

Corporate Governance Report 2022





His Majesty

**King Hamad bin Isa
Al Khalifa**

The King of the
Kingdom of Bahrain



His Royal Highness

**Prince Salman bin
Hamad Al Khalifa**

The Crown Prince,
Deputy Supreme
Commander, and Prime
Minister

About APM Terminals Bahrain - Overview

APM Terminals Bahrain B.S.C. is a public listed company incorporated in the Kingdom of Bahrain, with 64% of its shares owned by APM Terminals B.V. (Netherlands), a subsidiary of A.P.Moller-Maersk, 16% by Yusuf Bin Ahmed Kanoo (Holdings) Co. W.L.L. and remaining 20% by various corporate and individual shareholders. It has been established for the purpose of managing and operating the state-of-the-art Khalifa Bin Salman Port (KBSP) of the Kingdom of Bahrain.

APM Terminals maintains a vast network of terminals across the globe, either on its own or with another operating partner. Headquartered in The Hague, Netherlands, APM Terminals specializes in providing customer-oriented solutions that are built around the evolving needs of the customers. The services are designed to ensure customers receive technologically competent, seamless, efficient experience by reducing complexity for them when purchasing different services in the market.

KBSP is the only general commercial port facility in the Kingdom of Bahrain which connects Bahrain to the world through its highly efficient operations and modern infrastructure, empowering businesses to fulfill consumer needs.

Located on 900,000 square metres of reclaimed land, the port has 1,800 metre quay which includes a container terminal served by four 61 metres post-panamax cranes, as well as general cargo, RO-RO and passenger facilities. Passenger facility includes a dedicated passenger terminal that is capable of handling cruise and ferry calls.



About APM Terminals Bahrain - Overview

KBSP is one of the multi-purpose deep water facilities located in the Middle East. Through its diverse service offering, KBSP is capable of handling the following:

Containers are used in the import and export of packaged cargo carried by container ships. Container dimensions range from 20, 40, 45 foot and are measured in Twenty Foot Equivalent Units (TEU). These can be broken down into two broad sub-categories:

- Local – export and import of containers with origin or destination being local; and
- Transshipment – a container which is transferred from one ship to another at some point during the journey without leaving the port where the transfer is taking place, is said to be transhipped.

General Cargo consists typically of commodity goods bulk or break-bulk including but not limited to livestock, steel, sugar, construction materials and RO-RO and passengers.

By means of its multi-purpose and modern port facilities, APM Terminals Bahrain plays a key role in facilitating external trade and marine services through Container Terminal activities, General Cargo, RoRo, Cruise and related port services, thus contributing significantly to Bahrain's economic growth.

OUR PURPOSE is caring and Creating possibilities for everyone by lifting Bahrain's global trade.

OUR VISION is for Khalifa Bin Salman port to be the most valued and largest single contributor to Bahrain's economy.

OUR MISSION is to be the most productive and efficient port, where doing business is simple, transparent, integrated, and fast, offering flexible logistic service solutions for all types of cargo, with great service delivered by exceptional people.

Corporate Social Responsibility



Corporate Social Responsibility

APM Terminals aims to be the leader in its sector. At the same time, it recognizes that leadership and success go beyond the bottom line to incorporate the principles of sustainable business practice.

The group also measures its progress according to its safety record, its environmental performance, and its contribution towards uplifting its people and their communities

APM Terminals believes that its contribution to society extends beyond the port and extends to the ongoing development of the local community.

We have a regular program of social engagement, including outreach programs for disadvantaged children, placement schemes for young students, and contribution of our time and other resources to help the local communities develop.

The total amount spent on Corporate Social Responsibility for the year 2022 is ~BHD 127,441 in addition to time devoted by members of the Company. The Corporate Social Responsibility Policy of the Company sets out the Company's commitment to continuing its efforts to incorporate sustainability into its business process. The Company's approach to corporate social responsibility is led by the executive management, headed by the CEO.

APM Terminals Bahrain is committed to integrating its own community-based activities as well as supporting those of its employees.

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

Socio-Economic Development

Social responsibility is one of our main sustainability pillars. We recognize the importance of being a good corporate citizen, contributing to local communities and making a difference to their wellbeing. Equally, we believe in improving people's quality of life and thus investing in the future of our country.

APM Terminals Bahrain is committed to ensuring that its socio-economic investments have a sustainable impact on the local community. APM Terminals has sponsored and participated in various charity events that were all for a good cause. Employees are also encouraged to take part in such events..

Corporate Social Responsibility

GO GREEN WEEK



APM Terminals organized its Go Green initiative. The week-long series of activities were in partnership with key stakeholders such as the Port and Maritime Affairs, Supreme Council of Environment, and the Ministry of Transportation and Telecommunications.

As part of the campaign, the series of activities included celebrations of the UN World Ocean and World Environment Day and were held with the attendance of H.E. Shaikh Ahmed Bin Isa Al Khalifa, the Undersecretary, Port and Maritime at the Ministry of Transportation and Telecommunications.

As part of the campaign, an overview of the company's decarbonization plans were also shared which included continuous technological investments to make Khalifa Bin Salman Port operations safer, greener, and more efficient.



Corporate Social Responsibility

TALENT ACCELERATION PROGRAM BE

In collaboration with the Ministry of Transportation & Telecommunications, APM Terminals has launched its nationwide Acceleration Program with both its tracks:

THE LEADERSHIP TRACK:

5 leaders have joined APM Terminals Bahrain this year in an initiative to support people who have lost their jobs due to the Covid-19 Pandemic and those who are looking for a career in the logistics field. This initiative is a 2-year development program with an employment opportunity to be mentored, developed, and be prepared to become the future leaders in the Logistics Industry. This covers areas including Asset Management, Human Resources, Port Operations, Transformation, and Health & Safety.

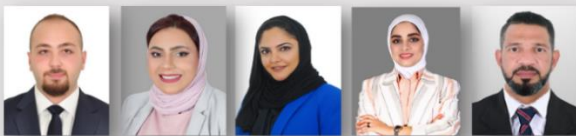
The program has started in May this year and continues for 2 years until 2024.

THE YOUTH TRACK:

This is a full scholarship program where 3 students have been chosen amongst over 100 applicants between the ages of 20 and 30 to undergo a Level 3 Diploma, Deck Officer Training at South Tyneside College, UK. The selection has gone through an extensive process to determine the top 3 students and it included members of APM Terminals Bahrain, Ministry of Transportation & Telecommunications and Bahrain Polytechnic.

The program includes alternate phases of academic studies at the College and sea-time apprenticeship aboard a Maersk Vessel. It continues for 3 years where the students shall take the certifying exam after which they become officially certified Deck Officers.

Leadership Program



Youth Scholarship Program



Corporate Social Responsibility

INTERNSHIP & GRADUATE PROGRAMS

As part of our commitment towards giving back to the community, developing our Youth, and being active in our contribution to Bahrain's Vision 2030, and in addition the Talent Acceleration Program, APM Terminals Bahrain has 2 main programs:

INTERNSHIP PROGRAM:

The Internship Program aims to support active school or university students with gaining the required course credits and work experience as part of their curriculum. The program offers students the opportunity to experience the practical work environment and the duration varies between a minimum of one week and a maximum of three months depending on mutual agreement.

GRADUATE PROGRAM:

The Graduate Program supports and attracts Bahraini fresh graduates by offering them the opportunity to build a starting foundation to shape their career choices. The duration of the program may vary between 12 to 18 months based on mutual agreement and the candidates may be offered employment contracts upon their successful completion depending on vacancies, business need, and their performance during the program.

In 2022, three Graduate Program candidates who have been working with the Asset Management Function have been offered full time employment contracts and one candidate is currently working with the Human Resources Function.

UNIVERSITY STUDENTS SUPPORT PROGRAM



APM Terminals Bahrain launched a strategic project in collaboration with Bahrain Polytechnic, offering students the opportunity to gain hands-on learning in the field of health and safety at the port.

The program gives students the opportunity to gain experience in project management, direct coaching by health and safety professionals, and develop solutions that could potentially be

globally deployed. The 23 students will be participating in three work streams: personal protective equipment (PPE), health & safety induction, and general cargo handling.

Corporate Governance Report



Corporate Governance Report

COMMITMENT TO CORPORATE GOVERNANCE PRINCIPLES

The corporate governance framework sets the tone as to how the company operates in relation to its internal as well as external stakeholders. It defines the relationship between the Board of Directors, management, and the rest of the organisation. We, at APM Terminals Bahrain B.S.C., are committed to the highest standards of corporate governance.

The Company has appointed and elected a Board of Directors (“Board”) including non-executive and independent directors and appointed a Corporate Governance Officer to ensure that the corporate governance principles are duly implemented and complied with.

The Company has Board approved policies for risk management, compliance, and internal controls, in accordance with the applicable laws, rules and guidelines. The Board’s adherence to best practice in corporate governance is underlined by various principles such as transparency, integrity, independence, accountability, responsibility and fairness. The Board has adopted a Board of Director’s Charter, together with the Company’s Memorandum and Articles of Association as well as the Corporate Governance Manuals and Charters of Board Committees, that provide the authority and practices for corporate governance at APM Terminals Bahrain B.S.C.

The adoption and implementation of corporate governance is the direct responsibility of the Board. The Board is committed to excellence in corporate governance and adheres to rules of the High-Level Controls Module (“HC Module”) of the Central Bank of Bahrain (“CBB”); and the principles of the Corporate Governance Code (“Corporate Governance Code”) and Commercial Companies Law of the Kingdom of Bahrain.

SHAREHOLDER'S INFORMATION

APM Terminals Bahrain B.S.C.’s shares are listed on the Bahrain Bourse. The Company has issued 90,000,000 ordinary equity shares, each with a nominal value of 100 fils. All shares are fully paid up.

Corporate Governance Report

DISTRIBUTION OF SHAREHOLDING BY NATIONALITY AS OF 31 DECEMBER 2022

Nationality	No. of Shareholders	No. of Shares	Shareholding %
Bahrain	648	30,590,742	33.99
Netherlands	1	57,600,000	64.00
Saudi Arabia	13	196,602	00.22
Oman	3	425,374	00.47
Kuwait	4	375,197	00.42
UAE	1	361,566	00.40
Others	76	450,519	00.50
Total	746	90,000,000	100.00

OWNERSHIP ACCORDING TO PERCENTAGE/ NO. OF SHARES AS OF 31 DECEMBER 2022

Shareholding (share)	No. of Shareholders	No. of Shares	Shareholding %
Less than 1%	742	14,754,362	16.39
1 % up to less than 5%	2	3,245,638	3.61
5 % up to less than 10%	-		
10 % up to less than 20%	1	14,400,000	16.00
More than 50%	1	57,600,000	64.00
Total	746	90,000,000	100.00

< 50,000	684	5,324,853	5.92
50,000 to 500,000	57	8,688,440	9.65
Greater than 500,000 to 5,000,000	3	3,986,707	4.43
>5,000,000	2	72,000,000	80.00
Total	746	90,000,000	100.00

Corporate Governance Report

MAJOR SHAREHOLDERS (5% AND ABOVE) AS OF 31 DECEMBER 2022

Shareholder's Name	Ultimate Beneficiary	No. of Shares	% of shareholding
APM Terminals B.V.	Maersk Holding B.V.	57,600,000	64.00
Yusuf Bin Ahmed (Holdings) Co. W.L.L.	Various ultimate beneficiaries	14,400,000	16.00

Ownership by government

The Government of Bahrain does not hold any shares in the Company.

Corporate Governance Report

Board of Directors

COMPOSITION OF THE BOARD

- The Board comprises of six directors as per the composition in the table below.
- The Chairman, Mr. David Skov, has resigned during August 2022 and Mr. Soren Sjostrand Jakobsen has been appointed as Chairman of the Board, by secret ballot.
- Mr. Jonathan R. Goldner has been appointed as a member of the Board in place of Mr. David Skov by the majority shareholder, APM Terminals BV.
- The Board is composed of 100% male members and no female members currently serve on the Board of Directors.

Board Member	Type	Position	Term
David Skov	Executive Director	<ul style="list-style-type: none">• Chairman of the Board until 10 Aug 2022	16 Feb 2018 to 12 Dec 2018 13 Dec 2018 to 10 Aug 2022
Soren Sjostrand Jakobsen	Executive Director	<ul style="list-style-type: none">• Chairman of the Board effective 10 Aug 2022• Member of the Board• Member of ARCC	18 Jun 2013 to 12 Dec 2018 13 Dec 2018 to 30 Mar 2022 31 Mar 2022 to 30 Mar 2025
Fawzi Ahmed Kanoo	Executive Director	<ul style="list-style-type: none">• Vice Chairman of the Board	20 May 2006 to 18 Jun 2012 31 Jul 2018 to 12 Dec 2018 13 Dec 2018 to 30 Mar 2022 31 Mar 2022 to 30 Mar 2025
Jesper Kjaedegaard	Non-Executive Director	<ul style="list-style-type: none">• Member of the Board• Member of NRGC	13 Dec 2018 to 30 Mar 2022 31 Mar 2022 to 30 Mar 2025
Mohamed Bin Ebrahim Juma Alshroogi	Independent Director	<ul style="list-style-type: none">• Member of the Board• Member of ARCC• Chairman of NRGC	13 Dec 2018 to 30 Mar 2022 31 Mar 2022 to Mar 2025
Nadhem Saleh Al-Saleh	Independent Director	<ul style="list-style-type: none">• Member of the Board• Chairman of ARCC• Member of NRGC	13 Dec 2018 to 30 Mar 2022 31 Mar 2022 to 30 Mar 2025
Jonathan Goldner	Executive Director	<ul style="list-style-type: none">• Member of the Board	10 Aug 2022 to 30 Mar 2025

Corporate Governance Report



Soren Sjostrand Jakobsen

Chairman

- Mr. Jakobsen has been with the Maersk and APM Terminals group for more than 42 years and has held various positions of importance within the group.
- He serves as a board member in a number of JV entities of APM Terminals in Asia, Middle East, Africa and Latin America.
- Mr. Jakobsen has a bachelor's degree in shipping and business with various management programs including at IMD and INSEAD.



Fawzi Ahmed Kanoo

Vice Chairman

- Mr. Kanoo is currently the Deputy Group Chairman of Yusuf Bin Ahmed Kanoo (Holdings) Co. W.L.L., a multi-national organisation, having offices throughout the Arabian Gulf and Saudi Arabia.
- Mr. Kanoo holds directorship in various companies internationally. Specifically, Mr. Kanoo holds directorships in public listed companies in Bahrain namely Gulf Hotels Group BSC, Bahrain Ship Repairing & Engineering Co. BSC and National Bank of Bahrain B.S.C.
- He holds a bachelor's degree in Business Administration from Southwest Texas State University.



Jonathan Goldner

Executive Director

- Mr. Goldner has been part of the A.P. Moller-Maersk organization for over 25 years. Today he is a member of APM Terminals Leadership Team and serves as Regional Managing Director - Asia & Middle East.
- He has lived and worked in the U.S., China, Denmark, Netherlands, and Singapore in various leadership positions across APM Terminals, Maersk Line, and DAMCO. Prior to his current role, he served as CCO for APM Terminals globally.
- Mr. Goldner attended Texas A&M University, has his Third Officers License, and received his MBA from Columbia University, New York.

Corporate Governance Report



Jesper Kjaedegaard

Non-Executive / Non-Independent Director

- Mr. Kjaedegaard has spent more than 40 years in the maritime industry and is currently serving as an Advisor/Board member for several maritime related companies.
- Mr. Kjaedegaard was previously global head of Maersk Line and is also past President of the British Chamber of Shipping and Chairman of Maritime, UK.
- Mr. Kjaedegaard is a graduate from Copenhagen's Commercial College and has subsequently attended several Management Programs including AMP (Harvard).



Mohamed Bin Ebrahim Juma Alshroogi

Independent Director

- Mr. AlShroogi was Investcorp's Co-Chief Executive Officer. He joined Investcorp in 2009 as President of the Firm's Gulf Business. He oversaw the development of private equity investment business in the MENA and Turkey region.
- Mr. AlShroogi has been a member of the Bahrain Shura Council, Member of the Board of Trustees at Bahrain University and a member of the Bahrain Economic Development Board.
- Mr. AlShroogi studied at Kuwait University and the Harvard Management Executive Program.



Nadhem Saleh Al Saleh

Independent Director

- Dr. AlSaleh served at the University of Bahrain for 25 years where he assumed different academic & administrative positions. He has long years of experience in the areas of business administration, financial management and strategic planning.
- He is also a Board Member of Solidarity Bahrain B.S.C. and a Member of Board of Trustee of Kanoo Award for Creativity & Excellence.
- Dr. AlSaleh holds a Ph.D. in Finance from Brunel University, England, MBA from University of Pennsylvania, USA and bachelor's degree in petroleum engineering from University of Baghdad, Iraq.

Corporate Governance Report

RESPONSIBILITIES AND DUTIES OF BOARD MEMBERS

The Board must review the quality and integrity of the Company's accounting and financial reporting practices. The Board must ensure that the Company's financial statements are prepared and reported in accordance with international financial reporting standards. The Board is accountable to the Shareholders for creation and delivery of strong sustainable financial performance and long-term Shareholder value. The Board works together as a team to provide strategic leadership to staff, ensure the organisation's fitness for purpose, set the values and standards for the organisation, and ensure that enough financial and human resources are available.

Transactions are carried out in accordance with the Company's Authority Matrix which lays down various levels of authority for the Board as well as the executive management. This includes strategic issues and planning, review of management structure and responsibilities, disposal of assets, investment policies, capital expenditure, policies, appointment of key officers, preparation of financial statements in accordance with international financial reporting standards, financing and borrowing activities and reviewing the adequacy and integrity of internal systems and the regulatory and control framework.

ELECTION AND TERMINATION OF DIRECTORS

There are formal and transparent procedures for the appointment and election of new directors to the Board, in accordance with applicable laws. Candidates are appointed and elected based on merit, in line with the objectives of the Company and with due regards to the benefit of diversity on the Board.

The term of the current Board is for 3 years, commencing from 31 March 2022, unless terminated in accordance with the applicable laws in the Kingdom of Bahrain.

DIRECTOR APPOINTMENT

As a member of the Board, each Director has signed a formal written appointment letter which covers among other things, the Director's duties and responsibilities in serving on the Board, the terms and conditions of their directorship, the annual remuneration, sitting fees and access to independent professional advice, when needed.

INDUCTION AND TRAINING OF DIRECTORS

The Director's Board Charter recommends formal and tailored Director's induction program. The Chairman in coordination with the Secretary ensures that each new Director, upon appointment, receives a formal induction, to ensure his/her contribution to the Board from the beginning of their tenure.

The induction process includes meetings with the Executive Management, visits to the Company's facilities, presentations regarding significant strategic, financial, compliance and risk management related matters.

Corporate Governance Report

DIRECTORS REMUNERATION POLICY

The Board of Directors' remuneration is governed by the provisions of the Commercial Companies Law 2001 and its amendments, and the CBB rulebook. Such remuneration and the remuneration policy requires approval by the Shareholders at the ordinary general meeting. In addition, the Board of Directors' remuneration is reviewed by the Nomination, Remuneration & Governance Committee as per the remuneration policy. Directors' remuneration is accounted as an expense as per international accounting standards.

As per the remuneration policy, the Chairman is entitled to remuneration of BHD 12,000 annually and other members of the Board are entitled to remuneration of BHD 10,000 annually.

In addition to the fixed fee, the members of the Board are entitled to sitting fees as stated below:

- For Directors residing in Bahrain, a sitting fee of BHD 500 for each face-to-face Board meeting
- For Directors residing outside Bahrain, a sitting fee of BHD 1,000 for each face-to-face Board meeting
- Sitting fee of BHD 250 for each Board meeting attended through video or audio conferencing or through remote participation
- Sitting fee of BHD 250 per committee meeting
- For Directors residing outside Bahrain, the Company shall provide return air tickets for traveling to Bahrain, accommodation and any other related expenses to attend the Board meetings of the Company. For Board meetings outside Bahrain, the Company shall provide air tickets, accommodation and any other related expenses for all travelling Board members. Class of air travel and accommodation will be in accordance with the Company's travel policy.

DIRECTOR'S REMUNERATION

In accordance with the Board remuneration policy, a total of BHD 75,500 for the year 2022 was paid to the Board of Directors as remuneration for their services as follows:

- BHD 62,000 as fixed fee
- BHD 13,500 as sitting fee

Director Name	Fixed Fee	Sitting Fee
David Skov	7,000	750
Soren S. Jakobsen	10,833	2,750
Fawzi Kanoo	10,000	1,250
Jesper Kjaedegaard	10,000	2,250
Mohamed Ebrahim Juma Alshroogi	10,000	2,500
Nadhem Saleh Al Saleh	10,000	2,750
Jonathan Goldner	4,167	1,250
Total	62,000	13,500

Corporate Governance Report

BOARD COMMITTEES

In compliance with applicable laws, the Board has established an Audit, Risk and Compliance Committee ("ARCC") and a Nominating, Remuneration and Governance Committee ("NRGC").

1. AUDIT, RISK AND COMPLIANCE COMMITTEE

The Audit, Risk and Compliance Committee has a written Charter approved by the Board of Directors ("ARCC Charter"). The ARCC Charter is an overall governing document laying out the roles and responsibilities of the Committee while ensuring compliance with the Corporate Governance Code and CBB Rulebook. As per the ARCC Charter, the committee shall meet at least four times a year. The External Auditor and Internal Auditor of the Company shall report directly to the Committee

A. Functions of ARCC

In accordance with the ARCC charter, the committee conducts the following functions:

- Review the quality and integrity of the Company's accounting and financial reporting practices
- Review the integrity of the Company's financial controls, internal controls and financial statements
- Review and monitor the Company's compliance with the relevant legal and regulatory requirements as well as the Code of Conduct of the Company
- Recommend appointment, compensation and oversight of the external auditor
- Recommend appointment of the internal auditor, including the approval of internal audit policies, plans and reports made thereof
- Review and approve various policies and procedures of the Company including the ones pertaining to risk management function, key persons dealing, market abuse, reports and plans submitted thereof in compliance with such policies and procedures
- Review and approve annual and interim financial statements of the Company, recommend for additional or specific audit requirements in relation to financial statements or other relevant aspects of the Company's business
- Recommend and table discussion on the management letter to be provided to the external auditor

B. Members of ARCC are as follows:

ARCC Members	Type	Position
Nadhem Saleh Al-Saleh	Independent	Chairman
Mohamed Bin Ebrahim Juma Alshoorgi	Independent	Member
Soren Sjostrand Jakobsen	Non-Independent	Member

Corporate Governance Report

BOARD COMMITTEES

2. NOMINATING, REMUNERATION AND GOVERNANCE COMMITTEE

The Nominating, Remuneration and Governance Committee (NRGC) has a written Charter approved by the Board ("**NRGC Charter**"). The NRGC Charter is an overall governing document laying out the roles and responsibilities of the Committee while ensuring compliance with the Corporate Governance Code and CBB Rulebook. As per the NRGC Charter, the Committee shall meet at least twice a year.

A. Functions of NRGC

In accordance with the NRGC charter, the committee conducts the following functions:

- Ensure adherence to the principles of corporate governance
- Oversee the development and implementation of the Company's Corporate Governance Manual and other relevant governance policies of the Company
- Establish board structure, composition and impart training and induction to the directors
- Identify persons qualified to become members of the Board or Executive Management and any other officers of the Company which the Board considers appropriate, except for the appointment of the internal auditor, which is the responsibility of ARCC
- Make recommendations to the Board, including recommendations of candidates for Board membership (including reappointment) to be included by the Board on the agenda for the Shareholders' General Meeting
- Lead the Board in its annual review of the performance of the Board and its committees
- Review and make recommendations on Board candidates proposed by those substantial Shareholders eligible to propose a Director to represent such Shareholder on the Board
- Review the Company's remuneration policies for the Board and senior management, which must be approved by the Shareholders and be consistent with the Company's corporate values and strategy
- Make recommendations regarding remuneration policies and amounts for specific persons to the whole Board, taking account of total remuneration including salaries, fees, expenses and employee benefits
- Recommend Board Member remuneration based on their attendance and performance

B. Members of NRGC are as follows:

NRGC Members	Type	Position
Mohamed Bin Ebrahim Juma Alshoorgi	Independent	Chairman
Nadhem Saleh Al-Saleh	Independent	Member
Jesper Kjaedegaard	Non-Independent	Member

Corporate Governance Report

DIRECTORS ATTENDANCE AT BOARD AND COMMITTEE MEETINGS

Board Meeting	28 Feb*	25 Apr*	10 Aug *	7 Nov
David Skov	✓	✓	✓	
Fawzi Ahmed Kanoo	✓	✓	✓	✓
Soren Sjostrand Jakobsen	✓	✓	✓	✓
Jonathan Goldner			✓	✓
Jesper Kjaedegaard	✓	✓	✓	✓
Mohamed Bin Ebrahim Juma Alshroogi	✓	✓	✓	✓
Nadhem Saleh Al Saleh	✓	✓	✓	✓

ARCC Meeting	28 Feb*	25 Apr*	10 Aug *	7 Nov
Nadhem Saleh Al Saleh	✓	✓	✓	✓
Soren Sjostrand Jakobsen	✓	✓	✓	✓
Mohamed Bin Ebrahim Juma Alshroogi	✓	✗	✓	✓

NRGC Meeting	28 Feb*			7 Nov
Mohamed Bin Ebrahim Juma Alshroogi	✓			✓
Nadhem Saleh Al Saleh	✓			✓
Jesper Kjaedegaard	✓			✓

*Attended via conference

Corporate Governance Report

DIRECTOR'S SHAREHOLDING

No members of the Board, their spouses and sons own any shares in the Company except as follows:

Director's Name	Position	Direct Shareholdings	% of direct shareholding	Indirect Shareholding	% of indirect shareholding
Nadhem Saleh Al Saleh	Independent Director	2,000	-	18,244	0.0002

DIRECTOR'S TRADING OF COMPANY SHARES DURING THE YEAR

None.

EVALUATION OF BOARD'S PERFORMANCE

In accordance with the Board Charter, the Board conducts annual review and evaluation of performance of Board and its committees in accordance with CBB guidelines. Performance of the Board in 2022 has been satisfactory.

INDEPENDENCE OF DIRECTORS

In line with the requirements of the HC Module, the Company has put in place Board-approved criteria to determine 'Independence' using formal requirements as specified in the CBB rule book. The independent directors disclose personal interests on a regular basis. Such determines whether the Director is independent of management and any business or other relationships, which could materially interfere with the Director's ability to exercise objective, unfettered or independent judgement; or the Director's ability to act in the best interests of the Company.

Corporate Governance Report



Maureen Bannerman

Chief Executive Officer (CEO)

- Mrs. Bannerman joined APM Terminals Bahrain as Managing Director in March 2021.
- Mrs. Bannerman has 30 years of experience in the Transportation and Hospitality industries holding several executive roles in various international organisations including Dubai International Airport, Serco Dubai Metro, Abu Dhabi Airports, Network Rail UK and other leading global organizations.
- Mrs. Bannerman brings vast depth of knowledge and experience covering all areas from strategy and operations to business transformation and stakeholder management.
- Maureen holds an MBA degree and Diploma in Business and Finance, Courses in Situational Leadership, Coaching, Mentoring and completion of the Future Ready Leadership Programme from London Business School.



Farooq Zuberi

Chief Financial Officer (CFO)

- Mr. Zuberi joined the Company as CFO in June 2018.
- Prior to joining the Company, Mr. Zuberi has worked in senior leadership roles with Global Fortune 500 companies across several industries.
- He has worked with PwC, Unilever, GSK & Emirates Group in roles covering finance business partnering, project delivery & strategic initiatives.
- Mr. Zuberi is a Chartered Accountant from ICAP as well as Chartered Certified Accountant from ACCA – UK.



Isa Al-Qetami

Chief Government and Security Affairs Officer (CGSO)

- Mr. Al-Qetami retired in 2014 as a Colonel with the Bahrain Defence Force and Bahrain Royal Air Force as Aircraft Engineer. He has over 30 years of leadership, management and projects experience gained at the highest level at Bahrain Defence Force.
- Mr. Al-Qetami joined APM Terminals in August 2015 as GM Security & Government Relations and was promoted to Chief Government and Security Affairs Officer in 2021.
- Mr. Al-Qetami holds a 'Master of Science in Systems Management' (Naval Post-Graduate School Monterey, California USA) and is a Civil Aviation Authority Licensed Engineer – in Aerospace/Avionics (Brunel Technical College Bristol – UK).

Corporate Governance Report



Abdelrahman Elshamy

Chief Operating Officer

- Mr. Elshamy has an overall international experience of 18 years in ports and logistics industry.
- Mr. Elshamy completed his bachelor's degree in law from University of Alexandria, Egypt.
- Mr. Elshamy is a Certified Lean and Six Sigma Black Belt from Accenture, Netherlands, Certified TPM Facilitator from TPM Club India, Certified Lean Trainer from APM Terminals HQ in the Hague, Netherlands, and Certified Leader of Leaders, Maersk Leadership Center, Rolighed, Denmark.



Richard G.C. Smith

Chief Commercial Officer (CCO)

- Mr. Smith has over 25 years commercial experience in the Ocean logistics business.
- Initially employed by P&O Containers in the UK, he joined Maersk in 2011 after 7 years outside the industry running his own business. With P&O Nedlloyd and subsequently Maersk, Richard has spent nearly 15 years in commercial roles in east and west Africa, with the last 7 years based in Lagos, Nigeria.
- He holds a bachelor's degree in History & Politics from Durham University in England.



Yosra Abdulla

GM- Human Resources

- Mrs. Abdulla joined APM Terminals Bahrain in November 2019. In addition to her role as GM- Human resources, Yosra have been managing Regional & Global people related projects.
- Mrs. Abdulla previously worked as the Relations & Personal Manager for Nass Contracting Bahrain for almost 12 years and has extensive experience within the human resources field.
- Mrs. Abdulla had worked primarily within the Construction industry. She served many of Bahrain's largest organizations and contributed to the development of the Frontline employees' welfare standards and represented the industry to the International Labour Organization.
- Mrs. Abdulla is a BSc. Degree holder in International Studies, Certified Strategy, and business Planning professional from the KPI institute
- Mrs. Abdulla is also a John Maxwell's Coach, Speaker & Trainer.

Corporate Governance Report



Karl Gnonlonfin

Head of HSE and Transformation

- Mr. Gnonlonfin has been part of APM Terminals since 2005 and joined APM Terminal Bahrain in 2021.
- Mr. Gnonlonfin has 16 years of experience with APM Terminals on various Terminal Operations and Safety senior Leadership roles and his areas of expertise are Port and Terminal Operations, workplace Health & Safety Management as well as Lean Leadership and management.
- Mr. Gnonlonfin holds a Master's degree in Environment Management and NEBOSH International General Certificate in Health & Safety. Karl is a certified PFSO, a certified Lean and Six Sigma Green & Black Belt as well as a certified Leader of Others and Leader of leaders. Karl is a 2008 Magnet graduate and a 2018 Magnum graduate.



Kevin Blakey

Head of Asset Maintenance

- Mr. Blakey joined APMT in 2017 as Global Head of Asset Maintenance having spent five years with Maersk Oil in Qatar. He brings 20 years of experience from the Oil & Gas industry.
- Mr. Blakey has proven success in embedding new systems, processes, technologies, and ways of working in complex technical environments, supported by his extensive experience of behavioural and people-focused change, to deliver transformative performance improvements and operational outcomes.
- He is also a member of the Institute of Engineering Technology (IET), has an MSc in Asset Integrity Management and is certified as an OIM in Major Emergency Management.

Corporate Governance Report

EXECUTIVE MANAGEMENT SHAREHOLDING

Executive Management	Position	No. of Shares
Maureen Bannerman	Chief Executive Officer	-
Farooq Zuberi	Chief Finance Officer	4,546
Isa Al Qetami	Chief Government and Security Affairs Officer	-
Abdelrahman Elshamy	Chief Operating Officer	-
Richard G.C.Smith	Chief Commercial Officer	-
Yosra Abdulla	GM, Human Resources	-
Karl Darius Gnonlonfin	Head of HSE and Transformation	-
Kevin Blakey	Head of Asset Maintenance	-

TOTAL REMUNERATION PAID TO KEY EXECUTIVE OFFICERS

Total remunerations paid to the top 6 executive management members for the year 2022, including salaries, benefits, allowances, increases, etc. is ~BHD 749,000.

REMUNERATION AND PERFORMANCE-LINKED INCENTIVES

The Company's remuneration policy for its executive management and its employees is designed to attract, retain and motivate qualified and talented professionals. The Company does not currently have any share ownership or option schemes for its employees.

CORPORATE GOVERNANCE FRAMEWORK

Company's Corporate Governance framework comprises of Board and Committees Charters, Whistle Blowing Policy, Code of Conduct, Corporate Social Responsibility Policy, Standard operating policies and procedures (SOPs), internal controls and risk management process/systems; compliance procedures; internal and external audit; effective communications and transparent disclosure; and measurement and accountability.

In order to ensure good governance, the Company has appointed corporate governance officer, company secretary, internal auditors and external auditors, who directly report to the Board of Directors.

A Corporate Governance Report is submitted by the Corporate Governance Officer (Compliance Officer) annually to the NREGC and to the Board of Directors.

Corporate Governance Report

LEGAL MANAGER, CORPORATE GOVERNANCE OFFICER, COMPANY SECRETARY AND INVESTOR RELATIONS OFFICER

Name	Qualification	Contact Details
Dana Abdulrahman Alsendi	LLB Law (University of Leicester), LL.M International Corporate Governance & Financial Regulation (University of Warwick), Qualified in the Kingdom of Bahrain	1736 5512

EXTERNAL AUDITORS

Pricewaterhouse Coopers Middle East Limited (PwC) have been the external auditor of the Company for the Financial Year 2022.

Pricewaterhouse Coopers Middle East Limited (PwC) have been appointed as new external auditors in 2021. PwC have operated in the Middle East region for more than 40 years. Collectively, PwC Middle East network employs in the region more than 6,000 people including 267 partners working from 23 offices (in 22 locations) across 12 countries.

PwC's services have been satisfactory throughout their engagement with us. The ARCC reviews the appointment of the external auditors, as well as their relationship with the Company, including monitoring the Company's use of the auditors for non-audit services. Please see the details in the table below:

Name of the audit firm %	PwC Middle East
Years of service as the Company's external auditor	Two years
Name of the partner in charge of the Company's audit	John Molloy
The partner's years of service as the partner in charge of the Company's audit	Two years
Audit and related services fee for the FY year 2022 (BHD)	21,210
Non-audit service fee	Nil

INTERNAL AUDITOR

The Board has appointed BDO Consulting WLL as Company's Internal Auditor. BDO Bahrain was established in 1980. BDO is one of the leading accounting and advisory firms in Bahrain. A thorough internal audit plan was prepared by BDO for financial year 2022, which was approved by ARCC. The Internal Auditor conducted audits in accordance with the approved audit plan throughout the year and submitted reports to ARCC for review, approval and relevant actions.

Corporate Governance Report

CORPORATE COMMUNICATIONS

Company conducts all communications with its stakeholders in a professional, honest, transparent, understandable, accurate and timely manner. Main communications channels include the Company website, regular regulatory announcements in the local media and Bahrain Bourse and the Annual Report.

RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST

The Company is party to a number of agreements and arrangements with its shareholders and other related parties. The Company has in place and acts in accordance with a robust Corporate Governance Manual which governs related party transactions. Standard operations procedures and approvals are followed for all contracts that are entered into, to seek and ensure that there are no conflicts or preferences given to any specific entity.

The Directors make every practicable effort to arrange their personal and business affairs to avoid a conflict of interest situation with the Company. The Directors are required to disclose their interests in other entities or activities to the NRCG committee on an annual basis and inform the Company of any conflict of interest whenever it arises and abstain from voting on any related subject matter.

The related party transaction details are disclosed in Note 22 to the Financial Statements.

The Company has entered into the following related party transactions in the financial year 2022.

Corporate Governance Report

S.N	Entity Name	Expenses (BHD'000)	Revenue (BHD'000)	Justification
APM Terminals B.V. Related Transactions				
1	Maersk Line A/S	2.096	538.913	<ul style="list-style-type: none"> Services provided as business as usual and governed by standard terms FTE outsourcing to assist in reporting
2	Svitzer Bahrain (S.P.C)	928.895		<ul style="list-style-type: none"> Marine services obtained pursuant to sub concession agreement. The lease has been capitalized under IFRS 16 at a net book value of BHD 15.873 Million
3	APMT Management B.V.	96.609		<ul style="list-style-type: none"> Services provided pursuant to Technical Service Agreement: mainly IT related services.
4	APM Terminals B.V.	80.789		<ul style="list-style-type: none"> Services provided pursuant to Technical Service Agreement: mainly management fees
5	APM Terminals Apapa Limited	28.973		<ul style="list-style-type: none"> STA recharges
6	Maersk Training	3.254		<ul style="list-style-type: none"> Training related expenses
7	A.P. Møller - Mærsk A/S	9.97	102.29	<ul style="list-style-type: none"> Interest earned on excess cash deposited with group
8	APM Terminals Mauritania S.A	14.88		<ul style="list-style-type: none"> STA recharges
A.P. Terminals B.V. and Yusuf Bin Ahmed Kanoo (Holdings) Co. W.L.L. Related Transactions				
9	Maersk Kanoo Bahrain WLL	0.02		<ul style="list-style-type: none"> Damage claim recovery
Yusuf Bin Ahmed Kanoo (Holdings) Co. W.L.L. Related Transactions				
10	Al Manhal Water Factory	1.311		<ul style="list-style-type: none"> Lowest bidder among all qualified suppliers. Also, reliable delivery and quality
11	BASREC	0.107		<ul style="list-style-type: none"> Services provided for container inspection
12	Bahrain INTL Cargo Services		33.516	<ul style="list-style-type: none"> Services provided as business as usual and governed by standard terms We also provide space for storage for certain special general cargo at agreed price
13	APL (Bahrain) W.L.L.		441.47	<ul style="list-style-type: none"> Services provided as business as usual and governed by standard terms
14	Yousuf Bin A. Kanoo	11.498	355.238	<ul style="list-style-type: none"> Services provided as business as usual and governed by standard terms Only dealer of hyster and cummins forklift for spares Leasing of 3Ton forklift for 5 Years, selected after getting multiple quotations and found competitive prices and technically approved. These forklifts have been capitalized at a net book value of BHD 0.90 Million
15	Hapag-Lloyd Bahrain Co. W.L.L.		450.87	<ul style="list-style-type: none"> Services provided as business as usual and governed by standard terms

Corporate Governance Report

In addition to the foregoing, pursuant to the treasury advisory function provided by APM Terminals Management B.V. and Board approval, the Company deposits its excess cash with the parent company A.P. Moller Maersk of its major shareholder (APM Terminals B.V.). The Company, as of 31 December 2022, has deposited ~BHD 25.2M with A.P. Moller Maersk A/S. The deposits are excess cash which are deposited as part of the treasury advice and instructions received from APM Terminals Management B.V., as part of the treasury advisory and execution services provided by it under the technical services agreement and direct agreement with the Company. These deposits offer interest rate benchmarked to the USD Libor along with foreign currency swap contracts with an additional premium such that the Company earns an annualized Net All-in-Yield of ~0.25% over the deposit rate offered by one of the international banks.

None of the directors appointed by the APM Terminals B.V. participated in voting in relation to this transaction.

COMPLIANCE WITH HC MODULE AND CORPORATE GOVERNANCE CODE

The Company is in compliance with the Corporate Governance Code and HC Module except for the following:

- HC- 1.4.6 and HC 1.4.8 of HC Module and Principle 1 First (a) (3) of Corporate Governance Code stipulates that the Chairman of the Board of Directors should be an independent director. David Skov, an executive director is the elected Chairman of the Board until August 2022. Effective August 2022, Soren S. Jakobsen has been elected Chairman of the Board. This is to ensure that APM Terminals will be able to deliver its obligations under the direct agreement, it has entered with the Government for management and operations of KBSP and the support that APM Terminals is required to provide. However, this does not compromise high standards of corporate governance as the Company follows strict policies to manage conflict of interest in Board decisions.

MANAGEMENT ANALYSIS AND PRINCIPAL RISKS

On 8 November 2006, the Company signed a 25-year Concession with the Government of Bahrain ("Concession") with numerous rights as listed in the Concession. Due to continuation of pandemic and various other global business factors FY 2022 faced certain principal risks and uncertainties which includes the following:

KEY PERFORMANCE INDICATORS (KPIs)

The Company is required by clause 13 of the Concession Agreement to adhere to certain minimum KPI's. There are four KPI targets set in relation to (i) vessel working rate (ii) crane rate (iii) labour rate and (iv) throughput per berth meter (each as defined and described in the Concession Agreement). The Company has exceeded the KPI targets consistently in respect of vessel working rates, crane rates and labour rates. However, the Company has not met its 'throughput per berth meter' KPI target in the years 2014 to 2018.

Corporate Governance Report

If the Company fails to meet one or more of the KPIs for a period of 4 years or any further years thereafter, except as a result of force majeure, then the Nominated Percentage element of the Revenue Charge (i.e. an element in the calculation of the Revenue Charge payable by the Company to the Government in consideration of the rights granted by the Government to the Company under the Concession Agreement) will be increased by an additional 1% above the level set out in the Agreement for such fourth year failure and by a further 1% for each further year's failure thereafter. Such additional charges will continue until the Company produces a KPI report demonstrating compliance with the relevant KPIs in respect of the applicable year. This additional charge was applied in 2017 and 2018. However, the Company has successfully achieved all KPIs for the financial years 2019 and 2020 and accordingly no additional charge was applied in 2020 in relation to the KPI targets. The Company has not met its 'throughput per berth meter' KPI target in 2021, however, no penalty was imposed on the 2021 Revenue Charge, in accordance with the Concession Agreement. The Company has successfully achieved all KPIs for the financial year 2022.

Failure to meet KPIs for a period of 5 consecutive years would also constitute an event of default under clause 33.1 of the Concession Agreement which provides a right of termination of the Concession on the part of the Government, should it choose to exercise it.

TRANSHIPMENT TARGET

One of the requirements of the Concession Agreement is that the Company must meet certain annual transshipment volumes. According to the Concession Agreement, in the event that the transshipment target for the year 2015 or any later year shows that the average level of transshipment at KBSP, over the previous four consecutive years, has failed to meet 60% of the transshipment targets set in relation to those four years (taken on an average basis over the relevant four year period) then the Government shall have the right, but not the obligation, to terminate the Concession Agreement as an event of default by the Company on 30 days' notice. The right of the Government to terminate does not apply in the event that Company can demonstrate to the Government's satisfaction both:

- That it has taken all reasonable steps (including expenditure of time and money) to market KBSP so as to secure transshipment business for KBSP during the four consecutive years in question; and
- That, notwithstanding the efforts of Company, external economic or other factors beyond Company's and APM Terminals control have prevented Company from achieving the required level of transshipment volume at KBSP.

Since commercial operations began at KBSP, Company has failed to meet the transshipment volumes required under the Concession and is therefore at risk that the Government may terminate the Concession Agreement. However, the Ministry of Transportation and Telecommunication issued a letter to the Company, dated 28 June 2015, in which the Ministry stated that it shall not apply the termination right in the Concession so long as the Company continues its efforts to reach the required transshipment level and the Ministry is comfortable with the Company's efforts.

Corporate Governance Report

COMPLIANCE RISK

Noncompliance with laws, regulations, rules, prescribed practices or contractual agreements can result in reputational loss, limited business opportunities and cessation of operations. The Company ensures adherence to all applicable regulations, including regulations prescribed by CBB and Bahrain Bourse. Besides, Company internal policies and code of conduct are in line with international business standards ensuring that best practices are adopted and implemented by the Company.

RISK OF OUTBREAK OF EPIDEMIC, PANDEMIC OR CONTAGIOUS DISEASE

Outbreaks of epidemic, pandemic, or contagious diseases, such as the recent novel coronavirus can result in lockdowns, lower revenue, lesser volumes, higher costs, labour shortages, decreases in productivity, supply chain disruptions, operational disruptions, and changes in the macroeconomic environment. The extent to which such epidemic, pandemic or contagious diseases could impact our operations and business will depend on future developments, which are highly uncertain and cannot be predicted with confidence, including the duration of the outbreak, severity and the actions taken by the government to contain such disease, among others.



Soren S. Jakobsen
Chairman of the Board of Directors