

CORPORATE GOVERNANCE

Good Corporate Governance practices are important in creating and sustaining shareholder value and ensuring appropriate disclosure and transparency. The Bank's Corporate Governance Policy provides the framework for the principles of effective Corporate Governance standards across the AUB Group.

The Bank's Board of Directors (the "Board") is committed to implementing robust Corporate Governance practices and to continually reviewing and aligning these practices with international best practices, where appropriate.

The Bank's management is committed to ensuring that procedures and processes are in place to reflect and support the Board approved Corporate Governance related policies, to ensure the highest standards of Corporate Governance throughout the AUB Group.

SHAREHOLDER INFORMATION

The Bank's shares are listed on the Bahrain Bourse and the Boursa Kuwait. As at 31 December 2021, the Bank had issued 10,134,483,144 ordinary shares, each with a nominal value of US\$0.25. All ordinary shares are fully paid up

The Bank's shareholders are invited by the AUB Chairman to attend the Annual General Meeting ("AGM"). The AUB Chairman and other Directors attend the AGM and are available to answer any questions. Both, the AGM and an Extraordinary General Meeting were held on 31 March 2021. The Bank also held an Ordinary General Meeting on 30 September 2021.

Ordinary shareholders as at 31 December 2021: holding 5% and above are as below:

NO.	NAME / ENTITY	COUNTRY OF ORIGIN	NO. OF SHARES	% OWNERSHIP
1	The Public Institution for Social Security	Kuwait	1,911,650,715	18.86%
2	Social Insurance Organization	Bahrain	1,014,215,583	10.01%
3	Tamdeen Investment Company	Kuwait	756,041,504	7.46%
4	Sh. Salem Sabah Al Naser Al Sabah	Kuwait	613,515,000	6.05%

DISTRIBUTION OF SHARES

Distribution of ordinary shares by threshold as at 31 December 2021:

THRESHOLD	NO. OF SHARES	NO. OF SHAREHOLDERS
50% and above	-	-
20% to 49.99%	-	-
10% to 19.99%	2,925,866,298	2
5% to 9.99%	1,369,556,504	2
1% to 4.99%	1,742,944,293	9
Less than 1%	4,096,116,049	4,468
Total	10,134,483,144	4,481

Distribution of ordinary shares by nationality as at 31 December 2021:

NO.	NAME	NO. OF SHARES	% OF TOTAL SHARES
1	KUWAIT		
	Government & Quasi Government	2,058,582,598	20.31%
	Individuals and Corporates	4,654,284,898	45.93%
	Subtotal Kuwait	6,712,867,496	66.24%
2	BAHRAIN		
	Government & Quasi Government	1,026,206,030	10.13%
	Individual's and Corporates	1,344,576,390	13.27%
	Subtotal Bahrain	2,370,782,420	23.39%
3	OTHERS		
	Government & Quasi Government	81,245,783	0.80%
	Individuals and Corporates	969,587,445	9.57%
	Subtotal Others	1,050,833,228	10.37%
TOTAL		10,134,483,144	100%

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The Board

The composition of the Board represents an appropriate mix of professional skills and expertise. A general election for Board membership was held on 30 September 2021, for a Board term ending no later than 31 March 2024. The Board periodically reviews its composition and performance, as well as the performance of each Director. In compliance with the Corporate Governance requirements of the Central Bank of Bahrain ("CBB"), the Board has outlined its criteria and materiality thresholds for the definition of "Independence" in relation to Directors.

The independence criteria are reassessed annually by the Board and for the year 2021, the 9 Directors comprising the Board were classified as follows:

- 5 Non-Executive Directors
- 3 Independent Directors
- 1 Executive Director

The classification of each Director as at 31 December 2021 is set out below:

DIRECTORS	CLASSIFICATION
Meshal AbdulAziz Alothman – Chairman	Non-Executive
Mohammad Jassim Al-Marzooq - Deputy Chairman	Non-Executive
Mohammad Fouad Al-Ghanim	Non-Executive
Khalid Mohamed Najibi	Non-Executive
Abdulghani M.S.Y. Behbehani	Independent
Ahmad Ghazi Al-Abduljalil	Non-Executive
Abdullah Mudhaf Al Mudhaf	Independent
Jamal Abdel Razzaq Al-Naif	Independent
Adel A. El-Labban	Executive

The CBB Rulebook Module HC-1.4.6 recommends that the Chairman of the Board should be an Independent Director. Although the AUB Chairman was classified as a Non-Executive Director due to his position as Director General of the Public Institution for Social Security, a major shareholder of the Bank, this did not compromise the Bank's high standards of Corporate Governance as the Bank follows strict policies to manage conflict of interests relating to decisions of the Board.

The Role and Responsibilities of the Board of Directors

The Board is responsible to the shareholders for creating and delivering sustainable shareholder value through the prudent management of the Bank's business.

The Board, as a whole, is collectively responsible for ensuring that an effective, comprehensive and transparent Corporate Governance framework is in place. The Board's role is to:

1. ensure adherence to prevailing laws and regulations and to best business ethics;
2. provide entrepreneurial leadership of the Bank within a framework of prudent and effective controls, which enable risk to be assessed and managed;
3. set the Bank's strategic aims, ensure that the necessary financial and human resources are in place for the Bank to meet its objectives and review management performance; and
4. set the Bank's values and standards and ensure that its obligations to its shareholders and others are understood and met.

In carrying out these responsibilities, the Board must ensure that the Bank's management strikes an appropriate balance between promoting long term growth and delivering short term objectives and have regard to what is appropriate for the Bank's business and reputation, the materiality of the financial and other risks inherent in the business and the relative costs and benefits of implementing specific controls.

All Directors must act in good faith and in a way that promotes the success of the Bank for the benefit of its shareholders as a whole. In doing so, each Director, must have regard to:

1. the likely consequences of any decision in the long term;
2. the interests of the Bank as well as the Bank's employees and shareholders;
3. the need to foster the Bank's business relationships with suppliers, customers and others;
4. the impact of the Bank's operations on the community and the environment;
5. the desirability of the Bank maintaining a reputation for high standards of business conduct; and
6. the need to act fairly as between the members of the Bank.

When carrying out their responsibilities, Directors are required to:

1. act with integrity;
2. act with due skill, care and attention;
3. observe proper standards of market conduct; and
4. deal with the regulatory authorities in an open and co-operative way and must disclose appropriately any information of which the regulator would reasonably expect notice.

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Board of Directors Meetings and Attendance

The Board is required to meet at least four (4) times per year. A schedule for the Board's regular meetings is submitted to the Directors annually in advance. Additional meetings may be convened on an ad hoc basis at the invitation of the Chairman or otherwise in accordance with the provisions of the Commercial Companies Law. The Board met four (4) times during 2021.

All Directors are expected to physically attend all Board and shareholder meetings unless there are exceptional circumstances that prevent them from doing so. Directors who cannot physically attend Board meetings, may attend by video, electronic or telephone conference. Meeting papers are prepared and circulated in advance of Board meetings and include minutes of the meetings of Board Committees held since the previous Board meeting.

The Board meetings held during 2021, and attendance of each Director at each such meeting are detailed below:

DIRECTORS	MEETING DATES			
	22/2/2021	27/5/2021	30/9/2021	2/12/2021
Meshal AbdulAziz Alothman	✓	✓	✓	✓
Mohammad Jassim Al-Marzooq	✓	✓	✓	✓
Mohammad Fouad Al-Ghanim	✓	✓	✓	✓
Khalid Mohamed Najibi	✓	✓	✓	✓
Abdulghani M.S.Y. Behbehani	✓	✓	✓	✓
Ahmad Ghazi Al-Abduljalil	✓	✓	✓	✓
Abdullah Mudhaf Al Mudhaf	✓	✓	✓	✓
Jamal Abdel Razzaq Al-Naif	✓	✓	✓	✓
Adel A. El-Labban	✓	✓	✓	✓

The CBB Rulebook Module HC-1.3.4 requires individual Directors to attend at least 75% of all Board meetings held in each financial year. The attendance of all Directors at Board meetings is reported to the CBB on an annual basis. During 2021, all Directors complied with the requirements of Module HC-1.3.4.

Election and Termination of Appointment of Directors

Directors are elected for a three-year term. Elections take place in accordance with the Memorandum and Articles of Association of the Bank, the Bahrain Commercial Companies Law and the CBB Rulebook. There is no maximum age at which a Director must retire from the Board. Each Director's term of appointment terminates, pursuant to the terms of his letter of appointment and/or the provisions of applicable law.

Induction and Training of Directors

The Bank has an induction program in place, which is designed for each new Director. The induction program includes: i) an introductory pack containing, amongst other things, the AUB Group Overview, AUB Group 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. As a standing procedure, all continuing Directors are invited to attend orientation meetings.

Ongoing professional development for Directors was conducted during the year in accordance with the requirements of the TC Module 1.2.1. An annual comprehensive training plan in compliance with the CBB Rule Book High Level Controls Module for the AUB Board of Directors (BoD) for the continuous professional education of the BoD members is managed by Group HR through a combination of face-to-face training sessions which are based on industry relevant topics and delivered by international speakers, online learning and the dissemination of relevant industry driven articles. The training plan incorporates a blended learning methodology to comply with the CBB requirement that all Directors must continually educate themselves as to the licensee's business and corporate governance for a minimum of 15 hours annually.

Board Evaluation

Evaluations were conducted on the performance of the Board and each Director during 2021. Applying a scoring methodology proposed by professional advisors, a rating of "Excellent" was achieved for the performance of the Board and each individual Director, indicating that the Board, and the Directors on an individual level, performed in accordance with their stated roles and responsibilities during 2021.

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Access to Advice and Information

Individual Directors are authorized to obtain independent legal or other professional advice at the Bank's reasonable expense whenever they judge this necessary in order to discharge their responsibilities as Directors.

Non-Executive Directors have access to, and are authorised to seek, any information they require from any employee of the Bank.

Directors' and Related Parties' Interests

No Director has entered into, either directly or indirectly, any material contract with the Bank or any of its subsidiaries, nor does any Director have any material conflict of interest with the Bank. The Directors are required to declare any conflict of interest or any potential conflict of interest that exists, or that Directors become aware of, to the Chairman of the Board and the Corporate Secretary as soon as they become aware of them. This disclosure must include all relevant material facts.

The Bank has a procedure for dealing with transactions involving Directors and related parties. Any such transaction will require the approval of the Board, with the conflicted Director abstaining.

Note 25 to the audited consolidated financial statements of the AUB Group for the year ended 31 December 2021, sets out the relevant disclosures of related party transactions.

The Terms of Reference of the Board require that all Directors, whether Non-executive or Executive, should exercise independence in their decision-making and should abstain from any decisions involving any actual or potential conflicts of interest. Should any Director have any doubts with respect to conflicts of interest or potential conflict of interest, the Director is requested to consult the Chairman of the Board, or in the case of the Chairman, the Chairman of the Audit & Compliance Committee, and in each case the Corporate Secretary prior to taking any action that might compromise the Bank.

All Directors and other Approved Persons have declared all of their interests in other enterprises or activities which were duly submitted and reviewed by the Board.

The number of shares of the Bank owned by Directors as at 31 December 2021 is shown below:

NO.	DIRECTORS	PURCHASED	SOLD	NO. OF SHARES AS AT 31 DEC 2021
1	Meshal AbdulAziz Alothman	-	-	-
2	Mohammad Jassim Al-Marzooq	-	-	270,493
3	Mohammad Fouad Al-Ghanim	-	-	824,402
4	Khalid Mohamed Najibi	-	-	63,525
5	Abdulghani M.S.Y. Behbehani	-	-	308,159
6	Ahmad Ghazi Al-Abduljalil	-	-	-
7	Abdullah Mudhaf Al Mudhaf	-	200,000	35,232,848
8	Jamal Abdel Razzaq Al-Naif	-	-	-
9	Adel A. El-Labban	-	-	-
Total				36,699,427
Percentage				0.36%

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Directors' and Related Parties' Interests (Continued)

The numbers of shares owned by Senior Management and Approved Persons as at 31 December 2021 is as follows:

NAMES	PURCHASED	SOLD	NO. OF SHARES AS OF 31 DEC 2021
Sanjeev Bajjal	-	-	1,099,807
Keith Gale	-	-	-
Suvrat Saigal	-	-	168,436
David Arthur O' Loan	-	100,000	558
Mark Andrew Ogilvie Hirst	-	-	289,676
Geoffrey Michael Stecyk	-	-	-
Othman Hijazi	-	-	72,187
Iman Al-Madani	-	-	-
Rogier Dolleman	-	-	-
Tom Nicholas Roger Blackwell	-	-	-
Srinivasan Rathinam	-	889,718	-
Ramachandralal Ravindranath	-	-	-
Nabeel Mahmood Khazim	-	-	-
Sami Tamim	-	-	-
Jehad Al Humaidhi	-	-	-
Hala Sadek	446,425	60,000	2,267,004
Ayman El-Gammal	-	-	1,155,029
Vivek Kastwar	-	-	-
Said Hathout	-	-	-

Employment of Relatives

The Bank does not encourage the employment of relatives. However, under exceptional conditions and based on specific requests and needs, the Bank may decide in favour of employing relatives, on a temporary or permanent basis, subject to a comprehensive review and only in cases where there is no conflict of interest or operational risk to the Bank involved. The Board of Directors has approved a policy on the employment of relatives which is part of the HR Policy on 19 July 2016 (last reviewed and approved by the Board of Directors on 16 January 2022), which has established a recruitment committee to review the recruitment requests of relatives of Bank employees of up to the third degree and recommend the hiring of relatives of Approved Persons occupying Controlled Functions to the GCEO. Human Resources discloses to the Board of Directors on an annual basis, the names of all relatives of any Approved Persons occupying Controlled Functions, last disclosed on 27 December 2021.

The recruitment committee reviews the recruitment requests on the following considerations:

- No relatives shall work in the same business unit/department.
- No relatives shall report to each other or allowed to supervise each other.
- No relatives shall work in business units/departments which have a conflict of interest or would create an operational risk for the Bank.
- No relatives shall share a dual signature/ approval in the Bank and have dual access control to any Bank property (Physical & IT).

Material Transactions

In addition to large credit transactions that require Board approval as per the Credit Policy, the Board also approves senior unsecured medium term (greater than 1 year) funding initiatives, strategic investments decisions, as well as any other decisions which have or could have a material financial or reputational impact on the Bank.

Board Committees

The Board may, where appropriate, delegate certain of its powers to an individual Director or to a committee comprised of Directors and/or other persons, constituted in the manner most appropriate to those tasks.

The Board has constituted a number of Board Committees, membership of which is drawn from the Directors and to which it has delegated specific responsibilities, through Terms of Reference, which are reviewed and adopted by the Board on an annual basis.

All Board Committee members are expected to attend each Committee meeting, unless there are exceptional circumstances that prevent them from doing so. Committee members who cannot physically attend a meeting may attend the meeting by video or telephone conference.

Each Board Committee has access to independent expert advice at the Bank's expense.

The Board Committees are each comprised of an appropriate mix of professional skills and expertise. The Chairman of each Board Committee periodically evaluates the performance of the Board Committees and reports the results to the Board. The names of the Committee members and their memberships in the Board Committees and attendance at meetings held during 2021 are detailed below:

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Executive Committee Meetings

MEMBERS	CLASSIFICATION	MEETING DATES			
		22/2/2021	27/5/2021	30/9/2021	2/12/2021
Meshal AbdulAziz Alothman – Chairman	Non-Executive	✓	✓	✓	✓
Mohammad J. Al-Marzooq	Non-Executive	✓	✓	✓	✓
Mohammad F. Al-Ghanim	Non-Executive	✓	✓	✓	✓
Khalid Mohamed Najibi	Non-Executive	✓	✓	✓	✓
Adel A. El-Labban	Executive	✓	✓	✓	✓

Audit and Compliance Committee Meetings

MEMBERS	CLASSIFICATION	MEETING DATES			
		21/2/2021	26/5/2021	29/9/2021	1/12/2021
Abdulghani M.S.Y. Behbehani - Chairman	Independent	✓	✓	✓	✓
Ahmad G. Al-Abduljalil	Non-Executive	✓	✓	✓	✓
Abdullah M. Al Mudhaf	Independent	✓	✓	✓	✓
Jamal Abdel Razzaq Al-Naif	Independent	✓	✓	✓	✓

Nominating Committee Meetings

MEMBERS	CLASSIFICATION	MEETING DATES	
		01/09/21	20/12/2021
Abdulghani M.S.Y. Behbehani - Chairman	Independent	✓	✓
Ahmad G. Al-Abduljalil	Non-Executive	✓	✓
Abdullah M. Al Mudhaf	Independent	✓	✓
Jamal Abdel Razzaq Al-Naif	Independent	✓	✓

Compensation Committee Meetings

MEMBERS	CLASSIFICATION	MEETING DATES	
		28/03/2021	20/12/2021
Abdullah M. Al Mudhaf - Chairman	Independent	✓	✓
Abdulghani M.S.Y. Behbehani	Independent	✓	✓
Jamal Abdel Razzaq Al-Naif	Independent	✓	✓

The principal responsibilities of the Board Committees are detailed below:

Executive Committee

The Executive Committee assists the Board in discharging the Board's responsibilities relating to matters including credit and market risk. The Executive Committee, acting for the Board of AUBUK, deputizes only in relation to credit and market risk approvals.

The Executive Committee has 5 members, comprising 4 Non-Executive Directors (including the Chairman) and 1 Executive Director.

Audit & Compliance Committee

The Audit and Compliance Committee is combined with the Corporate Governance Committee, and assists the Board: i) in discharging its oversight responsibilities relating to the Bank's

accounting and corporate governance (including key persons dealings and market abuse practices), internal audit controls, compliance procedures, risk management systems, financial reporting functions; ii) in liaising with the Bank's external auditors and regulators in order to ensure compliance with all relevant regulatory requirements; and iii) in achieving uniformity with best market practices. The Audit and Compliance Committee carries out its principal responsibilities in respect of the Bank (as the parent company) and has oversight of the related responsibilities of the Audit and Compliance Committees of the Bank's subsidiaries and managed affiliates.

The Audit and Compliance Committee has 4 members, comprising 3 Independent Directors (including the Chairman) and 1 Non-Executive Director.

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Compensation Committee

The Compensation Committee reviews the Bank's compensation and related policies and arrangements for its staff and Directors, and makes recommendations to the Board in this regard, in line with CBB guidelines and best international practice.

The Compensation Committee has 3 members, comprising 3 Independent Directors (including the Chairman).

Nominating Committee

The Nominating Committee supports the Bank's Corporate Governance, aligning it with the regulations of the CBB Rulebook and instills a best practice approach to the matters assigned to its responsibilities, at all times acting within the criteria set by the CBB Rulebook and the relevant sections of the Bahrain Commercial Companies Law, and any other applicable legislation and following a fair and balanced approach.

The principal responsibilities of the Nominating Committee include, identifying and recommending to the Board persons qualified to become a Director or other officers of the Bank considered appropriate by the Board. The Nominating Committee also oversees the Board's educational activities in the form of a formal induction program and on-going orientation activities and programs for the Directors.

Senior Management:

NAMES	TITLE
Adel A. El-Labban	Group CEO
Sanjeev Bajjal	Deputy Group CEO – Finance & Strategic Development
Keith Gale	Deputy Group CEO – Risk, Legal & Compliance
Suvrat Saigal	Deputy Group CEO – Retail Banking
Geoffrey Stecyk	Deputy Group CEO – Technology & Operations
David O' Loan	Deputy Group CEO – Treasury & Investments
Mark Hirst	Deputy Group CEO – Private Banking & Wealth Management
Othman Hijazi	Deputy Group CEO – Corporate Banking
Iman Al-Madani *	Deputy Group CEO – HR, Transformation and Development
Sami Tamim	CEO - Ahli United Bank (UK) P.L.C.
Jehad Al Humaidhi	CEO - Ahli United Bank K.S.C.P
Hala Sadek	CEO - Ahli United Bank (Egypt) S.A.E.
Ayman El-Gammal	CEO - United Bank for Commerce & Investment S.A.L.
Faisal Al Haimus **	CEO – Commercial Bank of Iraq - Iraq
Said Hathout	CEO – Al Hilal Life & Al Hilal Takaful

* Appointed as Deputy Group CEO - HR, Transformation and Development on 04.04.2022

** Appointed as Designated CEO on 03.02.2022

Management Committees

The Board has established a management structure with clearly defined roles, responsibilities and reporting lines. The Bank's management monitors the performance of the Bank, and each of its subsidiaries, and managed affiliates on an ongoing basis and reports this performance to the Board. The monitoring of performance is carried out through regular assessments of performance trends against budget, and prior periods and peer Banks in each of the

The Nominating Committee has 4 members, comprising 3 Independent Directors (including the Chairman) and 1 Non-Executive Director.

Board Committee Evaluation

Evaluations of the performance of the Board Committees have been conducted. Applying a scoring methodology proposed by professional advisors. A rating of "Good" was achieved for the performance of the Executive Committee indicating that, on a majority of aspects, the Executive Committee functioned as required during 2021. A rating of "Excellent" was achieved for the performance of the Audit and Compliance Committee, the Nominating Committee and the Compensation Committee indicating that the Audit and Compliance Committee, the Nominating Committee and the Compensation Committee performed in accordance with their stated roles and responsibilities during 2021.

markets and collectively through AUB Group committees and sub-committees at the parent bank and its subsidiary/affiliated banks' level. Specific responsibilities, as explained below, have been delegated to each management committee, and the minutes of all management committee meetings are sent to the Audit and Compliance Committee, in order to assess the effectiveness of these committees.

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Group & Solo Management Committee

The Group Management Committee and Solo Management Committee is the collective Group management forum, providing a formal framework for effective consultation and transparent decision-making by the senior management on cross-organizational matters. In light of the unprecedented challenges faced on account of the global Covid-19 pandemic, the Group Crisis Management committee (CMT) replaced the Group Management and Solo Management Committees for a cohesive and unified approach for efficient and effective assessment and management during the period of the crisis, until a business as usual situation is established. The CMT is chaired by AUB's Group CEO and members include Deputy Group CEO's and Group Heads of relevant functions.

Group Asset and Liability Committee

The Group Asset and Liability Committee (GALCO) sets, reviews and manages the liquidity, interest rate risk, market risk and funding strategy of the AUB Group and reviews and allocates capacity on the balance sheet to achieve targeted return on capital, return on asset and liquidity ratios. It is chaired by the DGCEO-Treasury & Investment and has eight other members.

Group New Product Committee

The Group New Product Committee (GNPC) has been established to review and approve new products, processes and services for Private Banking & Wealth Management, Treasury, Retail, Commercial banking and other areas of the Group. The GNPC should assess all related reputational, operational, credit, liquidity and market risk, IT, legal, AML, compliance, control, staffing and capital/profit allocation issues related to approving new products. The approval by the GNPC follows the new product or process development according to the New Product Approval and Development Procedure. It is chaired by the DGCEO – Private Banking and Wealth Management and has eight other members.

Group Information Technology and Digital Transformation Steering Committee

The Group Information Technology and Digital Transformation Steering Committee (GITDTSC) oversees all the Information Technology and Digital Transformation functions of the AUB Group. Its responsibility encompasses: strategy formulation, prioritised implementation and delivery of Information Technology (IT) and Digital Transformation (DT) projects within an acceptable, secure and standardised framework to meet the evolving conventional and Islamic banking business needs of the businesses. It is chaired by the GCEO and has ten other members

Group Risk Committee

The Group Risk Committee (GRC) reviews and manages risk asset policies, approvals, exposures and recoveries related to credit, operational and compliance risks. It acts as a general forum for the discussion of any aspect of risk facing or which could potentially face the Bank or its subsidiary and affiliated banks resulting in reputational or financial loss to the AUB Group. It also oversees the operation of the Group Operational Risk Sub-committee, the Group Special Assets Sub-committee, the Client On-boarding & AML Sub-

committee and the Working Committee on IFRS9 impairment provisioning. It is chaired by the DGCEO-Risk, Legal & Compliance and has six other members.

Group Operational Risk Committee

Group Operational Risk Committee (GORC) is a sub-committee of the GRC and administers the management of operational risk throughout the AUB Group. It is chaired by the DGCEO- Technology & Operations and has nine other members.

Group Investment Committee

The Group Investment Committee (GIC) approves, reviews and manages AUB Group's proprietary investment portfolio of bonds, equities and funds. It acts as a general forum for the discussion of any aspect of investment risk faced by AUB or its subsidiary and affiliated banks. It is chaired by the DGCEO Risk, Legal & Compliance and has six other members.

AUB Solo Assets and Liability Committee

AUB Solo Asset and Liability Committee (ALCO) sets, reviews and manages the liquidity, interest rate risk, market risk and funding strategy of AUB Bahrain, and reviews and allocates capacity on the balance sheet to achieve targeted return on capital, return on asset and liquidity ratios. It is chaired by the DGCEO Treasury & Investment and has eight other members.

Other Governance Measures

In addition to the Board and Management Committee structures, the Board of Directors has approved several AUB Group policies to ensure clarity and consistency in the operation of the AUB Group. These policies, which are communicated to staff, include Credit, Anti-money Laundering, Corporate Governance, Personal Account Dealing, Key Persons Dealings, Banking Integrity, Compliance, Legal and Human Resources policies.

Underpinning these policies is the Board approved Group Code of Business Conduct which prescribes standards of ethical business behavior and personal conduct for the Bank's Directors, its senior management (officers) and its staff.

The Board annually reviews and adopts compensation and related policies and closely monitors the implementation of these policies and processes with respect to the Bank's staff and Directors. The AUB Compensation Policy provides the remuneration framework for motivating employees and directors with financial motivation to deliver optimum Group performance. The policy aims at rewarding performance by individual contribution within a team-oriented approach, remunerating individuals who achieve personal, divisional and Group results and providing a long term incentive to performing staff.

The Banking Integrity Policy, which includes detailed policy and procedures on whistle blowing, is specifically designed to facilitate concerns raised regarding misconduct occurring within, or associated with, the AUB Group.

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Other Governance Measures (Continued)

The Board has also adopted a Group Communications Policy. This policy sets out the authority of AUB Group employees with respect to the communication of information to third parties in the course and scope of their employment. The Bank has an open policy on communication with its stakeholders, which includes:

- i. The disclosure of all relevant information to stakeholders on a timely basis in a timely manner; and
- ii. The provision of the last five years of financial data on the Bank's website.

The Bank is at all times mindful of its regulatory and statutory obligations regarding dissemination of information to its stakeholders.

The Bank provides information on all events that merit announcement, either on its website, www.ahliunited.com, Bahrain Bourse, and other forms of publications, such as press releases, the Bank's annual report and quarterly financial statements, and the Corporate Governance Policy are all published on its website.

As a supporting governance measure, the Board also relies on the ongoing reviews performed by internal and external auditors on the AUB Group's internal control functions. These reviews are conducted

in order to identify any weaknesses, which then enable management to take remedial action.

AUB GROUP COMPENSATION FRAMEWORK AND GOVERNANCE

AUB's compensation framework is designed to attract, motivate and retain employees and to align their interests and direct their efforts towards achieving the short- and medium-term objectives of the AUB Group as set by the Board of Directors. Performance is measured not only on financial achievements but the effective control of all risks that is in the long-term interests of all stakeholders of the Bank.

The effective governance of the framework and the application of AUB's compensation principles is maintained through the Board of Directors, who review and approve on a regular basis, the HR policy including, the compensation and training & competency policies and oversee the implementation and administration of these policies and processes with respect to the Bank's employees and directors directly or through delegation to the Board Compensation Committee as mandated by the CBB.

The Compensation System

The compensation system represents a balanced risk-based remuneration consisting of fixed compensation for employees (Paid in the form of monthly salaries and allowances) and directors (Director Fees based on contribution and on attendance of meetings), employee benefits and of annual variable compensation for performing employees aligned to business performance and market conditions as mandated by regulators in AUB markets.

COMPONENT	KEY FEATURES
Fixed Compensation	<ul style="list-style-type: none"> Rewards the capacity to hold a role/ position in a satisfactory manner through the employee displaying the required skills. Consists of cash salary and allowances. Payments are fixed and do not vary with performance.
Benefits	<ul style="list-style-type: none"> Ensure market competitiveness and provide benefits in accordance with local market practice. Consists of contributions to pension, social insurance, medical insurance, life insurance and health and wellness. Contributions are fixed and do not vary with performance.
Variable Compensation	<ul style="list-style-type: none"> Aims to reward collective and individual performance achieved for objectives defined at the beginning of the year and discretionary on extent to which objectives are achieved. Consists of cash and/ or share-based performance related compensation, paid upfront or deferred in part with deferrals subject to the concept of malus and clawback. The MSP is operated by Trustees independent of the Board/ management of the Bank. Payments are linked to performance standards and maintaining risk and control parameters defined by the Bank.
Others	<ul style="list-style-type: none"> Short-term or Long-term incentive plans to motivate and retain employees with sustainable performance using both pre- and post- award performance measures to drive forward the Group's objectives.

CORPORATE GOVERNANCE

(Continued)

The Compensation System (Continued)

The compensation system is aligned to supporting the Bank's short term and medium-term performance objectives and to controlling and reducing the full gamut of associated risks. It specifies the proportion of fixed and variable remuneration to be consistent with the Board approved Risk Framework. It defers portions of the variable compensation awards for the Approved Persons and Material Risk-Takers of the Bank as per the rules of the MSP scheme as approved by the CBB and the Shareholders of the Bank.

Impact of Kuwait Finance House K.S.C.P. ("KFH") Offer on the ESPP and the MSP arrangements

- Following a decision by the Board of Directors, the ESPP program was terminated in 2020 including a decision to wind-up the ESPP program related entities, given the receipt of the Kuwait Finance House (KFH) intention to make a voluntary conditional Offer to acquire 100% of the issued and paid up capital of the Bank on 5 February 2020 with the formal Offer document being received by the AUB Board of Directors on 24 February 2020.
- All issued and un-exercised MSP shares were fully exercised during 2020 under Clause 7.1 of the MSP Rules, with the CBB, pursuant to letter dated 27 February 2020, exempting eligible MSP participants from the six months retention of proceeds in the form of cash or shares to ensure equitable treatment of AUB MSP participants
- The Central Markets Supervision Directorate (CMSD) of the CBB has closely followed up since February 2020 on a periodic basis, the liquidation of all share positions (ESPP & MSP) in anticipation of the KFH acquisition, currently under suspension due to unprecedented circumstances relating to the COVID-19 pandemic and as disclosed to the Bahrain Bourse and Boursa Kuwait by the Bank on 12 April 2020 and on 29 December 2020.
- The Bank is keeping the CMSD updated on the progress of the above on a periodical basis.

The Compensation Policy

The Compensation Policy is annually reviewed by the Board of Directors, which was last approved on 16 January 2022. The policy incorporates the mandatory regulations issued by the CBB on Sound Remuneration Practices [HC-5 Remuneration of Approved Persons and Material Risk-Takers], which are applicable to Approved Persons and Material Risk-Takers whose total annual remuneration (including all benefits) is in excess of BD100,000 or equivalent. The Policy and related schemes have been approved by the shareholders of the Bank at the Annual General Meeting held on 31 March 2015 and have been applied to performance related employee compensation payments made for each financial year.

The policy outlines the basis and methodology for arriving at variable compensation, making allocations, implementing risk adjustments to compensation, the framework for compensation of Approved Persons and Material Risk-Takers, conditions for deferral, malus and claw-back clauses, compliance and disclosure requirements. Equity schemes are limited so as not to exceed an aggregate 10% of the total issued outstanding ordinary share capital of the Bank, at any given time.

Role of the Compensation Committee in Governance and oversight over Remuneration

The Board of Directors has established a Compensation Committee (the "Committee") and has delegated certain of its powers and responsibilities to the Committee through its Terms of Reference. The primary responsibilities of the Committee are to provide effective oversight of and governance over the compensation strategy, structure and systems, to ensure that these are properly implemented. The aggregate compensation/ fees paid to the Committee members for 2021 amounted to US\$8,000 (2020: US\$11,750).

The Committee approves the annual aggregate amounts payable under fixed and performance related variable compensation schemes for employees. The Committee reviews and approves any material changes in employee benefits as per market trends and cost considerations and makes recommendations about any other employee matters, as brought before it. The Committee reviews compensation payable to the members of the Board of Directors and makes recommendations to the Board of Directors and in this regard, in line with applicable regulations.

The Committee further reviews and tests the Compensation Policy and framework to ensure that compensation arrangements comply with applicable regulations and to ensure that the compensation system operates as intended and that effective controls exist through testing of compensation outcomes as per the Bank's risk framework.

CORPORATE GOVERNANCE

(Continued)

Main Duties of the Compensation Committee

The Compensation Committee (the "Committee") is vested by the Board of Directors through its Terms of Reference with the primary responsibility, inter alia, to provide effective oversight and assure governance over the compensation strategy, structure and systems, to ensure that they are properly implemented. The authority matrix for the Committee is as follows:

ACTION	APPROVED BY
a) Approve the Bank's annual performance bonus pool funding model based on KPI and KRI adjustments.	Compensation Committee
b) Approve the Bank's annual performance bonus based on the determined funding model amount pool.	Compensation Committee
c) Approve the criteria for performance-based distribution of the Bank's annual performance bonus.	Compensation Committee
d) Approve the performance scores, annual increment % and annual performance bonus monthly salary multiples for Approved Persons and Material Risk Takers of the Bank.	Compensation Committee
e) Approve the aggregate performance distribution, annual actual salary increments and actual performance bonus amount for the Bank.	Compensation Committee

External Consultants

Consultants are appointed on an ad hoc basis to advise the Bank on revisions to the Compensation Policy, if any and on regulations and market best practices including providing consulting advice for the deferred share/ equity-linked schemes.

Compensation of the Board of Directors

The Compensation Committee annually reviews the compensation of the Board of Directors and its related Committees to ensure compliance with the CBB Rulebook, within the relevant Commercial Companies Law requirements and the Articles of Association of the Bank. The Bank is in compliance with the CBB Rule Book HC Module 5.2.1 (c) which requires that the compensation of the Board of Directors is linked to attendance and performance. Board of Directors and its committees' compensation is pro-rated and paid on the basis of actual attendance and membership. Compensation for the Board of Directors and its related committees is submitted to the shareholders at the Annual General Meeting each year for approval.

The Bank is in compliance with its Articles of Association requiring that total compensation for Directors (excluding sitting fees) is capped at 10% of the Bank's NPAT for 2020, after all the required deductions outlined in Article 188 of the Bahrain Commercial Companies Law, 2001.

The compensation of Non-Executive Directors for 2020 does not include any performance-related elements such as shares, share options or other deferred stock-related incentive schemes, bonuses or pension benefits, in compliance with the CBB Rule Book HC Module 5.5.1.

AUB employees who represent or who are appointed by AUB to represent it at the Boards or Board Committees of its subsidiaries or affiliates are precluded from receiving any remuneration relating to their appointments, as per the terms of their employment contracts. Employees do not receive any additional remuneration for their participation in any management committees.

The Approved Persons and Material Risk Takers of the Bank do not receive remuneration, incentives, performance payments, commission, fees, shares, consideration in kind or other direct benefits of any kind from any projects or investments managed by the Bank or promoted to its customers or potential customers. This applies to all Approved Persons and Material Risk Takers including those appointed as members of the Board of any special purpose vehicles or other operating companies set up by the Bank for special projects or investments.

All Board of Directors' and related Committees' fees or other forms of compensation (except actual expenses) payable to AUB appointed Directors are fully credited to the Bank. Such directors are, however, reimbursed for reasonable and customary expenses such as communication, transportation, boarding and lodging as per the AUB HR Policy.

AUB Compensation Framework, Performance Bonus Pool Calculation and Risk Adjustments

Compensation decisions are made at the end of each performance year based on a combination of:

- Business performance against set objectives as per the annual operating plan;
- Risk objectives, KPI's and KRI's based on the Board approved Risk Framework.
- Compliance to AUB values, applicable regulatory guidelines and local market practices.

CORPORATE GOVERNANCE

(Continued)

Compensation of the Board of Directors (Continued)

Key features of the compensation framework that enables AUB to achieve alignment between risk and reward include:

FRAMEWORK	KEY FEATURES
Business Performance and KPI's and KRI's	<ul style="list-style-type: none"> The Committee reviews and ensures the framework linking individual performance to the Bank's performance adjusts the annual accrual of the Variable Compensation pool for the Bank based on achievement of specified Key Performance Indicators ("KPI") which reflects Bank Performance for FY 2021. The Committee reviews and ensures the Key Risk Indicators ("KRI") which reflects the compliance of the Bank as per the Board approved Risk Framework for FY 2021.
Performance Measures	<ul style="list-style-type: none"> KPI's and KRI's measure the actual financial and operational performance against budgets and as per the Board approved Risk Framework and may include: Net Profit after Tax (NPAT)/ Return on average assets (ROAA)/ Return on average equity (ROAE) / Cost to income ratio/ Audit ratings/ Non-performing loans (NPL) as % of gross loans and/ or capital adequacy ratio. Performance-related variable compensation at AUB aims at recognizing and rewarding employee's contribution beyond their regular job requirements, particularly those contributions that increase Bank's productivity and profitability in a prudent and sustainable manner with effective control of risk.
Performance bonus pool calculation	<ul style="list-style-type: none"> The performance bonus pool is aligned to and accrued based on the Bank's short- or long-term financial performance and adjusted for compliance to the risk framework. The Committee reviews the accrual of the performance bonus pool for the Bank and ensures it is based on the overall performance of the Bank and is accrued as a percentage of Net Profit after Tax (the "NPAT") for the preceding financial year and is in compliance to the risk-adjusted performance as per the Board approved Risk Framework. Fines, penalties by regulators and non-compliance to the Risk Framework results in reduction in the overall profit achievement as assessed by the Committee.
Deferral of performance bonus	<ul style="list-style-type: none"> The CBB mandates that the variable performance bonus for Approved Persons and Material Risk-Takers whose annual salaries are BD100K (-c.US\$256K) be deferred.
Malus	<ul style="list-style-type: none"> Allows cancellation/ reduction of unvested deferred performance bonus awards prior to their exercise, in addition to discretionary performance bonus adjustments to businesses and individuals based on compliance to risk objectives and record of disciplinary actions under the AUB HR policies.
Clawback	<ul style="list-style-type: none"> Subject to compliance with local labour laws, allows the Bank to recover paid deferred awards under specific conditions as defined in the HR policy for a period of up to 6 months after exercise.
Incentive Compensation	<ul style="list-style-type: none"> The Bank operates job-linked incentive or commission-based sales plans for full-time employees as per specific campaign-related or marketing schemes as under the supervision of the Compensation Committee.

Review of Performance and Compensation arrangements of Approved Persons at AUB

The performance measurement and the compensation arrangements for designated Approved Persons and Material Risk Takers of the Bank for 2021 is reviewed and approved by the Compensation Committee and is subject to changes in total individual compensation and/ or to changes in the organizational structure and business model. Performance assessment of regulated roles is as per the following framework:

LEVEL	AREA	GROUP OBJECTIVES	FUNCTION OBJECTIVES
Group CEO	(Business)	100%	-
Approved Persons	(Business) (Control & Support)	60%	40%

CORPORATE GOVERNANCE

(Continued)

The above performance measurement ensures that adequate focus is employed by personnel on their core objectives with Heads of business functions are measured for both Group business performance and development of their respective functions, and Heads of control/ support functions are measured for core control and risk objectives related to their functions and development of their respective functions independent to business performance targets.

The individual allocations of variable compensation components for the designated roles are correlated with the annual individual performance appraisal that considers the extent to which quantitative and qualitative objectives have been met. The objectives for these individuals are clearly identified and can be assessed by indicators that are known to the employee.

The qualitative objectives are tailored to the individual employee, in relation to the employee's professional activity and adapted to the

position held. These objectives include the quality of risk management, the means and behaviors used to achieve results such as co-operation, teamwork and human resources management.

The performance appraisal process and the subsequent performance bonus allocation process is managed and documented by group human resources and its conclusions are submitted for approval to the Committee.

The variable compensation awarded to the Approved Persons and Material Risk-Takers is based on the Bank's short- or long-term financial performance as adjusted for all types of risk and are subject to reduction in case of the Bank's poor or negative financial performance. The compensation report for the Bank includes the regulated roles for 2021 who are Approved Persons in business lines - 8 (2020: 8), Approved Persons in control functions - 13 (2020: 12) and no other material risk takers. Other staff, Bahrain operations – 630 (2020: 637).

Compliance with Compensation Rules

AUB Group's compliance to Compensation Rules is aligned to its primary regulator, the Central Bank of Bahrain (CBB) and applies to its subsidiaries and branches in other markets, unless divergence exists with respective local country regulations.

AUB GROUP

COMPENSATION REGULATION	COMPLIANCE BY AUB
Governance of Compensation Policy	<ul style="list-style-type: none"> All members of the Compensation Committee are Independent or Non-Executive Directors. The Committee sets the principles, parameters and governance framework of the Group's Compensation Policy applicable to all Group employees and reviews the Bank's compliance to the Board Risk Framework.
Management of Subsidiaries	<ul style="list-style-type: none"> The designated Approved Persons and Material Risk Takers of the Bank (as all AUB Group staff) do not take compensation, incentives, performance payments, commission, fees, shares, consideration in kind or other direct benefits of any kind from any projects or investments managed by the Bank or promoted to its customers or potential customers. This applies to all Approved Persons including those appointed as members of the Board of any special purpose vehicles or other operating companies set up by the Bank for projects or investments. Employees of the Bank are not entitled to any additional compensation from their membership of or attendance at Board or related Committee meetings as a nominee or representative of the Bank or for their participation in any management committees.
External Review	<ul style="list-style-type: none"> The Compensation Policy for Material Risk-Takers and Control functions is reviewed annually by the external auditors of the Bank and conferred to be compliant and further inspected by the CBB (last inspection occurred in April 2021) and found to be fully compliant of the regulations with no adverse findings.
Personal Hedging Strategies	<ul style="list-style-type: none"> The Bank takes acknowledgements from designated Approved Persons and Material Risk Takers of the Bank in the communications on variable compensation not to use personal hedging strategies or compensation and liability-related insurance to undermine the risk alignment effects embedded in their deferred variable compensation arrangements.

CORPORATE GOVERNANCE

(Continued)

COMPENSATION REGULATION	COMPLIANCE BY AUB
Employees in Control functions are independent and are compensated based on functional objectives	<ul style="list-style-type: none"> • Individuals in Control functions have independent reporting lines through the functions rather than through the business. • Control functions are represented in all senior management committees. • Control functions especially key ones of Risk and Audit have direct reporting lines to their respective Board Committees. • Performance and compensation related recommendations and inputs are taken from respective Board Committees for evaluating performance or setting compensation for heads of Control functions.
Performance Measures	<ul style="list-style-type: none"> • KPI's and KRI's measure the actual financial and operational performance against budgets and as per the Board approved Risk Framework and may include: Net Profit after Tax (NPAT)/ Return on average assets (ROAA)/ Return on average equity (ROAE) / Cost to income ratio/ Audit ratings/ Non-performing loans (NPL) as % of gross loans and/ or capital adequacy ratio. • Performance-related variable compensation at AUB aims at recognizing and rewarding employee's contribution beyond their regular job requirements, particularly those contributions that increase Bank's productivity and profitability in a prudent and sustainable manner with effective control of risk.
Business Performance and KPI's and KRI's	<ul style="list-style-type: none"> • The Committee reviews and ensures the framework linking individual performance to the Bank's performance adjusts the annual accrual of the Variable Compensation pool for the Bank based on achievement of specified Key Performance Indicators ("KPI") which reflects Bank Performance for FY 2021. • The Committee reviews and ensures the Key Risk Indicators ("KRI") which reflects the compliance of the Bank as per the Board approved Risk Framework for FY 2021.
Total performance bonus pool does not limit the Bank's ability to strengthen capital base	<ul style="list-style-type: none"> • Group Performance Bonus Pool is determined based on evaluation of financial performance and compliance to objectives outlined in the Risk Framework. • Funding of the Group's performance bonus pool is based to overall profitability of the Group. Capital adequacy and returns to shareholders are also an important factor in calculation of the bonus pool. • AUB cash dividend payout for 2021 was 50.07% of NPAT (26.7% of NPAT for 2020). Bonus payout to staff represents 3.7% of NPAT in 2021 (3.2% of NPAT for 2020).
Performance bonus adjusts for all types of current and future risks	<ul style="list-style-type: none"> • NPAT performance is adjusted for appropriate current and future risks. • The Committee exercises its judgement to ensure the performance bonus pool reflects the overall performance of the Group including compliance to the Board approved Risk Framework.
Performance bonus pool calculation	<ul style="list-style-type: none"> • The performance bonus pool is aligned to and accrued based on the Bank's short- or long-term financial performance and adjusted for compliance to the risk framework. • The Committee reviews the accrual of the performance bonus pool for the Bank and ensures it is based on the overall performance of the Bank and is accrued as a percentage of Net Profit after Tax (the "NPAT") for the preceding financial year and is in compliance to the risk-adjusted performance as per the Board approved Risk Framework. • Fines, penalties by regulators and non-compliance to the Risk Framework results in reduction in the overall profit achievement as assessed by the Committee.
Reduction of bonus pool	<ul style="list-style-type: none"> • The Committee at its discretion may propose to reduce or reduce to nil the bonus accrual for the Bank and each line of business and/ or the allocation pool of accrued bonus to businesses if there is a material reduction in the profitability of the Bank or the individual line of business. • The Committee shall use its discretion to determine whether the business is incurring losses due to a start-up or turnaround situation, in which case, bonus accrual, allocation and pay-out may be allowed to occur.

CORPORATE GOVERNANCE

(Continued)

COMPENSATION REGULATION	COMPLIANCE BY AUB
Review of Performance and Compensation arrangements of Approved Persons	<ul style="list-style-type: none"> The performance measurement and the compensation arrangements for designated Approved Persons and Material Risk Takers of the Bank for 2021 is reviewed and approved by the Compensation Committee and is subject to changes in total individual compensation and/ or to changes in the organizational structure and business model. The variable compensation awarded to the Approved Persons and Material Risk-Takers is based on the Bank's short- or long-term financial performance as adjusted for all types of risk and are subject to reduction in case of the Bank's poor or negative financial performance. The compensation report for the Bank includes the regulated roles for 2021 who are Approved Persons in business lines – 8 (2020: 8), Approved Persons in control functions – 13 (2020: 12) and no other material risk takers. Other staff, Bahrain operations – 630 (2020: 637). Performance assessment of regulated roles is as per the following framework: <ol style="list-style-type: none"> GCEO: Group Business Objectives (100%) Other Approved Persons: Group Objectives (60%), Function Objectives (40%)
Guaranteed/ Sign-on Bonus	<ul style="list-style-type: none"> The Bank does not provide any form of guaranteed bonus as part of the employment offer or contract to any employee. Severance compensation (except notice period for a maximum period of 3 months) is prohibited except when the Bank provides for it on job redundancy or liquidation of a business or on closure of a unit.
Deferral of performance bonus	<ul style="list-style-type: none"> The CBB mandates that the variable performance bonus for Approved Persons and Material Risk-Takers whose annual salaries are BD100K (-c.US\$256K) be deferred. Awards of deferred variable compensation for the designated Approved Persons and Material Risk Takers of the Bank shall be reduced in case of losses by the Bank and/ or business line during the vesting period of deferred compensation awards because of Malus and/or Clawback as defined in the HR Policy.
Deferral arrangements for Approved Persons and MRT's	<ul style="list-style-type: none"> For the GCEO, Approved Persons in business functions: <ol style="list-style-type: none"> 40% of variable performance-based compensation is paid upfront in cash. 60% of variable performance-based compensation is deferred. For the Approved Persons in control and support functions: <ol style="list-style-type: none"> 50% of variable performance-based compensation is paid upfront in cash. 50% of variable performance-based compensation is deferred.
Malus	<ul style="list-style-type: none"> Allows cancellation/ reduction of unvested deferred performance bonus awards prior to their exercise, in addition to discretionary performance bonus adjustments to businesses and individuals based on compliance to risk objectives and record of disciplinary actions under the AUB HR policies.
Clawback	<ul style="list-style-type: none"> Subject to compliance with local labour laws, allows the Bank to recover paid deferred awards under specific conditions as defined in the HR policy for a period of up to 6 months after exercise.

Details of Compensation paid to Members of the Board of Directors

TOTAL VALUE OF COMPENSATION FOR THE FISCAL YEAR:	2021 (AMOUNTS IN US\$' 000)	2020 (AMOUNTS IN US\$' 000)
Compensation for the Board of Directors and related committees	993	1,587
Others (Expenses for the Board)	-	35

CORPORATE GOVERNANCE

(Continued)

DETAILS OF COMPENSATION PAID TO EMPLOYEES

	2021				
	FIXED COMPENSATION		VARIABLE COMPENSATION		TOTAL COMPENSATION
	UNRESTRICTED CASH AND ALLOWANCES	UNRESTRICTED OTHERS ¹	CASH	DEFERRED	
Approved persons - business lines	2,741	753	262	393	4,149
Approved persons - control	3,544	1,033	309	244	5,130
Other staff – Bahrain operations	34,651	6,157	7,444	-	48,252
Total	40,936	7,943	8,015	637	57,531

	2020				
	FIXED COMPENSATION		VARIABLE COMPENSATION		TOTAL COMPENSATION
	APPROVED PERSONS – CONTROL	UNRESTRICTED OTHERS ¹	CASH	DEFERRED	
Approved persons - business lines	4,183	1,991	-	-	6,174
Approved persons – control	3,043	913	-	-	3,956
Other staff – Bahrain operations	33,208	15,734	5,093	-	54,035
Total	40,434	18,638	5,093	-	64,165

¹ - Others include direct charges such as social security contributions, end of service indemnity accrual charges, life insurance and medical premiums, club memberships, house lease rentals, school fees, vacation air fare, fair value charges for the employee share purchase program and indirect employee expenses such as training, recruitment, Government levies and other costs. These tables include employees in service for part of the year.

DEFERRED PERFORMANCE BONUS AWARDS

Awards	2021				
	CASH	SHARES	OTHERS	TOTAL	
	(US\$' 000)	NOS.	(US\$' 000) ²	(US\$' 000)	
Opening balance ¹	-	-	-	-	
Awarded during the year	-	-	-	-	
Exercised/ Sold during the year	-	-	-	-	
Risk Adjustments	-	-	-	-	
Closing balance	-	-	-	-	

Awards	2020				
	CASH	SHARES	OTHERS	TOTAL	
	(US\$' 000)	NOS.	(US\$' 000) ²	(US\$' 000)	
Opening balance ¹	-	10,585,919	3,679	3,679	
Awarded during the year	-	3,344,213	2,751	2,751	
Exercised/ Sold during the year	-	(13,930,132)	(6,430)	(6,430)	
Risk Adjustments	-	-	-	-	
Closing balance	-	-	-	-	

¹ Inclusive of bonus shares issued.

² Based on price at award date.