

EXPLANATION
OF RESOLUTIONS

Section 65 (4) of the Companies Act, 71 of 2008 as amended, requires proposed resolutions, ordinary or special, to be accompanied by explanatory material regarding the resolutions to be adopted. The explanatory material in respect of the proposed resolutions is as follows:

Ordinary Resolutions:

1.

Ordinary Resolution Number 1 – Adoption of annual financial statements
The directors are required to present the audited financial statements for the year ended 31 December 2022, as approved by the board of directors, to the annual general meeting for adoption. The full annual financial statements are available on the company’s website at www.albaraka.co.za
2.

Ordinary Resolution Number 2 – Re-election of directors
This resolution provides for the re-election of retiring directors, in accordance with the requirements of the company’s Memorandum of Incorporation. The directors’ affairs committee conducted an assessment of the retiring directors, the findings of which were supported by the board. The board therefore recommends the re-election of the retiring directors to the shareholders.
3.

Ordinary Resolution Number 3 – Confirmation of appointment of directors
The appointment by the board of directors of any persons as directors of the company requires confirmation by shareholders at the annual general meeting of the company. Mr H Ben Haj Amor and Dr MM Khemira were appointed by the directors during the year after the last AGM, with the board of directors recommending to shareholders that their appointment be confirmed.
4.

Ordinary Resolution Number 4 – Re-appointment and remuneration of independent external auditors
(a) The purpose of this resolution is to approve the auditors’ remuneration for the year ended 31 December 2022.
(b) The purpose of this resolution is to authorise the board to agree to the auditors’ remuneration for the year ending 31 December 2023.
(c) The Companies Act requires the shareholders, at each annual general meeting, to appoint auditors who will continue in office until the following annual general meeting. The directors propose that Ernst & Young Inc. be appointed as the external auditors of Al Baraka Bank, with Mr F Ebrahim as the designated auditor, until the conclusion of the next annual general meeting.
5.

Ordinary Resolution Number 5 – Directors’ authority to allot unissued shares
The effect of this resolution is to place the unissued ordinary shares of the company under the control of the directors until the next annual general meeting.
6.

Ordinary Resolution Number 6 – Confirmation and approval of directors’ remuneration for the year ended 31 December 2022
The effect of this resolution is to approve the remuneration of the directors for the year ended 31 December 2022, as set out more fully in the annual financial statements.
7.

Ordinary Resolution Number 7 – Confirmation and approval of remuneration paid to members of the Shariah Supervisory Board for the year ended 31 December 2022
The effect of this resolution is to approve the remuneration of the members of the Shariah Supervisory Board for the year ended 31 December 2022, based on the recommendation of the board of directors, as set out more fully in the annual financial statements in line with the Shariah Governance Framework published by the Central Bank of Bahrain.
8.

Ordinary Resolution Number 8 – Appointment of the Shariah Supervisory Board
The purpose of this resolution is to provide for the appointment of Shaykh Mahomed Shoaib Omar, Mufti Shafique Ahmed Jakhura, Mufti Zubair Bayat and Shaykh Yousef Hassan Khalawi to the Shariah Supervisory Board of Al Baraka Bank, based on the recommendation of the board of directors.
9.

Ordinary Resolution Number 9 - Non-binding advisory endorsement of the remuneration policy
The reason for proposing this resolution is to request shareholders to signify their approval of the company’s remuneration policy by way of a non-binding advisory resolution as provided for in King IV. As this resolution is of an advisory nature, failure to pass it will not have any legal consequences in respect of existing arrangements. However, the board will consider the outcome of the vote when considering the company’s remuneration policy. The policy is outlined below:

The board of directors, through the remuneration committee ensures that a correct balance exists between the interests of employees and those of shareholders so that the Bank attracts and retains the expertise required to achieve the Bank’s strategy. The committee also ensures that all the company’s directors, executive and senior management are fairly rewarded for their individual contribution to the company. This is essential in strengthening the relationship between the remuneration of directors and executives and the value it places on its staff and performances thereby enhancing the profitability of Albaraka Bank Limited.

- The overall philosophy of the remuneration policy is to:
- Create value for Al Baraka Bank over the long-term;
 - Remunerate employees in the form of fixed pay, fringe benefits and variable pay;
 - Balance total remuneration between a fixed and variable content;
 - Link variable remuneration to factors that represent real growth to Al Baraka Bank and create wealth to shareholders;
 - Measure the performance of executives on a multiple of performance matrixes which will include both financial and non-financial elements of which the latter will form a significant portion;
 - Link a significant portion of the remuneration to the performance of an Executive’s business unit, the risk of decision-making and the effects thereof by the respective Executive in the context of the Bank’s operations, and the overall performance of Al Baraka Bank;
 - Disclose, at least annually in its annual report, the amount of the remuneration paid or awarded to each of its executive directors;
 - Disclose in its annual report, the aggregate amount of the remuneration paid or awarded to members of the executive management team and to other members of the Bank’s management team as may be prescribed; and
 - Stipulate the aggregate amount of sign-on and severance payments made and awarded during the financial year as well as the total number of beneficiaries of such payments.

Special Resolutions:

1.

Reason for and effect of Special Resolution Number 1: Directors’ Fees
The reason for special resolution 1 is that section 66 (9) of the Companies Act provides that the remuneration of directors may be paid only in accordance with a Special Resolution approved by the shareholders within the previous two years. In giving effect to the requirements of section 66 (9) of the Companies Act, Special Resolution 1 approves the fees payable to the non-executive directors for the year 01 July 2023 to 30 June 2024.
2.

Reason for and effect of Special Resolution Number 2: Financial assistance to related or inter-related companies
The reason for this special resolution is to grant the directors of the company the authority to provide financial assistance to any company or corporation which is related or inter-related to the company.



LETTER TO SHAREHOLDER,
NOTICE TO SHAREHOLDER AND
PROXY FORM
FOR THE YEAR ENDED 31 DECEMBER 2022

LETTER TO SHAREHOLDER
FOR THE YEAR ENDED 31 DECEMBER 2022

12 May 2023

As-Salaamu-Alaikum

ALBARAKA BANK LIMITED – NOTICE OF ANNUAL GENERAL MEETING – WEDNESDAY, 21 JUNE 2023

Dear Shareholder,

As a valued shareholder, I extend an invitation to you to attend the 33rd annual general meeting (AGM) of Albaraka Bank Limited, to be held at 2 Kingsmead Boulevard, Kingsmead Office Park, Stalwart Simelane Street, Durban on Wednesday, 21 June 2023 at 09h00.

The purpose of the meeting is to transact the business as stated in the notice of the AGM and, if deemed fit, to pass, with or without modification, the ordinary and special resolutions set out in this notice. For your ease of reference, the following information is included with my letter:

- Notice to shareholders, which records the resolutions that are to be tabled at the meeting, with the board of directors being fully supportive of the proposed resolutions;
- Explanatory notes in respect of the proposed resolutions to be tabled at the AGM; and
- Proxy form.

The Integrated Annual Report can be:

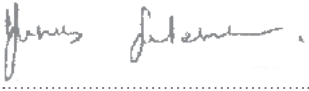
- Accessed on the internet at www.albaraka.co.za or;
- Obtained, free of charge, by requesting a copy thereof from the company secretary by way of an email addressed to Customerservices@albaraka.co.za

The directors, representatives of the Bank’s independent external auditors and senior members of management will be in attendance at the annual general meeting. As shareholders of Al Baraka Bank, you are entitled to present questions to the directors on the performance of the Bank.

I confirm that the Zakah of the Bank was calculated at 58,5 cents per share. This should be discharged personally by the shareholder, as Al Baraka Bank is not mandated to discharge this on your behalf.

Was-Salaam

Yours faithfully



YGH Suleman
Interim chairman
Albaraka Bank Limited

NOTICE TO
SHAREHOLDERS

Notice is hereby given that the 33rd annual general meeting of the shareholders of Albaraka Bank Limited will be held at 09h00 on Wednesday, 21 June 2023 at the offices of Al Baraka Bank, 2 Kingsmead Boulevard, Kingsmead Office Park, Stalwart Simelane Street, Durban, to conduct the following business:

Ordinary Resolutions

It is proposed that the following Resolutions be considered and passed, with or without amendment, as Ordinary Resolutions:

1. Ordinary Resolution Number 1

To receive and adopt the group and company annual financial statements as at 31 December 2022 and to approve the directors’ report on the activities of the Bank for the financial year ended 31 December 2022.

Percentage of voting rights required to pass this resolution: 50% + 1 vote.
2. Ordinary Resolution Number 2

To elect directors in the place of the following persons who, in terms of the company’s Memorandum of Incorporation, are retiring by rotation and, being eligible, offer themselves for re-election. Motions for re-election will be moved individually.

Name: SM Nyasulu

Age: 41

Appointed: 2020

Occupation: Attorney

Committee Member: Chair of the social & ethics committee & member of the audit committee and the risk, capital management & compliance committee

Percentage of voting rights required to pass this resolution: 50% + 1 vote.
3. Ordinary Resolution Number 3

To confirm the appointment of the following directors who were appointed during the year:
 - Mr H Ben Haj Amor
 - Dr MM Khemira

Percentage of voting rights required to pass this resolution: 50% + 1 vote.
4. Ordinary Resolution Number 4 – Re-appointment and remuneration of the external auditors

(a) To approve the auditors’ remuneration for the year ended 31 December 2022.

(b) To authorise the board of directors to determine the auditors’ remuneration for the financial year ending 31 December 2023.

(c) To re-appoint Ernst & Young Inc. as the external auditors of the company and Farouk Ebrahim as the designated auditor, until the conclusion of the next annual general meeting.

Percentage of voting rights required to pass this resolution: 50% + 1 vote.
5. Ordinary Resolution Number 5

To renew the directors authority to allot the unissued shares, if any, of the company at their discretion until the next annual general meeting in the numbers and on the terms and conditions and times, as well as at the prices as they deem fit, subject to the provisions of the Companies Act 71 of 2008 as amended and the Bank’s Act, 94 of 1990 as amended.

Percentage of voting rights required to pass this resolution: 50% + 1 vote.
6. Ordinary Resolution Number 6

To confirm and approve the remuneration paid to the directors of the company, as set out in the annual financial statements, for the year ended 31 December 2022.

Percentage of voting rights required to pass this resolution: 50% + 1 vote.
7. Ordinary Resolution Number 7

To confirm and approve the remuneration paid to the Members of the Shariah Supervisory Board, as set out in the annual financial statements, for the year ended 31 December 2022, based on the recommendation of the board of directors.

Percentage of voting rights required to pass this resolution: 50% + 1 vote.
8. Ordinary Resolution Number 8

To elect the Shariah Supervisory Board of the bank, with the following members being eligible for re-election, based on the recommendation of the board of directors. Motions for re-election will be moved individually.
 - Shaykh Mahomed Shoaib Omar;
 - Mufti Shafique Ahmed Jakhura;
 - Mufti Zubair Bayat;
 - Shaykh Yousef Hassan Khalawi.

Percentage of voting rights required to pass this resolution: 50% + 1 vote.
9. Ordinary Resolution Number 9 - Non-binding advisory endorsement of the company’s remuneration policy

To consider and endorse, by way of a non-binding advisory vote, the company’s remuneration policy.

Percentage of voting rights required to pass this resolution: 50% + 1 vote.

Special Resolutions

It is proposed that the following Resolutions be considered and passed, with or without amendment, as Special Resolutions:

10. Special Resolution Number 1 - To approve the fees payable to the non-executive directors for the year 01 July 2023 to 30 June 2024, as set out below: *

	Present (R) 01/07/2022-30/06/2023	Proposed (R) 01/07/2023-30/06/2024
Board (per meeting)		
Chairman	15 100	16 200
Director/Member	7 000	7 500
Directors’ affairs committee, remuneration committee, the social and ethics committee and any other ad hoc committee of the board (per meeting)		
Chairman	10 100	10 800
Director/Member	7 000	7 500
Risk, capital management & compliance committee (per meeting)		
Chairman	12 100	13 000
Director/Member	8 000	8 600
Audit committee and board credit committee (per meeting)		
Chairman	14 500	15 500
Director/Member	9 400	10 100
Retainer (per annum)		
Chairman	440 000	470 800
Vice chairman	324 300	347 000
Director/Member	264 000	282 500
Ad hoc work	R2 750 per hour, subject to a maximum of R7 100 per day.	R2 950 per hour, subject to a maximum of R7 500 per day.

* Fees include Value Added Tax (VAT). For clarity, and to the extent that VAT is applicable, the company is authorised to pay the VAT thereon in addition to the proposed remuneration.

Percentage of voting rights required to pass this resolution: 75%.

11. Special Resolution Number 2

To approve the provision of any financial assistance by the company, subject to the provisions of the Companies Act, 2008, to any company or corporation which is related or inter-related to the company, as defined in the Companies Act, 2008, on the terms and conditions which the directors of the company may determine.

Percentage of voting rights required to pass this resolution: 75%.
12. Other Business

12.1 To note that on 30 March 2023, the directors declared a dividend of 62 cents per share payable on 28 July 2023 to shareholders registered in the books of the Bank as at the close of business on 07 July 2023.

12.2 To note that on 21 October 2022, Mr MK Manna and Mr M Kaka resigned from the board of directors of Albaraka Bank Limited.

To consider such other business as may be transacted at the annual general meeting.

A shareholder entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend, to speak and, on a poll, vote in his/her stead. A proxy need not be a shareholder of the company.

Meeting participants will be required to provide satisfactory identification before being permitted to participate in the meeting.

A proxy form is on a separate page.

By order of the board



CT Breeds
Company secretary
Albaraka Bank Limited

30 March 2023