



## FAQs

### **Related to the disclosure templates of the remuneration of board of directors and executive management in joint stock companies in the report of the Board of Directors in accordance with Article (188) of the Commercial Companies Law**

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**1. Which companies must disclose the remuneration of members of the board of directors and executive management using the templates prepared by the MOIC for this purpose? And to whom is this disclosure directed?**

All public and closed joint stock companies must disclose, including companies licensed by the Central Bank of Bahrain. This disclosure is directed to the shareholders in the company's general assembly meeting.

**2. What is the format of the templates for disclosing the remunerations of members of the Board of Directors and the Executive Management in accordance with Article (188) of the Commercial Companies Law and Article (125) of the Executive Regulations of the Commercial Companies Law?**

The disclosure shall be in accordance with the templates prepared by the MOIC, and you can obtain a copy of the templates for disclosing the remunerations of members of the Board of Directors and the Executive Management by clicking on the following link: [Templates for disclosure of the remunerations of members of the Board of Directors and the Executive Management in the report of the Board of Directors](#)

**3. What is the report that must be included in the disclosures regarding the remuneration of members of the board of directors and executive management in joint stock companies?**

Disclosures regarding the remuneration of members of the Board of Directors and the Executive Management must be included in the annual report of the Board of Directors accompanying the financial statements.

**4. What is the disclosure in case the positions of membership of the Board of Directors and membership of the Executive Management are combined in the company?**

In accordance with Article (188) of the Commercial Companies Law and Article (125) of the Executive Regulations of the Commercial Companies



Law, members who combine the positions of membership of the Board of Directors and membership of the Executive Management in the company must disclose what they have received as employees or administrators as a total in the template for executive management remuneration whenever they are among the top six remunerations for executive management, the CEO and the highest financial officer in the company shall be among them.

**5. What is the disclosure mechanism under Article (188) of the Commercial Companies Law that is required of representatives of the public legal person or the company owned by him in the boards of directors of companies that are subject to the governance of the Commercial Companies Law and its amendments?**

The public legal person or the company owned by him is the one who receives the remunerations directly in accordance with Article (190) of the BCCL or according to a policy approved for the provisions of representation in the boards of directors of those companies and the method of distributing the remunerations due to the representatives of the company owned by the legal person in those boards.

Accordingly, the disclosure that should be applied in this case to the representatives of the public legal person is by stating the name of the shareholder (“who will receive the remuneration” and in this case he will be the public legal person or the company owned by him”) in the field designated for the names of the members of the board of the prepared template by the MOIC with the name of the shareholder appended to a statement (in parentheses) in the name of the Authority’s representative in the board of directors of the concerned company, and next to the name of the shareholder and his representative, all amounts of remunerations due for the relevant fiscal year are indicated.

As for the percentages that are estimated by the public legal person or the company owned by him, and which the representatives in the board of directors obtain from the total remuneration as a remuneration for representation in those companies, it is a matter of the legal person and his representative and is not included in the template.

**6. What is the disclosure required under Article (188) of the Commercial Companies Law if the annual remuneration for the board members of the parent company includes an additional remuneration paid to some members of the parent company’s board of directors working on the boards of directors of the parent company’s**



**subsidiaries? As these additional amounts may be paid as remuneration to some members of the board by the parent company in accordance with an internal policy approved by the parent company's board of directors.**

The disclosure in this case shall be through showing the total remuneration due to each member of the board of directors of the parent company in the “remuneration of the chairman and members of the board” field, whether (annual remuneration for members of the parent company’s board of directors + remuneration paid by the parent company to members of the board of directors working in any from the boards of subsidiaries).

**7. When should the annual report to the board of directors be prepared and submitted that includes disclosures regarding the remuneration of members of the board of directors and executive management?**

- During the three months following the end of the financial year for companies listed on the Bahrain Bourse and companies licensed by the Central Bank of Bahrain.
- During the six months following the end of the financial year for all other companies.

**8. What are the disclosure items that must be included in the annual report of the Board of Directors regarding the remuneration of each of the members of the Board of Directors and members of the executive management in joint stock companies?**

With regard to the remunerations of members of the Board of Directors (independent, non-executive, and executive): The report of the Board of Directors must include a comprehensive statement of all the remunerations received by the Chairman and members of the Board of Directors each individually during the financial year, including any benefits, privileges, share in profits attendance allowance, representation allowance, expenses, etc., and a statement of what they received in their capacity as employees or administrators, or in return for technical, administrative, advisory or any other work.

For members of the executive management: The report of the board of directors must include a statement of the total received by the members of the executive management of the company, which is represented by all members who received during the financial year the top six remunerations, including any salaries, benefits, benefits, shares and a share of profits,



provided that among them are: In all cases, the CEO and the highest financial officer in the company.

**9. Is it required to include the amounts of remuneration paid or accrued for to members of the Board of Directors and the Executive Management for the relevant financial year?**

The remuneration paid and accrued for the relevant financial year must be disclosed.

**10. Can the company change or shorten the terms of the disclosure templates related to the remuneration of members of the board of directors and executive management prepared by the MOIC?**

The disclosure templates prepared by the MOIC must be included as they are without change or abbreviation. If there are no remunerations in one of the disclosure clauses required in the template, a (-) sign is placed in the blank box.

**11. Can the disclosures regarding the remuneration of members of the Board of Directors and the executive management be included in the annual corporate governance report instead of the annual report of the Board of Directors?**

The disclosure templates must be included in the annual report of the Board of Directors and not in the annual corporate governance report, in accordance with legal and regulatory requirements.

**12. What are the penalties that may result from violating the provisions of Article (188) of the Commercial Companies Law and its executive regulations?**

In the event of violating the provisions of the Commercial Companies Law or the decisions issued in implementation of its provisions, one of the penalties stipulated in Article (362 bis) of the Commercial Companies Law may result, which are:

1. Suspension of registration in the commercial register.
2. Signing an administrative fine on a daily basis not exceeding 50,000 Bahraini Dinars.
3. Signing a total administrative fine not exceeding 100,000 Bahraini dinars.
4. Strike off the commercial register.

**13. What is the currency used in the disclosure templates of remuneration amounts for members of the Board of Directors and Executive Management?**



The Bahraini dinar or the currency in which the company's capital was registered and the financial statements were prepared in it.

**14. What are the contact numbers to inquire about the required disclosures under Article (188) of the Commercial Companies Law?**

You can contact the Corporate Governance Section e-mail: [cg@moic.gov.bh](mailto:cg@moic.gov.bh), or the following contact numbers: 17111337 - 17111237 - 17111349 - 17111341.