

# Corporate Governance 2019

## 1. Corporate Governance Structure

The Company is governed by the Commercial Companies Law promulgated by Legislative Decree No. 21 of 2001 ("Companies Law"), Corporate Governance Code of the Kingdom of Bahrain ("Governance Code"), the High-Level Controls Module of Volume 4 and 6 of the CBB Rulebook, and the Bahrain Bourse Law of 1987, generally referred to as "Regulations"

The Company undertakes its responsibility towards its shareholders by adopting the highest standards of corporate governance. The Company believes that the sound implementation of corporate governance enhances shareholder value, and provides adequate guidelines to the Board of Directors, its committees and Executive Management, in order for them to perform their duties in a manner that best serves the Company and its shareholders. The Company seeks to achieve the highest level of transparency, accountability and efficient management through the adoption and pursuit of strategies, objectives and policies that ensure the fulfillment of its organizational and ethical responsibilities.

## 2. Board of Directors

The Board of Directors consists of seven Board Members, five independent, one non-executive, and one executive.

The Board of Directors was elected in the Ordinary General Assembly held on 12 February 2018 for three years, and a new Board of Directors will be elected in the 2021 Ordinary General Assembly.

### 2.1 Election Process

The Nomination and Remuneration Committee formed by the Board of Directors reviews the skills and qualifications that the prospective members of the Board of Directors must possess. The General Assembly elects the new candidate after obtaining majority votes in the ballot held for such purpose. Responsibilities are distributed across the Board of Directors in accordance with the Company's Articles of Association and the Commercial Companies Law. Membership of the Board of Directors may be nullified in case, inter alia, the member commits a crime, breaches trust or is declared bankrupt.

### 2.2 Board's Composition

The Chairman of the Board of Directors oversees the activities of Executive Management and evaluates its performance regularly, in addition to his other responsibilities, that include chairing Board meetings, monitoring the performance of the CEO, and communication with shareholders. The Board of Directors has formed certain committees with specific powers for the sake of guiding the management team, supervising the running of operations and taking decisions in the Company. The Board of Directors supervises the Company's management directly & through its various committees.

The Board of Directors has specified and segregated responsibilities between the Board and the Executive Management. The Board oversees all the activities of the Company and approves the same. It is responsible for Risk Management, the preparation of financial statements and corporate governance. The other issues that require approval of the Board include, inter alia, approval of financial statements, acquisitions and exits. The Board also ensures observance of the basic values of the Company, as prescribed in the internal policies of the Company.

All Company policies are being reviewed and approved on annual basis. In coordination with the Internal Audit Unit, the Risk Management Unit follows-up the validation and implementation of the policies and procedures under the supervision of the relevant committees. The Board of Directors is also responsible for approving Related Party transactions, subject to the schedule of Authorities adopted by the Company. The Board of Directors is also responsible for preparing the consolidated financial statements of the Company.

The members of the Board may communicate with the Company's Executive Management at all times. The CEO, in cooperation with the management team, shall monitor the Company's performance with regard to specific and (approved) objectives and shall conduct the Company's daily affairs pursuant to the policies, objectives, strategies and guidelines adopted and approved by the Board of Directors from time to time.

The Board of Directors consists of seven members, and their experience is mix of highly professional and specialized experience in their field of specialization and in the Real Estate Investment field.

INOVEST has a written appointment agreement with each member of the Board of Directors, which recites the members of Board of Director's power, and duties and other matters relating to his appointment including his term, the time commitment envisaged, the committee assignment if any, his remuneration and expense reimbursement entitlement, and his access to independent professional advice when that is needed.

## 3. Members of the Board of Directors and their other memberships

The following tables show the names and the date of the first membership of the Board of Directors:

Member	Term of Appointment	Date of First Appointment	Date of the end of current Term	Type of Membership	Position	Notes
Omar Salem Al Mutawa	Three Years	February 2018 12	Q1-2021	Independent	Chairman	-
Bashar Naser Al Tuwajiri		March 2011 29		Executive	Vice Chairman	Continuous Membership
Mishari Fuad Al Fozan		February 2018 12		Independent	Member	-
Khaled Abdulaziz Al Ghanem		February 2018 12		Independent	Member	-
Mishal Yuusef Al Zayed		February 2018 12		Independent	Member	-
Yaqoub Yousef Bander		February 2018 12		Executive	Member	-
Abdulrahman Hesham Al Neseif		February 2018 12		Independent	Member	-

#### 4. Director Ownership of Shares

None of the share of the company was owned by Board member as at 31<sup>st</sup> Dec 2018.

#### 5. Distribution of Shareholding

##### 5.1 Distribution of Shares per Nationality

As of 31 December 2019, the Company's register show that there were 675 shareholders who own in total 286,511,225 shares. Following is the distribution of shares in the Company per nationality:

Nationality	Number of Shares	Ownership %
Kuwaiti	22,748,991	80.38
Emirati	230,297,723	8.17
Bahraini	23,407,967	7.94
Saudi	7,879,059	2.75
Others	2,177,485	0.76
Total	286,511,225	100

##### 5.2 Shareholders Who Own 5% or more of Company's Shares

The following schedule shows number and names of shareholders who own 5% of Company's shares or more as of 31 December 2019:

Shareholders	Number of Shares	State	Ownership %
Gulf Investment House (GIH)	38,981,591	Kuwait	13.606
Mechanism General Trading Company	24,950,000	Kuwait	8.708
Dubai Islamic Bank	19,748,883	United Arab Emirates	6.893

##### 5.3 Distribution of Share Ownership per Quantity/Size

The following schedule shows the distribution of share ownership as of 31 December 2019 as per shareholding size:

Categories:	Number of shares	Number of Shareholders	Ownership %
Less than 1%	75,348,898	655	26.30
1% up to less than 5%	127,481,853	17	44.49
5% up to less than 10%	44,698,883	2	15.60
10% up to less than 20%	38,981,591	2	13.61
Total	286,511,225	675	100

##### 5.4 Ownership by Government

None of the share of the company was owned by the Government as at 31<sup>st</sup> December 2019.

## 6. Board of Directors Committees

The Board of Directors formed three committees having specific assignments and powers:

Corporate Governance Committee Members	Position	Responsibilities	Type of Membership
Mishari Fuad Al Fozan	Chairman	Corporate Governance	Independent
Abdulrahman Hesham Al Neseif	Vice Chairman		Independent
Bashar Naser Al Tuwajiri	Member		Non-Executive
Dawoud Salman Bin Essa	Member		Independent

Audit & Risk Committee Members	Position	Responsibilities	Type of Membership
Khaled Abdulaziz Al Ghanem	Chairman	Internal Audit External Audit	Independent
Abdulrahman Hesham Al Neseif	Vice Chairman	Compliance Anti-Money Laundering	Independent
Yaqoub Yousef Bander	Member	Risk Management	Executive

Nomination & Remuneration Committee Members	Position	Responsibilities	Type of Membership
Omar Salem Al Mutawa	Chairman	Human Resource	Independent
Mishari Fuad Al Fozan	Vice Chairman	Compensation & Benefits	Independent
Mishal Yuusef Al Zayed	Member	Management Issues	Independent

Meetings of the Board of Directors shall be held in accordance with the regulations at least once every quarter and whenever necessary, in addition to the meetings of the Committees of the Board. During 2019, the Board of Directors met four times and the Annual General Meeting of the Company was held on 29 March 2018.

In addition, the Audit & Risk Committee met four times, the Nomination and Remuneration Committee met four times, and the Corporate Governance Committee four times

The Board of Directors and its committees receive periodical reports from Executive Management on all aspects of the Company's activities. The Board also receives periodical reports from the Internal Audit Department, Risk and Compliance Department, and Finance Department.

### **Audit & Risk Committee**

INOVEST's Board formed an Audit & Risk committee of three members, including two independent members and one executive member.

The Audit & Risk Committee has relevant financial ability and experience, which Include:

The ability to read and understand corporate financial statements including a company's balance sheet, income statement and cash flow statement and changes in shareholders' equity.

An understanding of the accounting principles which are applicable to the company's financial statements, experience in evaluating financial statements that have a level of accounting complexity comparable to that which can be expected in the company's business, an understanding of internal controls and procedures for financial reporting, and an understanding of the audit committee's functions and importance.

The Audit & Risk Committee Meets at least 4 time a year. The Committee has a formal written charter.

### **Nomination and Remuneration Committee:**

INOVEST's Board formed a Nomination and Remuneration Committee of three independent members.

The Nomination and Remuneration Committee shall meet at least 4 times a year. The Committee has a formal written charter.

### **Corporate Governance Committee:**

INOVEST's Board formed a Corporate Governance Committee of four members, including three independent members and one executive member.

The Corporate Governance Committee shall meet at least 4 times a year, The Committee has a formal written charter.

**Here are the names of the members of the Board of Directors and denominated position and other position they hold:**

**Dr. Omar Salem Al Mutawa**  
**Chairman**  
**Independent**

Dr. Omar Salem Al Mutawa received his bachelor's degree in accounting in 1996 from Kuwait University, and furthered his educational journey with an MBA from the Maastricht Business School in 2005, and a PhD in 2015 from Brunel University in the UK. Dr. Al Mutawa undertook an intensive leadership training program from Cornell University - Harvard Business School.

Dr. Al Mutawa currently holds the post of Executive Manager of National Industries Company. Before this, from 2007-2017 Dr. Al Mutawa served as Deputy CEO of First Investment Company and is currently a Board Member in each of Vision Holding Group and National Industries Group, as well as a Member of the Board and Board of Trustees of Kingdom University in the Kingdom of Bahrain.

Dr. Al Mutawa brings to the table over 20 years of experience in the fields of finance and investment accrued from extensive experience at Kuwait Finance House and Gulf Investment House. This experience is enhanced through his position as Chairman of Al Oula Real Estate Development, and as Vice Chairman and Managing Director of First Education Company. Dr. Al Mutawa has distinguished experience in organizational structure and behavior, leadership, operations and administrative management, as well as in structuring and promoting investment products. Moreover, Dr. Al Mutawa is a specialist in the research of administration and human resources. He has published several articles on the topic and attended numerous international conferences in this field.

**Bashar Naser Al Tuwajri**  
**Vice Chairman**  
**Non-Executive**

Mr. Bashar Al Tuwajri holds a bachelor's degree in Banking and Finance from the University of Kuwait (1996). Between 1996 and 2003, Mr. Al Tuwajri held several positions at the National Bank of Kuwait (NBK) before being appointed Corporate Credit Manager.

Mr. Al Tuwajri joined Gulf Investment House (GIH) in 2004, rising through management ranks to hold the position of Chief Executive Officer till 2019. Mr.

Currently, Mr. Al Tuwajri is managing his own private business, serves as Vice Chairman of the Amar Finance and Leasing Co. in Kuwait, and Chairman of the Afkar Holding in Kuwait. He also holds a certification as a Credit Manager from the Institute of Banking Studies in Kuwait.

**Abdulrahman Hesham Al Neseif**  
**Member**  
**Independent**

Mr. Abdulrahman Al Neseif obtained a bachelor's degree in Electrical Engineering in 1998 from Kuwait University. In 2006, he joined MENA Real Estate Company in Kuwait, where he held several managerial positions and responsibilities until being appointed CEO. Mr. Al Neseif ultimately left MENA Real Estate Company in 2016.

Mr. Al Neseif currently serves as Chairman of Tamcon Contracting Company in the Kingdom of Bahrain, as well as General Manager of Al Neseif United Contracting Company and Chairman of Solutions Co. for Financial and Accounting Consultancy.

From 1998 to 2006 Mr. Abdulrahman Al Neseif held several positions in several private sector institutions, including International Investor Company and Osoul Investment Company.

**Mishal Yusef Al Zayed**  
**Member**  
**Independent**

Mr. Mishal Al Zayed holds a bachelor's degree in Business Administration, received in 1998 from the University of Tennessee in the United States of America. In 1999 - 2001, Mr. Al Zayed was a member of the Kuwait Finance House in the field of Credit, moving from there to join Gulf Investment House until 20016 as Director of Marketing.

From 2006 to 2012 Mr. Mishal Al Zayed was a member of the Board of Directors of Arkan Kuwait Real Estate Company and was also Assistant to the Vice President at First Investment Company.

From 2013 to date, Mr. Meshal Al Zayed holds the position of Chief Executive Officer of Althouq International for General Trade and Contracting.

**Mishari Fuad Al Fozan**  
**Member**  
**Independent**

Mr. Mishari Al Fozan holds a bachelor's degree in Business Administration from Kuwait University attained 2004. In 2005, he joined the First Investment Company (Kuwait) within the field of Credit Management. By 2006, Mr. Al Fozan joined the Gulf Group for Electrical and Mechanical Works in Kuwait as Human Resources Manager, rising in the ranks until his current position as a Member of the Board of Directors in the Group.

Mr. Al Fozan is currently the CEO of Gulf Group for Mechanical and Electrical Works in Saudi Arabia and is Chairman of Takhzeen Self Storage Company in Bahrain.

Mr. Al Fozan has maintained his academic credentials, undertaking certifications such a Master's in Project Management, as well as a certificate for modern management, comprehensive training on feasibility studies, and in corporate governance, and strategic studies.

**Khaled Abdulaziz Al Ghanem**  
**Member**  
**Independent**

Mr. Khaled Al Ghanem holds a bachelor's degree in Accounting, received in 1998 from Kuwait University. He started his career in the financial and investment sector where he held several managerial positions in a number of investment and asset and wealth management companies. He also gained solid ground experience through his work with Ernst & Young.

Mr. Al Ghanem has served as a Board Member for several organizations, including Munshaat Real Estate Projects Co., Kuwaiti Manager Holding Co. (KMC Holding), and Athman Financial Advisory Company.

From 2012-2015, Mr. Al Ghanem joined Mawared Holding in Kuwait as Deputy Chief Executive Officer. Today, Mr. Al Ghanem is dedicated to the management and operations of his personal businesses.

**Yaqoub Yousef Bander**  
**Member**  
**Executive**

Mr. Yaqoub Bandar holds a Master of Business Administration from the Gulf University for Science and Technology (2011) and holds a bachelor's degree in Finance from Kuwait University (2003). In 2005, he joined Gulf Investment House in Kuwait, where he held several managerial positions and responsibilities, rising in the ranks to become Assistant to the CEO.

Mr. Bandar currently serves as the Vice Chairman of Kuwait Light Food Company, as well as a member of the Board of Directors of Majan Development Company in Oman, and a Board Member of Afkar Holding Company in Kuwait. Mr. Bandar previously served as a member of the Board of Directors of Arkan Al-Kuwait Real Estate Company in Kuwait.

From 2004 to 2005 Mr. Bandar served as an Investment Supervisor at KFH. Mr. Bandar is also an International Certified Valuation Specialist.

## 7. Dates of Board of Directors Meetings and its Committees

Board of Directors: Four meetings were held during 2019:

Board Member	Meeting Date				Attendance %
	14- February 2018	2 May 2019	31 October 2019	29 December 2019	
Omar Salem Al Mutawa	✓	✓	✓	✓	100%
Bashar Naser Al Tuwaijri	✓	✓	✓	✓	100%
Abdulrahman Hesham Al Neseif	✓	✓	✓	✓	100%
Mishal Yuusef Al Zayed	✓	✓	✓	✓	100%
Mishari Fuad Al Fozan	✓	✓	✓	✗	75%
Khaled Abdulaziz Al Ghanem	✓	✓	✓	✓	100%
Yaqoub Yousef Bander	✓	✓	✓	✓	100%

Nomination and Remuneration Committee: Four meetings were held during 2019:

Board Member	Meeting Date				Attendance %
	14 February 2018	2 May 2019	25 July 2019	29 December 2019	
Omar Salem Al Mutawa	✓	✓	✓	✓	100%
Mishari Fuad Al Fozan	✓	✓	✓	✗	75%
Mishal Yuusef Al Zayed	✓	✓	✓	✓	100%

Corporate Governance Committee: Four meetings were held during 2018:

Board Member	Meeting Date				Attendance %
	14 February 2018	2 May 2019	31 October 2019	29 December 2019	
Mishari Fuad Al Fozan	✓	✓	✓	✗	75%
Abdulrahman Hesham Al Neseif	✓	✓	✓	✓	100%
Bashar Naser Al Tuwajjri	✓	✓	✓	✓	100%
Dawoud Salman Bin Essa	✓	✓	✓	✓	100%

Audit & Risk Committee: six meetings were held during 2018:

Board Member	Meeting Date				Attendance %
	13 February 2018	2 May 2019	22 October 2019	29 December 2019	
Khaled Abdulaziz Al Ghanem	✓	✓	✓	✓	100%
Abdulrahman Hesham Al Neseif	✓	✓	✓	✓	100%
Yaqoub Yousef Bander	✓	✓	✓	✓	100%

## 8. Code of Ethics

The Board of Directors has adopted a code of ethics applying to all the staff. This code defines how to deal with cases involving conflicts of interest. It obliges all the members of the Board of Directors, Executive Management, and all employees to follow the highest professional measures and care while performing their duties.

All Board members and employees act ethically at all times and adhere to the Company's Code of Conduct.

Where a potential conflict of interest arises for a Board member, the Board member promptly informs the Board of Directors for deliberation and resolution.

Each Board member at INOVEST understands that under INOVEST's rules and regulations he/she is personally accountable to the company and its shareholders if he/she violates the code of ethics and legal duty of loyalty to the company.

Every effort should be made by Board members to ensure that there is no conflict of interest between their personal and business affairs and the interests of the company and its clients and shareholders.

## 9. Induction and Training of Directors

INOVEST makes sure that all its Board's members have the knowledge, ability and experience to perform the functions required of a Board member. Hence, an awareness program is conducted for the new and existing Board members.

## 10. Performance Evaluation

In compliance with the Company Corporate Governance Guidelines as well as CBB guidelines, Board carried out a formal performance evaluation for all Board of Directors members. The evaluation is aimed to assess Board effectiveness and support in identifying the need for creating an effective Board, strategic foresight, stewardship, performance evaluation, professional development, engage with Management and performance of Individual Board Members.

The Board conducts an annual evaluation of its performance and the performance of each committee and each individual director.

## 11. Remuneration

Board of Directors' remuneration takes into consideration the Company performance as well as an assessment of compliance of individual members with their performance agreement and individual responsibilities. The AGM determines the Board of Directors' remuneration,

and it is subject to the provisions of the Commercial Companies Law and to any decisions issued by the Minister of Industry, Commerce and Tourism, as well as the regulations of the Central Bank of Bahrain.

INOVEST's Board of Directors establish a Remuneration Committee to review and adopt the remuneration policies, and to monitor the remuneration system and ensure its proper implementation and management, and to make recommendations concerning the remuneration of the Board of Directors in the General Assembly meeting. The total Board remuneration was US\$ 390,878 in 2019.

## 12. Compliance with Regulatory Authorities Requirements

Being an Islamic Financial Institution, the Company observes a Policy of compliance at all times with the rules and regulations of regulatory authorities. It is Company Policy to disclose all events of non-compliance whenever they occur. Compliance has been improved through ongoing enhancement of the governance framework, the bedding-in of the comprehensive Corporate Governance Guide, in accordance with the Corporate Governance Code and CBB Rulebook HC Module, as prescribed in the Central Bank of Bahrain Rule Book. The Corporate Governance Guide includes a code of ethics for the Board and all committees under it. It also includes a Conflicts of Interest Policy, procedures for the reporting of offences, basic guiding principles for corporate governance, Board members' appointment agreement, Board members' performance evaluation Policy, and an External Advisors policy.

The Company continues to review and develop its corporate governance framework, in accordance with the changing requirements of regulatory authorities, and in compliance with global corporate governance best practice. In the interest of maintaining the highest standards of Corporate Governance at the company, and for its shareholders, the company is committed to keeping the members of the Board of Directors apprised of industry best practice, and to addressing any of their queries with regard to sound Corporate Governance. The Company, through the Board of Directors and its committees, aims to meet the highest standards of corporate governance, in the interest of its shareholders

## 13. Sharia Supervisory Board

The Sharia Supervisory Board consists of three members who monitor compliance by the Company with the general principles and rules of Islamic Sharia, Fatwas, resolutions and guidelines issued for such purpose. The Board's reviews include examining and reviewing the evidences related to the documents and the procedures followed by the Company to ensure that all its activities and business transactions are in compliance with the principles and rules of Islamic Sharia. Following are the names of members of the Sharia Supervisory Board with a summarized profile of each.

### Shaikh Dr. Mourad Bou Daia

Shaikh Dr. Bou Daia holds several esteemed positions; as a doctorate in Islamic Jurisprudence, he is also a researcher and interpreter of the laws of jurisprudence in Kuwait, as well as teacher working in collaboration with Kuwait University's College of Sharia. Shaikh Dr. Bou Daia is a member of several shariah committees in Qatar, and in a number of committees dedicated to the knowledge and supervision of shariah laws at the Ministry of Social Welfare in Kuwait. He is an active participant in several conferences on the knowledge and interpretation of Shariah laws, in Kuwait and abroad. Shaikh Dr. Bou Daia is a published author of several research studies related to the principles of shariah law. He serves as an advisor in Taiba Financial Sharia Consultation.

### Shaikh Dr. Dawoud Salman bin Essa

Shaikh Dr. Bin Essa holds a Bachelors degree in Shariah sciences, and is well on his way to receiving a master's degree in Islamic Economic Studies. Shaikh Bin Essa has long standing experience (since 2005) working in the fields of audit and shariah compliance within several Shariah compliant financial institutions within Kuwait. He is one of the founders of the Kuwaiti based shariah consulting company, and has been positioned as a member of the Shariah Compliance Authority in Kuwait, and is an active participant in numerous conferences and seminars on Islamic jurisprudence and specifically in shariah compliance. He serves as the General Manager of Taiba Financial Sharia Consultation.

### Shaikh Dr. Khaled Shoja'a Al-Otaibi

Shaikh Dr. Al-Otaibi holds a doctorate in Islamic Jurisprudence and its originating principles. He is a member of the Faculty of Shariah and Islamic Studies - Jurisprudence Department, and an assistant professor at the Faculty of Basic Education. His background includes memberships in numerous committees including: member in the Shariah Board of Kuwaiti House of Zakat, member of the association of Jurisprudence and Shariah in America, a former member of the council for mosques, former member of the Committee for Endowments and Awaqaf, a member of the Shariah Board for Intiyaz, a former member of the Shariah Board for UIB (Bahrain), a former member of the Shariah Commission associated with AlMashair for Hajj and Umrah services, and a former member of the Shariah Commission for Ain, a Takaful Insurance company.



## 14. Executive Management’s Committees

The Board of Directors has delegated the day-to-day management of the Company’s affairs to the CEO who is responsible for the implementation of the strategic plan of the Company. The CEO manages the Company through the following management committees:

Committee Name	Primary Responsibilities
Management Committee	<ul style="list-style-type: none"> <li>• Corporate Strategy</li> <li>• Performance Assessment</li> <li>• Finance</li> <li>• HR</li> <li>• Administrative Issues</li> </ul>
Assets & Liabilities Committee	<ul style="list-style-type: none"> <li>• Manage the Balance Sheet</li> <li>• Financial Management</li> <li>• Liquidity Management</li> <li>• Banking Relations</li> </ul>
Investment Management Committee	<ul style="list-style-type: none"> <li>• Review of Investments</li> <li>• Exits Processes</li> <li>• Acquisitions Processes</li> </ul>
Executive Risk Management Committee	<ul style="list-style-type: none"> <li>• Risk Management Policies</li> <li>• Risk Management Strategy</li> <li>• Risk Review</li> <li>• Risk Assessment</li> <li>• Compliance Policy</li> <li>• Provisioning</li> </ul>

## 15. Executive Management and Senior Management

Following are the job titles of the members of the Executive Management of the Company:

### **Yasser Hamad Al Jar** **Chief Executive Officer**

Mr. Yaser Al Jar is a seasoned professional with over 20 years of experience focused in the fields of audit and assurance services, commercial banking, investment banking, and real estate. Mr. Al Jar joined the Group in August 2011 as “Executive Director – Finance” in Al Khaleej Development Co. (Tameer), a wholly owned subsidiary of Inovent, and continued his journey to become Chief Executive Officer of INOVEST in 2019. Al Jar started his career in 1998, in the domain of external assurance services with Arthur Anderson, one of the largest international audit firms at that time. Subsequently, Al Jar held a number of key positions as Financial Controller in a number of reputable financial institutions, namely Shamil Bank of Bahrain (which has merged with Ithmaar Bank) and Qatar First Investment Bank. During this period, Al Jar was nominated on several Board committees, most significantly on the Executive Management Committee. Mr. Al Jar has the distinguished credentials of having worked in the Islamic banking sector on numerous levels, from dealing with a range of business products, to deal sourcing, and interacting with third parties, as well as financial and investment structuring. He further sits on the Boards of a number of real estate and construction-based companies.

Mr. Al Jar holds a B.Sc in Accounting from the University of Bahrain. He holds CIPA and CSAA certificates from the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI). He is an accredited instructor of the Islamic Accounting Standards issued by AAOIFI and member of the Technical Advisory and Interpretations Committee of AAOIFI. Furthermore, Al Jar is member of the working groups originated by AAOIFI to review and formulate the Islamic Accounting Standards.

### **Talal Abdulaziz Al Mulla** **Chief Investment Officer**

Mr. Talal Al Mulla joins the INOVEST team with over 19 years of experience in investment banking with an established track record in developing and managing investment portfolios as well as handling quasi-debt financing, capital preservation and return distribution.

Throughout his career, Mr. Al Mulla has held several progressive posts, including his most recent as Chief Investment Officer at Al Salam Bank Bahrain, where he played a critical role in deal sourcing and negotiation, structuring, risk management and portfolio control, as well as exit strategizing. Talal’s background as both an accountant and an auditor further adds a specialized risk management and financial control framework to his investment acumen.

Mr. Al Mulla holds a B.Sc in Accounting from the University of Bahrain, and also holds CPA and CIA accreditations.

### **Dana Mohammed Al Haddad** **Head of Corporate Communications & HR**

With over 13 years of communications experience within the financial sector, Dana Al Haddad, is responsible for Inovent’s corporate communications, branding, PR, internal communications, and events. During her career Dana’s scope of communications work has been focused on the financial, investment, and real estate sectors, but has also touched upon mortgage finance, water technology, and oil and gas sectors. Having been appointed Head of Human Resources in 2015, Dana also manages all HR issues across the group; from

strategic planning, administration, to the application and coordination of all HR policies and programs.

Dana graduated summa cum laude with a Master Degree in Business Administration from Strathclyde University, Scotland, and with a BSC in Marketing and Economics from Concordia University, Canada.

**Yusuf Ebrahim Maraghi**  
**Director – Finance**

Mr. Yusuf Maraghi joined the INOVEST team in 2018, with over 15 years of experience in the field of finance and accounting. Across his career, Mr. Maraghi held responsibility for finance strategy, managing the corporate accounts, intercompany and interbank relations, as well as budget development and approval, and streamlining financial policies and procedures. Prior to joining the team, Yusuf was Head of Finance at Eazy Financial Services, and held positions in major academic institutions, and in AISalam Bank before that.

Yusuf graduated from the University of Bahrain with a BSC degree in Accounting and is currently working on being a Certified Islamic Public Accountant and on an IFRS Program.

**Hamad Abdulla Zainalabedeen**  
**Head of Internal Audit**

Hamad Zainalabedeen joined Inovest BSC in 2009 as the Head of Internal Audit Department. Mr. Zainalabedeen has worked in a number of local and world renowned financial institutions and professional audit firms over the last 18 years with extensive auditing experience in Islamic Investment Banks, Investment Businesses, Manufacturing Enterprises, Governmental Organizations and other sectors.

Prior to joining Inovest, Mr. Zainalabedeen held leading positions in Internal Audit at Investment Dar Bank and Gulf Finance House. Hamad also worked with Ernst & Young and Arthur Andersen as an external auditor.

Hamad holds an Executive MBA and Bachelors of Science in Accounting from the University of Bahrain.

**Ismaeel Omar Elnasri**  
**Head of Legal**

Mr. Ismaeel Elnasri is a veteran legal counselor with more than 15 years of experience in the fields of Investment Banking, Islamic Banking, Retail Banking, Finance, Company Law, Labor Law, Real Estate and Construction.

During his career, Mr. Elnasri has handled and attained regional exposure in legal matters covering the GCC and MENA region. Since 2008, Mr. Elnasri has held a number of senior executive positions in Bahrain with various banking and financial Institutions such as Investors Bank, Alubaf Arab International Bank and Ithmaar Bank. In addition to his responsibilities as Head of Legal, Mr. Elnasri serves as a member in the Inovest Management Committee.

Mr. Elnasri holds a Bachelor degree (LLB) in law from Sudan and is a registered lawyer with the Ministry of Justice Sudan. Mr. Elnasri is a qualified associate member at the Chartered Institute Of Arbitrators (CIArb-UK).

## **16. Executive Management Shareholding**

The executive & Senior Management do not hold any shares in the company.

## **17. Details of stock options incentive**

No stock option incentive has been provided to senior management.

## **18. Executive Management Remuneration**

The Company Establishes management remuneration in line with approved internal policies, procedures and guidelines. The qualification of such remuneration set by the company's Board of Directors. The total salaries remuneration paid to the senior Management was US\$1,169,641 in 2019.

## **19. Related Party Transactions**

The details of related party transactions are shown under Note (26) of the Consolidated Financial Statements for the year ending 31 December 2019.

## **20. Compliance Control and Money Laundering Combating**

Company recognizes its responsibility of compliance with all the related provisions by implementing global best practice. The Company has established a unit for regulatory control, to ensure adherence to the guidelines & rules of the Central Bank of Bahrain. This unit acts

both to ensure observance of the principles of Islamic Sharia and regulatory rules, and the implementation of Compliance best practice.

The procedures for combating money laundering form a major part of compliance assignments. The Company maintains specific policies and procedures, approved by the Board of Directors, for money laundering prevention. These include a Client Due Diligence process, reporting of suspicious transactions, periodical staff awareness and training programs, & record-keeping, as well as the key policy of appointment of an officer dedicated to money laundering prevention. Money laundering prevention Policy & Procedures are reviewed annually by external auditors, who report their findings to the Central Bank of Bahrain. The Company is committed to combating money laundering, and to implementing all AML rules, principles and guidelines issued by the Central Bank of Bahrain.

Pursuant to HC Module of the CBB Rulebook (Volume 4 - HC Module) that refers to the principle of “Comply or Explain”, which provides that it is necessary for the Company to interpret non-compliance events with the recommendations prescribed in the Rulebook, the Company is pleased to inform the shareholders that the Company is in compliance with CBB rules and guidance.

## **21.External Auditor**

The AGM held on 28 March 2019 approved reappointing M/S Ernst & Young to conduct the review and audit of the Company’s consolidated financial statements for the year ended 31 December 2019. Total fees approved by the Board of Directors for the external auditors were US\$ 46,419.

## **23. Communications with the Investors**

INOVEST communicate to investors through the adherence with both Bahrain Bourse and Kuwait Boursa rules and regulations with regard to disclosure of material information beside the press releases the Company issued. The Investor may communicate with the Company via visiting its official website to view the financial data and statements, and all the other information included in the website.

## INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF INOVEST B.S.C.

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated statement of financial position of Inovert B.S.C. (the "Company") and its subsidiaries (together the "Group"), as of 31 December 2019, and the related consolidated statements of income, cash flows, changes in owners' equity and sources and uses of charity fund for the year then ended. These consolidated financial statements and the Group's undertaking to operate in accordance with Islamic Shari'a Rules and Principles are the responsibility of the Company's Board of Directors. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with Auditing Standards for Islamic Financial Institutions issued by the Accounting and Auditing Organisation for Islamic Financial Institutions ("AAOIFI"). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

### Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of 31 December 2019, the results of its operations, its cash flows, changes in owners' equity and sources and uses of charity fund for the year then ended in accordance with the Financial Accounting Standards issued by AAOIFI.

### Report on Other Regulatory Requirements

As required by the Bahrain Commercial Companies Law and the Central Bank of Bahrain ("CBB") Rule Book (Volume 4), we report that:

- a) the Company has maintained proper accounting records and the consolidated financial statements are in agreement therewith; and
- b) the financial information contained in the Report of the Board of Directors is consistent with the consolidated financial statements.

Except for what has been reported in note 1 to the consolidated financial statements, we are not aware of any violations of the Bahrain Commercial Companies Law, the Central Bank of Bahrain and Financial Institutions Law, the CBB Rule Book (Volume 4 and applicable provisions of Volume 6) and CBB directives, regulations and associated resolutions, rules and procedures of the Bahrain Bourse or the terms of the Company's memorandum and articles of association during the year ended 31 December 2019 that might have had a material adverse effect on the business of the Company or on its financial position. Satisfactory explanations and information have been provided to us by management in response to all our requests. The Group has also complied with the Islamic Shari'a Rules and Principles as determined by the Shari'a Supervisory Board of the Group.



Partner's registration no: 45  
.....2020  
Manama, Kingdom of Bahrain

## Sharia Supervisory Board Report

In the name of Allah, The Beneficent, The Merciful

### **Sharia Supervisory Board Report on the Inovent For the Financial Year Ended on 31 December 2018**

In The Name of Allah, the Most Beneficent, the Most Merciful, Prayers and Peace are upon the last messenger, our prophet Mohammed, his family and companions.

To the Shareholders of Inovent,  
Acting as Sharia Supervisory Committee pursuant to the appointment resolution passed by the General Assembly of the Company, we are required to provide the following report:

The Sharia board of Inovent has reviewed the Company principles, contracts or agreements related transactions, and applications submitted by the Company for the financial year ended on 31 December 2018, and upon comparing them with the fatwa and rulings issued during the financial year ended on 31 December 2018, we found them compatible with the above mentioned fatwa and rulings.

We performed our review so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that Inovent has not violated Islamic Shari rules and principles.

The Sharia board believes that it has expressed its opinion in respect of the activities carried out by Inovent, and the management is responsible for ensuring that the Company conducts its business in accordance with Islamic Shari, However, our responsibility is limited to form an independent opinion based on our review of the activities and operations conducted by Inovent.

In our opinion:

The contracts, transactions and dealings entered into by the Company during the financial year ended on 31 December 2018 that we have reviewed are in compliance with the Islamic Shari rules and principles.

The calculation of Zakat is in compliance with Islamic Shari rules and principles.

The Sharia board has also discussed with the representative of the Company the financial statements for financial year ended on 31 December 2018, and the Sharia board is satisfied that these statements are in compliance with the Islamic Sharia.

This report has been prepared based on the information provided by the Company, The Sharia board is satisfied that the Company activities are in compliance with the Islamic Sharia.

Prayers and Peace are upon the last messenger, our prophet Mohammed, his family and companions.

**Shaikh Dr. Khalid Shuja'a Al-Otaibi**  
Chairman



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**Shaikh Dr. Murad Bou Daia**  
Member



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**Shaikh Dr. Dawoud Salaman Bin Essa**  
Executive Member



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