



PUBLIC DISCLOSURE MODULE



MODULE	PD:	Public Disclosure
CHAPTER	PD-1:	Annual Disclosure Requirements

PD-1.3 Disclosures in the Annual Report for Bahraini Conventional Banks (continued)

Corporate Governance and Transparency

PD-1.3.8

The following information relating to corporate governance must be disclosed in the annual report:

- (a) Information about the Board structure (e.g. the size of the Board, Board committees, function of committees and membership showing executive, non-executive and independent members, number and names of independent board members), and the basic organisational structure (lines of business structure and legal entity structure);
- (b) Information about the profession, business title, and experience in years of each Board member and the qualifications and experience in years of all senior managers;
- (c) Descriptive information on the managerial structure, including:
 - (i) Committees (see w) below for detailed disclosure requirements relating to various types of committees);
 - (ii) Segregation of duties;
 - (iii) Reporting lines; and
 - (iv) Responsibilities;
- (d) Descriptive information on the performance-linked incentive structure for approved persons (including but not limited to remuneration policies, executive compensation and stock options);
- (e) Nature and extent of transactions with related parties (as defined by IFRS – see also PD-1.3.23(d));
- (f) Approval process for related party transactions;
- (g) Information about any changes in the structures (as mentioned in Subparagraphs PD-1.3.8(a) to PD-1.3.8(c) above) from prior periods;
- (h) The communications strategy approved by the Board (including the use of the bank's website) which should undertake to perform at least the following:
 - (i) The disclosure of all relevant information to stakeholders on a timely basis in a timely manner; and
 - (ii) The provision of at least the last five years of financial data on the bank's website;
- (i) Distribution of ownership of shares by nationality;
- (j) Directors' and senior managers' trading of the bank's shares during the year, on an individual basis;
- (k) Distribution of ownership of shares by directors and senior managers, on an individual basis;
- (l) Distribution of ownership of shares by size of shareholder;



MODULE	PD: Public Disclosure
CHAPTER	PD-1: Annual Disclosure Requirements

PD-1.3 Disclosures in the Annual Report for Bahraini Conventional Banks (continued)

- (m) Ownership of shares by government;
- (n) The Board's functions – rather than a general statement (which could be disclosed simply as the Board's legal obligations under various laws) the 'mandate' of the Board should be set out;
- (o) The types of material transactions that require Board approval;
- (p) [This Subparagraph was deleted in April 2016 and requirements are now included in Subparagraph (a)];
- (q) Board terms and start date for each term for each director;
- (r) What the board does to induct, educate and orient new directors;
- (s) Election system of directors and any termination arrangements;
- (t) [This Subparagraph was deleted in April 2016 and requirements moved to Subparagraph (w)];
- (u) [This Subparagraph was deleted in April 2016 and requirements moved to Subparagraph (w)];
- (v) Whether the board has adopted a written code of ethical business conduct, and if so the text of that code and a statement of how the board monitors compliance;
- (w) Minimum number of Board committee meetings compared with the actual dates and number of board and committee meetings, individual attendance of each director and the work of committees and any significant issues arising during the period;
- (x) [This Subparagraph was deleted in xx 2023];
- (y) Review of internal control processes and procedures;
- (z) Directors responsibility with regard to the preparation of financial statements;
- (aa) Board of Directors – whether or not the board, its committees and individual directors are regularly assessed with respect to their effectiveness and contribution;
- (bb) Bahraini conventional bank licensees must maintain a website. Overseas conventional bank licensees must provide a link on their website in Bahrain to the website of their parent bank;
- (cc) Aggregate remuneration paid to board members; and
- (dd) Key features and objectives of the remuneration policy of the bank for approved persons and material risk takers as well as the frequency of review of the remuneration structure and the extent to which the policy is applicable to foreign subsidiaries and branches; and
- (ee) Aggregate remuneration paid to senior management.



MODULE	PD:	Public Disclosure Requirements
CHAPTER	PD-6:	Corporate Governance Disclosure to Shareholders

PD-6.1 General Requirements

PD-6.1.1

In addition to the corporate governance disclosure required under Paragraph PD-1.3.8, banks must also disclose to their shareholders the following information:

- (a) Names of shareholders owning 5% or more and, if they act in concert, a description of the voting, shareholders' or other agreements among them relating to acting in concert, and of any other direct and indirect relationships among them or with the bank licensee or other shareholders;
- (b) Information on the directorships held by the directors on other boards;
- (c) [This Subparagraph was deleted in January 2012];
- (d) [This Subparagraph was deleted in January 2012];
- (e) [This Subparagraph was deleted in January 2012];
- (f) Audit fees charged by the external auditor;
- (g) Non-audit services provided by the external auditor and fees;
- (h) Reasons for any switching of auditors and reappointing of auditors; and
- (i) Conflict of Interest – any issues arising must be reported, in addition describe any steps the board takes to ensure directors exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer has a material interest.

PD-6.1.2

Conventional bank licensees must disclose in the annual report any abstention from voting motivated by a conflict of interest and must disclose to its shareholders any authorisation of a conflict of interest contract or transaction in accordance with the Company Law.

PD-6.1.3

Conventional bank licensees must publish a summary of their internal corporate governance policies on their website.