



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

Minutes of the Ordinary General Meeting

Upon the invitation of the Board of Directors, the Annual Ordinary General Meeting was held upon its third calling at 10:02 AM on Thursday 9 April 2020 via video teleconferencing. The meeting was held in the presence of representatives of the Central Bank of Bahrain ("CBB"), Ministry of Industry, Commerce and Tourism ("MOICT"), Bank's Auditors Ernst & Young ("EY"), Bahrain Bourse, Bahrain Clear and Bank's Legal Advisors Zeenat Al Mansoori, as listed:

1. Central Bank of Bahrain – Wholesale Banking Supervision Directorate

Mr. Isa Al Motawaj

Mr. Abdulla Al Hammadi

2. Central Bank of Bahrain – Capital Markets Supervision Directorate

Ms. Fareema Hasan

3. Ministry of Industry & Commerce

Mrs. Nada Al Thawadi

4. Bank's Auditors – Ernst & Young

Mr. Nader Rahimi

Mr. Ali Khalaf

Mr. Mahmood Habib

5. Bahrain Bourse

Mrs. Layla Rasti

6. Bahrain Clear

Mrs. Huda Al Tarboosh

Mr. Husain Haji





7. Bank's Legal Advisor – Zeenat Al Mansouri

Mrs. Amel Al Aseeri

Board of Directors:

The meeting was attended by the following members of the Board of Directors of Bahrain Middle East Bank B.S.C. The Meeting was chaired by the Vice Chairman Abdulrahman Abdulla Mohamed Husain as Sh. Khalifa bin Duaij Al Khalifa apologized for not being able to attend.

Mr. Abdulrahman Abdulla Mohamed Husain	Vice Chairman
Mr. Yusuf Abdulla Mohamed Taqi	Director
Mr. Ebrahim Husain Ebrahim AlJassmi	Director
Mr. Emad Yousef Al Monayea	Director

Meeting's Quorum

The meeting was attended by shareholders who have voting rights representing 0.00000025% of the Shareholders. In line with article 201 of the Bahrain Commercial Companies Law of the year 2001 and its amendments, the third meeting has no minimum quorum requirements.

The Vice Chairman of the Board of Directors ("the meeting's Chairman") opened the session by welcoming the shareholders in attendance and the members of the regulators.

The meeting thereon deliberated on the pre circulated Agenda:

Agenda Item No 1: Review and approve the Minutes of the Ordinary General Assembly Meeting of the Shareholders held on 6 January 2020

With no queries or clarifications sought, the said Minutes were approved, and the following resolution proposed by the Chairman was adopted:





“Resolved that the Minutes of the Ordinary General Assembly Meeting of the Shareholders held on 6 January 2020 be and 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 2019.*

With no further comments from the attendees, the following resolution proposed by the Chairman was adopted:

“Resolved that the Report of the Board of Directors on the Bank’s business activities for the year ended 31 December 2019 be and hereby approved.”

Agenda Item No 3: *Presentation and approval of the Auditors’ Report for the year ended 31 December 2019.*

Mr. Nader Rahimi read out the External Auditor’s report for the year ended 31 December 2019 emphasizing that there was a disclaimer of opinion.

With no further comments from the attendees, the following resolution proposed by the Chairman was adopted:

“Resolved that the Auditors’ Report for the year ended 31 December 2019 be and hereby approved.”

Agenda Item No 4: *To discuss and approve the consolidated financial statements for the year ended 31 December 2019.*





With no further comments from the attendees, the following resolution proposed by the Chairman was adopted:

“Resolved that the consolidated financial statements for the year ended 31 December 2019 be and hereby approved.”

Agenda Item No 5: *To discuss and approve the report on Corporate Governance and compliance with the Central Bank of Bahrain’s and the Ministry of Commerce, Industry and Tourism’s requirements for year 2019.*

With no further comments from the attendees, the following resolution proposed by the Chairman was adopted:

“Resolved that the report on Corporate Governance and compliance with the Central Bank of Bahrain’s and the Ministry of Commerce, Industry and Tourism’s requirements for year 2019 be and hereby approved.”

Agenda Item No 6: *To report on any related party transactions that have taken place in the year ended on 31 December 2019 as outlined in note (25) of the consolidated financial statements in compliance with article 189 of the Commercial Companies Law of the Kingdom of Bahrain. of 2001, as amended.*

With no further comments from the attendees, the following resolution proposed by the Chairman was adopted:

“Resolved that the report on any related party transactions that have taken place in the year ended on 31 December 2019 be hereby approved.”

Agenda Item No 7: *Discharge those Members of the Board of Directors who are currently registered in the Bank’s CR Information with the Ministry of Industry, Commerce and Tourism from any liability in respect of the Financial Year ended 31 December 2019.*





With no further comments from the attendees, the following resolution proposed by the Chairman was adopted:

“Resolved that full and total discharge is hereby granted to those Members of the Board of Directors who are currently registered in the Bank’s CR Information with the Ministry of Industry, Commerce and Tourism from any liability in respect of the Financial Year ended 31 December 2019.”

Agenda Item No 8: ***Appointment of External Auditors for the Financial Year ending 31 December 2019 and authorize the Board of Directors to fix their remuneration, subject to approval of Central Bank of Bahrain.***

Representatives of the External Auditors Ernst & Young excused themselves from being present while the General Assembly discusses this item.

With no further comments from the attendees, the following resolution proposed by the Chairman 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 2020 and that the Board of Directors be and is hereby authorized to fix their remuneration, subject to approval of Central Bank of Bahrain.”

No further matters were raised by the Shareholders in attendance.

Mr. Yusuf Taqi, member of the Board of Directors of BMB, asked what the regulator’s view on the validity of the General Assembly, given that the meeting is being attended by a shareholder owning one share only. The Chairman of the Meeting stated that the MOICT representative has confirmed at the start of the meeting that since there is no minimum quorum the AGM can proceed; however, the EGM cannot be held. The Chairman also asked the regulators’ to express their viewpoint on this as the directors are calling for general assembly meetings in compliance with the law however only a small minority of





shareholders are in attendance and as issues on the Bank's continuity could not be deliberated on. The Board would like the regulators to provide a directive on this issue given that it may not be possible to hold an EGM in the future.

The Bank's Acting CEO Mr. Abdulla Dawood replied that the meeting is valid as per his understanding and that the proper process is being followed. The Bank's legal advisor Mrs. Amel Al Aseri added that issues relating to the continuity are EGM matters and can only be discussed in a meeting when the legally mandated quorum is met. Further, issues related to continuity cannot be voted on by the Bank's majority shareholder A.N. Investment W.L.L. due to a conflict of interest which makes this challenging to achieve. She added that if this issue persists over a longer period, and the question of continuity continues to be unanswered, the regulators may step in and ask the Bank to wind down or to be put under administration.

Mr. Isa Al Motawaj, the Director of Wholesale Banking at the Central Bank of Bahrain ("CBB"), stated that the CBB understands that BMB is in an abnormal situation regarding its majority shareholders and CBB has evaluated that directing the Bank to liquidate or to be put under administration would not be in the best interest of the stakeholders particularly as there are various other financial institutions that are also exposed to the same defaulted parties that BMB is working on recovering its funds from.

Furthermore, Mr. Al Motawaj added that there are no issues with the Board of Directors' legal standing as it continues to meet and work within its legal framework and under close supervision of the Central Bank of Bahrain and the CBB is meeting with the Bank frequently. The Board of Director's work on recovering the assets of the Bank is in the best interest of the stakeholders subject to the liquidity position of the Bank allowing it to continue in this manner.

Mr. Al Motawaj added that the Board were elected by the Ordinary General Meeting in 2018 upon the request of the CBB and upon the invitation of the MOICT, with all the Board members currently serving on the Board having being vetted and approved by the Central Bank of Bahrain. He reaffirmed that there are no issues with the Board of Director's from





the CBB's point of view and reassured the directors especially as the Bank is working under close CBB supervision.

Mrs. Al Aseeri added that the Board's and Management's current efforts towards recovery is in line with what is being discussed and that is evidenced by the cases that are in the process of being filed with the objective of recovering the Bank's assets.

Mr. Emad Al Monayea, a member of the Board of Directors of BMB, thanked Mr. Al Motawaj for the clarification and reassured all present that the Board and Management are putting all efforts on recovering all or at minimum most of the assets.

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 10:23 AM.

Abdulrahman Abdulla Mohamed Husain

Chairman of the Meet

*Vice Chairman of the Board of Directors
at Bahrain Middle East Bank B.S.C.*

Mohamed Alhusaini

Secretary of the Meet

*Head of Compliance / Corporate Secretary
at Bahrain Middle East Bank BSC*

These are provisional Minutes of the Ordinary General Assembly of the Shareholders of Bahrain Middle East Bank B.S.C. held on 9 April 2020 and will be duly ratified by the Shareholders of the bank on its next meeting.

