Board of Directors

Constituted of ten non-executive members, the Board of Directors of Bahrain Commercial Facilities Company BSC exercise their individual and collective business judgment objectively, transparently and in good faith in what they reasonably believe to be in the best interest of the Company, its shareholders and stakeholders.

The Board of Directors oversees the process of disclosure and communications to internal and external stakeholders. The Board of Directors ensures that disclosure is fair, transparent, and comprehensive; and reflects the character of the Company and the nature and complexity of risks inherent in the business activities of the Company.

In compliance with the local statutory requirements, the Board of Directors oversees the exercise of corporate powers and ensures that the Company's business and affairs are well managed to meet its stated goals and objectives. Maintenance of the highest standards of corporate conduct, including compliance with applicable laws, regulations, business and ethical standards, receives considerable attention by the Board of Directors.

To fulfill its responsibilities, the Board has in place an Executive Committee, an Audit Committee and a Remuneration and Nomination Committee.

In 2008, the Board of Directors convened six meetings. Additionally, in order to avoid conflicts of interest, a Board Sub-Committee meeting was held to consider Syndicated Loan proposals in 2008.

The Board of Directors also proposed to the shareholders, subject to regulatory approvals, an increase in the Company's issued & paid up capital through a rights issue from BD 12,100,000 to BD 16,335,000. The shareholders approved the proposal and the rights privileged subscription took place from 8th October 2008 until 22nd October 2008. The rights issue proceeds were received on 5th November 2008.

Executive Committee

In accordance with Article 23 of the Company's Articles of Association, the Executive Committee is delegated with defined scope of duties and authorities in relation to Bahrain Credit, TRESCO and TISCO.

The Committee is comprised of four non-executive members appointed by the Board of Directors on an annual basis. The Executive Committee has the role of reviewing reports and activities, taking decisions on issues within its defined authorities and recommending to the Board of Directors on other issues that are above its authorities. These responsibilities and authorities cover a wide area ranging from credit approvals, write-offs, strategy, business planning, human resources policies and practices, donations and signing authorities.

To fulfill its assigned responsibilities, the Executive Committee held six meetings in 2008.

The Audit Committee

The Audit Committee assists the Board of Directors in overseeing the responsibilities for the financial reporting process, the system of internal control, the audit process, monitoring compliances with the group's risk management policies and procedures and the process for monitoring compliance with laws and regulations and the Company's code of

THE BOARD OF DIRECTORS ENSURES THAT DISCLOSURE IS FAIR, TRANSPARENT AND COMPREHENSIVE; AND REFLECTS THE CHARACTER OF THE COMPANY

conduct. Consistent with this function, the Committee encourages continuous improvement of, and fosters adherence to, the Company's policies, procedures and practices at all levels.

The Audit Committee consists of three members of the Board of Directors. All members are non-executive directors who are financially literate and independent of the management and free of any business or other relationships (including, without limitations, day to day involvement in the management of the business) which could interfere with the exercise of their independent judgment. The Committee directs the role and assesses the performance of the Internal Audit Department.

The Audit Committee has the authority to conduct or authorize investigations into any matters within its scope of responsibility and has full access to all information required to discharge its functions.

During 2008, the Audit Committee held quarterly meetings and on each occasion, met with the External Auditor.

Remuneration and Nomination Committee

Comprised of four non-executive directors appointed by the Board on an annual basis, the Remuneration and Nomination Committee provides advice to the Board on matters related to the nomination and appointment of Directors and senior executives.

The Committee makes recommendations to the Board on the appointment of Directors, the Chief Executive Officer, the Deputy Chief Executive Officer and the General Manager of National Motor Company WLL; the Secretary to the Boards; Directors to the Boards of the Company's subsidiaries; and membership to all Committees of the Board.

The Committee reviews and makes recommendations to the Board on all matters of remuneration and compensation of Directors and the remuneration of senior executives, the bonus, share option, redundancy and termination payment policies of the Company. The Committee assesses the roles of the Chief Executive Officer, Deputy Chief Executive Officer, General Manager of National Motor Company WLL and Secretary to the Board. The Committee also ensures that failure is not rewarded and that the duty to mitigate loss is fully recognized. Additionally, the Committee determines the policy for the disclosure of Directors and Executive Management's remuneration.

The Remuneration and Nomination Committee convened three meetings during 2008.

Risk Manager, Compliance Officer and Anti-Money Laundering Officer

Bahrain Commercial Facilities Company BSC has a Risk Manager, Compliance Officer and Anti-Money Laundering Officer. These functions are independent of business lines and the day-to-day running of the various business areas. In addition, these functions are separate from the Internal Audit function.