

# Moving Ahead, Realizing Our Vision

CORPORATE GOVERNANCE REPORT 2023

# Corporate Governance

## REGULATION

ABG views a disciplined corporate governance and risk management culture as a fundamental prerequisite to effective management of the Group to achieve strong yet sustainable financial returns and build consistent shareholder value. The adoption and maintenance, through continual and vigilant review, of the highest standards of corporate governance and risk management have thus been key to building a strong, ethical, responsible organization. This has been essential for establishing a strong governance structure under which the functions, roles and responsibilities are clearly delineated between the Board of Directors, Board Committees and Executive Management, officers and staff of the organization.

## THE BOARD OF DIRECTORS

The Board of Directors (the "Board") is responsible for the establishment and oversight of the Group's business strategy and priorities, for setting its high-level policies and for overall management; and is accountable to the shareholders for the financial and operational performance of the Group. It is responsible for raising and allocating of capital, monitoring of the Executive Management and its conduct of the Group's operations, making critical business decisions and building long-term shareholder value. The Board, through approving and monitoring the Group's risk appetite, and identifying and guarding against the longer term strategic threats to the business, ensures that the Group manages risk effectively.

The Board is also responsible, *inter alia*, for:

- setting and reassessing periodically the Group's corporate goals and objectives;
- establishing policies to further the achievement of the Group's corporate goals and objectives;
- establishing and regularly reviewing the management structure and responsibilities, and monitoring the effectiveness of the Executive Management, including its ability to plan and execute strategies;
- establishing, along with senior management and the chief risk officer, the Group's risk appetite, considering the Group's strategy, competitive and regulatory landscape, the Group's long-term interests, risk exposure and ability to manage risk effectively, and oversee the Group's adherence to the risk appetite statement, risk policy and risk limits;
- engaging actively in the affairs of the Group, keep up with material changes in the Group's business and the external environment and act in a timely manner to protect the long-term interests of the Group;
- holding the Executive Management accountable for results;
- putting in place adequate policies and processes for approving budgets, and reviewing performance against those budgets and against key performance indicators;
- ensuring that an adequate, effective, comprehensive and transparent corporate governance framework is in place;
- establishing and approving policies and procedures designed to ensure ethical behavior and compliance with laws and regulations, auditing and accounting standards and the Group's own corporate governance policy;
- ensuring that ABG and its subsidiaries' operations are supported by an appropriate control environment, i.e. that internal audit, compliance, risk management and finance and reporting functions, are well resourced and structured;
- ensuring that the Group's operations are supported by a reliable, sufficient and well-integrated information system;
- recognizing and communicating to the Executive Management the importance of the internal audit function at ABG and its subsidiaries, periodically reviewing internal control procedures, and taking measures to enhance the function of internal audit and to act in a timely and effective manner on its findings;
- approving the writing off of credit facilities and investments where appropriate, in accordance with the Group's policies and procedures;
- ensuring that an Anti-Money Laundering framework is in place to manage money laundering risk throughout the Group;
- approving, and overseeing the implementation of, the Group's governance framework, risk management framework and all policies, and review the relevant parts of these as well as review key controls in case a new business activity is considered, or in case of material changes to the Group's size, complexity, business strategy, markets or regulatory requirements, or the occurrence of a major failure of controls;
- ensuring that the Anti-bribery and Corruption program is implemented throughout the Group;
- approving strategic investments by ABG and its subsidiaries;
- monitoring potential conflicts of interest and preventing abusive related party transactions;
- approving material transactions outside the normal course of business or in excess of the limits of approval authority delegated to the Executive Management;
- ensuring the preparation of financial statements which accurately disclose the Group's financial position, on a regular and consistent basis, and for reviewing and approving for dissemination its periodic financial statements and annual reports;
- approving all significant changes in the Group's accounting and reporting policies;
- ensuring compliance at all times with all relevant requirements of Shari'a ("Sharia" or "Shari'a") and Islamic Accounting Standards, issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI);
- ensuring that the Group establishes and maintains an approved employee Code of Conduct and is in compliance with it;
- ensuring that the control environment maintains necessary client confidentiality, and that clients' rights and assets are properly safeguarded;
- ensuring that the Group's Social and Sustainable Finance objectives are attained;
- ensuring that the Senior Management maintains an effective and transparent relationship with the CBB;
- convening and preparing the agenda for shareholder meetings;
- ensuring equitable treatment of all shareholders including minority shareholders;
- considering the legitimate interests of shareholders and other relevant stakeholders in their decision-making process;
- ensuring that there is representation of women on the Group's Board of Directors in accordance with the directives of the Ministry of Industry & Commerce and disclosure in the Corporate Governance report for each fiscal year the percentage component of the Board membership duly classified according to gender (and the lack of or under-representation of any single gender), and non-compliance of the directives in any manner whatsoever;
- performing any other functions required from the Board of Directors under applicable laws and regulations;

## Corporate Governance (continued)

### THE BOARD OF DIRECTORS (continued)

- ensuring that no individual or group of directors dominates the Board's decision-making and no individual or group has unfettered powers of decision;
- at minimum, approving the selection and overseeing the performance of the chief executive officer (CEO), chief financial officer and heads of the risk management, compliance and internal audit functions; and
- Overseeing actively the remuneration system's design and operation for approved persons and monitor and review executive compensation and assess whether it is aligned with the Group's remuneration policy, risk culture and risk appetite.

In its regular review of the Group's strategy, the Board reviews the Group's business plans and the inherent level of risk in those plans. It also assesses the adequacy of capital to support the business risks of the Group; sets performance objectives; and oversees major capital expenditures, divestitures and acquisitions.

The Board of Directors has overall responsibility for the Group's system of internal control and its effectiveness, and for defining and enforcing standards of accountability that enable the Executive Management to achieve the Group's corporate objectives. The Board ensures that the systems, controls, processes and procedures framework are implemented by the senior management in line with the board policies, the Board structure and the organizational structure of the Group are appropriate for the Group's business and associated risks, and regularly assesses the systems and controls framework to that end. There are established and ongoing procedures in place for identifying, evaluating and managing significant risks faced by the Group. These are regularly reviewed by the Board. The Group's system of internal control provides for a documented and auditable trail of accountability and applies across its operations. This system is designed to ensure effective and efficient operation and compliance with all applicable laws and regulations, and seeks to manage risk with a view to avoiding material errors, losses and fraud.

In meeting its responsibility to ensure efficient governance in all matters related to ABG, the Board has established a written compliance policy governing the Group's compliance with all laws and regulations; in particular those enunciated by the Central Bank of Bahrain (CBB) and other local regulators. The Board is also responsible for upholding the highest ethical standards in the conduct of business activities and expects all employees, directors and associated persons of the Group to abide by the policies and laws including those stipulated by the Bahrain Penal Code. The Board has delegated responsibility for monitoring compliance to the Group Chief Executive Officer in coordination with the Board Compliance & Governance Committee. This responsibility is carried out through a dedicated Compliance Department, with a mandate to cover all aspects of compliance including: formulation of effective policies and processes for the management of the Group's compliance risk; assisting Executive Management and staff in managing risk; advising on laws and regulations and applicable compliance standards; disseminating compliance policies and providing guidelines to ABG staff members; ensuring an effective compliance methodology; providing periodical reports to the Board in connection with compliance controls; and establishing operational controls and a robust Know Your Customer (KYC), Anti-Money Laundering (AML) and Anti-bribery and Corruption program ("ABC Program") frameworks. ABG is continuously enhancing its compliance framework and that of each of its subsidiaries.

The CBB has issued revised requirements of Module HC of its Rulebook under Volume 4 which are met by ABG with respect to corporate governance principles. These requirements are in line with the principles relating to the

Corporate Governance Code issued by the Ministry of Industry & Commerce of the Kingdom of Bahrain, international best practice corporate governance standards set by bodies such as the Basel Committee for Banking Supervision and related high-level controls and policies. ABG conducts annually detailed internal assessments to ensure compliance with these requirements and, in the event that any shortfall is identified, sets specific milestones for implementation of measures to address the shortfall. The CBB, ABG's shareholders, the Board of Directors and the Executive Management are all kept fully aware of such shortfalls, if any, and the measures taken.

ABG continuously ensures that the Group's minority shareholders are well represented on the Board of Directors through the independent directors (who constitute the majority of the Board of Directors), who have additional responsibility to protect of the rights of minority shareholders.

The Board of Directors meets regularly (at least four times a year) and has a formal schedule of matters reserved for it, considering key aspects of the Group's affairs referred to it for decision. The Board reviews the Group's strategy and financial plans, all proposed material changes to the Group's policies, structure and organization, reports provided to it on the operations of the Group (with emphasis on organizational, risk management and information technology development) and the performance of the Executive Management.

All Directors attend all Board meetings whenever possible and in any event not less than 75% of meetings in any year, and they maintain informal contact among themselves between meetings. The Chairman is responsible for leadership of the Board and for its efficient functioning. He ensures that all members receive an agenda, minutes of prior meetings and background information in writing before each Board meeting and between meetings when necessary. The Board and its Committees are supplied with full and timely information to enable them to discharge their responsibilities. In this respect, the Board, its Committees and all Directors individually have access to the Executive Management, external legal or other professional consultants and advisors at the Group's expense, and to the Board Secretary, who is responsible for ensuring that the Board procedures and applicable rules and regulations are observed. The Board encourages participation by members of the Executive Management at Board meetings, if appropriate, regarding matters, which the Board is considering and where the Group Chief Executive Officer believes management should have exposure to the Board.

Under ABG's Articles of Association, the Board of Directors shall consist of no fewer than five and no more than 13 members. Members of the Board of Directors hold office for a three-year renewable term, although the term of office may be extended at the request of the Board for a period not exceeding six months with the approval of the Minister of Industry & Commerce of the Kingdom of Bahrain.

There is no maximum age limit at which a Director must retire from the Board of Directors. Each Director's membership of the Board shall terminate upon the expiry of his/her term, or upon the resolution of the shareholders in General Meeting, or as a result of one of a number of specified events or circumstances, including:

- the original appointment being found to be contrary to the provisions of the Commercial Companies Law (CCL) or ABG's Articles of Association;
- If the member loses any of the qualifying conditions referred to in Article 240 of the CCL;
- If the member abuses his position in carrying on a business that is in competition with ABG or if he causes actual damage to it;

## Corporate Governance (continued)

### THE BOARD OF DIRECTORS (continued)

- If the member fails to attend three consecutive Board meetings without presenting a lawfully excused notification in writing to the Board, and the Board shall resolve on this matter as it may deem fit;
- If the member resigns or withdraws from his/her office, provided the foregoing shall be done in an opportune time, otherwise he shall be liable to pay damages to ABG;
- Death of the member; and
- If the member occupies any other office at ABG for which he/she would receive remuneration other than that which the Board of Directors may decide from time to time to remunerate its occupier because of the executive nature of his/her duties.

When an announcement is made requesting nominations for the position of membership of the Board of Directors to replace those members whose three-year term is due to expire, such nominations must be submitted to the Chairman of the Board, within the time frame provided in the announcement, then to the Board Nomination and Remuneration Committee for it to make its recommendations to the Board. As part of the nomination process, each nomination must comply with local rules and regulations, and must be submitted for approval to the CBB in order to ensure compliance with the CBB's "Fit and Proper" criteria. The names of all nominated individuals approved by the CBB are then submitted to the shareholders at the next AGM for consideration and election. Election of ABG Directors takes place in accordance with the rules and procedures set out in the CCL and ABG's Articles of Association.

In line with corporate governance best practice, there is a succession plan for the Executive Management. This is reviewed annually and submitted to the CBB.

Each new Director elected to the Board receives a written appointment letter, detailing the powers, duties, responsibilities and obligations of that Director, and other relevant terms and conditions of his appointment.

As of December 31<sup>st</sup> 2023, there were 13 Directors on the Board. They have

varied backgrounds and experiences and are, individually and collectively, responsible for performing the responsibilities of the Board, and for exercising independent and objective judgement. No individual Director or group of Directors has unfettered powers of decision making or dominates the Board's decision making. The majority of the Directors are non-executive and fully independent of management, and are individually responsible for scrutinizing and challenging management decisions and performance. The posts of Chairman, Vice Chairman and Group Chief Executive Officer are held by different Directors, and the Group Chief Executive Officer has separate, clearly defined responsibilities. The size and composition of the Board and its Committees are regularly assessed, while the effectiveness, contribution and independence of individual Directors are assessed annually in light of interests disclosed and conduct. The independence or non-independence of Directors is, likewise, reviewed annually.

All Directors are remunerated solely by means of an annual retainer fee and sitting fees paid for each meeting attended. Their travel expenses are also reimbursed as appropriate.

The Board of Directors has adopted a formal Code of Business Conduct and Ethics applicable to Directors and Executive Management, officers, employees and agents, consultants and others representing or acting for the Group. Details of the Code are provided in the Additional Public Disclosures section of this report. In line with international best practice and the CBB Rulebook, the Board has instituted corporate governance measures to ensure that the interests of the shareholders are protected, including the appointment to the Board of more than one third of Directors as independent Directors, as defined in the CBB Rulebook.

In March 2023, the shareholders' Ordinary General Meeting has elected the following members of the Board for a three - years term (March 2023 - March 2026) and had the following Board Composition, including classification for gender in accordance with the directives of the Ministry of Commerce & Industry (for more details regarding the Board Composition please refer to page No 29 of this report):

		Male	Female
<b>Non-Executive Directors</b>			
1. Shaikh Abdullah Saleh Kamel	<i>Chairman</i>	✓	
2. Mr. Tawfig Shaker Mufti		✓	
3. Mr. Saud Saleh Al Saleh		✓	
4. Mr. Musa Abdel-Aziz Shihadeh		✓	
<b>Independent Directors</b>			
1. Mr. Mohamed Ebrahim Alshroogi	<i>Vice Chairman</i>	✓	
2. Dr. Khaled Abdulla Ateeq		✓	
3. Mrs. Dalia Hazem Khorshid			✓
4. Dr. Ziad Ahmed Bahaa-Eldin		✓	
5. Mr. Fahd bin Ibrahim Al Mufarrij		✓	
6. Mr. Masood Ahmed Al Bastaki		✓	
7. Mr. Naser Mohamed Al Nuwais		✓	
<b>Executive Directors</b>			
1. Mr. Housseem Ben Haj Amor	<i>Group Chief Executive Officer</i>	✓	
2. Mr. Abdul Elah Abdul Rahim Sabbahi		✓	
Total representation of genders on the Board of Directors	December 31 <sup>st</sup> , 2023	92%	8%
	December 31 <sup>st</sup> , 2022	92%	8%

## Corporate Governance (continued)

### BOARD COMMITTEES

The Board has put in place a number of Board committees, membership of which is drawn from the Board membership and to which it has delegated specific responsibilities. The principal Board committees are (as of December 31<sup>st</sup> 2023):

#### Board Executive Committee

The Board Executive Committee is chaired by Shaikh Abdullah Saleh Kamel (Non-Executive Director), and the other members are Mr. Mohamed Ebrahim Alshroogi (Vice Chairman, Independent Director), Mrs. Dalia Hazem Khorshid (Independent Director), Dr. Ziad Ahmed Bahaa-Eldin (Independent Director), Mr. Abdul Elah Abdul Rahim Sabbahi (Executive Director), and Mr. Housseem Ben Haj Amor - Group Chief Executive Officer (Executive Director). The Board Executive Committee comprises of a minimum of four Directors and meets at least four times a year. The Board has delegated to the Board Executive Committee, under a formal written charter adopted by it, the responsibility to make recommendations to the Board, for the Board's approval, concerning the Group's overall strategies and business plan, or any significant change to them, or any major change to its capital or organization structure, assets or investments.

#### Board Nomination and Remuneration Committee

The Board Nomination and Remuneration Committee is chaired by Mr. Mohamed Ebrahim Alshroogi (Independent Director), and its other members are Mrs. Dalia Hazem Khorshid (Independent Director) and Mr. Saud Saleh Al Saleh (Non-Executive Director). The Committee operates in accordance with a formal written charter adopted by it and meets at least twice a year and considers all material elements relating to remuneration policy, including, inter alia, the approval of the remuneration of the Directors, based on their attendance at Board and Committee meetings. It also recommends to the Board the level of remuneration of the Executive Management members and other ABG employees under an approved performance-linked incentive structure.

The Committee conducts an annual evaluation of the performance of the Board, Board Committees and the Group Chief Executive Officer. When an issue relating to the personal interest of a Director is discussed in the Committee, the interested Director withdraws from the meeting and abstains from voting. The Committee is responsible for identifying persons qualified to become members of the Board or the Group Chief Executive Officer, the Chief Financial Officer, the Board Secretary and other executive officers considered appropriate (except for the Head of the Internal Audit Department), and for making recommendations accordingly. It is also responsible for inducting, educating and orientating new Directors, and for conducting seminars and other training programs from time to time for members of the Board.

#### Board Audit Committee

The Board Audit Committee is chaired by Mr. Fahd bin Ibrahim Al Mufarrji (Independent Director). Other members are Mr. Naser Mohamed Al Nuwais (Independent Director), and Mr. Tawfig Shaker Mufti (Non-Executive Director). The Committee is governed by a formal written Charter, adopted by it and approved by the Board. The Committee meets formally at least four times a year. External auditors attend at least one meeting annually; Moreover, external auditors have unrestricted access to the Committee and its Chairman throughout the year.

The Board of Directors has delegated to the Board Audit Committee the responsibility for ensuring that an effective internal auditing and continuous internal controls monitoring environment, and a sound system of accounting and financial control are in place. The Committee achieves this through regular review of internal audit reporting, external auditors' management letters, central banks' inspection reports, and the Group's accounting and financial policies and practices, financial reporting and disclosure controls and procedures, and the adequacy and effectiveness of the internal control procedures at the Head Office and at ABG's subsidiaries. The Committee considers all matters relating to financial control and reporting, internal and external audits and their scope and results, risk management and compliance with regulatory and legal requirements and accounting standards. It also considers and approves the annual audit plans, ensures coordination between the internal and external auditors, monitors the independence, qualifications, effectiveness and performance of the external auditors, and makes recommendations to the Board regarding the appointment, retirement and remuneration of the external auditors and the appointment of the Head of the Group's Internal Audit Department.

The Committee reviews the Group's annual and interim financial statements to recommend their approval to the Board of Directors, the adequacy of provisions and any reports by external consultants on specific investigative or advisory engagements.

The Committee ensures that there are control systems in place which are appropriate to the business of the Group and the information needs of the Board. These include systems and functions for identifying and monitoring risk, the financial position of the Group and compliance with applicable laws and regulations and best banking practice. The Committee ensures that all such information is produced on a timely basis. The various internal controls and processes are subject to independent review by the Group's Internal Audit Department, which reports directly to the Committee, as stated above, and external auditors and regulators as appropriate. Management letters and other issues of importance raised by external auditors, and inspection reports issued by the CBB's inspectors, or inspectors of any other applicable authorities where ABG or its subsidiaries operate, are reviewed by the Committee once issued. Acting on behalf of the Board, the Committee ensures that appropriate corrective action is taken.

The Board has adopted a 'whistleblower' program, allowing employees to confidentially raise concerns about possible improprieties in financial or legal matters. Under the program, concerns may be communicated directly to any member of the Board Audit Committee or, alternatively, to an identified officer or employee who, in turn, reports the matter to the Committee.

## Corporate Governance (continued)

### BOARD COMMITTEES (continued)

#### Board Risk Committee

The Board Risk Committee is chaired by Dr. Khaled Abdulla Ateeq (Independent Director), with its other members being Mr. Masood Ahmed Al Bastaki (Independent Director) and Mr. Musa Abdel-Aziz Shihadeh (Non-Executive Director). The Board Risk Committee meets formally at least twice a year but may meet more frequently at the request of the Chairman of the Committee. It can call for the attendance of the Group Chief Executive Officer, Head of Credit and Risk Management and other senior executives of the Group at any of its meetings.

The Group's risk appetite is determined by the Board, based on the recommendations of the Board Risk Committee. The Board Risk Committee is responsible for setting acceptable levels of risks to which the Group may be exposed, for approving management's strategy for the managing of risk and for ensuring that all necessary steps are taken by management to identify, measure, monitor and control risk. The Committee's objective is to oversee the Group's risk management systems, practices and procedures, as well as to ensure effective risk identification, management and compliance with internal guidelines and external requirements. The Committee reviews issues identified by the Internal Audit and Compliance departments of ABG and/or any of its subsidiaries, such as weaknesses or breakdowns in controls.

#### Board Compliance & Governance Committee

The Board Compliance & Governance Committee is chaired by Dr. Khaled Abdulla Ateeq (Independent Director) and its other members are Mr. Masood Ahmed Al Bastaki (Independent Director) and Dr. Ziad Ahmed Bahaa-Eldin (Independent Director) in addition to Mr. Yousif Hassan Khalawi, who represents the Unified Shari'a Supervisory Board. The Committee meets at least 4 times a year but may meet more frequently at the request of the Chairman.

The Committee's role is to ensure a robust compliance, AML and corporate governance framework and a strong compliance culture across the Group including ensuring efficient procedures, processes and controls for Anti-money Laundering, Countering Financing of Terrorism, International Sanctions and Foreign Account Tax Compliance Act and Common Reporting Standards. It periodically reviews the governance controls and systems to uncover any weakness, if any, which can be addressed. As the Group is present in many countries, the Committee ensures that the respective local legal legislation and regulatory norms are well-abided with so that compliance standards are maintained at a high level and are compatible with those enunciated by international standards.

#### Board Social & Sustainable Finance Committee

The Board Social & Sustainable Finance Committee is chaired by Mr. Naser Mohamed Al Nuwais (Independent Director) and the other members are Mr. Abdul Elah Abdul Rahim Sabbahi (Executive Director) and Mr. Saud Saleh Al Saleh (Non-Executive Director).

The Committee leads the Al Baraka Social & Sustainable Finance Program. It oversees the formulation of policies and strategies by the Executive Management, intended to make ABG and its subsidiaries a model Islamic banking group, offering banking and financial services in a sustainable and socially responsible manner and in conformity with the objectives of Shari'a.

The Committee aims to adhere to the spirit of Islamic finance that identifies Social & Sustainable Finance as a principal feature of Islamic banking and finance. The Committee demonstrates its commitment to the spirit of Social & Sustainable Finance inherent in Islamic finance by setting various quarterly and annual targets for the Executive Management.

All minutes and reports of meetings of the Committee are disseminated to all members of the Board of Directors.



## Corporate Governance (continued)

### Directors' Attendance of Meetings of the Board of Directors and its Committees in 2023 (Current term 22 March 2023 - 31 December 2023)

Name the Board/ Committees	No. of meetings in 2023	Dates of the meetings	Member's name	No. of meetings attended
Board of Directors	5	22 March 2023 10 May 2023 09 August 2023 08 November 2023 20 December 2023	Shaikh Abdullah Saleh Kamel - <i>Chairman</i>	4
			Mr. Mohamed Ebrahim Alshroogi	5
			Mr. Tawfig Shaker Mufti	5
			Mr. Housseem Ben Haj Amor	5
			Dr. Khalid Abdulla Ateeq	5
			Mrs. Dalia Hazem Khorshid	5
			Dr. Ziad Ahmed Bahaa-Eldin	5
			Mr. Saud Saleh Al Saleh	5
			Mr. Abdul Elah Abdul Rahim Sabbahi	5
			Mr. Fahd bin Ibrahim Al Mufarrij	5
			Mr. Masood Ahmed Al Bastaki	5
			Mr. Musa Abdel-Aziz Shihadeh	5
			Mr. Naser Mohamed Al Nuwais	5
Board Executive Committee	2	20 September 2023 29 November 2023	Mr. Abdullah Saleh Kamel - <i>Chairman</i>	2
			Mr. Mohamed Ebrahim Alshroogi	2
			Mrs. Dalia Hazem Khorshid	2
			Dr. Ziad Ahmed Bahaa-Eldin	2
			Mr. Abdul Elah Abdul Rahim Sabbahi	2
			Mr. Housseem Ben Haj Amor	2
Board Nomination & Remuneration Committee	1	01 November 2023	Mr. Mohamed Ebrahim Alshroogi - <i>Chairman</i>	1
			Mrs. Dalia Hazem Khorshid	1
			Mr. Saud Saleh Al Saleh	1
Board Audit Committee	5	08 May 2023 07 August 2023 21 September 2023 06 November 2023 14 December 2023	Mr. Fahd bin Ibrahim Al Mufarrij - <i>Chairman</i>	5
			Mr. Naser Mohamed Al Nuwais	5
			Mr. Tawfig Shaker Mufti	5
Board Risk Committee	3	04 July 2023 24 September 2023 27 November 2023	Dr. Khalid Abdulla Ateeq - <i>Chairman</i>	3
			Mr. Masood Ahmed Al Bastaki	3
			Mr. Musa Abdel-Aziz Shihadeh	3
Board Compliance & Governance Committee	3	24 May 2023 30 August 2023 22 November 2023	Dr. Khalid Abdulla Ateeq - <i>Chairman</i>	3
			Mr. Masood Ahmed Al Bastaki	3
			Dr. Ziad Ahmed Bahaaeldin	3
			Mr. Yousif Hassan Khalawi	3
Board Social & Sustainable Finance Committee	1	18 October 2023	Mr. Naser Mohamed Al Nuwais - <i>Chairman</i>	1
			Mr. Abdul Elah Abdul Rahim Sabbahi	1
			Mr. Saud Saleh Al Saleh	1

#### Notes:

1. The above Board members were elected in the Annual General Assembly held on 22<sup>nd</sup> March 2023 for a 3 years term.

2. The schedule of attendance of members of the Board of Directors at its previous Term preceding the holding of the General Assembly is currently implemented in the list as shown on the next page.

## Corporate Governance (continued)

### Directors' Attendance of Meetings of the Board of Directors and its Committees in 2023 (Previous Term 1 January 2023 - 21 March 2023)

Name the Board/ Committees	No. of meetings in 2023	Dates of the meetings	Member's name	No. of meetings attended
Board of Directors	1	20 February 2023	Shaikh Abdullah Saleh Kamel - <i>Chairman</i>	1
			Mr. Mohamed Ebrahim Alshroogi	1
			Mr. Tawfig Shaker Mufti	1
			Dr. Jehad Abdul Hamid El-Nakla	1
			Mr. Housseem Ben Haj Amor	1
			Dr. Khalid Abdulla Ateeq	1
			Mrs. Dalia Hazem Khorshid	1
			Dr. Ziad Ahmed Bahaa-Eldin	1
			Mr. Saud Saleh Al Saleh	1
			Mr. Abdul Elah Abdul Rahim Sabbahi	1
			Mr. Fahad Abdullah Al Rajhi	1
			Prof. Mohamed Cheikh Rouhou	1
			Mr. Naser Mohamed Al Nuwais	1
Board Executive Committee	1	07 February 2023	Mr. Abdullah Saleh Kamel - <i>Chairman</i>	1
			Mr. Mohamed Ebrahim Alshroogi	1
			Mrs. Dalia Hazem Khorshid	1
			Dr. Ziad Ahmed Bahaa-Eldin	1
			Mr. Abdul Elah Abdul Rahim Sabbahi	1
			Mr. Housseem Ben Haj Amor	1
Board Nomination & Remuneration Committee	3	29 January 2023 01 February 2023 19 February 2023	Mr. Saud Saleh Al Saleh - <i>Chairman</i>	3
			Mr. Fahad Abdullah Al Rajhi	3
			Prof. Mohamed Cheikh Rouhou	3
Board Audit Committee	1	08 February 2023	Dr. Khalid Abdulla Ateeq - <i>Chairman</i>	1
			Mr. Tawfig Shaker Mufti	1
			Dr. Jehad Abdul Hamid El-Nakla	1
			Mr. Fahad Abdullah Al Rajhi	1
			Mr. Naser Mohamed Al Nuwais	1
Board Risk Committee	1	19 February 2023	Dr. Jehad Abdul Hamid El-Nakla - <i>Chairman</i>	1
			Dr. Khalid Abdulla Ateeq	1
			Mr. Saud Saleh Al Saleh	1
Board Compliance & Governance Committee	1	09 February 2023	Dr. Khalid Abdulla Ateeq - <i>Chairman</i>	1
			Dr. Jehad Abdul Hamid El-Nakla	1
			Dr. Ziad Ahmed Bahaeldin	1
			Mr. Yousif Hassan Khalawi	0
Board Social & Sustainable Finance Committee	1	15 February 2023	Mr. Naser Mohamed Al Nuwais - <i>Chairman</i>	1
			Mr. Abdul Elah Abdul Rahim Sabbahi	1
			Prof. Mohamed Cheikh Rouhou	1



## Corporate Governance (continued)

### BOARD OF DIRECTORS' PROFILES

#### **Shaikh Abdullah Saleh Kamel**

##### *Chairman*

Shaikh Abdullah Saleh Kamel is the Chairman of Dallah Al Baraka Holding Company, and the Chairman of the Board of Trustees of Saleh Abdullah Kamel Humanitarian Foundation. He is also the Chairman of Dallah Al Baraka Investment Holding Company, Dallah Real Estate, Umm Alqura for Development & Constructions Company, Okaz Press and Publishing Corporation, The General Council for Islamic Banks and Financial Institutions, The Islamic Chamber of Commerce, Industry and Agriculture and Makkah Chamber of Commerce and Industry. Previously, Shaikh Abdullah Saleh Kamel was Chairman of Aseer company and held various executive positions at Dallah Al Baraka Holding Co, leading to the position of President and Chief Executive Officer.

Shaikh Abdullah Saleh Kamel has over 30 years' experience in key business positions. He is active in public and charitable activities through his membership in many organizations and associations such as the Jeddah Chamber of Commerce (he has been a Board Member for two terms), and the Friends of Saudi Arabia Association. Shaikh Abdullah Saleh Kamel is a Saudi national.

#### **Mr. Mohammed AlShroogi**

##### *Vice Chairman*

Mohammed attended The Kuwait University in 1971 and then attended the Harvard Business School Executive Management Program in 1988.

Mohammed Al Shroogi is the former Co-Chief Executive Officer of the Global Investment Group Investcorp. He joined in 2009 as President of Gulf Business. Mr. Al Shroogi spearheaded the firm's recovery from the global financial crisis with a significant strengthening of the Gulf distribution franchise, leading to record levels of fundraising. Mr. Al Shroogi was also instrumental in building Investcorp's Corporate Investment Franchise in the GCC and Turkey and helped Investcorp to become one of the most active private equity investors in the Kingdom of Saudi Arabia.

Mr. Al Shroogi joined Investcorp from Citigroup where he was Division Executive for the Middle East and North Africa region and CEO for the UAE. He had a 33 year career with Citigroup in Bahrain, London and the UAE, among his many achievements at Citigroup was establishing Citibank Bahrain as a major trading room between Asia and Europe.

Mohammed is Vice Chairman of Al Baraka Group, Board Member at Wisayah (Saudi Aramco's Pension Fund), Board Member of The Health Insurance Fund, Chairman of L'azurde Company for Jewelry, Chairman of GCC Board Directors Institute (BDI), Board Member at APM Terminals for management of ports, and Board Member Investcorp GCC.

#### **Mr. Tawfig Shaker Mufti**

##### *Board Member*

Mr. Tawfig Shaker Mufti has served as the Group Treasurer of a multinational Middle Eastern conglomerate and held CEO positions and Board memberships in several group / non-group companies. Previously, he served as a Financial Institutions Executive in the Corporate & Investment Banking and Private Banking groups. In the past, Mr. Mufti held several positions, including that of Group Compliance Officer, Corporate Clients Relationship Officer and Listed Equity/Relationship Officer. He has also worked in the big five accounting firms in the areas of Corporate Finance and Financial Planning.

Mr. Mufti has over 25 years' experience in business dynamics, overcoming significant professional challenges in several changing business environments. He holds a Bachelor of Science degree in International Business from the University of Bridgeport, Connecticut, USA.

#### **Mr. Housseem Ben Haj Amor**

##### *Board Executive Member & Group Chief Executive Officer*

Mr. Housseem Ben Haj Amor became a Board Member and Group Chief Executive Officer of Al Baraka Group (ABG) on October 24, 2022. He is also the Chairman of Al Baraka Turkey and a Board Member of Al Baraka South Africa, Jordan Islamic Bank, Al Baraka Egypt, Al Baraka Algeria and was a Board member of Al Baraka Tunisia until March 2023.

Mr. Amor has over 23 years of experience in the Finance industry across the Middle East, Europe and North Africa. Before his current role, he was ABG's Deputy CEO and Head of Business Development and Investments. He developed products and business initiatives across the Group, managed commercial banking and treasury functions, and was in charge of the Group's strategy department.

Prior to ABG, Mr. Amor served as Chief Financial Officer at Amlak Finance UAE, a Sharia Compliant Finance Company, listed on the Dubai Financial Market and regulated by the UAE Central Bank.

Earlier, Mr. Amor spent 10 years at SHUAA Capital, a leading GCC financial institution listed on Dubai Financial Market and regulated by the UAE Central Bank. With a solid finance background, he started as Head of Accounting and quickly progressed his career to become the Group Chief Financial and Operating Officer then Group General Manager.

Mr. Amor began his career with Arthur Andersen/Moore Stephens before joining Societe Generale banking group.

Mr. Amor is a result-focused senior executive and trilingual Certified Public Accountant. Through his career, he acquired valuable experience working with all regulators across MENA as well as operating at the Board level of several listed and regulated organizations.

## Corporate Governance (continued)

### BOARD OF DIRECTORS' PROFILES (continued)

#### **Dr. Khaled Abdulla Ateeq**

##### *Board Member*

Dr. Khaled Abdulla Ateeq is currently the Chief Executive Officer and a Board Member of Family Microfinance House in Bahrain. He earlier served as the Executive Director of Banking Supervision at the Central Bank of Bahrain (CBB) where he was responsible for the licensing, inspection and supervision of financial institutions, and ensuring that all banks and financial institutions, either operating in Bahrain or incorporated in Bahrain, complied with laws and regulations issued by the CBB. In addition, he is the Chairman of Al Baraka Bank Sudan and a Board Member at Al Baraka Islamic Bank (Bahrain). He has held senior posts with a number of financial institutions, including Deputy CEO at Venture Capital Bank.

He has over 40 years of experience in Banking, Finance, Auditing, and Accounting. Before joining the CBB, Dr. Ateeq was an Assistant Professor at the University of Bahrain. He holds a PhD in Philosophy in Accounting from Hull University, U.K.

#### **Mrs. Dalia Hazem Khorshid**

##### *Board Member*

Mrs. Dalia Khorshid is the Chief Executive Officer and Managing Director at Beltone Financial Holding (BTFH.CA) – a leading, full-fledged investment bank in the MENA Region. Khorshid boasts over 25 years of global experience in various leadership roles across the banking and financial sector, having advised on landmark transactions including private placements, investment strategies, and M&A deals in the region.

Mrs. Dalia Khorshid's career spanned the private and public sectors. She founded and chaired MASAR Financial Advisory and Eagle Capital for Financial Investment where she advised on fundraising, corporate finance, project finance, M&A advisory and management of more than 50 strategic investments and transactions worth c.USD 44 billion. Mrs. Khorshid is also the former Minister of Investment for the Government of Egypt where she led the charge on the country's investment law and successfully launched Egypt's 3-5-year IPO program.

Prior to her ministerial tenure, Mrs. Khorshid spent 11 years as Executive Vice President & Group Treasurer at Orascom Construction Limited and Head of Investment Banking and Corporate Finance at OCI NV (2008-2016) where she successfully spearheaded the groups' multi-billion-dollar fundraising initiatives. Mrs. Khorshid was the Vice President of Corporate Finance and Investment Banking at Citibank for the MENA region (1997-2005) where she brought numerous multi-million-dollar deals to completion. Khorshid started her corporate career at Commercial International Bank (CIB) (1994-1996).

In addition, Mrs. Khorshid has held board appointments across local and regional private and public sector organizations. She is the former Chairwoman of the General Authority for Investment and Free Zone (2016-2017), Chairwoman of Egypt's Dispute Resolutions Committee (2016-2017), Chairwoman of the Sovereign Wealth Fund Committee (2016-2017), Founder and Executive Head of the Supreme Investment Counsel (2016-2017), Board Member at the Egyptian General Petroleum Corporation EGPC (2016-2017), Board Member at New Cairo Urban Communities Authority NUCA (2016-2017), Board Member at the Industrial Development Authority (2016-2017), Board Member at the Agricultural Development Authority ADA (2016-2017), and Board Member at the General Authority for Suez Canal Economic Zone (2016-2017).

In recognition of her impact across the market, Mrs. Khorshid was recognized in 2017 by Forbes Magazine as one of the most powerful Arab women. She holds a BA in Business Administration from The American University in Cairo (AUC).

#### **Dr. Ziad Ahmed Bahaa-Eldin**

##### *Board Member*

Dr. Ziad Ahmed Bahaa-Eldin is an Egyptian lawyer and expert on financial, investment and corporate law, governance, compliance, and economic legislation.

He is currently the Managing Partner of "Bahaa-Eldin Law Office in Cooperation with BonelliErede", and Senior of Counsel of "Thebes Consultancy".

He is also currently the Non-Executive Chairman of Bank of Alexandria (the Egyptian subsidiary of the IntesaSanpaolo Group), and a non-executive member on the boards of directors of AXA Egypt, Allam Holding, MTI Egypt, Maridive Group, Samcrete for Industrial Development, and Al Salam Hospital, in addition to the boards of advisors of Al-Futteim Group Egypt, and Arkan Group. He previously held several public positions including Deputy Prime Minister for Economic Development and Minister of International Cooperation (2013-2014), Member of Parliament representing South Assiut (2012), Executive Chairman of the Financial Regulatory Authority "FRA" (2009-2011), and Executive Chairman of the General Authority for Investment and Free Zones "GAFI" (2004-2007).

He is also a former non-executive member of the boards of directors of the Central Bank of Egypt (2004-2011), the National Bank of Egypt (2005-2010), and a former Senior Legal Advisor to the Minister of Economy (1997-2000). Prior to that he practiced law in Egypt as well as in Washington DC.

Dr. Ziad has been - since 2011 - a weekly political and economic commentator first in Al-Shorouk newspaper then in Al-Masry Al-Yom, both Egyptian daily newspapers. He contributes occasionally to other Arab and international publications.

He taught law as an adjunct lecturer at the Faculty of Law at the Cairo University (1998-2004) and as a visiting lecturer at the Schengen campus of the Beijing School of Transnational Law (2019). He is a member of the Board of Trustees of the Cairo Regional Centre for International Commercial Arbitration.

Dr. Bahaa Eldin is engaged in various non-profit activities and organizations. He was the founder of the Egyptian Initiative for the Prevention of Corruption (2011), and is currently the Chairman of the Ahmed Bahaa-Eldin Cultural Foundation in Assiut which aims at empowering the youth in Upper Egypt through cultural and educational activities. He is also a member of the Board of Trustees of the American University in Cairo, the Modern English School, and the Economic Research Forum.

He received his Ph.D. in Financial Law from the London School of Economics and Political Sciences (1997), an LL.M. in International Business Law from King's College London (1989), a BA in Economics from the AUC Cairo (1987), and a Bachelor of Law from Cairo University (1986). He is a graduate of the Jesuites High School in Cairo (1982).

He lives in Cairo with his wife, Dr. Hania Sholkamy, and their two sons are currently studying abroad.

## Corporate Governance (continued)

### BOARD OF DIRECTORS' PROFILES (continued)

#### **Mr. Saud Saleh Al Saleh**

##### *Board Member*

Mr. Saud Al Saleh is a Board Member of Emaar the Economic City. Previously, he held several positions including: Head of the Board of Trustees of the Riyadh Economic Forum, Chairman of SAIB-BNP Paribas Assets Management Company, Vice Chairman of American Express (Kingdom of Saudi Arabia) Limited (ASAL). Mr. Al Saleh was also a Board Member in: Saudi Arabian General Investment Authority (SAGIA), General Organization for Social Insurance (GOSI), Higher Education Fund and Saline Water Conversion Corporation (SWCC), Saudi Orix Leasing Company (SOLC), Boeing Industrial Technology Group L.P. (BITG), AMLAK International for Real Estate Development and Mortgage Finance and The Mediterranean & Gulf Cooperative Insurance & Reinsurance Co. (MEDGULF).

Mr. Al Saleh has more than 33 years of experience in Banking at The Arab National Bank in Riyadh followed by managerial positions at Saudi Investment Bank in Riyadh and he gradually advanced to become General Manager of Saudi Investment Bank. Following this, he was appointed at a Minister rank to the position of General Secretary of the Supreme Economic Council of the Kingdom of Saudi Arabia. Mr. Al Saleh, a Saudi national, holds a Bachelor of Science degree in Business Administration from Portland State University, Oregon, USA and an M.A. in Economics from The University of Rhode Island, USA. He has also completed many advanced courses in the Finance and Legal fields.

#### **Mr. Abdul Elah Abdul Rahim Sabbahi**

##### *Board Member*

Mr. Abdul Elah Abdul Rahim Sabbahi is currently the Chief Executive Officer of Dar Saleh, Kingdom of Saudi Arabia. He is also Chairman of AlBaraka Bank Tunisia and Al Baraka Bank Algeria, Chairman of Société Al Buhaira de Development et d'Investissement, Tunisia. He is also on the Boards and Chairman of a number of other international companies.

He has over 40 years' experience in International Banking and Business, the last three decades of which were with the Dallah AlBaraka Group in the Kingdom of Saudi Arabia, where he was the Executive Vice President of Finance and Human Resources. Mr. Sabbahi, a Saudi national, holds a Bachelor of Science Degree in Accounting from King Abdulaziz University, Saudi Arabia.

#### **Mr. Fahd bin Ibrahim Al Mufarrij**

##### *Board Member*

Mr. Fahd bin Ibrahim Al Mufarrij is a member of the Board of Directors of The Saudi Printing and Packaging Company, and Vice Chairman of Yaqeen Financial Company, which is considered one of the first investment companies in the Kingdom of Saudi Arabia.

Mr. Fahd Al-Mufarrij has more than 30 years of experience in the banking supervision field. Previously, he was a Board Member of Samba Financial Group, the Social Development Bank and the Saudi Moroccan Investment Company. Mr. Fahd also worked as Director of Banking Supervision at the Central Bank of Saudi Arabia until 2012. He has held memberships in several Committees, including the Basel Committee on Banking Supervision, the Basel Coordination Group, and other supervisory committees, in addition to training with many international bodies such as the International Monetary Fund, the World Bank, the British Financial Services Authority, the Singapore Monetary Agency, the Toronto Center for Executive Leadership, and others. He holds a Bachelor in Administrative Sciences from King Abdulaziz University.

#### **Mr. Masood Ahmed Al Bastaki**

##### *Board Member*

Mr. Masood Ahmed Al Bastaki is an executive banker with more than 35 years of experience in Banking and International Business ranging from Conventional Banking, Islamic Banking and International Investment Banking.

He undertook various banking activities across multiple regions including the Middle East, North Africa, USA and Latin America as well as Europe and Asia. He previously worked in several banks, the most important of which are Bank of Bahrain and Kuwait, ABC Islamic Bank, JPMorgan Chase Bank, BMI Bank and Venture Capital Bank, and held several positions, most notably Head of Financial Institutions at JPMorgan Chase Bank, Head of Islamic Banking Department at BMI Bank and Chief Placement Officer at Venture Capital Bank. He is currently a Board Member of Family Microfinance House in Bahrain.

Mr. Al Bastaki's experience extends through the aviation industry where he held the position of founding partner and CEO of Aerolease Aircraft and Equipment Leasing Company. He was also the founding partner and managing director of Two Seas Equity Consulting Company.

He holds a Bachelor's Degree in Business Administration and Postgraduate Diploma in Business and Finance from University of Bahrain.

#### **Mr. Musa Abdel-Aziz Shihadeh**

##### *Board Member*

Mr. Musa Abdel-Aziz Shihadeh is currently Chairman of the University of Petra Company, Chairman of the Board of Trustees of the University of Petra, the Islamic Insurance Company, the Arab Company for the Manufacturing of Metal Pipes, the Omariya Schools Company and Sanabel Al-Khair for Financial Investments. He also has several other memberships in non-profit social and service organizations and establishments and is considered one of the few people/pillars who supported the Islamic banking industry in the Arab world and globally.

Mr. Shihadeh has over 60 years of experience in banking, finance and investment. He previously held several positions, the most recent of which was Chairman of the Board of Directors of Jordan Islamic Bank, and prior to that he held the position of CEO/General Manager of Jordan Islamic Bank. He also worked in several banks, including the Jordan National Bank and the Arab Bank Limited.

Previously, he held several memberships inside and outside Jordan, including membership in the Board of Directors of the Association of Banks in Jordan and Chairman of the Board of Directors of the Association of Banks in Jordan. Mr. Musa was also a member of the Accounting and Auditing Standards Board for Islamic Financial Institutions (AAOFI) in Bahrain from 1990 until 2002 and Chairman of the Accounting Committee for Accounting and Auditing Standards in Bahrain from 1995 until 2002.

Mr. Shihadeh has written many books and researches, and participated in several symposiums and seminars on Islamic banks. He holds Master in Business Administration from University of San Francisco, USA and Bachelor of Commerce from Beirut Arab University.

#### **Mr. Naser Mohamed Ali Al Nuwais**

##### *Board Member*

Mr. Naser Mohamed Ali Al Nuwais holds a variety of positions in several different corporations - Director General of Abu Dhabi Fund for Development, Chairman of Rotana Hotel Management Corp. Ltd and Aswaq Management & Services, located in Abu Dhabi, UAE. He also held other positions including Chairman of Arab Insurance Group in Bahrain and Board Member in Dana Gas Board of Directors in Sharjah, UAE from 2009 until 2019.

He has more than 40 years of experience in Business, Insurance and Real Estate Development. His outstanding work as a businessperson earned him a Lifetime Achievement Award at the Arabian Hotel Investment Conference in 2011 as well as Pioneer in the Tourism Industry in the Arab World Award in 2003. Mr. Al Nuwais acquired his BA degree in Business & Public Administration from New York University in 1974.

## Corporate Governance (continued)

### UNIFIED SHARI'A SUPERVISORY BOARD

The Unified Shari'a Supervisory Board of Al Baraka Group ("Shari'a Board" or "USSB") is elected for a three year term by the shareholders based on recommendations from the Board of Directors. The USSB Board has a central authority for issuing fatwas and Sharia decisions and monitoring fatwas issued by local Sharia boards. The Shari'a Board has the following responsibilities:

- Overseeing the operations and activities of the Group to ensure compliance with Islamic Shari'a principles
- Monitoring and reviewing transactions to ensure full compliance with the Board's decisions
- Reviewing files, records, and group documents at any time. The Shari'a Board can also request any information deemed necessary and approves all relevant documents relating to new products and services including contracts, agreements, marketing and promotional material, or other legal documents used in the Group's operations.

The Shari'a Board operates in accordance with its internal regulations, which clarify its policies, procedures and responsibilities. In carrying out its duties, the Shari'a Board has the right to communicate with the Board of Directors, the Executive Management, and the management and staff of the subsidiary Units in addition to reviewing and advising on Shari'a compliance in all products and services.

### SHARI'A COMPLIANCE

ABG places great importance on Shari'a compliance, whether in the transactions of the ABG head office or of its subsidiaries. The compliance policy is in accordance with the Shari'a rules and principles stipulated in the standards of the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) and the decisions of the Centralized Shari'a Supervisory Board. All Units of ABG are committed to comply with Shari'a standards issued by the AAOIFI, and fatwas and decisions circulated by the Shari'a Board to the extent that they do not conflict with local laws.

### SHARI'A BOARD'S MEETINGS

The Shari'a Board meets at least 6 times a year. An annual retainer fee is paid to the members of the Board, in addition to a sitting fee for the members of the Board for each meeting attended, with compensation for travel expenses as required. No remuneration associated with the performance of the Group shall be paid to members of the USSB.

### THE UNIFIED SHARI'A SUPERVISORY BOARD'S PROFILES

#### **Shaikh Abdulla Bin Sulaiman Al Mannea**

##### *Chairman*

Shaikh Abdulla Bin Sulaiman Al Mannea holds a Master of Arts degree in Jurisprudence and Economics from the College of Finance in the Kingdom of Saudi Arabia. He is a member of the Permanent Committee for Scholarly Research and Ifta in the Kingdom of Saudi Arabia, a committee that includes prominent scholars in the Kingdom. He is also a member of a number of prestigious Islamic jurisprudential councils, including the International Islamic Fiqh Academy in Jeddah and the Muslim World League Islamic Fiqh Academy in Makkah, Kingdom of Saudi Arabia. He previously held the position of Chief Justice of the Supreme Court of Makkah, and is a member of the Shari'a Council of the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) in the Kingdom of Bahrain. He also holds memberships in several Shari'a councils at Islamic financial institutions in the Kingdom of Saudi Arabia and the GCC.

#### **Shaikh Dr. Abdullatif Mahmood Al Mahmood**

##### *Vice Chairman*

Shaikh Dr. Abdullatif Mahmood Al Mahmood has a PhD in Islamic Jurisprudence and Shari'a from Zaytoonah University in Tunisia, an MA in Comparative Jurisprudence from Al-Azhar University, and a Diploma in Education from Ain Shams University, Cairo. Since 2001, he has served as President of the Department of Islamic Studies and Arabic Language at the University of Bahrain (UoB), and has been a teacher of Islamic studies at UoB since 1985. He also holds memberships in several Shari'a Supervisory bodies in Islamic financial institutions including Bahrain Islamic Bank, Takaful, and the Arab Islamic Banking Association in Bahrain and London.

#### **Shaikh Dr. Saad bin Nasser Al Shithry**

##### *Member*

Shaikh Dr. Saad bin Nasser Al Shithry holds a PhD. from the College of Shari'a at Imam Muhammad bin Saud Islamic University in Riyadh. He is currently a Member of the Council of Senior Scholars in the Kingdom of Saudi Arabia and advisor to the Royal Court. He held a number of different positions at the College of Shari'a at Imam Muhammad bin Saud Islamic University where he commenced as a teaching assistant and then rose to the positions of Lecturer, Assistant Professor and Associate Professor. He has written as much as 65 books on comparative jurisprudence and principles of jurisprudence, in addition to many scientific research papers.

#### **Shaikh Dr. Al Ayachi Al Saddig Fiddad**

##### *Member*

Shaikh Dr. Al Ayachi Al Saddig Fiddad holds a PhD in Islamic Economics with excellent grades from Umm Al-Qura University in Makkah Al-Mukarramah, a Master's degree in the same specialty from the same university, and a Bachelor's degree in Islamic law - majoring in jurisprudence and fundamentals from the College of Shari'a - Umm Al-Qura University - Makkah Al-Mukarramah. He has had a total of 27 years' experience in the Islamic Development Bank Group in Jeddah and held a number of positions in the Islamic Institute for Research and Training - the Islamic Development Bank, most recently as Acting Director of the Consulting Services Division. He was a Member of the Shari'a Council of the Accounting and Auditing Organization for Islamic Financial Institutions in Bahrain, Member of the Shari'a Council of the International Islamic Rating Agency, Member of the Shari'a Committee of the Themar Fund of United Gulf Company, and expert in the International Islamic Fiqh Academy in Jeddah. He is currently a member of the Shari'a Standards Committee of the Accounting and Auditing Organization for Islamic Financial Institutions.

## Corporate Governance (continued)

### THE UNIFIED SHARI'A SUPERVISORY BOARD'S PROFILES (continued)

#### Mr. Yousif Hassan Khalawi Member

Mr. Yousif Hassan Khalawi is a specialized practitioner of Shari'a, its principles and international law. He graduated from the College of Shari'a at Imam Muhammad bin Saud Islamic University with excellent grades. He holds a Master's degree in the principles of jurisprudence involving specialized emphasis on comparative law, international investment, arbitration and conflict resolution. He also received legal training in more than one global legal firm in Frankfurt, Geneva and London and later established a specialized legal group in London with branches in a number of countries in the world. He has held a teaching position at the College of Shari'a at Imam Muhammad bin Saud Islamic University in Riyadh. He has established a number of Islamic portfolios and investment funds since 2000, as well as a large number of companies owned by investors in more than 70 countries around the world. He is on the boards of several companies around the world, including the Saudi Center for Commercial Arbitration, Riyadh. He is also a member of the Board of Trustees of the Accounting and Auditing Organization for Islamic Financial Institutions.

#### Dr. Eltigani El Tayeb Mohammed Vice President Shari'a Officer, Secretary of Unified Sharia Board

Dr. El Tigani El Tayeb Mohammed has over 14 years' extensive experience in Islamic banking and finance, with specialization in Islamic Banking law. He joined Al Baraka Group in November 2007.

Dr. Eltigani El Tayeb Mohammed is a Certified Shari'a Advisor and Auditor (CSAA) from the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) and received his Doctorate degree in the principles of Islamic jurisprudence from University of Khartoum - Sudan, in addition to a Masters of Business Administration degree in principles of Islamic jurisprudence from Omdurman Islamic University - Sudan. He has also served as a professor at Sultan Zainal Abidin Religious College (KUSZA) and International Islamic University (HUM) in Malaysia.

#### Attendance at the meetings of the Unified Shari'a Supervisory Board

The Shari'a Board held 5 meetings in 2023. Below are the details of membership and the number of meetings attended:

Name	Position	Number of meetings attended
Shaikh Abdulla Bin Sulieman Al Mannea	Chairman	5
Shaikh Dr. Abdullatif Mahmood Al Mahmood	Vice Chairman	5
Shaikh Dr. Saad bin Nasser Al Shithry	Member	4
Shaikh Dr. Al Ayachi Al Saddig Fiddad	Member	5
Mr. Yousif Hassan Khalawi	Member	4

### EXECUTIVE MANAGEMENT

The Board of Directors has delegated to the Group's Executive Management team the primary responsibility for implementing the strategy of the Group, identifying and evaluating significant risks to the business of the Group and for the design and operation of appropriate internal controls. Its other responsibilities include: ensuring that resolutions of the Board of Directors are carried out; ensuring that the Group operates at all times in accordance with the principles of Shari'a and that the decisions and recommendations of the Unified Shari'a Supervisory Board are carried out; providing the Board of Directors with analysis, assessments and recommendations regarding the Group's activities and supplying the CBB with all information required under the CBB Law and relevant regulations. The Executive Management disseminates to the Group Units strategic and other central decisions taken at the parent level, and ensures the implementation of Group wide policies and common operational processes and procedures.

As at the end of 2023, the Executive Management Team consisted of the Group Chief Executive Officer, and the Heads of Credit & Risk Management, Internal Audit, Treasury & Financial Institutions, Corporate Communications & Branding, Strategic Planning & Investments and Investor Relations, Sharia Internal Audit, Group Compliance, Governance & Board Affairs and MLRO, Finance, Operations & Support and Sharia Officer and Chief Digital Officer. The Executive Management exercises control via a number of committees with specific responsibilities, among which are:

#### Executive Management Committee

The Executive Management Committee's role is to secure the performance and execution of the strategic objectives of the Group, implementing the operational and other decisions of the Board of Directors in addition to any other matters that are delegated to the Group management by the Board of Directors or by the Group Chief Executive Officer. The Committee is chaired by the Group Chief Executive Officer with the remaining membership comprising of the Heads of Credit & Risk Management, Treasury & Financial Institutions, Finance, Compliance, Governance & Board Affairs and MLRO, Strategic Planning & Investments and Investor Relations, Information Technology, Operations & Support, Corporate Communications & Branding, Sharia Officer and Chief Digital Officer; with Head of Internal Audit and Head of Shari'a Internal Audit as Observers.

#### Asset and Liability Committee

The committee's mandate is to monitor the structure of the Group's Head Office assets, liabilities and off-balance sheet exposures in order to maximize shareholder value, improve profitability, enhance capital and protect against adverse financial conditions. Liquidity risk, profit rate risk, market risk and capital adequacy is monitored through the committee and decisions to mitigate such risks are executed by the Treasury and Financial Institutions Department.

The committee also ensures that the Group Head Office maintains adequate liquidity and appropriate funding arrangements to meet business needs, expansion plans and regulatory requirements.

The committee is chaired by the Group Chief Executive Officer and its members are the Head of Credit & Risk Management, Head of Treasury and Financial Institutions, Head of Strategic Planning & Investments & Investor Relations and Head of Finance.



## Corporate Governance (continued)

### EXECUTIVE MANAGEMENT (continued)

#### Head Office Credit Committee

The Head Office Credit Committee "HOCC" is the authority that approves credits and considers issues of Group credit policy and Group credit exposures, problem credits and provisioning levels. The Committee is chaired by the Group Chief Executive Officer with the remaining membership being drawn from among the Executive Management which include the Head of Risk Management.

#### Risk, Compliance & Audit Committee

The Risk, Compliance & Audit Committee's mandate is to ensure appropriate oversight is provided and that proper actions are taken in the areas of risk, compliance and audit in line with the Central Bank of Bahrain (the "CBB") and local regulators (where applicable), Board of Directors/Board Committees requirements and best practices.

The Committee is chaired by the Group Chief Executive Officer ("GCEO") and composed of several members of ABG's executive management which includes the Heads of Credit & Risk Management, Internal Audit, and Shari'a Audit and Compliance.

#### Human Resources & Compensation Committee

The role of the Human Resources & Compensation Committee is to review the Human Resources policies, management and planning at the Group's Head Office. The Committee is chaired by the GCEO and the other members are the Head of Operations and Support and Head of Finance.

#### Head Office Insiders Committee

The Head Office Insiders Committee was set up in accordance with the guidelines issued by the CBB and the Bahrain Bourse (BHB), for the purpose of ensuring the maintenance of a fair, orderly and transparent securities market, and enhancing and developing the practices relating to the risk management systems and internal controls within listed companies and similar institutions. The Committee is responsible for monitoring and supervising issues related to insiders in order to regulate their dealings in the Group's securities, and to ensure that Group insiders are acquainted with and aware of the legal and administrative requirements regarding their holdings and dealings in the Group's securities. Furthermore, it is responsible for preventing the abuse of inside information by such insiders. The Committee is chaired by the GCEO and the other members are from among the executive management team.

#### Other Committees

The Executive Management also forms ad hoc committees, as and when required, to address specific initiatives in which the Group may be engaged from time to time.

### EXECUTIVE MANagements' PROFILES

#### Mr. Housseem Ben Haj Amor

##### *Board Executive Member & Group Chief Executive Officer*

Mr. Housseem Ben Haj Amor became a Board Member and Group Chief Executive Officer of Al Baraka Group (ABG) on October 24, 2022. He is also the Chairman of Al Baraka Turkey and a Board Member of Al Baraka South Africa, Jordan Islamic Bank, Al Baraka Egypt, Al Baraka Algeria and was a Board member of Al Baraka Tunisia until March 2023.

Mr. Amor has over 23 years of experience in the Finance industry across the Middle East, Europe and North Africa. Before his current role, he was ABG's Deputy CEO and Head of Business Development and Investments. He developed products and business initiatives across the Group, managed commercial banking and treasury functions, and was in charge of the Group's strategy department.

Prior to ABG, Mr. Amor served as Chief Financial Officer at Amlak Finance UAE, a Sharia Compliant Finance Company, listed on the Dubai Financial Market and regulated by the UAE Central Bank.

Earlier, Mr. Amor spent 10 years at SHUAA Capital, a leading GCC financial institution listed on Dubai Financial Market and regulated by the UAE Central Bank. With a solid finance background, he started as Head of Accounting and quickly progressed his career to become the Group Chief Financial and Operating Officer then Group General Manager.

Mr. Amor began his career with Arthur Andersen/Moore Stephens before joining Societe Generale banking group.

Mr. Amor is a result-focused senior executive and trilingual Certified Public Accountant. Through his career, he acquired valuable experience working with all regulators across MENA as well as operating at the Board level of several listed and regulated organizations.

#### Mr. Azhar Aziz Dogar

##### *Senior Vice President - Group Head of Credit and Risk Management*

Mr. Azhar Aziz Dogar has over 30 years of international banking experience that includes ME&A/GCC and Asia regions with short assignments in U.K., Netherlands and U.S.A. His banking experience encompasses credit and risk management covering all business segments inclusive of corporate/investment banking, commercial/middle market, private and retail banking.

Over the years, his work also involved corporate strategy and buy-side due diligence on financial sector acquisitions. He commenced his career with Citigroup in its investment banking division and later moved to ABN AMRO Bank taking on a variety of leadership roles including Deputy Regional Risk Manager for MENA and Head of Credit Portfolio Management. Within the credit and risk management area, he has held a number of senior positions including Chief Risk Officer for DIB Capital (wholly owned subsidiary/investment banking arm of Dubai Islamic Bank), Chief Risk Officer of SAMBA Capital in Saudi Arabia and Chief Risk Officer of National Bank of Abu Dhabi for its corporate and investment banking business. Prior to joining Al Baraka Group, his last role with National Bank of Abu Dhabi was as the Chief Credit Officer for Wholesale & International Banking. He has also been a board member of Dubai Islamic Bank in Pakistan. Within banking, he has worked across 3 lines of defense - i.e., risk taking, risk oversight and risk assurance. His experience entails both working for conventional and Islamic banks. Mr. Dogar is a graduate of University of Pennsylvania and Brown University, USA with a Bachelors and Masters in Economics. His Masters' thesis was in Islamic Finance.

## Corporate Governance (continued)

### EXECUTIVE MANAGERMENTS' PROFILES (continued)

#### **Mr. Mohammed Al-Alawi**

##### *Senior Vice President - Head of Internal Audit*

Mr. Mohammed Alawi Al-Alawi has over 26 years of external and internal audit experience, mainly in Islamic banks. He reports directly to the Audit Committee of the Board of Directors of ABG and also acts as Secretary of the Committee. He participates as an observer member in Audit Committee meetings of ABG's subsidiaries. Previously Mr. Al-Alawi worked as an Internal Audit manager in Ithmaar Bank prior to which he worked in leading audit firms such as PricewaterhouseCoopers and Ernst & Young. Mr. Al-Alawi is an FCCA - Fellow of the Association of Chartered Certified Accountants, U.K. and ICAEW - member of the Institute of Chartered Accountants in England & Wales.

#### **Mr. Suhail Tohami**

##### *Senior Vice President - Head of Treasury, Investments & Financial Institutions*

Mr. Suhail Tohami has more than 26 years of experience in both conventional and Islamic banking and other diversified businesses. His most recent position was SVP - Head of Treasury & Placement at Seera Investments, Bahrain for almost 12 years having established, developed and managed the Treasury department since inception and also managing Shareholder and Investor relations. Prior to Seera, his banking experience included more than 7 years at BBK, Bahrain with exposure to all Treasury functions including fixed income portfolio manager, FX and interest-rate trading, and heading the money market and liquidity management function. Mr. Tohami is a member of the CFA Institute and is a holder of the Chartered Financial Analyst (CFA) designation. He also holds a Certified Public Accountant (CPA) designation from University of Illinois and is a member of the American Institute of Certified Public Accountants. Mr. Tohami holds an Executive MBA Degree with distinction and first-class honors and a Bachelor's Degree in Accounting with distinction from the University of Bahrain.

#### **Dr. Mohammed Mustapha Khemira**

##### *Senior Vice President - Head of Strategic Planning, Investments & IR*

Dr. Mohamed Mustapha Khemira has over 27 years of experience mostly in Islamic finance and banking services, in addition to management consulting and education. He joined the Strategic Planning Department at ABG in 2017, and was appointed as Head of Strategic Planning in November 2019. In addition to his duty as Head of Strategic Planning, Investments & IR, he currently represents ABG as a member of the Boards of Directors and related Board Committees of Al Baraka Algeria, Al Baraka Tunisia and Al Baraka South Africa.

Prior to joining ABG, Dr. Khemira worked in different managerial positions with prominent global and GCC-based institutions. He served as the Head of Sharia Structuring and Coordination as well as Head of the Sharia Department at Emirates Islamic Bank for more than eight years. Before that, he co-founded Taaleem PJSC and Beacon Education LLC in Dubai, and served as Chief Operating Officer of Taaleem for a year. Earlier, he worked with McKinsey & Company for 3 years at the firm's Dubai office.

Dr. Khemira started his career in Islamic banking with Faysal Islamic Bank of Bahrain in the mid-nineties, where he served in various capacities, the last being Vice President Corporate & Investment Banking. He commenced his career in the USA as a Financial Software Developer in 1996.

Dr. Khemira holds a Ph.D. and a M.Sc. in Mechanical Engineering from the Massachusetts Institute of Technology (MIT) in Cambridge, MA, USA with a minor in Management. He completed his B.Sc. in Mechanical Engineering from University of Minnesota, Minneapolis, USA in 1986.

In 2019, he completed a Professional Certificate program from MIT in "Digital Transformation from AI and IoT to Cloud, Blockchain and Cybersecurity".

#### **Mr. Abdul Malek Mezher**

##### *Senior Vice President - Group Head of Compliance, Governance & Board Affairs and MLRO*

Mr. Abdul Malek Mezher joined ABG in November 2019 and has over 19 years of experience in Compliance, AML/CTF, Operational Risk, Corporate Governance and Board Secretariat in Banking and Asset Management sectors. Prior to joining ABG, he worked for Alistithmar Capital, the subsidiary of Saudi Investment Bank, as Head of Corporate Governance besides handling matters related to Board Affairs.

Mr. Mezher holds a BA in Accounting from the University of Jordan. He has several Professional Certificates in the Compliance, AML/CTF and Governance fields. He also holds the ICGC-International Corporate Governance Certificate, and GRCP - Governance, Risk and Compliance Professional, in addition to the CSAA - Certified Shari'a Advisor & Auditor designation.

#### **Mr. Ali Asgar Mandasorwala**

##### *First Vice President - Head of Finance*

Mr. Ali Asgar Mandasorwala possesses a rich experience of over 29 years in the Finance and Accounting discipline, of which over two decades were in the financial services sector in the UAE and the Kingdom of Bahrain. He joined Al Baraka Group in the year 2008.

As a key member of the Executive Management at the Group's Headquarters, Mr. Mandasorwala is responsible for reporting to the ABG Board and Executive Management on budgetary control and performance. He is also responsible for regulatory matters, including reporting to the Central Bank of Bahrain. His other responsibilities include the financial statements of the Group as well as oversight of the financial performance of all subsidiaries. Mr. Mandasorwala has played a crucial role in several due diligence projects in the acquisition of group subsidiaries, apart from several capital raising plans at the Group and subsidiary level. His additional responsibilities included the implementation of appropriate controls and processes in the Finance department.

Prior to joining Al Baraka Group, Mr. Mandasorwala was a Management Accountant (Derivatives & Hedge Funds) at Abu Dhabi Investment Authority, UAE.

#### **Mr. Mohsin Dashti**

##### *First Vice President - Head of Special Projects*

Mr. Mohsin Dashti has over 21 years of experience in the Islamic & Investment Banking industry and audit field. He started his career with KPMG in 2002 in the Audit and Advisory Services, then joined Al Baraka Group in 2005 in the Finance Department. He has also served in Seera Investment Bank during the period from 2007 to 2010 in the Financial Control. He was appointed earlier as a board member and audit committee member in Itqan Capital in the Kingdom of Saudi Arabia.

At Al Baraka Group he has held several leading positions until he was appointed as the Head of Special Projects reporting to the Group Chief Executive Officer.

Mr. Dashti is a Fellow Chartered Certified Accountant (FCCA) from the United Kingdom, Certified Islamic Public Accountant (CIPA) and holds a Bachelor of Science degree in Accounting with honors from the University of Bahrain.



## Corporate Governance (continued)

### EXECUTIVE MANAGERMENTS' PROFILES (continued)

#### Mr. Mohammed Abdullatif Al Mahmood

*First Vice President - Head of Internal Shari'a Audit*

Mr. Mohammed Abdullatif Al Mahmood has more than fifteen years' experience in Internal Shari'a Audit. He has been with ABG since August 2007 and was responsible for establishing the Internal Shari'a Audit function and auditing its subsidiaries. Earlier he worked as Research and Teaching Assistant in Bahrain University and also as a lawyer in a local firm where he was admitted to practice before all Bahraini courts for over four years. He has been appointed as a working group member to participate in formulating a certain AAOIFI standard. Mr. Al Mahmood is a Certified Shari'a Advisor and Auditor (CSAA) and holds a Master's degree in Islamic Jurisprudence and its foundations from Jordan University in addition to a Bachelor of Arts degree in Shari'a and Law from Azhar University.

#### Mr. Mohammed Jamsheer

*First Vice President - Head of IT*

Mr. Mohammed Jamsheer is a seasoned executive with over 20 years of experience in Information Technology and Banking. He is currently the Head of Information Technology at Al Baraka Group, where he drives the implementation of the Group's technologies and develops IT infrastructure to enhance its services and customer experience. Mr. Jamsheer is also a Board Member of Al Baraka Bank Algeria.

Before joining Al Baraka Group, Mr. Jamsheer held several roles at Arcapita Bank, Labour Market Regulatory Authority (LMRA), and Electronic Data Systems (EDS), where he developed and implemented IT governance, oversaw project management, and improved IT operations.

Mr. Jamsheer holds an MBA from the New York Institute of Technology (NYIT) and a BSc in Computer Information Systems from Strayer University in Washington DC, USA, as well as leading industry certifications including CISA, CGEIT, and PMP.

#### Mr. Fouad Janahi \*

*First Vice President - Head of Operations & Support*

Mr. Fouad Janahi has a diverse and rich banking experience spanning 35 years in the areas of internal audit, compliance, operations, financial control and financial institutions. Mr. Janahi joined Al Baraka Group in October 2004, in the Internal Audit department, where his responsibilities included the internal audit of the Group and its subsidiary Units. He was also entrusted with special tasks related to compliance as Deputy MLRO of the Group before he moved to the Treasury department to supervise all tasks related to the development of the Group's relationships with financial institutions.

Prior to joining the Group, Mr. Janahi worked in several Arab and international banks in the internal audit and financial control and operations functions. Notable amongst these are his engagement with Al-Amin Bank (a subsidiary of ABG) and Abu Dhabi Islamic Bank in the Internal Audit Department. Earlier on in his career, Mr. Janahi worked for Shamil Bank, Faysal Islamic Bank, Arab Banking Corporation and ABC Investment and Services Co. (E.C.), in the Internal Audit, Financial control and Operations disciplines.

Mr. Janahi holds a master of business administration degree in Banking and Finance from the University of Hull, UK.

\* Mr. Fouad Janahi retired from Al Baraka Group on 31<sup>st</sup> December 2023.

#### Dr. Eltigani El Tayeb Mohammed

*Vice President Shari'a Officer, Secretary of Unified Sharia Board*

Dr. El Tigani El Tayeb Mohammed has over 14 years' extensive experience in Islamic banking and finance, with specialization in Islamic Banking law. He joined Al Baraka Group in November 2007.

Dr. Mohammed is a Certified Shari'a Advisor and Auditor (CSAA) from the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) and received his Doctorate degree in the principles of Islamic jurisprudence from University of Khartoum - Sudan, in addition to a Masters of Business Administration degree in principles of Islamic jurisprudence from Omdurman Islamic University - Sudan. He has also served as a professor at Sultan Zainal Abidin Religious College (KUSZA) and International Islamic University (HUM) in Malaysia.

### COMPLIANCE, POLICIES AND PROCEDURES

#### Group Compliance

The ABG Group is committed to complying with the ever-increasing international regulatory requirements. Group Compliance supports the Group Units, updating and reviewing compliance related policies on an ongoing basis and formulating framework. There is a continual drive to enhance the compliance culture through investment in advanced systems, controls, developing staff skill sets and awareness.

The Group has consistently displayed a bold commitment in refraining from engaging in any business ventures that could potentially compromise adherence to relevant laws, regulations, and regulatory standards.

The Group Compliance ("GC") department has formulated a Group compliance Management Programme for implementation throughout the ABG Group. They reflect the following core principles and practices which are firmly embedded in ABG and all its subsidiaries:

- comply with both the text and the spirit of all applicable laws, rules and regulatory standards;
- conduct business strictly in accordance with all regulatory and ethical standards;
- encourage a strong compliance culture, with every individual held personally responsible for compliance;

ABG and its subsidiaries continue to enhance the compliance related policies, procedures and framework. Staff skills are upgraded by providing current and targeted training in all areas of financial crime compliance requirements. Systems and automated tools are being introduced, as required, to improve compliance standards throughout the Group.

## Corporate Governance (continued)

### COMPLIANCE, POLICIES AND PROCEDURES (continued)

#### An Independent Function

Group Compliance at ABG is an independent function responsible for:

- proactively identifying and evaluating compliance risks;
- developing and implementing compliance policies, programs and plans;
- monitoring, managing, mitigating and reporting compliance risks;
- monitoring, investigating and reporting compliance breaches, incidents and risks; and
- advising management and staff on compliance and regulatory matters.

The GC reports to the Board Compliance & Governance Committee and provides independent oversight on behalf of the Board of Directors. It has access to the Board of Directors whenever deemed necessary. In addition, the GC has the right and the authority to contact the Central Bank of Bahrain (CBB), as and when considered necessary.

The GC is supported by dedicated compliance teams in all ABG subsidiaries. At the Group level, the GC is responsible for coordinating the identification and management of the ABG Group's financial crime compliance risks, in collaboration with local Heads of Compliance in each of the subsidiaries.

Throughout its network of offices, ABG has issued written guidelines for staff, which describe the appropriate implementation of laws, regulations, rules and standards through policies and procedures, including the overarching Group Compliance Policy. This policy requires officers and staff from all subsidiaries to comply with relevant laws, rules, regulations and standards of best market practices.

In ABG, compliance risks fall broadly into the following categories:

- Regulatory Compliance, Foreign Account Tax Compliance Act and Common Reporting Standard (FATCA/CRS);
- Anti-Money Laundering, Countering Financing of Terrorism and countering proliferation finance; and
- International Sanctions;

#### Regulatory Compliance and Corporate Governance

At the Group level, policies are continuously developed for managing compliance risks in all the above categories. These policies are systematically cascaded down to the Units, which adapt and implement them in accordance with local regulatory requirements. ABG has a strict Code of Conduct in place that all employees must adhere to at all times. The Code sets out to deter wrongdoing and to promote ethical conduct and fair treatment of customers. It outlines the responsibilities of all members of the ABG, its officers and staff, who are expected to read, understand and uphold these standards and principles at all times.

ABG also has a Whistleblowing policy in place, which provides a formal channel for staff to report any unethical conduct, gross mismanagement or corporate wrongdoing. Staff members are encouraged to report their concerns through specified secure communication channels which protect their identities, without fear of reprisal or victimization.

ABG has in place a Group Compliance Policy for application of FATCA/CRS reporting throughout the Group. ABG Units have implemented their own procedures, processes and systems for FATCA reporting in each location, subject to local regulatory requirements and models. ABG has made substantial investments in enhancing systems and training employees in order to ensure that a proper framework is in place. ABG Group compliance policy is also in place for CRS reporting. Reporting on relevant persons is done in accordance with the respective deadlines.

#### Anti-Money Laundering, Countering Financing of Terrorism, and Countering Proliferation Financing (AML/CFT/CPF)

Risks relating to financial crime are proactively managed at the Group and unit levels. ABG is committed to complying with AML/CFT/CPF laws and regulations, as well as the recommendations of the Basel Committee and Financial Action Task Force (FATF) along with the international best practices. These laws, regulations and recommendations are reflected in the AML/CFT/CPF policies of ABG and each of its Units. The Group has strict Know Your Customer (KYC) policies, which include detailed requirements for identifying and verifying customers. These policies preclude the operating units from establishing new business relationships until all relevant parties to the relationship have been identified and verified, and the nature of the business they expect to conduct has been clearly established.

In line with the requirements of the CBB and the Group AML/CFT/CPF Policy, suitably qualified Money Laundering Reporting Officers (MLROs) are appointed in all Units. The MLROs are responsible for ensuring compliance with all relevant laws, regulations and policies in respect of AML/CFT/CPF. They also have the responsibility of reviewing and monitoring customers and transactions, and reporting to their respective host regulators any suspicions concerning them.

At the Group level, ABG has appointed a Group MLRO, who is responsible for formulating and implementing ABG's AML/CFT/CPF strategies and policies on an ongoing basis. The Group MLRO coordinates the activities of each subsidiary's MLRO, overseeing appropriate AML/CFT/CPF training for all relevant staff, and reporting to the Board Compliance and Governance Committee and the Board of Directors on all critical money laundering issues.

#### International Sanctions

Owing to the raft of sanctions imposed by local and international regulatory bodies, sanctions compliance is one of the primary challenges faced by banks today, particularly those operating across multiple geographies. Breaches of sanctions expose banks to significant regulatory, reputational and commercial risks, including potential financial losses. As evidenced by the large number of cases reported and the very sizeable fines imposed, sanctions risk has become one of the most serious risks faced by banks worldwide.

Being mindful of such risks, ABG has formulated a strategy and policy for managing sanctions risk at the Group level and implemented it across all Units. The Group is increasing staff awareness of sanctions compliance and investing in appropriate screening systems to manage and minimize sanctions risk. A Group Sanctions Policy is implemented throughout its network in order to ensure uniform standards of adherence to all relevant sanctions orders. This policy sets out various restrictions and prohibitions relating to customers and transactions subject to sanctions. These restrictions sometimes extend beyond the strict requirements of applicable laws in order to safeguard ABG's reputation and standing.

## Corporate Governance (continued)

### COMPLIANCE, POLICIES AND PROCEDURES (continued)

#### Group Disclosure Policy

The Group communication strategy aims to keep the market informed of material information in a timely, accurate and balanced manner. The Group's communications with the market ensures compliance with the CBB's rules as detailed in the CBB Disclosure Standards as specified under the CBB Capital Markets Regulations.

Material information is any information, financial or non-financial, relating to the business and affairs of ABG, or any of ABG's subsidiaries that results in, or would reasonably be expected to result in, a significant change in the market price of the ABG's shares or in the decision of a prudent investor to sell, buy or hold the ABG's shares or cause to change a prudent investor's decision to transact or refrain from transacting with the ABG or its subsidiaries. Material information consists of, but is not limited to, both material facts and material changes relating to the business and affairs of the Group and ABG's subsidiaries.

In order for the Group to comply fully with the CBB disclosure requirements as specified in the CBB Rulebook, the Group will disclose all the required information in its published quarterly reviewed financial statements, and its annual audited financial statements, and any applicable ad hoc information requirement of the CBB from time to time.

Further, as a listed company on the Bahrain Bourse (BHB), ABG is committed to adhering on a timely basis to all periodic information dissemination requirements of the BHB, as stipulated in its respective regulations and directives.

Additionally, the Group will publicly disclose and broadly disseminate material information immediately upon becoming aware of circumstances or events that underlie such material information, or when a decision to implement a material change is made by the Board of Directors or the Executive Management. As a listed company, ABG adheres to a strict policy, which delegates to certain specific individuals the authority to issue press releases or make announcements to the public, financial or non-financial, about the Group.

In the event that any of the authorized individuals is requested to make statements relating to the financial statements, financial indicators or general financial performance of the Group, that person will consult and/or confirm with the Head of Finance with regard to the accuracy, timeliness and reliability of the information prior to making any public announcements.

The Group distributes its Financial Statements and Prudential Returns to the CBB and BHB on a quarterly and an annual basis. Then the Group makes this information available on its website.

Press releases are posted on ABG's website and published in Arabic and English. Persons authorized by the Group to make public disclosures will not make any announcement on a one-to-one basis before disseminating the information on the Group's website or in local newspapers as appropriate.

ABG has in place an effective framework for dealing with complaints received from its shareholders and other stakeholders. Different channels have been established to enable communication with investors, including through the offices of the Registrar, an online enquiry centre on ABG website and dedicated telephone and facsimile lines. All complaints received are transmitted to the concerned department, the Executive Management and the Board. In accordance with the CBB's disclosure requirements, the Group maintains at least the previous three years' financial performance information on its website.

#### Regulations

ABG complies with all the regulatory requirements governing Investment Firms issued by the CBB, which include, inter alia, regulations governing ABG's capital adequacy, asset quality and risk management, liquidity and fund management and corporate governance.

The CBB, sets and monitors ABG's capital requirements at Head Office level, while ABG's banking subsidiaries are directly regulated by their local banking supervisors, which set and monitor their capital adequacy requirements.

The CBB requires each Bahrain-based Investment company under

Category 1 to maintain a minimum capital of BHD 1.0 million and minimum capital adequacy ratio not lower than 110%.

The Regulatory capital must be calculated for all Bahrain based Investment firm based on the shareholders' Equity, the investment firm also must maintain adequate human, financial and other resources sufficient to run the business in ordinary manner.

#### Related Party Transactions

Dealings with persons or entities connected with the Group (including directors and shareholders) are called "related party transactions". The Group treats all such transactions at arm's length and requires that they have the specific approval of the Board. If a director is an interested party, he is required to abstain from voting on the respective matter. The Related Party Transactions pertaining to 2023 are reflected in Note 25 to the Consolidated Financial Statements.

#### Code of Business Conduct and Ethics

ABG maintains a board-approved policy on the employment of immediate family members or other relatives of employees. The policy prohibits the employment and internal transfers where applicable, of first and second-degree relatives. However, the policy permits third- and fourth-degree relatives to be employed in positions other than where there is an actual, potential or perceived conflict of interest, or an opportunity for collusion. The Human Resources department is responsible for examining potential applications for employment to check whether there is likely to be an actual or potential conflict of interest as defined by the Group's policies, with particular reference to the code of conduct and conflict of interest policies.

The Group has a special policy regarding the appointment of accredited employees who are related to the members of the Shari'a Board. The policy states that the appointment of any individual who is related to an accredited employee or to a member of the Shari'a Board must take place after it is declared to the Board of Directors or to the Shari'a Board, depending on the circumstances. The Shari'a Board member must refrain from participating or voting on any decision related to the accountability, judgement of behavior, appointment, or specification of the dues of an accredited employee if he is related to one of them in the first or second degree.

## Corporate Governance (continued)

### COMPLIANCE, POLICIES AND PROCEDURES (continued)

#### Anti-bribery & Corruption ("ABC")-Programme

The Group values its reputation and has a commitment to upholding the highest ethical standards in the conduct of business activities. The Group views bribery as prohibited and expects all staff, Directors and associated persons to adopt high standards of conduct and ensure compliance with this policy and the Bahrain Penal Code. These standards are the minimum requirements based on legal and regulatory rules applicable to the Group.

All employees of the Group are expected to have complete familiarity with the contents of the ABC Programme, be fully aware of their roles and responsibilities and should always act in the spirit rather than just the letter of the Programme. Any non-compliance shall trigger personal liability such as fines and imprisonment, or disciplinary action.

Units are required to develop their own ABC programme, which must incorporate the requirements of the Group ABC programme as a minimum, adding additional requirements in accordance with local laws, regulations and practices. Wherever local regulations are higher than the requirements set in this Programme, the higher standards must be applied. If any applicable laws conflict with this Programme, the relevant unit must consult their local legal department and the Head of Group of Compliance to resolve the conflict and as applicable, report the same to the ABG Compliance & Governance Committee.

The Group's ABC Programme does not tolerate breaches of any of the following:

- applicable laws, rules & regulations;
- generally accepted practices and standards in relation to anti-corruption;
- fines or other enforcement actions in regard to anti-corruption.

The Group views combating bribery and corruption as an integral part of its risk management strategy, and not merely a stand-alone requirement imposed by the regulatory authorities.

Any material or systemic breaches shall be reported to the Board's Compliance & Governance Committee. The Group ABC Programme aims to set out the basic framework to detect, prevent and suppress acts of bribery and corruption at the Group. The Board of Directors has adopted this policy which demonstrates the Group's adherence to applicable ABC legal and regulatory requirements and the highest of professional standards.

#### REMUNERATION POLICY AND RELATED DISCLOSURES

The Group's total compensation approach, which includes the variable remuneration policy, sets out the Group's policy on remuneration for Directors and senior management and the key factors that are taken into account in setting the policy.

Through the remuneration framework summarized below, the Group aims to comply with the CBB's regulations concerning Sound Remuneration Practices and Article 188 of the Bahrain Commercial Companies law, 2001.

#### Remuneration Strategy

It is the Group's basic compensation philosophy to provide a competitive level of total compensation to attract and retain qualified and competent employees. The Group's variable remuneration policy is driven primarily by a performance-based culture that aligns employee interests with those of the Group's shareholders. These elements support the achievement of the Group's objectives, through balancing rewards for both short-term results and long-term sustainable performance. The Group's strategy is designed to share its success, and to align employees' incentives with its risk framework and risk outcomes.

The quality and long-term commitment of all of the Group's employees is fundamental to its success. The Group therefore aims to attract, retain and motivate the very best people, who are committed to maintaining a career with the Group, and who will perform their role in the long-term interests of its shareholders.

The Group's reward package is comprised of the following key elements:

1. Fixed pay;
2. Benefits;
3. Annual performance bonus; and
4. The Long-Term Performance Incentive Plan.

A robust and effective governance framework ensures that the Group operates within clear parameters of its compensation strategy and policy. All compensation matters, and overall compliance with regulatory requirements, are overseen by the Board Nomination & Remuneration Committee (BNRC) and approved by the Board of Directors thereafter.

The Group's remuneration policy, in particular, considers the role of each employee and sets guidance on whether an employee is a "Material Risk Taker" and/or an "Approved Person" in a business line, control or support function. An Approved Person is an employee whose appointment requires prior regulatory approval because of the significance of the role within the Group, while an employee is considered a Material Risk Taker if either he/she is the head of a significant business line, or any individuals within their control have a material impact on the Group's risk profile. In order to ensure alignment between what the Group pays its people and its business strategy, the Group assesses individual performance against annual and long-term financial and nonfinancial objectives, summarized in its performance management system. This assessment also takes into account adherence to the Group's values, risks and compliance measures and, above all, acting with integrity. Altogether, performance is therefore judged not only on what is achieved over the short and the long-term but also importantly on how it is achieved, as the BNRC believes the latter contributes to the long-term sustainability of the business.

## Corporate Governance (continued)

### REMUNERATION POLICY AND RELATED DISCLOSURES (continued)

#### Board Nomination and Remuneration Committee ("BNRC") Role and Focus

The BNRC has oversight of all reward policies for the Group's employees. The BNRC is the supervisory and governing body for compensation policy, practices and plans. It is responsible for setting the principles and governance framework for all compensation decisions. The BNRC ensures that all persons must be remunerated fairly and responsibly. The remuneration policy is reviewed on a periodic basis to reflect changes in market practices, the business plan and risk profile of the Group.

The responsibilities of the BNRC with regard to the Group's variable remuneration policy, as stated in its mandate, include, but are not limited to:

- Approving, monitoring and reviewing the remuneration system to ensure the system operates as intended;
- Approving the remuneration policy and amounts for each Approved Person and Material Risk Taker, as well as total variable remuneration to be distributed, taking account of total remuneration including salaries, fees, expenses, bonuses and other employee benefits;
- Ensuring remuneration is adjusted for all types of risks and that the remuneration system takes into consideration employees who earn the same short-run profit but take different amounts of risk on behalf of the Group;
- Ensuring that, for Material Risk Takers variable remuneration forms a substantial part of their total remuneration;
- Reviewing the stress testing and back testing results before approving the total variable remuneration to be distributed, including salaries, fees, expenses, bonuses and other employee benefits;
- Carefully evaluating practices by which remuneration is paid for potential future revenues whose timing and likelihood remain uncertain; the BNRC will question pay-outs for income that cannot be realized or whose likelihood of realization remains uncertain at the time of payment;
- Ensuring that, for approved persons in risk management, internal audit, operations, finance and compliance functions, the mix of fixed and variable remuneration is weighted in favor of fixed remuneration;
- Recommending Board members' remuneration based on their attendance and performance, and in compliance with Article 188 of the Bahrain Commercial Companies law;
- Ensuring disclosure of all the remunerations received by the Chairman and members of the Board of Directors, each separately, during the fiscal year, including any benefits, privileges, share of profits, attendance allowance, representation allowance, expenses, etc. The disclosure should include what the members received as employees, administrators, technical works, or administrative, advisory or any other works, using the forms prepared by the Ministry of Industry & Commerce; and
- Ensuring appropriate compliance mechanisms are in place to make sure that employees commit themselves not to use personal hedging strategies or remuneration and liability-related insurance to undermine the risk alignment effects embedded in their remuneration arrangements.

The aggregate remuneration paid to BNRC members during the year in the form of sitting fees amounted to US\$ 36 thousand (2022: US\$ 36 thousand); other details concerning BNRC membership are disclosed elsewhere in this report.

This corporate governance report discloses the total amount received by members of the executive management of ABG.

As required by the Ministry of Industry & Commerce, the Board of Directors' Report is required to disclose the total amounts received by the top six managers (including the GCEO and the Senior Financial Officer) who received the highest remunerations during the fiscal year, including any salaries, benefits, shares, and a share in the profits, as applicable.

#### Scope of Application of the Remuneration Policy

The remuneration policy has been adopted on a Group-wide basis.

#### Board Remuneration

The Board of Directors' remuneration is determined in line with the provisions of Article 188 of the Bahrain Commercial Companies law, 2001. Board remuneration is subject to approval of the shareholders in the Annual General Meeting. Remuneration of non-executive Directors does not include performance-related elements such as grants of shares, share options or other deferred stock-related incentive schemes, bonuses or pension benefits.

#### Variable Remuneration for Staff

Variable remuneration is performance related and consists primarily of the annual performance bonus award. As a part of the staff's variable remuneration, the annual bonus rewards delivery of operational and financial targets set each year, the individual performance of the employees in achieving those targets, and their contribution to delivering the Group's strategic objectives.

The Group has adopted a Board-approved framework to develop a transparent link between variable remuneration and performance. The framework is designed on the basis of both meeting satisfactory financial performance and the achievement of other non-financial factors that will, all other things being equal, deliver a target bonus pool for employees, prior to consideration of any allocation to business lines and employees individually.

Key performance metrics at the Group level include a combination of short-term and long-term measures, and include profitability, solvency, liquidity and growth indicators. The performance management process ensures that all goals are appropriately cascaded down to respective business units and employees.

#### Remuneration of Control Functions

The remuneration level of staff in the control and support functions is maintained at a level, which enables the Group to attract and thus employ qualified and experienced personnel in these functions. The Group ensures that the mix of fixed and variable remuneration for control and support function personnel is weighted in favor of fixed remuneration. The variable remuneration of control functions is based on function-specific objectives and is not determined by the financial performance of the business areas they monitor.

The Group's performance management system plays a major role in deciding the performance of the support and control units on the basis of the objectives set for them. Such objectives are more focused on non-financial targets that include risk, control, compliance and ethical considerations as well as the market and regulatory environment, apart from value-adding tasks, which are specific to each unit.



## Corporate Governance (continued)

### REMUNERATION POLICY AND RELATED DISCLOSURES (continued)

#### Variable Compensation for Business Units

The variable remuneration of the Business Units is primarily determined by key performance objectives set through the performance management system of the Group. Such objectives contain financial and non-financial targets, including risk control, compliance and ethical considerations, as well as market and regulatory requirements. The consideration of risk assessments in the performance evaluation of individuals ensures that any two employees who generate the same short-run profits but take different amounts of risk on behalf of the Group are treated differently by the remuneration system.

#### Risk Assessment Framework

The purpose of risk linkages is to align variable remuneration to the risk profile of the Group. In its endeavor to do so, the Group considers both quantitative measures and qualitative measures in the risk assessment process. The risk assessment process encompasses the need to ensure that the remuneration policy, by design reduces employees' incentives to take excessive and undue risks, is symmetrical with risk outcomes and delivers an appropriate mix of remuneration that is risk aligned.

The BNRC considers whether the variable remuneration policy is in line with the Group's risk profile and ensures that, through the Group's ex-ante and ex-post risk assessment framework and processes, remuneration practices where potential future revenues whose timing and likelihood remain uncertain are carefully evaluated.

Risk adjustments take into account all types of risk, including intangible and other risks such as reputation risk, liquidity risk and the cost of capital. The Group undertakes risk assessments to review financial and operational performance against business strategy and risk performance prior to distribution of the annual bonus. The Group ensures that total variable remuneration does not limit its ability to strengthen its capital base. The extent to which capital needs to be built up is a function of the Group's current capital position and its Internal Capital Adequacy Assessment Process ("ICAAP").

The bonus pool takes into account the performance of the Group, which is considered within the context of the Group's risk management framework. This ensures that the variable pay pool is shaped by risk considerations and Group-wide notable events.

The size of the variable remuneration pool and its allocation within the Group takes into account the full range of current and potential risks, including:

- a) The cost and quantity of capital required to support the risks taken;
- b) The cost and quantity of the liquidity risk assumed in the conduct of business; and
- c) Consistency with the timing and likelihood of potential future revenues incorporated into current earnings.

The BNRC keeps itself abreast of the Group's performance against the risk management framework. The BNRC will use this information when considering remuneration to ensure that returns, risks and remuneration are aligned.

#### Risk Adjustments

The Group has an ex-post risk assessment framework, which is a qualitative assessment to back-test actual performance against prior risk assumptions. In any year where the Group suffers material losses in its financial performance, the risk adjustment framework will work as follows:

- There will be considerable contraction of the Group's total variable remuneration;
- At an individual level, poor performance by the Group will mean individual KPIs are not met and hence employee performance ratings will be lower;
- Reduction in the value of deferred shares or awards;
- Possible changes in vesting periods and additional deferral applied to unvested rewards;
- lastly, if the qualitative and quantitative impact of a loss incident is considered significant, a malus or clawback of previous variable awards may be considered.

The BNRC, with the Board's approval, can rationalize and make the following discretionary decisions:

- Increase/reduce the ex-post adjustment;
- Consider additional deferrals or increase in the quantum of non-cash awards;
- Recovery through malus and clawback arrangements.

#### Malus and Clawback Framework

The Group's malus and clawback provisions allow the Board of Directors to determine that, if appropriate, unvested elements under the deferred bonus plan can be forfeited/adjusted or the delivered variable remuneration recovered in certain situations. The intention is to allow the Group to respond appropriately if the performance factors on which reward decisions were based turn out not to reflect the corresponding performance in the longer term. All deferred compensation awards contain provisions that enable the Group to reduce or cancel the awards of employees whose individual behavior has had a materially detrimental impact on the Group during the relevant performance year.

Any decision to take back an individual's award can only be made by the Board of Directors.

The Group's malus and clawback provisions allow the Board to determine that, if appropriate, vested/unvested elements under the deferred bonus plan can be adjusted/cancelled in certain situations. These events include the following:

- Reasonable evidence of willful misbehavior, material error, negligence or incompetence of the employee causing the Group/employee's business unit to suffer material loss in its financial performance, material misstatement of the Group's financial statements, material risk management failure or reputational loss or risk due to such employee's actions, negligence, misbehavior or incompetence during the relevant performance year.
- The employee deliberately misleads the market and/or shareholders in relation to the financial performance of the Group during the relevant performance year.
- Clawback can be used if the malus adjustment on the unvested portion is insufficient given the nature and magnitude of the issue.

## Corporate Governance (continued)

### COMPLIANCE, POLICIES AND PROCEDURES (continued)

#### Details of remuneration paid

##### a) 1. Board of Directors

	US\$ '000	
	2023*	2022
Sitting Fees	483	447
Remuneration*	1,500	1,500
Other	23	22

The category 'Other' includes the reimbursement of air fares and payment of per diem allowances for attending Board of Directors and Board Committees' meetings.

\* Subject to approval by AGM in March 2024.



## Corporate Governance (continued)

### Details of remuneration paid (continued)

#### a) 2. Board of directors' remuneration details:

Name	Fixed remunerations					Variable remunerations					End-of-service award	Aggregate amount (Does not include expense allowance)	Expenses Allowance *****
	Remunerations of the chairman and BOD*	Total allowance for attending Board and committee meetings	Salaries**	Others****	Total	Remunerations of the chairman and BOD	Bonus	Incentive plans	Others *****	Total			
1. Shaikh Abdullah Saleh Kamel	46,085	7,917	-	-	54,002	-	-	-	-	-	-	54,002	-
2. Mr. Mohammed Al Shroogi	45,591	10,179	-	-	55,770	-	-	-	-	-	-	55,770	1,089
3. Mr. Abdul Elah Abdul Rahim Sabbahi	40,155	11,310	-	-	51,465	-	-	-	-	-	-	51,465	-
4. Mr. Housseem Ben Haj Amor	37,190	9,048	**	-	46,238	-	-	-	-	-	-	46,238	382
5. Mr. Saud Saleh Al Saleh	43,120	12,441	-	-	55,561	-	-	-	-	-	-	55,561	930
6. Dr. Khaled Abdulla Ateeq	52,509	15,834	-	-	68,343	-	-	-	-	-	-	68,343	1,076
7. Mrs. Dalia Hazem Khorshid	38,672	10,179	-	-	48,851	-	-	-	-	-	-	48,851	2,391
8. Mr. Naser Mohamed Ali Al Nuwais	45,097	14,703	-	-	59,800	-	-	-	-	-	-	59,800	2,009
9. Dr. Ziad Ahmed Bahaa-Eldin	43,120	13,572	-	-	56,692	-	-	-	-	-	-	56,692	-
10. Mr. Tawfig Shaker Mufti	40,155	12,441	-	-	52,596	-	-	-	-	-	-	52,596	-
11. Mr. Masood Ahmed Al Bastaki ●●	33,066	11,310	-	-	44,376	-	-	-	-	-	-	44,376	1,076
12. Mr. Musa Abdel-Aziz Shihadeh ●●	28,619	7,917	-	-	36,536	-	-	-	-	-	-	36,536	-
13. Mr. Fahd bin Ibrahim Al Mufarrij ●●	38,008	10,179	-	-	48,187	-	-	-	-	-	-	48,187	938
14. Mr. Fahad Abdullah Al Rajhi ●	11,536	5,655	-	-	17,191	-	-	-	-	-	-	17,191	573
15. Dr. Jehad Abdul Hamid El-Nakla ●	11,042	4,524	-	-	15,566	-	-	-	-	-	-	15,566	1,282
16. Prof. Mohamed Cheikh Rouhou ●	11,536	4,524	-	-	16,060	-	-	-	-	-	-	16,060	1,602
<b>Total</b>	<b>565,500</b>	<b>161,733</b>	<b>-</b>	<b>-</b>	<b>727,233</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>727,233</b>	<b>13,350</b>

#### Notes:

All amounts stated in Bahraini Dinars.

Remunerations of the chairman and BOD:

\* Includes fixed remunerations and remunerations calculated by points system. The remuneration is the proposed amounts and are subject to approval by the Shareholders in the AGM.

#### Salaries:

\*\* Mr. Housseem Ben Haj Amor's salary is included in the Executive Management remuneration disclosure.

#### Other remunerations:

\*\*\* It includes in-kind benefits – specific amount - remuneration for technical, administrative and advisory works (if any).

\*\*\*\* It includes the board member's share of the profits - Granted shares (insert the value) (if any).

#### Expenses Allowance:

\*\*\*\*\* It includes Per-diem, Ticket and Hotel Fees.

● The names mentioned above were not re-elected in the current term of the Board, March 2023 - March 2026

●● The names mentioned above were elected for the current term of the Board, March 2023 - March 2026

## Corporate Governance (continued)

### Details of remuneration paid (continued)

#### b) Executive management remuneration details

Executive management	Total paid salaries and allowances	Total paid remuneration (Bonus)	Any other cash/ in kind remuneration for 2023	Aggregate Amount
Top 6 remunerations for executives, including CEO* and Senior Financial Officer**	972,086	552,250	221,788	1,746,124

Note: All amounts stated in Bahraini Dinars.

\* The highest authority in the executive management of the company, the name may vary: (CEO, President, General Manager (GM), Managing Director ...etc).

\*\* The company's highest financial officer (CFO, Finance Director, ...etc)

#### c) Unified Shari'a Supervisory Board

	US\$ '000	
	2023	2022
Shari'a Committee Members fee and remuneration	187,425	253,092

## Corporate Governance (continued)

### RISK MANAGEMENT

The Group is committed to complying with internationally established principles and policies in relation to risk management. Risk management is an integral part of the Group's decision-making process. The Board of Directors, acting on recommendations made by the Board Risk Committee defines and sets the Group's overall risk strategy, risk appetite, risk diversification and asset allocation strategies. This includes the policies regarding credit, market, liquidity and operational risks amongst others. It also decides on any related party transactions, their reporting and approval. Risk, Compliance and Audit Follow-Up Committee (RCA), Asset & Liability Committee (ALCO), Head Office Credit Committee (HOCC) and other executive committees guide and assist with management of the Group's balance sheet risks. The Group manages exposure by adhering to limits approved by the Board of Directors or under delegated authorities approved/extended by the Board/ Board Committees to Management Committees. Risk policies and processes to mitigate the risks are regularly reviewed on an ongoing basis.

To ensure the effectiveness of ABG's Risk Management Framework, the Board and Senior Management need to be able to rely on adequate line functions including monitoring and assurance functions within ABG. Therefore, as part of its overall governance and risk management framework, the ABG Group endorses the "Three Lines of Defense (LOD)" model as a way of explaining the relationship between these functions and as a guide to how responsibilities are assigned:

- 1. The first line of defense (Risk Taking):** Functions that own and manage risk. Under this line of defense, business management has ownership, responsibility and accountability for directly assessing, controlling and mitigating risks. These primarily include functions or departments engaged in the front office / client facing roles responsible for risk taking activities like financing (e.g. corporate banking).
- 2. The second line of defense (Risk Oversight):** Functions that oversee or specialize in risk management and compliance. This line of defense consists of activities covered by several components of the internal governance framework (Compliance, Risk Management, Finance, Legal, Operations, Internal Controls, Human Resources, Information Technology and other such departments). Furthermore, it monitors and facilitates the implementation of effective risk management practices by operational management and assists the risk owners in reporting adequate risk related information within ABG. The Shari'a coordination and implementation function ensures all products, transactions and activities undertaken by ABG are in line with Islamic principles.
- 3. The third line of defense (Risk Assurance):** Functions that provide independent assurance i.e. internal audit, which forms the third line of defense. An independent internal audit function, through a risk-based approach to its work, provides assurance to the bank's Board of Directors and Senior Management. This assurance covers how effectively the bank.

assesses and manages its risks and includes assurance on the effectiveness of the first and second lines of defense. It encompasses all elements of the bank's risk management framework (from risk identification, risk assessment and response, to communication of risk-related information) and all categories of organizational objectives: strategic, ethical, operational, reporting and compliance. In addition, an Independent Shari'a Internal Audit Department is an important pillar of the third line of defense.

In combination, this approach permits ABG to grow its business without taking undue risks that could impact its capital adequacy, shareholder returns and ultimately its brand and reputation.

Roles and Responsibilities of ABG's Risk Management include the following:

- To develop and implement Group risk management framework, policies and procedures aligned with regulatory directives.
- To ensure that the risk management function is sufficiently equipped with policies, processes, systems, methodologies and expertise for identification, measurement, control, reporting and monitoring of risk adequately and efficiently at the Head Office level. Primary responsibilities however rest with the individual subsidiaries and their boards given the current governance framework.
- To develop ABG's Risk Appetite Statement as well as Risk Management Guidelines for ABG Units/Subsidiaries.
- To regularly review, monitor and report consolidated risk limits (as defined in the Group Risk Appetite Policy) as well as ensure adherence to them.
- To provide oversight on ABG Units' risk management framework and take into consideration the statutory, legal and governance requirements that apply to the Units individually.
- To monitor exposures both at the head office and consolidated Group levels in terms of risk concentrations, imbalances and vulnerabilities and recommend remedial action where appropriate.
- To review and analyze the Group's credit portfolio in terms of asset quality including concentrations to detect risk and concentrations and alert and advise ABG Executive Management and/or Board Risk Committee accordingly.
- To advise the Units (in collaboration with ABG Finance department) on the use of credit risk parameters (e.g. Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default/Credit Conversion Factor (EAD/CCF)) for credit pricing, provisioning and portfolio monitoring as necessary.
- To promote a robust risk culture (including risk training and development) within the Group's existing operating model and governance framework.

ABG Units are governed by their respective Boards of Directors. The Units follow documented credit and risk policies and procedures which reflect Group-wide policies and thereby ensure that sound risk management is in place.

Operational risk policies and procedures in each Subsidiary ensure a consistent approach to operational risk. The Group has continued to maintain momentum towards achieving optimal risk management policies, practices and procedures, pursuing five key objectives:

- Continuous improvement in credit and risk management practices and intensified efforts on collections, recoveries and settlement of outstanding debts to ensure resilient asset quality in the face of increased challenges in some of the Group's markets.
- To ensure that all unit NPA provisioning policies are in line with local regulatory requirements.
- To ensure that Units strive for a high degree of cooperation between their business arms and risk management departments. Hiring and training of credit and risk management staff is an ongoing priority at each unit.
- To ensure that each subsidiary has an approved Credit and Risk Management Manual covering all relevant risks which is consistent with the Group policies and procedures.
- To ensure that all subsidiaries submit timely monthly and quarterly risk management reports to the Head Office, which fully meet regulatory requirements. The contents of these reports are continuously enhanced in order to provide the Head Office with comprehensive data.

## Corporate Governance (continued)

### RISK MANAGEMENT (continued)

A standard risk management framework has been established across the Group, reflected in operational manuals that closely adhere to the Group policy regarding all the major categories of risk that the Group faces when carrying out its business. These are: Credit, Liquidity, Market (including Equity Price, Profit Rate and Foreign Exchange risk), Operational (including Fraud Risk and Information & Cyber Security Risk), Reputational and Shari'a Compliance and Strategic Risks. Each of these major risks are discussed below.

#### Credit Risk

Credit risk is the risk that one party to a financial contract fails to discharge an obligation and causes the other party to incur a financial loss. It applies to the Group in its management of the financing exposures arising out of receivables and leases (for example, Murabaha and Ijarah) and working capital and other financing transactions (Salam, Istisna'a, Musharaka or Mudaraba). Each Group subsidiary has in place a framework for credit risk management that includes identification, measurement, monitoring, reporting and control of credit risks. Each subsidiary controls credit risk through the process of initial approval and granting of credit, subsequent monitoring of counterparty creditworthiness and the active portfolio management of credit exposures. Authority to approve credits is delegated by the subsidiary's Board committees entrusted with the task of credit assessment and evaluation, under specific credit policies and operational procedures in place in that subsidiary. Mitigation of credit risk is primarily achieved through (a) customer's financial and credit due diligence including willingness and ability/capacity to repay, (b) appropriate structuring of credit facilities and its pricing and (c) obtaining various forms of collateral as necessary.

During the year 2017, ABG and its subsidiaries made the necessary preparations and have acquired credit rating and other systems while credit policies and procedures were updated, following the introduction of FAS 30 Accounting Standard by AAOIFI in 2018.

#### Liquidity Risk

Liquidity risk is the risk that the Group will be unable to meet its payment obligations when they fall due under normal or stressed circumstances.

ABG and its subsidiaries each has in place a liquidity management framework, taking into account its liquidity exposures in respect of its current and savings accounts, deposits from banks and other financial institutions, and its restricted and unrestricted investment accounts. This ensures that it maintains liquid assets at prudential levels so that cash can quickly be made available to honor all its obligations. Liquidity management also recognizes the impact of potential cash outflows arising from irrevocable commitments to fund new assets, as well as the potential risk impact of withdrawals by large single depositors, ensuring that ABG does not rely excessively on one customer or small group of customers. In addition to its own internal liquidity management policies, each subsidiary is further required to maintain cash deposits with its respective central bank equal to a percentage of its deposits as directed by that central bank. Each Subsidiary is also responsible to regularly monitor its Liquidity coverage ratios (LCR) and Net Stable Funding ratios on an ongoing basis.

#### Equity Price Risk

Equity price risk is the risk that the fair value of equities decreases as a result of changes in the levels of equity indices and the value of individual stocks.

Each Group subsidiary has in place appropriate strategies, risk management and reporting processes with respect to the risk characteristics of equity investments, including Mudaraba, Musharaka and other investments.

Based on the Group policies, each subsidiary ensures that its valuation methodologies are appropriate and consistent and assesses the potential impact of its methods on profit calculations and allocations mutually agreed between that subsidiary and its partners. Further, each subsidiary has defined and established appropriate exit strategies and risk management and reporting processes in respect of its equity investment activities.

#### Profit Rate Risk

Profit rate risk is the risk that the Group will incur a financial loss as a result of a mismatch in the profit rate on the Group's assets and unrestricted investment accounts. The Group is not liable to pay any predetermined returns to investment account holders, although it does apply appropriate income smoothing techniques to ensure that profits are fairly distributed to the investment account holders.

#### Foreign Exchange Risk

Foreign exchange rate risk arises from the movement of currency exchange rates over a period of time, leading to an adverse impact on the Group's earnings or shareholders' equity. The Group is exposed to foreign exchange rate risk in that the value of a financial instrument, or its net investment in its foreign subsidiaries, may fluctuate due to changes in foreign exchange rates. The Group's significant net foreign currency exposures as at 31<sup>st</sup> December 2023 are detailed in Note 28 to the Financial Statements.

#### Operational Risk

Operational risk is the risk of financial loss or damage resulting from inadequate or failed internal processes, people and systems or from external events.

Management of risk associated with carrying out the Group's operations is through internal procedures and monitoring and control mechanisms, while management of legal risk is through effective consultation with internal and external legal counsel. Other kinds of operational risk are managed by ensuring that trained and competent people - and appropriate infrastructure, processes, controls and systems - are in place to ensure the identification, assessment and management of all substantial risks.

The Group is also exposed to risks relating to its fiduciary responsibilities towards fund providers. Fiduciary risk arises from the failure to perform in accordance with explicit and implicit standards applicable to an Islamic bank's fiduciary responsibilities, leading to losses in investments or failure to safeguard the interests of the investment account holders. Group subsidiaries have in place appropriate mechanisms to safeguard the interests of all fund providers. Where investment account holders' funds are commingled with an ABG subsidiary's own funds, the respective subsidiary ensures that the basis for asset, revenue, expense and profit allocations are established, applied and reported in a manner consistent with the Group's fiduciary responsibilities.

As mentioned above, Group policy dictates that the operational functions of booking, recording and monitoring transactions are carried out by staff independent of the staff initiating the transactions. Group subsidiaries have primary responsibility for identifying and managing their own operational risks. Each subsidiary is guided by policies, procedures and controls that are relevant for each function. Internal control policies and procedures dictate the segregation of duties, delegation of authorities, exceptions reporting, exposures management and reporting, and reconciliations, and are based on the submission of timely and reliable management reporting.

Separate and independent Internal Control units carry out ongoing monitoring of day-to-day procedures and ensure adherence to key control functions.

## Corporate Governance (continued)

### RISK MANAGEMENT (continued)

#### Information & Cyber Security Risk

The Group continues to enhance its management of information and Cyber Security Risk. It has assessed the risks, identified controls and is implementing solutions. The Group already has comprehensive IT security policy and procedures, which are in line with leading industry practices. The Digitalization, IT, and Information Security Committee at the Head Office meets regularly and has implemented a new Information Risk Management Framework and Group Policy.

#### Compliance Risk

Compliance risk is defined as the risk of legal or regulatory sanctions, material or financial loss or loss to reputation that a bank may suffer as a result of its failure to comply with laws, regulations, rules, reporting requirements, codes of conduct and standards. The landscape of compliance is evolving constantly. As a result, ABG and its subsidiaries are continuously enhancing their compliance risk management framework. Please refer to the section on Compliance, Policies and Procedures.

#### Reputational Risk

Reputational risk is defined as the risk of indirect losses arising from a decline in the organization's reputation amongst one or multiple stakeholders. This can expose organization to litigation, financial loss or damage to its reputation. Reputation is a collection of perceptions and beliefs, both past and present, which reside in the consciousness of the bank stakeholders – its customers, business partners, employees, investors, analysts, communities, regulators, government, non-governmental organizations and the public at large. These perceptions and beliefs are often built over a period of many years; every contact, every media mention, every rumor, every leak, every piece of gossip will play its part in forming an overall impression of the bank standing.

ABG has developed and implemented its Reputational Risk Scorecard, which has been rolled out to the Units/Subsidiaries.

#### Shari'a Compliance Risk

Shari'a compliance risk arises from the failure to comply with the rules and principles of Shari'a and, in this respect, is akin to reputation risk. It also includes the risk of legal or regulatory sanctions that the Group or its subsidiaries may suffer as a result of failure to comply with laws and regulations. As mentioned above, the Group has in place a Compliance Policy that provides for the assessment of compliance risks, the implementation of appropriate controls, monitoring of effectiveness, and correction and eradication of exceptions. Group subsidiaries have in place systems and controls, including their respective Shari'a Supervisory Boards, to ensure compliance with all Shari'a rules and principles. In accordance with CBB regulations and AAOIFI Standards, the Group has, been certified by the Unified Shari'a Supervisory Board to be in compliance with Shari'a Standards and Principles.

Note that Sharia Compliance Risk is part of the Reputational Risk.

#### Strategic Risk

Strategic Risk refers to the risk to the organization's earnings and profitability arising from strategic decisions, changes in the business conditions and improper implementation of decisions.

Strategic Risk arises due to external causes, arising out of adopting wrong strategies and choices that could cause loss to ABG in the form of reduction in shareholder value, loss of earnings, etc.

ABG has developed and implemented a Strategic Risk Scorecard (rolled out to the Subsidiaries) in order to assess its Strategic Risk.

#### CAPITAL MANAGEMENT/CAPITAL ADEQUACY

The CBB requires each Bahrain-based Investment company under Category 1 to maintain a minimum capital of BHD 1.0 million and a minimum capital adequacy ratio not lower than 110%. The Regulatory capital must be calculated for all Bahrain-based Investment firms based on the shareholders' Equity. The investment firm also must maintain adequate human, financial and other resources sufficient to run the business in an ordinary manner.

#### DIGITALIZATION, IT, AND INFORMATION SECURITY COMMITTEE

The Digitalization, IT, and Information Security Committee governs and supports Digitalization, IT, and information security strategies, policies, projects and initiatives across ABG HO and subsidiaries, and ensures that they are consistent with the Group's strategic aims as well as each subsidiary's local strategy. The Group periodically monitors these strategies across all ABG subsidiaries to ensure that they enable the Group business strategy and strategic objectives.

All ABG subsidiaries have Digital Transformation strategies and already started executing these strategies. These subsidiaries are now launching new solutions and features as part of their digital transformation journey including advanced mobile banking applications, wallets, customer digital onboarding feature, back-office automation, Chatbots, different open banking initiatives, and digital branches etc.

Meanwhile, several subsidiaries have successfully replaced their legacy core banking systems with new modern core banking systems. The subsidiaries are now introducing new solutions in areas such as automation, compliance, risk management, and cyber security as well as exploring new technologies related to Artificial Intelligence and Robotic Process Automation.

Each subsidiary has a Business Continuity Plan and Disaster Recovery centers that are up to date and regular audited and testing.

## Corporate Governance (continued)

### COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS OF CBB UNDER HC MODULE

Al Baraka Group (ABG) received the latest HC module issuance from the Central Bank of Bahrain on 04 June 2023, and has conducted a full gap analysis by comparing the requirements with current policies and procedures and resulted that ABG is in line with the CBB guidelines (HC Module).

And with reference to the disclosure of the non-compliance events (Comply or Explain Principle), as per the independent compliance assessment undertaken to cover the year 2023, the Al Baraka (ABG) is in full compliance with the Corporate Governance requirements outlined under Central Bank of Bahrain's HC Module, in its Rulebook, with the exception of the following:

<p>The chairman of the Board should be an independent director, so that there will be an appropriate balance of power and greater capacity of the Board for independent decision making.</p>	<p>The board of Directors, by consensus, has elected Shaikh Abdullah Saleh Kamel as the Chairman of the Board in their meeting held on Mar 22<sup>nd</sup> 2023. This appointment has been notified to CBB and published at the market as per disclosure requirements.</p>
<p>To facilitate free and open communication among independent directors, each Board meeting should be preceded or followed with a session at which only independent directors are present, except as may otherwise be determined by the independent directors themselves.</p>	<p>There were no organized sessions booked prior or post the board meetings, since all independent directors have direct communication channels with each other's on regular basis or when there is a need.</p>

### SOCIAL & SUSTAINABLE FINANCE

Al Baraka Group fully embraces its ESG responsibilities across the jurisdictions in which it operates. The Group and its various Units have contributed to their respective communities more than 270 million dollars, the beneficiaries constituting more than 195 thousand people across Jordan, Egypt, Tunisia, Bahrain, Turkey, South Africa, Algeria and Pakistan.

Building on the success of the first Al Baraka Day in 2022, the second annual charity "Al Baraka Day" was held in all the countries where Al Baraka Group B.S.C. ("ABG" or "Group") operates. It is a day that brings together families and friends of the Group's employees and Banks to carry out charitable activities centered around serving their local communities. This step aligns with the Group's core values to adopt an approach that shares mutual benefits with partners in success, which are customers, employees, shareholders, and communities in general.

The Group and its Banks have organized their charitable activities under the United Nations Sustainable Development Goals (UNSDG), which is "No Poverty" (SDG 1).

During Al Baraka Day, over 100 employees contributed to community projects that positively impacted over 5,000 people across different countries. The projects included: donating clothes, footwear, blankets, computers in schools, devices to speed up the process of examining children in public hospitals, installing devices and lights that save energy, providing meals, building a children's playground, and others.

Throughout 2023, the Group and Units carefully targeted specific areas of contribution. The majority of the contributions revolved around:

#### Education

Scholastic sponsorship, school equipment, and personal mentorship are priceless investments in the future wellbeing of the recipients.

#### Healthcare

As the recent Covid 19 outbreaks clearly demonstrated, support for medical equipment, free screening, and timely healthcare financing are vital areas, especially in less affluent communities.

#### Social uplifting

Direct impact is immediate through loans, job training, internship, volunteering with youth (soft skills), relieving debt, and agricultural financing.

#### Donations

Separately from the Zakat, ABG and its Units donated towards a number of activities that support the community enterprises, such as Iftars during the Holy month of Ramadan, events, art and sports sponsorship, and distributing food to low-income families.

#### Natural disasters and conflict zones relief

Libya, Turkey, Palestine.

#### ESG

Looking after our planet by planting trees, building solar panels for low-income families, providing electricity consumption from renewable sources, increasing female inclusion in our operations, training employees on Green Banking, training executives on Advance Risk Governance and Directors on ESG in some of our Units to extend these initiatives to all other Units to ensure a holistic approach to sustainability across Al Baraka Group's Units..

## Other Information

For the year ended 31 December 2023

### External Auditors

For the year 2023, annual audit and quarterly review services amounted to US\$ 200,000, other attestation services amounted to US\$ 50,000.



## Corporate Governance (continued)

### BOARD OF DIRECTORS & UNIFIED SHARI'A SUPERVISORY BOARD

#### BOARD OF DIRECTORS

**Shaikh Abdullah Saleh Kamel** ▲  
Chairman

**Mr. Mohamed Ebrahim Alshroogi** ■ ● ▲  
Vice Chairman

**Mr. Tawfig Shaker Mufti** ●  
Board Member

**Mr. Housseem Ben Haj Amor** ●  
Board Member

**Dr. Khaled Abdulla Ateeq** ■ ▲ ▲  
Board Member

**Mrs. Dalia Hazem Khorshid** ■ ● ●  
Board Member

**Dr. Ziad Ahmed Bahaa-Eldin** ■ ● ●  
Board Member

**Mr. Saud Saleh Al Saleh** ● ●  
Board Member

**Mr. Abdul Elah Abdul Rahim Sabbahi** ● ●  
Board Member

**Mr. Fahd bin Ibrahim Al Mufarrij** ■ ▲  
Board Member

**Mr. Masood Ahmed Al Bastaki** ■ ● ●  
Board Member

**Mr. Musa Abdel-Aziz Shihadeh** ●  
Board Member

**Mr. Naser Mohamed Al Nuwais** ■ ● ▲  
Board Member

.....  
**Mr. Abdul Malek Mezher**  
Secretary to the Board

#### UNIFIED SHARI'A SUPERVISORY BOARD

**Shaikh Abdulla Bin Sulieman Al Mannea**  
Chairman

**Shaikh Dr. Abdullatif Al Mahmood**  
Vice Chairman

**Shaikh Dr. Al Ayachi Al Saddig Fiddad**  
Member

**Shaikh Dr. Saad Bin Nasser Al Shithry**  
Member

**Mr. Yousif Hassan Khalawi** ●  
Member

.....  
**Dr. Eltigani El Tayeb Mohammed**  
Secretary of the Unified Shari'a Board and Shari'a Officer

COMMITTEE NAME	COMMITTEE CHAIRMAN	COMMITTEE MEMBER
Board Executive Committee	▲	●
Board Audit Committee	▲	●
Board Nomination & Remuneration Committee	▲	●
Board Risk Committee	▲	●
Board Social & Sustainable Finance Committee	▲	●
Board Compliance and Governance Committee	▲	●
Independent Director		■