



Minutes of Ordinary General Assembly Meeting Held on Monday, 13th April 2020

At the invitation of the Board of Directors, the Company's General Assembly Meeting (AGM) held its annual meeting in the conference room, at the ninth floor of the Bahrain National Holding Company building, Seif District at 12:00 p.m. on Monday, April 13, 2020, under the chairmanship of Mr. Farooq Yusuf Al Moayyed, Chairman of the Board of Directors, and the presence of:

Board Members:

Abdulhussain Khalil Dewani, Abdulrahman Mohamed Juma, Ghassan Qasim Fakhroo, Jehad Yusuf Amin, Sami Mohamed Sharif Zainal, Redha Abdulla Faraj, Ayad Saad Algosaibi, Ali Hasan Mahmood, Tala Fuad Kanoo.

Company's Management:

Mr. Sameer Alwazzan	Chief Executive Officer
Mr. Masood Bader	Deputy Chief Executive Officer
Mr. Mohamed Kadhem	Board's Secretary
Mr. Anand Subramaniam	Chief Financial Officer

Central Bank of Bahrain:

Mr. Jaber Al A'ali, Capital Market Supervision (via ZOOM)

Ministry of Industry, Commerce and Tourism:

Mrs. Mariam Khalid Rashid Ahmed (via ZOOM)

Bahrain Bourse:

Mr. Senan Al Sherooqi (via ZOOM)

KPMG (External Auditors):

Mr. Mahesh Balasubramanian
Mr. Hassan Jassim

The number of shares attended the meeting originality and by proxy 92,660,940 shares, representing 82.29% of the total number of company's shares giving the required quorum to hold the meeting. The Chairman welcomed all attendees and called the meeting to order. The meeting's agenda was discussed, and the following decisions/recommendations were taken:

During the meeting, some of the interventions and inquiries from some of the shareholders were discussed, which are provided along with Board/Management's responses at the end of the minutes.

Decisions taken at the meeting: In the light of the discussions, deliberations and clarifications provided by the Chairman, members of the Board of Directors, executive management and external auditors on the interventions of the shareholders, the following decisions and recommendations have been made:

- 1- Approval of the minutes of the previous ordinary general assembly meeting held on 27th March 2019.
- 2- Approval of the Board's report on the Company's activities during the year ended 31/12/2019.
- 3- Approval of the auditor's report for the year ended 31/12/2019.

Mr. Hassan Jassim, Representative of the External Auditors, KPMG read out their report noting that they audited the company's financial statements and the components of the Financial position as of December 31, 2019, the profit and loss statement, the comprehensive income statement, and the statement of the financial position, changes in equity rights, statement of cash flows for the year ending that date and clarifications consisting of a summary of important accounting policies and other explanatory information, stressing that the financial statements fairly appear in all fundamental aspects of the financial position of the company as in 31 December 2019, its financial performance and cash flows for the year ending that date, in accordance with international financial reporting standards

- 4- Approval of the audited financial statements for the year ended 31/12/2019.
- 5- Approval of the following recommendations of the Board of Directors regarding the appropriation of profits for the year ended 31/12/2019:

- a) Distribution of cash dividends to the shareholders @ 22% of the paid-up capital (22 fils per share) amounting to BD 2,477,387.

b) Event	Date
Cum-Dividend Date <i>(Last day of trading with entitlement to dividends)</i>	14 th April 2020
Ex-Dividend Date <i>(First day of trading without entitlement to dividends)</i>	15 th April 2020
Record Date <i>(The Day on which all shareholders whose names are on the share register will be entitled to dividends)</i>	16 th April 2020
Payment Date <i>(The Day on which the dividends will be paid to the entitled shareholders)</i>	29 th April 2020

- c) Transfer BD 2,314,155 to retained earnings.

- 6- Approval of recommendation to allocate BD 199,000 as remuneration for the members of the Board of Directors for the year 2019
- 7- Approval of the Corporate Governance Report for the year 2019.
- 8- Approval of related parties transactions report for the year 2019 as shown in the note number 35 of the Financial Statements in accordance with article 189 of Commercial Companies Law.
- 9- Absolve the conduct of the members of the Board of the company and discharged them from liability for their actions during the year ended 31/12/2019.



10- Approval of re-appointment of KPMG as external auditors for the year 2020 and authorized the Board of directors to determine their remuneration. In this context, the objection of the shareholder, Mr. Ali Al-Tarif to this appointment was recorded.

11- Election of members of the Board of Directors for the next three years (2020-2022):

A committee consisting of representatives of the shareholders who attended the meeting were formed including: Ali Abdul Aziz Abdul Malik and Mohammed Habib Ahmed, in addition to Mr. Sadiq Al-Mudaweb from the shares registerers, Karvy Computershare W.L.L for vote counting, where the counting process resulted in the victory of the following members as the Board's Directors for the next three years (2020-2022):

1. Farooq Yusuf Al Moayyed (Independent non-Executive)
2. Abdulhussain Khalil Dawani (Non-Executive)
3. Abdulrahman Mohamed Juma (Non-Executive)
4. Redha Abdulla Faraj (Independent non-Executive)
5. Ghassan Qassim Fakhroo (Non-Executive)
6. Jihad Yusuf Amin (Independent non-Executive)
7. Ali Hassan Mahmood (Non-Executive)
8. Sami Mohamed Sharif Zainal (Non-Executive)
9. Talal Fuad Kanoo (Non-Executive)
10. Ayad Saad Algozaibi (Independent non-Executive)

12- Matter arising: There were no matters arising for discussion.

Shareholders' Interventions:

The following is a summary of the interventions and inquiries that took place during the meeting, all of which came from the shareholder, Mr. Ali Al-Tarif and the Board, Management & External Auditors responses:

1. Suggested that for the coming years, the annual report should include the full minutes of the Annual General Assembly Meeting (AGM) to facilitate the task of prior reading it and thereby facilitating its ratification without need to read it during the following year's meeting. The Chairman of the Board welcomed the idea, directing the Management to include the said minutes in the annual report or to be attached with the AGM invitation card as of the financial year ended December 31, 2020.
2. Suggested that for the coming years, the CEO make a brief presentation of the results achieved and the company's strategy including future's plans. The Board's member, Mr. Jihad Amin, replied that the company's strategy and plans are internal topics that the company cannot announce in advance to maintain its confidentiality and achieve its desired objectives, especially that we are in a competitive market.

3. He thanked the Board and the executive management for their efforts to improve shareholders equity, but commented on the total market value, saying that it is in a decreasing direction, wondering why?

The Chairman and Board's member, Mr. Jehad Amin replied that this is due to the movement of the company's shares in term of quantities that are traded, which affects the share price up or down, thus calculate the total market value. Mr. Jihad Amin also pointed out that during 2019 the value of the share decreased as a result of the sale of some shareholders part of their shares and then increased later to return to its price before the decline and the observer should not only look at the periods of decline but should look at the periods of the rise as well. What may be low when preparing financial statements at the end of the financial year could change in the month following the preparation of such statements depending on market movement, which is normal for the shares of a listed company.

4. He inquired how Arabian Shield Company is considered as associate company while the company's ownership is only 15%. Mr. Hassan Jassim from external auditors replied that the ownership ratio is not the only element for considering the company as an associate company, but there are other considerations, including but not limited to the influence on the operations of the associate company, pointing out that Bahrain National Holding is represented on the board of directors of the said associate company and has an influence in the conduct of its business, saying that international standards permit considering it as an associate company in light of the above.
5. Commenting on the CEO's speech included in the annual report, he thanked him for the material information contained, suggesting that more information such as the return on equity and return on the share could be included in the future. The Chief Executive responded that all these information are available in the annual report financial statements, particularly on pages 48 and 49, which could be referred to.
6. Commenting on the consolidated cash flow statement, he noted a decline in items such as cash flow from the insurance business, cash and equivalent, inquiring why?

The CEO responded that the company works throughout the year collecting its dues and paying its debts, which affects the financial position up or down, and this is a purely routine work that cannot be avoided, pointing out that what is contained in the preparation of financial statements at the end of the year is subject to change later on.

7. Commenting on Mr. Altareef inquiry as how the company deals with bonds and choosing the best, Mr. Chairman of the Board the board member Mr. Jehad Amin replied that the company has an investment committee invests throughout the year in accordance with clear policies, noting that the company only deals in the bonds of companies which are classified and with a good reputation, noting that the remarkable investment results achieved during 2019 giving a good sign of good choice.

8. He inquired about the reasons for the decline in the profits of some associate companies such as National Finance House and Arabian Shield Insurance Company. Mr. Chairman of the Board responded that this is mainly due to the decline in the sale of new cars, especially with the implementation of value added tax, which affected the entire sector and not just the company.

The CEO added that the laws currently prevailing in Saudi Arabia require dealing only with agents licensed by the Saudi Arabia Monetary Agency unlike the past, where the company started to rely on direct dealing, which initially affected a decrease in car premiums, especially at the beginning of implementing the new laws, and we hope that the situation will improve in the forthcoming stage.

9. He suggested that each Board's member is identified in the next annual report as to whether he is independent or otherwise. This suggestion has been recorded for future implementation.
10. Mr. Altareef inquired, why the CEO is not a member of the Investment Committee? The CEO replied that the Investment Manager, with his expertise, is a member of the said committee. The Chairman also pointed out that the appointment of committees is the responsibility of the Board of Directors, where the appropriate persons are appointed to each committee in accordance with the terms of reference of each committee.
11. Finally, Mr. Altareef thanked the company's management, staff and the Board of Directors for their dedication and efforts to enhance the status of women by giving them the opportunity to take advanced positions in senior management, hoping that the women will gain a seat on the Board of Directors in the future as well.

As there were no other matters for discussion, the Chairman announced the end of the meeting at around 1:15 p.m., extending his thanks and appreciation to the wise leadership as well as the Central Bank of Bahrain, the Ministry of Industry, Commerce and Tourism and shareholders for their continued support, wishing them all success.

Farooq Yusuf Al Moayyed
Chairman of the Board of Directors and
The Ordinary General Assembly

