



Aluminium
for the world

Aluminium Bahrain B.S.C.
C.R. No.999



ألمنيوم
للعالم

المنيوم البحرين ش.م.ب.
سجل تجاري رقم: ٩٩٩

**MINUTES OF THE ANNUAL GENERAL MEETING (AGM) OF THE SHAREHOLDERS OF
ALUMINIUM BAHRAIN B.S.C. ("ALBA") HELD ON THURSDAY 11 MARCH 2021 - 02:00 PM
Meeting Held via Zoom**

Given the current circumstances related to Corona Virus (COVID-19), and to safeguard Aluminium Bahrain B.S.C. (Alba) Shareholders, Stakeholders and the Public Safety, the Company held its Annual General Meeting (AGM) through electronic communication means. An unidentified person (as per the screen: Ali Abdulmohsen) joined the meeting and despite the several requests made by Alba's Service Registrar – KFin Technologies Bahrain (KFintech), this person didn't identify himself. Hence, KFintech removed this person from the attendees' list for good order.

With the attendance of the representative from the Ministry of Industry, Commerce and Tourism, Mr. Ali Al Alawi, and after duly establishing a quorum of 90.20% and 1,280,253,734 votes, the Chairman of the Board, Shaikh Daij Bin Salman Bin Daij Al Khalifa, called the meeting to order at 02:02 PM.

Also, in attendance were the following:

The Board Directors of Alba comprising Mr. Yousif A. Taqi, Mrs. Suha Karzoon, Shaikh Isa bin Khalid Al Khalifa, Mrs. Rasha Sabkar, Mr. Tim Murray, Mr. Mutlaq H. Al Morished, Mr. Ahmed Al Duriaan, Mr. Iyad Al Garawi and Mr. Omar Al Amoudi. Alba Executive Management comprising the Chief Executive Officer - Mr. Ali Al Baqali as well as the Executive Management team and Director - Investor Relations and Corporate Secretary - Ms. Eline Hilal were present at the meeting. Representatives of Alba's External Auditors 'KPMG Fakhro', Central Bank of Bahrain and Bahrain Bourse were also present at the meeting.

Shaikh Daij Bin Salman Bin Daij Al Khalifa chaired the meeting and welcomed all shareholders, proxies, and other attendees to the AGM. The Chairman of the Board spoke briefly on the unexpected global crisis -- COVID-19 which has resulted in an economic and social distress across the world like never before. He stated that thanks to Alba's employees and contractors, Alba has emerged stronger than before. We have great confidence in His Royal Highness the Crown Prince and Prime Minister, Prince Salman bin Hamad Al Khalifa, through the tremendous support that he has been extending to Alba, and HRH's insightful and visionary leadership for the industries in Bahrain. He also expressed his sincere thanks and gratefulness to the Kingdom's wise Leadership that has graciously extended support to Alba in the last 50 years and offered his deepest condolences on the loss of the visionary leader, HRH the late Prime Minister, May God Rest His Soul in Peace.

The Chairman of the Board, Shaikh Daij Bin Salman Bin Daij Al Khalifa, read through the following Agenda Items of the meeting and the Agenda Items were unanimously approved by the Shareholders as follows:

1. The Minutes of the Annual General Meeting of Alba Shareholders held on 08 March 2020 were reviewed and approved.

One of the investors has requested to add a new agenda item as per Article 207 of the Commercial Companies' Law (CCL) 'To approve Mumtalakat appointed Directors at the Board': Shaikh Daij Bin Salman Bin Daij Al Khalifa, Mr. Yousif A. Taqi, Mrs. Suha Karzoon, Shaikh Isa bin Khalid Al Khalifa, Mrs. Rasha Sabkar, and Mr. Tim Murray; this addition was agreed after the Chairman confirmed the matter with MOICT representative. In addition, the same investor had few comments/observations with regards to the Minutes of the AGM as follows:

- Alba's response to Agenda no. 4.a (reasons behind the increase in Loans and Borrowings under Current Liabilities) is not correct. For reference, Alba's response was correct as per the Minutes:

- the increase in Current Liabilities was due to funds' withdrawals from the Syndicated Commercial Loan and for using revolving credit facilities to meet Alba's working capital requirements].
- Agenda no. 7 – the Minutes missed including that 2019 Corporate Governance Report should have been made available ahead of the AGM as stated by the investor. The observation made by this investor was not correct. It was noted that Bahrain Bourse Listing Rules were issued on 12 December 2019 and related-disclosures will be applicable on Alba for the year-ending 2020.
 - Agenda no. 11 – Election and Appointment of the members of the Board. Alba didn't disclose the details of the newly appointed Directors of Mumtalakat at the Board during the AGM as done for the appointed Directors by SABIC to which the Chairman of the Board has solicited the advice/opinion of the representatives of CBB and MOICT. The representative of MOICT advised that Alba can't request its shareholders in 2021 AGM to approve these appointments as Mumtalakat Directors at the Board are appointed directly by the major shareholder Mumtalakat Holding Company ©; but for reference and information, the Company can notify its shareholders in this AGM about Mumtalakat appointed Directors at Alba's Board.
2. The Report of the Board of Directors for the Company's business/activities for the year-ended 31 December 2020 was read by the Chairman of the Board, Shaikh Daij Bin Salman Bin Daij Al Khalifa, and was approved.
 - One of the investors wanted to know whether Alba has plans in place to produce green Aluminium just like Emirates Global Aluminium to which the Chairman of the Board urged the investor to focus on Alba's performance for 2020 and responded that various options/initiatives are being explored/assessed by the Management.
 - Also, the same investor referred to Article no. 3.35 of 'Bahrain Bourse Listing Rules' as in the percentage of shares to be listed as a secondary listing shall not exceed 30% of the Issuer's share capital and inquired about Alba's commitment to meet this ratio when it is listed on the London Stock Exchange to which the Chairman of the Board stated that Alba got listed back to December 2010 as per the listing requirements. This investor also inquired about Alba's intention to list its shares in the Saudi market to which the Chairman of the Board emphasized that any matter relating to potential listing/cross-listing is a major shareholder matter and not relevant to today's meeting.
 3. KPMG Fakhro, the External Auditors, read the Auditors' Report for the year-ended 31 December 2020 (page 4 of Alba's 2020 Audited Financial Statements) and was approved.
 4. The Audited Financial Statements for the year-ended 31 December 2020 were approved.
 - The CEO gave a brief note that Alba's top-line was driven in 2020 by higher metal Sales' volume (14% YoY) and partially offset by lower LME price [down by 5% Year-over-Year (US\$1,702/t in 2020 versus US\$1,792/t in 2019)] while the bottom-line was driven by higher top-line and partially impacted by higher depreciation, financial charges and foreign exchange losses.

One of the investors requested the Management to answer the below queries in relation to:

- Alba's liquidity position, Net Profit and Total Debt to which the Chairman of the Board responded:
 - Debt (Loans and Borrowings) to be paid within one-year amounts BD223.389 million of which around BD70 million relates to payments to Line 6 Expansion Project and BD153.890 million to revolving credit facility.
 - Financing Charges amounted BD40.108 million.
 - In terms of liquidity, Alba had a revolving credit facility in place to meets its working capital requirements. 2020 was a difficult year, Alba did not achieve its aspirations, but the Company still managed to generate a profit for the year albeit a small one (Net Profit for 2020 was higher than 2019). The liquidity of Alba will improve as the market gets better with higher LME prices.
- Note 24 on Finance Costs: Alba has refinanced its US\$1.5 billion Commercial Loan with reduced margins (3% down from 3.25%); but Finance Costs rose from BD22.458 million in 2019 to BD40.108

million in 2020 to which the Chairman of the Board replied that Finance Costs increased owing to withdrawals from the Commercial Loans and ECA-covered facilities to pay for Line 6 Expansion Project CAPEX as well as using the revolving credit facilities. To note, Finance Costs in 2019 were partially capitalized as per IFRS.

- Net Debt to EBITDA ratio improved from 8.03X in 2019 to 5.7X in 2020. The investor inquired about Alba's plans to reduce this ratio to meet its covenant level of 4.5X. The Chairman corrected the information provided by this investor and stated that the targeted Net Debt to EBITDA ratio is not 4.5X but 3.0X. The Chairman of the Board added that as the market improves, Alba is expected to be able to meet this covenant by December-end 2021 with 3X with higher/improved LME prices (LME price recent forecasts for 2021 to range within US\$2,100/MT - 2,300/MT) and with higher Value-Added Sales.
 - Note 15 on Loans and Borrowings (English version) – there could be a mistake on page 35 as the date (30 June 2021) doesn't match with the Arabic version on page 42. To note, the Arabic Financials have a typo error in the year only which should be read as 2021; however, the CEO confirmed that Alba has obtained a waiver till 30 June 2021.
 - Note 19 - Advances from Customers dropped from BD146.672 million in 2019 to BD25.071 million in 2020 when interest expense on the advances from customers rose from BD2.082 million in 2019 to BD2.538 million in 2020 to which Alba's external auditors, KPMG, explained that the amount relating to Advances from Customers reflects Alba's position at the end of 2020 while the interest expense is calculated for the full-year of 2020.
 - There was no Notes within 2020 Audited Financial Statements on the (Loss)/gain on Foreign exchange (BD16.8 million) but there was a Note on the Directors' Remunerations Fees (note no. 27). The CEO highlighted that the loss on foreign exchange relates to loans denominated in Euro currency (around €800 million) and the fluctuations in € currency are for unrealised losses – this is an accounting treatment loss and not an actual cash loss.
 - Total Comprehensive Income for 2020 amounted BD1.455 million. The investor solicited clarification with regards to the Statement which as an investor he should look at to which Mr. Yousif A. Taqi responded that he should look at both Statements: Statement of Profit/(Loss) and Statement of Comprehensive Income. The investor also stated that Alba didn't disclose officially the Statement of Comprehensive Income to which the CEO confirmed that Alba did disclose both Statements in its official press release, published Financial Statements and IR presentation.
 - Note 20 on Derivative Financial Instruments – why did Alba have a loss of BD8.3 million in the Statement of Comprehensive Income to which the CEO stated that this amount relates to marked-to-market revaluation of the derivative financial instruments mainly for the Interest Rate Swaps (50% of the Commercial Loan) and this amount is an unrealized cash loss. The investor also inquired about why Alba entered with Interest Rate Swaps with NBB to which the Chairman of the Board stated that the refinancing was based on floating LIBOR (50% of the Commercial Loan) and such decision was taken by Alba's Board of Directors.
 - Note 23 on Expenses by Nature – what did the Company do with the Government grants of BD12.74 million to which the Chairman of the Board stated that these grants were given to the Company in order to cope with the impacts of COVID-19 outbreak. The Chairman of the Board also responded to the investor's query regarding Alba's contribution towards 'Feena Khair' campaign and stated that the Company has contributed approximately BD3.5 million to this worthy campaign.
5. The Board of Directors' recommendations for the appropriation of the Net Profit and Retained Earnings for the year-ended 31 December 2020 were approved as follows:
- a. No distribution of cash dividends to Shareholders.
 - b. Transfer of BD9,755 Thousand to the Retained Earnings.

- Mr. Tareef voiced his objection on this agenda and proposed for the Company to pay dividend of Fils 5/share and transfer Fils 2/share to Retained Earnings to which the Chairman of the Board advised that Alba was not able to pay dividend for 2020 as there was a breach in its covenant.
 - Mr. Tareef put a request for Alba to pay Fils 20/share, as an interim dividend, provided the Company generates a Net Profit of more than BD60 million by June 2021 as well as Fils 20/share, as a final dividend, provided the Company generates a Net Profit of more than BD120 million by December 2021. The Chairman of the Board advised that the investor's suggestion was irrelevant and can't be assessed during this meeting as it is based solely on assumptions/forecasts for Alba's 2021 performance.
6. Approved the recommendation of the Board of Directors' total remuneration of BD210,000 for the year-ended 31 December 2020 and subject to the approval of the Ministry of Industry, Commerce and Tourism.
- Mr. Tareef, one of the minor shareholders, voiced his objection to pay BD210,000 towards the Board's remuneration fees and subject to receive approvals from the Minister of Industry, Commerce and Tourism to which the Chairman of the Board confirmed that Alba has received a non-objection letter from MOICT to process the remuneration fees.
7. The 2020 Corporate Governance Report to the shareholders was discussed in line with the requirements of the Central Bank of Bahrain and the Ministry of Industry, Commerce and Tourism.
- One of the investors noted that Alba must state its non-compliance in its Corporate Governance Report especially in respect to the application of CCL Article 188 to which the Chairman of the Board advised that Alba is in compliance and this particular amendment doesn't apply to Alba as of now since it was issued in October 2020 when Alba's financial year had started in January 2020; hence, the new amendment will become applicable in 2021.
 - One of the investors solicited the opinion of MOICT and CBB representatives with regards to the Independent Director's classification as noted in Alba's 2020 Corporate Governance Report for Mrs. Suha Karzoon and Mrs. Rasha Sabkar as Non-Independent/Non-Executive. The representatives responded that High-level Controls Module of CBB and Corporate Governance Code of Bahrain apply to Alba as it's a public-listed company; in addition, Alba is following both High-level Controls Module of CBB and Corporate Governance Code of Bahrain in its disclosures.
8. Notified and approved the transactions carried-out during the financial year-ended 31 December 2020 with any of the related-parties as described in note # 27 of the financial statements in line with Article 189 of the Commercial Companies' Law (If any). The Chairman of the Board advised the shareholders that the main transactions carried by Alba with related-parties are with Tatweer in respect to buying the natural gas.
9. The Board of Directors were absolved from their actions/activities for the year-ended 31 December 2020.
10. The re-appointment of the External Auditors, KPMG Fakhro, for the fiscal year 2021 was approved and the Board of Directors were authorised to specify the remunerations for KPMG Fakhro for 2021.
- One of the investors requested to change the partner but not the external auditors and advised Alba to change its external auditors post 5 consecutive financial years as per the Corporate Governance Code. The CEO replied that Alba has changed its external auditors to be in line with the new Corporate Governance Code. The Chairman of the Board stated that KPMG has been Alba's external auditors for the last 2 years (starting 2019) and indicated that the point made by the investor was incorrect.
11. Re-appointed SICO B.S.C. © to provide Market-Making services to Aluminium Bahrain B.S.C. (Alba) by utilizing at any given time a maximum of 3% of Alba's issued share capital for 3-years period and subject to the approval of Central Bank of Bahrain.

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- Mr. Tareef voiced his objection to re-appoint SICO as the market-maker given the incurred losses to which the CEO advised that SICO acts as the market-maker for Alba to boost the share liquidity in Bahrain Bourse given the low free-float and SICO operates in terms of market demand/supply.
- 12.** No concerns were raised in accordance with Article 207 of the Commercial Companies' Law. However, Alba notified its shareholders that Mumtalakat appointed Directors at Alba's Board for the new term are Shaikh Daij Bin Salman Bin Daij Al Khalifa, Mr. Yousif A. Taqi, Mrs. Suha Karzoon, Shaikh Isa bin Khalid Al Khalifa, Mrs. Rasha Sabkar, and Mr. Tim Murray.

The e-meeting concluded at 3:35 PM.



Daij Bin Salman Bin Daij Al Khalifa
Chairman

Date: 11 March 2021



Eline Hilal
Director - Investor Relations & Corporate Secretary

Date: 11 March 2021