

Bahrain Middle East Bank (B.S.C.)

Minutes of the Annual General Meeting

Upon the invitation of the Board of Directors of Bahrain Middle East Bank (B.S.C.), the Annual General Meeting was held at 10:01 AM on Thursday, 16 February 2017 at the Bahrain Conference Centre, the Crowne Plaza Hotel, Manama, Kingdom of Bahrain. The meeting was held in the presence of representatives of the Central Bank of Bahrain, Ministry of Industry and Commerce, Bank's Auditors (Ernst & Young), Bahrain Bourse, Karvy Computershare W.L.L., and Bank's Legal Advisors Zeenat Al Mansoori, as listed:

1. Central Bank of Bahrain – Wholesale Banking Supervision Directorate

Mr. Isa Al Motawaj
Mrs. Sawsan Saeed

2. Central Bank of Bahrain – Capital Markets Supervision Directorate

Mrs. Alya Omran
Mr. Ahmed Al Alawi

3. Ministry of Industry & Commerce

Mrs. Zainab Jaafer

4. Bank's Auditors – Ernst & Young

Mr. Nader Rahimi
Mr. S. Ali Khalaf

5. Bahrain Bourse

Mr. Hassan Thamer

6. Karvy Computershare W.L.L.

Mr. Hani Al Shaikh

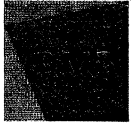
7. Bank's Legal Advisor – Zeenat Al Mansouri

Ms. Sara Al Kooheji

Meeting's Quorum

The meeting was attended by shareholders who have voting rights representing 85.14% of the Shareholders.

The meeting was chaired by Mr. Wilson Benjamin, Chairman of the Board of Directors, who welcomed those in attendance. Prior to deliberation of the Agenda, the Chairman, as per Article 207 of the Commercial Companies Law of the Kingdom of Bahrain, asked the shareholders present if there were any additional issues that they wished to be introduced to the Agenda and if they had any objections to the pre-circulated Agenda of the said meeting.



The shareholders present confirmed their agreement with the Agenda and that there were no additional issues to be raised.

The meeting thereon deliberated on the pre circulated Agenda:

Agenda Item No. 1: *Review and approval of the Minutes of the Annual General Assembly of Shareholders held on 27 March 2016*

The Minutes pre-circulated were deemed to be read. With no queries or clarifications sought, the said Minutes were approved and the following resolution as proposed by the Chairman was adopted.

“Resolved that the Minutes of the Ordinary General Assembly of shareholders held on 27 March 2016 be and are hereby approved.”

Agenda Item No. 2: *Presentation and approval of the Report of the Board of Directors on the Bank’s business activities for the year ended 31 December, 2016*

A shareholder asked for permission to speak, which the Chairman allowed. The shareholder asked whether it was as per the rules to pay the Board remuneration despite the Bank not showing growth. The Chief Executive Officer, Mr. Ritchie Skelding, replied that the Board of Director emoluments comprise sitting fees only, are modest and are within the range for what is paid in the market. Mr Skelding, added that paying suitable sitting fees is important to ensure that the bank has qualified members on the Board of Directors.

The same shareholder further inquired whether it was appropriate that remuneration in the millions be paid when shareholders are not receiving any dividends, despite the Bank posting successive periods of profit. The CEO replied that the Bank has significant carried forward losses which it must reverse prior to being allowed to issue dividends to shareholders. He also added that it would be imprudent for management and the Board to recommend that the bank should pay dividends prior to reaching the regulatory required levels of capital.

The Directors' Report as presented was approved and the following resolution was unanimously passed.

“Resolved that the Report of the Board of Directors on the Bank’s business activities and performance for the year ended 31 December, 2016 be and is hereby approved.”

Agenda Item No. 3: *Presentation and approval of the Auditors’ Report for the year ended 31 December, 2016*

The said Report was read out by the External Auditor of the Bank – Ernst & Young – for the financial year ended 31 December 2016. With no queries or clarifications sought, the said Report was approved and the following resolution as proposed was adopted:



“Resolved that the External Auditor’s Report as presented for the fiscal year ended 31 December 2016 be and is hereby approved.”

Agenda Item No. 4: *To discuss and approve the consolidated financial statements for the year ended 31 December 2016*

The audited financial statements of the Bank for the financial year ended on 31 December 2016 as previously circulated were placed before the Shareholders, and the Chairman sought to know if any queries or clarifications were required. As there were no clarifications sought, the Chairman proposed for these financial statements to be adopted. The shareholders approved the financial statements of the Bank and the following resolution as proposed by the Chairman and seconded by Mr. Ritchie Skelding was adopted:

“Resolved that the Consolidated Statement of Financial Position and the Consolidated Statement of Income, of the Bank for year ended 31 December 2016 as audited by Ernst & Young and as presented by the Board of Directors be and is hereby approved and that copies of the said Consolidated Statement of Financial Position and the Consolidated Statement of Income, be filed in the records of this Annual Ordinary General Assembly.”

Agenda Item No. 5: *To discuss and take on record the Board of Directors Report on Corporate Governance and compliance with the Central Bank of Bahrain’s requirements for the year 2016*

The Bank's Corporate Governance Report for the year 2016 as presented to the Shareholders, was approved and taken on record as presented.

The following resolution was thereafter unanimously adopted:

“Resolved that the Board of Directors Report on the Bank’s Compliance with the Corporate Governance and the Central Bank of Bahrain’s requirements be and is hereby taken on record.”

Agenda Item No. 6: *To approve the recommendation of the Board of Directors to allocate US\$5,000 for the sponsorship of socially responsible activities and donations to various charities during the financial year 2017.*

The Bank’s Board of Directors' recommendation to allocate a sum of US\$5,000 for the sponsorship of socially responsible activities and donations to various charities during the financial year 2017 was approved and the following resolution passed:

“Resolved that US\$5 thousand be and is hereby approved for sponsorship of socially responsible activities and for allocation to disbursements to various charities in the Kingdom of Bahrain for the financial year 2017.”



Agenda Item No. 7: *To discharge Members of the Board of Directors from liability in respect of the year ended 31 December, 2016*

Deliberating on this Agenda item, the shareholders resolved to discharge the Board of Directors from full and total liability, for any action taken by them, for the financial year ended on 31 December 2016.

The following resolution was thereafter unanimously adopted:

“Resolved that full and total discharge from liability be and is hereby granted to the Board of Directors who have served in the financial year, in respect of their duties, and any action taken by them, during the year ended 31 December 2016.”

Agenda Item No. 8: *Election of Board of Directors of the Bank for a three-year term*

The Chairman informed the Shareholders that all members of the current Board of Directors have confirmed their willingness to stand for re-election for a further three-year term. He also informed shareholders that the Nomination & Remuneration Committee did not receive any other nominations in this respect and that the said re-appointment of the existing Directors has been approved by the Central Bank of Bahrain subject to Shareholder approval.

With no other candidature presented, the re-election of the Bank’s Board of Directors for a further three-year term was approved by the Shareholders.

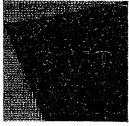
The following resolution was adopted:

It was resolved that the following be and are hereby elected to the Board of the Bank for a three-year term from 1st April, 2017 to 31st March, 2020:

Mr. Wilson Benjamin
Sh. Abdullah Al Sabah
Prof. Awadh Kh. Al Enezi
Mr. Ebrahim A.S. BuHendi
Mr. Karunakar Nampalli
Mr. Jawad Naser Jawad Jaafar
Mr. Salim Ali
Mr. Yohannan Abraham

Agenda Item No. 9: *Appointment of External Auditors for the year 2017 and authorize the Board of Directors to fix their remuneration*

The shareholders were advised that the recommendation of the Board for the reappointment of Ernst & Young as Auditors of the Bank for FY2017 was approved by the Central Bank of Bahrain, subject to shareholder approval. The shareholders approved the reappointment



of Ernst & Young as the External Auditors of the Bank for the financial year 2016 and recommended for the Board of Directors to fix their remuneration.

Accordingly the Chairman proposed the following resolution which was adopted:

“Resolved that Ernst & Young, Bahrain be and are hereby appointed as the external auditors of Bahrain Middle East Bank B.S.C., for the year 2017 and that the Board of Directors be and is hereby authorized to fix their remuneration.”

Agenda Item No. 10: *Any other matters that may arise – per Article 207 of the CCL of the Kingdom of Bahrain*

No matters were raised by the Shareholders in attendance.

The Chairman of the Meeting expressed his gratitude to all present for taking the time to attend the proceedings and the Assembly was adjourned at 10:12 AM.

Wilson S. Benjamin
Chairman of the Meet
Chairman of the Board of Directors



Ritchie Skelding
Chief Executive Officer

These are provisional Minutes of the Annual General Assembly of Shareholders of Bahrain Middle East Bank B.S.C. held on 16 February 2017, and will be duly ratified by the Shareholders of the Bank at its next Meeting.

