Isa Mohammed	23/5/ 2023 28/12/2023	Non-Executive Director	BCC Building Materials		3	1
Alexander Zolotov	23/02/2024	Non Executive Director	BCC Building Materials		8	8
Jassim Seyadi	23/06/2020 28/12/2023	Non-Executive Director	BCC Building Materials		1	1
Zia Ul Rab Siddiqui	22/6/2017 – 28/12/2023	Non-Executive Director	APICORP		1	0
Muhammad Shakir Razzak	22/6/2017 – 28/12/2023	Non-Executive Director	APICORP		0	0
Ramy Al Ashmawy	28/12/2023	Non-Executive Director	APICORP		1	0
Majed Al Khan	15/12/2022 28/12/2023	Non Executive Director	Infracorp		39	35

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شركة الصقر للإسمنت ش.م.ب. (مقفلة)
FALCON CEMENT COMPANY B.S.C. (c)

Nada Alkoohiji	28/12/2023	Non Executive Director	Infracorp		42	16
Alia Alshamlan	28/12/2023	Non Executive Director	Infracorp		34	13

There was no remuneration or sitting fees paid to the Board members during the year 2024.

a) Dates of the five Board meetings held during the year 2024 with the list of attendees are as follows:

1. 23rd February 2024
2. 21st March 2024
3. 19th May 2024
4. 22nd August 2024
5. 24th November 2024

Date & location of meeting	Names of directors present	Names of Directors present by phone	Names of directors not present
Date: 23 rd February 2024 Location: Conference Call		Mr. Majed Al Khan Mr. Jassim Seyadi Mr. Baha Mohamed Isa Mohamed Mrs. Nada Alkoohiji Ms. Alia Alshamlan Mr. Alexander Zolotov Mr. Zia Ul Rab Siddiqui Mr. Muhammad Shakir Razzak Mr. Ramy Al Ashmawy	Mr. Salah Sharif Resigned 23-02-2024
Date: 21 st March 2024 Location: Infracorp Office	Mr. Majed Al Khan Mr. Jassim Seyadi Mr. Baha Mohamed Isa Mohamed Mrs. Nada Alkoohiji Ms. Alia Alshamlan Mr. Alexander Zolotov Mr. Zia Ul Rab Siddiqui Mr. Ramy Al Ashmawy		Mr. Muhammad Shakir Razzak
Date: 19 th May 2024 Location: Conference Call		Mr. Majed Al Khan Mr. Jassim Seyadi Mrs. Nada Alkoohiji Ms. Alia Alshamlan Mr. Alexander Zolotov Mr. Muhammad Shakir Razzak Mr. Ramy Al Ashmawy	Mr. Zia Ul Rab Siddiqui Mr. Baha Mohamed Isa Mohamed

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[Handwritten signatures]



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شركة الصقور للإسمنت ش.م.ب. (مقفلة)
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Date: 22 nd August 2024 Location: Conference Call		Mr. Majed Al Khan Mr. Jassim Seyadi Mr. Baha Mohamed Isa Mohamed Mrs. Nada Alkoohiji Ms. Alia Alshamlan Mr. Alexander Zolotov Mr. Muhammad Shakir Razzak Mr. Ramy Al Ashmawy	Mr. Zia Ul Rab Siddiqui
Date: 24 th November 2024 Location: Conference Call		Mr. Majed Al Khan Mr. Jassim Seyadi Mrs. Nada Alkoohiji Ms. Alia Alshamlan Mr. Alexander Zolotov Mr. Zia Ul Rab Siddiqui Mr. Muhammad Shakir Razzak Mr. Ramy Al Ashmawy	Mr. Baha Mohamed Isa Mohamed

Details of transactions with related parties are indicated in detail in Note 10 of the Financial Statements for the year ended 31st December 2024.

Related Party		Amount (BD)
Infracorp BSC (c)	Profit paid	12,469
Infracorp BSC (C)	Loan Repaid	144,282

5. 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. was BD 115,575

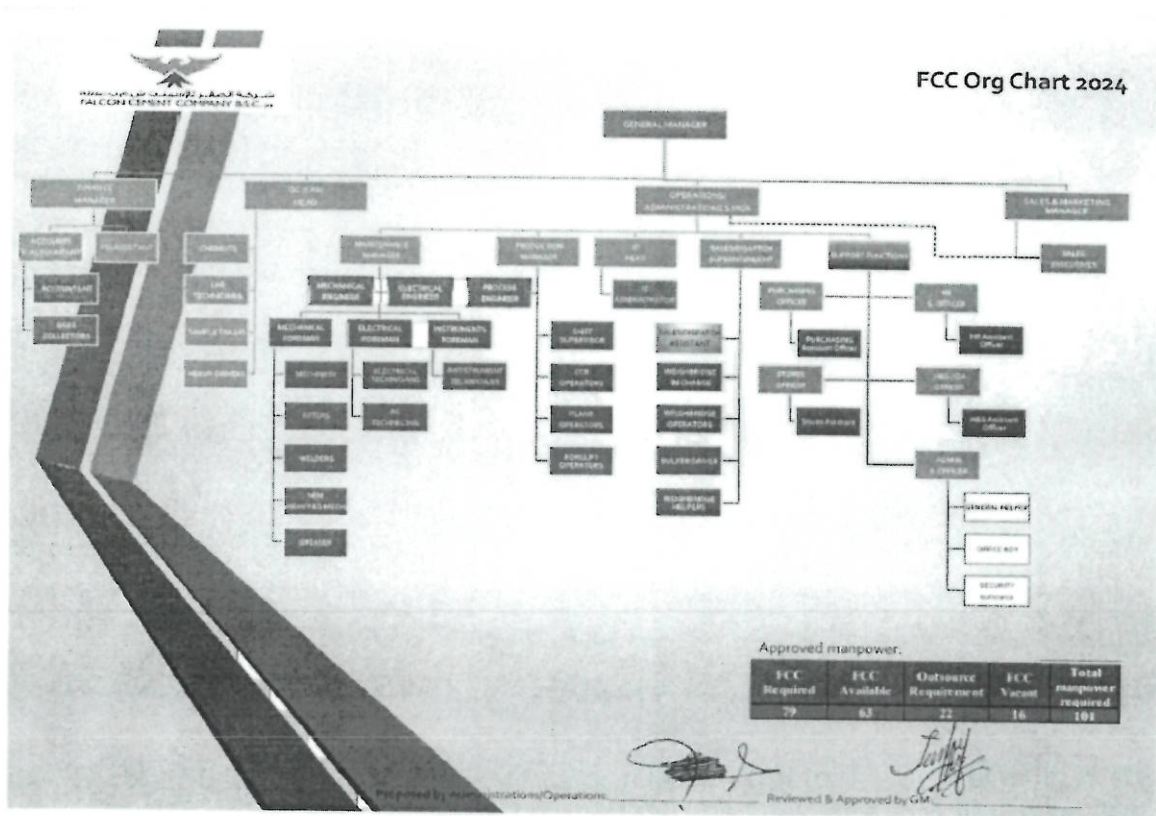


شركة الصقر للإسمنت ش.م.ب. (مقفلة)
FALCON CEMENT COMPANY B.S.C. (c)

6. Fees and charges for the services provided by the external auditors during the year 2024:

Name of the audit firm	KPMG
Years of service as the Company's external auditor	Since 2021
Name of the partner in charge of the Company's audit	Harish Gopinath
The partner's years of service as the partner in charge of the Company's audit	3 years
Total audit fees for the financial statements for the year 2024 (BD)	6,360
Other special fees and charges for non-audit services other than auditing the financial statements for the year 2024 (BD) if any. This shall be expressly stated in the absence of such fees.	1,000

7. Organizational structure:



8. Audit and Corporate Governance Committee:

a. Names of the Audit and Corporate Governance Committee's members:

- Mr Baha Mohamed Isa Mohamed (Chairman from 29-02-2024)
- Mr Muhammad Shakir Razzak (Member)
- Mrs. Nada Alkoohiji

b. Number and dates of meetings held by the Audit and Corporate Governance Committee during the year 2024 to discuss issues related to financial statements and any other matters and the number of times members attended the meetings in person:

- 29th February 2024
- 29th April 2024
- 28th July 2024
- 27th October 2024

Date & location of meeting	Names of directors present	Names of Directors present by phone	Names of directors not present
Date: 29th February 2024 Location At Infracorp Office	Mr. Baha Al Marzooq Mrs. Nada Alkoohiji Mr. Muhammad Shakir Razzak		
Date: 29th April 2024 Location: Conference Call		Mr. Baha Al Marzooq Mrs. Nada Alkoohiji Mr. Muhammad Shakir Razzak	
Date: 28th July 2024 Location: Conference Call		Mr. Baha Al Marzooq Mrs. Nada Alkoohiji Mr. Muhammad Shakir Razzak	
Date: 27th October 2024 Location: Conference Call		Mr. Baha Al Marzooq Mrs. Nada Alkoohiji Mr. Muhammad Shakir Razzak	




9. Executive, Nomination and Remuneration Committee

a. Names of Executive, Nomination and Remuneration Committee's members:

- Mr. Majed Al Khan (Chairman from 29-02-2024)
- Mr. Alexander Zolotov
- Mr. Ramy Al Ashmawy

b. Number and dates of meetings held by the Executive, Nomination and Remuneration Committee during the year 2024 to discuss issues related to financial statements and any other matters and the number of times members attended the meetings in person:

- 29 February 2024
- 30 April 2024
- 30 July 2024
- 7 November 2024

Date & location of meeting	Names of directors' present	Names of Directors present by phone	Names of directors not present
Date: 29 th February 2024 Location: At Infracorp Office	Mr. Majed Al Khan Mr. Alexander Zolotov Mr. Ramy Al Ashmawy		
Date: 30 th April 2024 Location: Conference Call		Mr. Majed Al Khan Mr. Alexander Zolotov Mr. Ramy Al Ashmawy	
Date: 30 th July 2024 Location: Conference Call		Mr. Majed Al Khan Mr. Alexander Zolotov Mr. Ramy Al Ashmawy	
Date: 7 th November 2024 Location: Conference Call		Mr. Alexander Zolotov Mr. Ramy Al Ashmawy	Mr. Majed Al Khan

10. Corporate Governance officer:

Samer Mohammed,
Qualification Diploma,
Date of appointment 3/12/2017,
Email: smohamed@falcon-cement.com,
Phone: 77144443

11. Auditors have expressed their opinion that there are no irregularities committed during the year 2024.

12. There are no cash and in-kind contributions made by the Company during the year 2024 for the purpose of community development and environment preservation.





شركة الصخر للإسمنت ش.م.ب. (مقفلة)
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13. Statement of shareholders' equity as of 31/12/2024

Sr	Shareholder classification	Shareholding %			
		Individuals	Corporates	Government	Total
1	Local	-	BCC Building Materials B.S.C.(c)	-	38%
2	Local	-	Infracorp B.S.C.(c)	-	32%
3	Arab	-	Arab Petroleum Investment Company	-	30%
	Total	-	3	-	100%

14. Shareholders holding 5% or more of the Company's share capital as at 31/12/2024 as follows:

Sr	Name	Number of shares held	Shareholding %	Name of the natural person, the final beneficiary
1	BCC Building Materials B.S.C.(Closed)	66,052,101	38%	
2	Infracorp B.S.C. @	55,622,823	32%	
3	Arab Petroleum Investment Company	52,146,396	30%	

15. Description of how shareholders are distributed according to their respective shareholding as at 31/12/2024 is as follows:

Sr	Shareholding (share)	No of shareholders	Number of shares held	Shareholding %
1	<50,000			
2	50,000 to 500,000			
3	500,000 to 5,000,000			
4	>5,000,000	3	173,821,320	100%

16. Significant transfer of shareholding change has happened on 11th September 2024. GFH Financial Group B.S.C. transferred its 32% holding in Falcon Cement Company B.S.C.(c) to Infracorp B.S.C.(c).

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17. Compliance with the Code:

In 2024, FCC continued the implementation of the Corporate Governance Code. However, the events of non-compliance are to be explained in the Corporate Governance Report in accordance with 'Comply or Explain Principle' of the Code (paragraph 'seventh', section 'two', chapter 'one'). Accordingly, FCC wishes to disclose the following instances of non-compliance with the Code:

Principles	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.		√		FCC BODs are full-time employees of GFH Infracorp and APICORP where their appointment, training, and evaluation is conducted,
Principle 5: The Company shall remunerate directors and senior officers fairly and responsibly.		√		There was no remuneration paid to the Board members during the year 2024
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 10: The Board shall ensure the integrity of the			√	





شركة الصقور للإسمنت ش.م.ب. (مقفلة)
FALCON CEMENT COMPANY B.S.C. (c)

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.		√		Company is in the process of developing annual plan to implement a Corporate Social Responsibility philosophy, policies and principles towards the community that complies with the minimum requirements as set out under Principle 11 of the Code. However, the parent Company GFH Financial Group, Infracorp B.S.C. fully participates and contributes in the social affairs and promotion of Bahrain.
Principle 9: Companies which offer Islamic services shall adhere to the principles of Islamic Shari'a.*	-	-	-	Company is not registered as Sharia compliant and hence this requirement is not applicable to the Company.

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Samer Mohammed
Corporate Governance Officer



Majed Al Khan
Chairman

Official Seal of the Company