

**Al Baraka Banking Group**  
**Bahraini Public Joint Stock Company (B.S.C)**  
**Minutes of the 19<sup>th</sup> Ordinary General Meeting**  
**Held on March 23, 2020**

Pursuant to the provisions of the Statute of Al Baraka Banking Group BSC (public), the Chairman HE Sheikh / Saleh Abdullah Kamel, on behalf of the Board, invited all shareholders to attend the Ordinary General Meeting (19) to be held in Manama, Bahrain at 11:00 morning on Monday, the 28<sup>th</sup> of Rajab 1441H, corresponding to 23<sup>th</sup> March 2020 at the headquarter of ABG, Sheikh Saleh Kamel Hall, first floor, Bahrain Bay. The meeting was attended by the persons listed in the attendance sheet representing shareholders own name or by proxy.

The Ordinary General Meeting was chaired the by Mr. Abdulla Ammar Al Saudi, Vice Chairman, and opened the meeting by praising to Allah and peace and blessings be upon the Prophet, peace be upon his family and companions and then welcomed the attendees of the shareholders and all of:

**Representative of the Ministry of Industry, Commerce, and Tourism (attended by phone):**

Ms. / Mariam Khaled Aljeben - Corporate Governance Specialist.

**Representatives of the Central Bank of Bahrain, Islamic Financial Institutions Supervision Directorate (attended by phone):**

Mrs. / Khadija Ahmed - Observer - Islamic Financial Institutions Supervision Directorate

Mrs. / Fatima Al-Saad - Islamic Financial Institutions Supervision Directorate

**Representative of the Central Bank of Bahrain, Financial Markets Supervision Directorate (attended by phone):**

Mrs. / Hessa Al-Mannai - Financial Markets Supervision Directorate

**Representative of the Unified Sharia Supervisory Board:**

Sheikh Dr. Abdul Latif Mahmoud Al Mahmoud

**Representative of Ernst & Young (External Auditor):**

Mr. / Isa Al-Jowder

**Representatives of the Shares Registrar: Karvy Fintech:**

Mr. Hani Al-Sheikh - Corporate Services and Investment Funds

Mr. Sadiq Al-Madoub - Corporate Services and Investment Funds

Mr. Chairperson suggested the appointment of Mr. Abdulmalek Mezher, Head of Corporate Governance & Board Affairs as secretary of the meeting, and everyone approved it.

Then the chairperson of the meeting asked the meeting secretary to read the attendance percentage. The meeting secretary received from the delegate of the registrar of shares the attendance report and it was read out as follows: The total number of shares represented by owned name and by proxy in this meeting amounted to 1,022,163,209 shares, out of the total subscribed shares of 1,242,879,755 shares, thus The percentage of shares represented in the meeting owned name and by proxy is (82.78%) of the total shares, and the quorum of the meeting is therefore legal.

After confirming the completion of the quorum in the presence of the supervisory authorities, and accordingly, the chairperson of the meeting requested that the meeting secretary read the agenda consisting of the following items for approval:

1. To discuss and approve the report of the Board of Directors on the activities of the Bank for the Financial Year ended 31/12/2019.
2. To review the Shari'a Supervisory Board's report for the financial year ended 31/12/2019.
3. To review the External Auditors' report for the financial year ended 31/12/2019.
- 4.

- a. To discuss and approve the consolidated financial statements for the financial year ended 31/12/2019.
  - b. To approve the related parties' transactions as stated in note No. (25) of the financial statements in (a) above.
5. To approve the proposed distribution of profits for the financial year ended 31/12/2019, after obtaining the required official approvals, as follows:
- a. The transfer of 10% of the Net Income amounting to US\$ 10,567,218 to the Statutory Reserve.
  - b. The distribution of US\$ 24,857,595 as cash dividend to the shareholders registered on the record date as per the below table (except of the treasury share), amounting to 2 US cent for each share equal to 2% of the par value of the share:

<b>Event</b>	<b>Date</b>
Cum-Dividend Date <i>(Last day of trading with entitlement to dividends)</i>	24 March 2020
Ex-Dividend Date <i>(First day of trading without entitlement to dividends)</i>	25 March 2020
Record Date <i>(The Day on which all shareholders whose names are on the share register will be entitled to dividends)</i>	26 March 2020
Payment Date <i>(The Day on which the dividends will be paid to the entitled shareholders)</i>	08 April 2020

- c. The transfer of US\$ 70,247,367 to the Retained Earnings.

6. To absolve the Directors from liability for the Financial Year ended 31/12/2019.
7. To approve a remuneration of US\$ 1.5 Million to the Members of the Board of Directors for the financial year ended 31/12/2019 after obtaining the required approval from the Minister of Industry, Commerce and Tourism.
8. To ratify the recommendation of the Board of Directors to reappoint Messrs. Ernst and Young as External Auditors for Al Baraka Banking Group for the financial year ending on 31/12/2020, and to authorize and empower the Board of Directors or its delegate to determine their remuneration, subject to the approval of the Central Bank of Bahrain.
9. Election of the board members for a new term of three years from the date of the election, subject to the approval of the Central Bank of Bahrain.
10. The approval of the reappointment of the Unified Shari'a Supervisory Board Members for a new term of three years period, subject to the approval of the Central Bank of Bahrain, and to authorize and empower the Board of Directors to determine their remuneration and approve their charter.
11. To review the Corporate Governance Report as per CBB instruction:
  - d. To review the evaluation of ABG's Board, Board Members, Board Committees, and P&CE (included in the annual report distributed to shareholders).
  - e. To review the board members attendance percentage Report for the board meetings for the year 2019 (included in the annual report distributed to shareholders).
12. To approve the payment of the shareholder's Zakat for the distributable profits as of 31 Dec, 2019 as follows:
  - a. US Cent 0.52 for each 1000 shares to be paid by the shareholders for the profits distributed and received in cash.

- b. To authorize ABG management to pay USD 1,656,267 as Zakat on behalf of the shareholders and to be deducted directly from the retained earnings.

13. To discuss any urgent matter arises according to Article 207 of Commercial Companies Law No. 21/2001 and its amendments.

After completion of the recitation of the agenda, the Chairperson of the meeting requested from the shareholders to adopt the agenda before considering the items, where was approved unanimously, with the agreement that there are no urgent matters in accordance with Article 207 of the Commercial Companies Law No. 21 of 2001 and its amendments.

### **The First Item**

To discuss and approve the report of the Board of Directors on the activities of the Bank for the Financial Year ended 31/12/2019.

At the beginning of the session, the chairperson of the meeting addressed the shareholders and the attendees, welcoming them on his own behalf and on behalf of His Excellency Sheikh Saleh Kamel, Chairman and Founder and all members of the Board of Directors. He stated that the General Assembly meeting is taking place in extremely difficult circumstances that the countries of the region and the world go through, which is the outbreak of Corona disease, which directly affected our meeting, as most members of the Board of Directors were unable to attend this meeting due to the restrictions imposed on travel from some countries, and we, in the interest of the safety of the decent attendees, committed to reducing the attendance of people in the meeting room, but as was confirmed to you at the beginning of this meeting, the quorum of the meeting is complete. We ask God Almighty to protect everyone and to remove the scourge from us and to defend us and all Muslims and all people from the evil of this epidemic.

The chairperson of the meeting continued his speech that, looking forward to the future, we still maintain our positive and optimistic outlook despite the clear challenges that loom in the horizons of regional and global markets alike, especially with the impact of Coronavirus disease and low oil prices. Hoping that the economic climate will improve during the second half of this year, we will continue to focus

on implementing our business strategy in establishing more investment arms in our units after we started this step in Egypt, in order to enhance the link between our business model and the true Islamic banking.

The Group also intends to enhance its digital transformation initiatives, as this transformation has become a necessary response in order to create excellence in the banking services it provides to individuals and companies in all geographical regions in which it is present. It should be noted that our strategy for digital transformation requires not only technical adaptation, but also human resources.

We are sure of our ability to meet all requirements for successful implementation, God willing. We are also keen to selectively raise our operational competencies and expand by entering new markets and creating more branches.

The Group maintains its commitment to the highest standards of corporate governance, and continues to develop compliance functions in line with increasing requirements in the financial and banking sector. We also consider that developing the solid foundations of compliance, maintaining and applying them across all of our units is the most important priority of the group.

Then, the chairperson of the meeting delivered to the audience the report of the board of directors on the activities of the Bank during the financial year ending 31/12/2019, and the shareholders took note of it.

### **The Resolution:**

The Ordinary General Assembly took note and approved the contents of the Board of Directors report on the activities of the Bank during the financial year ended 31/12/2019.

### **The Second Item**

To review the report of the Unified Shari'a Supervisory Board for the fiscal year ending on 31/12/2019

The chairperson of the meeting reviewed this item and then asked the representative of the Unified Sharia Supervisory Board to submit the report to the meeting. Then Sheikh Dr. / Abdul Latif Mahmoud Al Mahmoud read the report and as it was distributed to the shareholders within the annual report of Al Baraka Banking Group, which is found on the Group's website and the Bahrain Stock Exchange.

**The Resolution:**

The Ordinary General Assembly reviewed and took note of the contents of the report of the Unified Shari'a Supervisory Board for the fiscal year ending on 31/12/2019.

**The Third Item**

To review the external auditor's report for the financial year ended 31/12/2019

The audit report for the financial year ending on 31/12/2019 was delivered by the auditor (external auditor) Mr. Isa Al-Jowder, representative of Ernst & Young, to the shareholders and as distributed to the shareholders in the annual report of Al Baraka Banking Group under the audited financial statements section and on the website of the Group and the Bahrain Stock Exchange.

**The Resolution:**

The Ordinary General Assembly reviewed and took note of the contents of the auditor's report for the financial year ending on 31/12/2019.

**Fourth Item**

a. To discuss and approve the consolidated financial statements for the financial year ended 31/12/2019.

b. To approve the related parties' transactions as stated in note No. (25) of the financial statements in (a) above.

Under this item, the chairperson of the meeting asked the member of the board of directors and P&CE Mr. Adnan Ahmed Youssef to present the final accounts included in the annual report previously distributed to the shareholders, which

contained the details of the consolidated financial statements for the financial year ending on 12/31/2019, which allowed the shareholders to be informed before the meeting on the financial statements and the explanations contained therein on the consolidated financial statements. Shareholders were also briefed on the clarifications related to related party transactions in Note No. (25).

A brief explanation was provided of the most important financial indicators included in the financial statements for the year ended December 31, 2019, and an explanation was provided about the transactions with related parties.

**The Resolution:**

- a. Approval of the consolidated financial statements for the financial year ending 31/12/2019.
- B. Approval of the related parties' transactions as stated in note No. (25) of the financial statements in (a) above

**Fifth Item**

Approval of the recommendation of the Board of Directors to distribute the profits after obtaining the required approvals from the official authorities as follows:

A. Transferring 10% to the statutory reserve, at US\$ 10,567,218.

B. Distributing cash dividends to registered shareholders on the record date as per the table above (excluding treasury shares) of US\$ 24,857,595 USD at 2 US cents per share, which is equivalent to 2% of the nominal value of the share.

C. Transfer of US\$ 70,247,367 to the retained earnings.

After reviewing the chairperson of this item and clarifying to the attendees that the Central Bank of Bahrain has approved the proposed distributions from the Board of Directors, the General Assembly resolved the following:

**The Resolutions:**

The following were approved:

a. Transferring 10% to the statutory reserve, at US\$ 10,567,218.

B. Distributing cash dividends to registered shareholders on the record date as per the table above (excluding treasury shares) of US\$ 24,857,595, at 2 US cents per share, which is equivalent to 2% of the nominal value of the share.

C. Transferring of US\$ 70,247,367 to the retained earnings.

### **Sixth Item**

To absolve the Directors from liability for the Financial Year ended 31/12/2019.

The chairperson of the meeting asked shareholders to exercise their right to consider absolving the Chairman and Members of the Board of Directors from liability during the fiscal year ending on 31/12/2019.

Then one of the shareholders asked a question in which he inquired about the reasons for the decrease in the Group's share price in the market below the nominal value, and requested that the Group contract with a market maker to activate the stock movement similar to other banks. The Group's P&CE stated that the reasons behind this are distributions of shares during the past years in addition to the decrease in the number of shares traded by shareholders, stating that the Group will consider this in the coming years, God willing.

### **The Resolution:**

The shareholders approved to absolve the Chairman and Members of the Board of Directors from liability during the financial year ended on 31/12/2019 unanimously.

### **Seventh Item**

To approve a remuneration of US\$ 1.5 Million to the Members of the Board of Directors for the financial year ended 31/12/2019 after obtaining the required approval from the Minister of Industry, Commerce and Tourism.

Following the approval of the above item, the chairperson of the meeting called upon the shareholders to consider the recommendation of the Board of Directors to

approve the disbursement of the amount of US\$ 1.5 million as a remuneration for the members of the Board of Directors, clarifying to all attendees that the approval of the Minister of Industry, Commerce and Tourism was obtained.

**The Resolution:**

The shareholders have approved to disburse the amount of US\$ 1.5 million as a remuneration for the members of the Board of Directors for the financial year ending on December 31, 2019.

**Eighth Item**

To ratify the recommendation of the Board of Directors to reappoint Messrs. Ernst and Young as External Auditors for Al Baraka Banking Group for the financial year ending on 31/12/2020, and to authorize and empower the Board of Directors or its delegate to determine their remuneration, subject to the approval of the Central Bank of Bahrain.

In this item, the chairperson of the meeting reviewed the recommendation submitted by the Board of Directors to reappoint (Ernst & Young) as auditors of the Bank's accounts for the financial year ending on 31/12/2020 and authorize the Board of Directors and grant them the right to authorize whom they deem appropriate to determine their fees, after obtaining the approval of the Central Bank of Bahrain. Then the chairperson asked representative of Ernst & Young to leave the room and then requested the shareholders to consider the recommendation.

**The Resolution:**

Approval of the recommendation of the Board of Directors to reappoint Messrs (Ernst & Young) as auditors of the Bank's accounts for the fiscal year ending 31/12/2020 and authorizing the board of directors and granting them the right to authorize whom they deem appropriate to determine their fees, with clarifying to all attendees that the approval from the Central Bank of Bahrain has been obtained as well.

## **Ninth Item**

Election of the members of the Board of Directors for a new term of three years from the date of election, subject to the approval of the Central Bank of Bahrain

The chairperson reviewed this item and, based on the relevant instructions, formed a committee to count the votes. The committee was formed by the registrar of shares and a number of shareholders; then the secretary of the meeting stated that the voting cards include the list of candidates that were announced on the stock exchanges according to the listing Rules and that the vote will be confidential and by using the cumulative voting mechanism according to the Bahrain Commercial Companies Law.

Then the votes counting committee delivered to the meeting secretary the election results for its recitation. Then the meeting secretary read the results of the election of the following board members' names who won the membership of the board for a new three-year term 2020-2023 from the date of the election subject to the approval of the Central Bank of Bahrain:

1. Shaikh Saleh Abdullah Kamel
2. Mr. Abdullah Saleh Kamel
3. Mr. Adnan Ahmed Yousif
4. Mr. Abdul Elah Sabbahi
5. Mr. Saud Saleh Al Saleh
6. Dr. Khaled Abdulla Ateeq
7. Mr. Fahad Abdullah Al Rajhi
8. Dr. Jehad Abdul Hamid El-Nakla
9. Mrs. Dalia Hazem Khorshid
10. Mr. Naser Mohamed Al Nuwais
11. Prof. Mohamed Cheikh Rouhou

12. Dr. Ziad Ahmed Bahaaeldin

13. Mr. Mohamed Ebrahim Alshroogi

### **Tenth Item**

The approval of the reappointment of the Unified Shari'a Supervisory Board Members for a new term of three years period, subject to the approval of the Central Bank of Bahrain, and to authorize and empower the Board of Directors to determine their remuneration and approve their charter.

In this item, the chairperson reviewed the recommendation submitted by the Board of Directors to re-elect the unified Sharia Board for a new three-year term from the date of re-election after obtaining the approval of the Central Bank of Bahrain, and to authorize the Board of Directors to determine their remuneration and to authorize the charter that regulates the work and powers of the Sharia Board, then the chairperson requested the shareholders to consider the recommendation.

### **The Resolution:**

Approval of the re-appointment of the Unified Sharia Committee for a new three-years term from the date of the re-appointment, stating that the approval of the Central Bank of Bahrain was obtained, and the Board of Directors was authorized to determine the remuneration of the Sharia Supervisory Board and the charter that regulate the work and powers of the Sharia Board.

### **Eleventh Item**

To review the Corporate Governance Report as per CBB instructions:

- a. To review the evaluation of ABG's Board, Board Members, Board Committees, and P&CE (included in the annual report distributed to shareholders).
- b. To review the board members attendance percentage Report for the board meetings for the year 2019 (included in the annual report distributed to shareholders).

The chairperson of the meeting reviewed this item where the shareholders were briefed on the report on the application of Banks' governance requirements in accordance with the instructions of the Central Bank of Bahrain which was stated in the annual report that distributed to shareholders before the meeting and also published on the Group's website and the Bahrain Stock Exchange website, in addition to a data show presentation during the meeting that included a summary of the Governance requirements detailed in the annual report.

Also, the shareholders were informed of the results of the evaluation of the board of directors, members of the board, the P&CE and board committees through what was mentioned in the annual report distributed to them before the meeting. The shareholders were informed as well of the results of the attendance percentage report of the members of the Board of Directors to the meetings of the board for the year 2019. After reviewing the above reports, the General Assembly resolved the following:

**The Resolutions:**

- The Ordinary General Assembly reviewed and took note of the contents of the report on the application of banking governance requirements in accordance with the instructions of the Central Bank of Bahrain.
- The Ordinary General Assembly reviewed and took note of the contents of the evaluation report of the chairman, the two vice-chairmen of the board of directors, the performance of the board of directors, board members, the P&CE, and board committees.
- The Ordinary General Assembly reviewed and took note of the contents of the percentage report of the attendance of the members of the Board of Directors to the meetings of the board for the year 2019.

## **Twelfth item**

To approve the payment of the shareholder's Zakat for the distributable profits as of 31 Dec, 2019 as follows:

- a. US Cent 0.52 for each 1000 shares to be paid by the shareholders for the profits distributed and received in cash.
- b. To authorize ABG management to pay USD 1,656,267 as Zakat on behalf of the shareholders and to be deducted directly from the retained earnings.

After reviewing the chairperson this item, the General Assembly resolved the following:

### **The Resolutions:**

The shareholders' zakat for their distributable profits was approved as of December 31, 2019 as follows:

- a. To pay cents 0.52 US per thousand shares by the shareholders for the distributions received in cash.
- b. Authorize Al Baraka Banking Group management to pay US\$ 1,656,267 as zakat on behalf of all shareholders so that this amount to be deducted directly from the retained earnings.

## **Thirteenth item**

To discuss any urgent matter arises according to Article 207 of Commercial Companies Law No. 21/2001 and its amendments.

There was no discussion of any urgent issues according to Article 207 of the Commercial Companies Law No. 21 of 2001 and its amendments.

Then the chairperson completed his speech and stated that before the conclusion of this session, and since I and a group of my colleagues (7 members) will leave the board of directors, whose terms ends with the end of this meeting, allows me to extend to them on your behalf all thanks and appreciation for their sincere efforts in supporting the executive management, and the building of this Group that we are all

proud of; also we wish the new members, under the leadership of the founder of this Group, all success.

On a personal level, I would like to extend my thanks and appreciation to the Chairman of the Board (the founder) and the Group's owner, Sheikh Saleh Abdullah Kamel (may God protect him and sponsor him) for inviting me to join the Board of Directors when the capital was restructured in 2006.

I must point out here that Al Baraka Banking Group is unique from other Islamic and conventional banks and financial institutions by having a unique business model, as most of the Group's banking units were established in the 1970s, 1980s and 1990s, and then in 2000 the parent company was established. While the usual case is establishing the parent company before the units are established. This created great challenges for the Group's executive management in unifying the business strategies of all these units under one strategic umbrella led by the parent company, and presenting them to the world as part of the Group, working according to uniform standards and policies established by the Group.

By the way, the capital restructuring was done through an evaluation of the existing units that time in a number of countries and owned by Sheikh Saleh Kamel, and a group of investors were invited to subscribe to the amount of the increase, which was set at US\$ 370 million.

Then, the Group started in its new march with a board of directors that included diverse and distinguished experiences and an executive management led by Mr. Adnan Youssef, who has a long and varied banking experience as well as distinguished relationships to deal with others. All of these factors helped in the launch of this banking edifice, which its presence provided support to the Islamic banking, and it is the only Group that has not only dealt with bodies and companies but rather extended cooperation with the grassroots through more than 700 branches spread in more than seventeen countries in three Continents.

In terms of numbers, the shareholders equity of the Group before its capital restructuring in 2005 amounted to US\$ 767 million and then increased during 2006 and 2007, which is the period during which the capital restructuring increased to US\$ 1,570 million and then continued to rise by giving shareholders bonus shares

from 2007 to 2017 to reach US\$ 2,511 million in addition to what was distributed in cash to shareholders - US\$ 376 million (US\$ 438 million until 2019).

The shareholders equity was subject to decline during the period 2017 to 2019 due to the decline in currencies in the countries in which the Group is located, led by Turkey, Egypt and Algeria, to reach US\$ 2,323 million.

Taking into account all the political and economic fluctuations and events that the Arab region and international markets witnessed (during the decade and more), what the group achieved, whether at the level of credibility and leadership in applying the provisions of Sharia, and the financial return to shareholders cannot be described as less than good. We thank Mr. Adnan Yousif, P&CE and his colleagues in the Group for this performance.

We pray to God Almighty to grant success to the new board of directors to achieve what has not been achieved through the outgoing board.

In conclusion, I would like to take this opportunity to present on behalf of myself and on behalf of the members of the Board of Directors, the executive management and all employees of Al Baraka banks sincerely thanks and appreciation to His Majesty King Hamad bin Isa Al Khalifa, and His Royal Highness Prince Khalifa bin Salman Al Khalifa, Prime Minister, and the Crown Prince, His Royal Highness Prince Salman bin Hamad Al Khalifa, First Deputy Prime Minister and Deputy Supreme Commander of the Bahrain Defense Force. My thanks also goes to the Ministry of Industry, Commerce and Tourism, the Central Bank of Bahrain, the Bahrain Stock Exchange and Nasdaq Dubai, and to the esteemed shareholders of Al Baraka, the central banks and the regulatory authorities in countries where the Group's units are located for their support for the activities of the Group.

Then a call from His Excellency Sheikh Saleh Abdullah Kamel was received, where he welcomed all the attendees, including shareholders, representatives of the regulatory authorities, delegates of the external auditor, the Unified Sharia Board and the shares registrar and he wished that he was able to attend the meeting but due to the conditions in the region and the world because of coronavirus and preventing of travel, he did not able to attend, asking God Almighty, the Exalted, the Majestic, to remove the cloud and protect his servants from this epidemic.

Then, His Excellency Sheikh Saleh thanked the Kingdom of Bahrain as king, government and people, for their continuous support to the Islamic economy and for providing a safe and stable investment environment.

His Excellency Sheikh Saleh also thanked and appreciated the efforts made by Mr. Abdullah Al-Saudi and the rest of the members during their membership period in the Group and he hoped that they would continue to work together except that the new regulations do not allow independent members to continue membership as independent members for more than 3 consecutive terms, and thanks were extended to Mr. Adnan Ahmed Yousif, the P&CE and the management of the Group for their efforts.

Then His Excellency Sheikh Saleh referred to the current global economic situation and recommended to everyone the fear of God Almighty in their business, especially financial banks, which must be the essence of its business in order to employ servants and develop the countries and to be real not just lending, and that everyone should return to God Almighty and to the right, hoping from God, his ability to calm the world from the epidemic of the Corona virus, and in this difficult period people should inspect each other from neighbors, wombs and workers whose livelihood was interrupted. After that, His Excellency Sheikh Saleh Abdullah Kamel ended his intervention thanking all attendees again.

After that, the chairperson of the meeting asked the meeting secretary to read the resolutions of the meeting, and that the shareholders authorize the chairperson and the secretary to sign on them, where the shareholders agreed to that, and then the meeting secretary read the meetings' resolutions for approval and the session was adjourned at 12:30 noon.

Abdullah Ammar Al-Saudi

The Chairperson of the Meeting

Abdul Malek Shehadeh Mezher

The Meeting Secretary