

In accordance with the provisions of the Defense Law Number 13 for the year 1992 and the directives issued by His Excellency the Minister of Industry, Trade, and Supply on April 9, 2020, Capital Bank of Jordan, a public shareholding company, held its 18th extraordinary General Assembly meeting at 1:00 p.m. on December 23, 2021, using audiovisual and electronic communication. The meeting was chaired by the Chairman of the Board of Directors H.E. Bassem Al-Salem.

The chairman of the board welcomed the Companies Controller Dr. Wael Armouti, the representatives of the Central Bank of Jordan, the representatives of the external auditors PricewaterhouseCoopers-Jordan, attendees, and Capital Bank's shareholders. He also congratulated everyone on the holidays and wished the Jordanian people good health and fortune under the Hashemite leadership.

He indicated that this meeting is being held to amend some of the items of the bank's Articles of Association so that they correlate with the laws and regulations in effect and to keep abreast with the legislative developments in this regard.

Before declaring the legality of the session, H.E. Bassem Al-Salem gave the floor to the Companies' Controller to present his speech.

The Companies Controller Dr. Wael Armouti began his speech by welcoming the Chairman H.E. Bassem Al-Salem, the members of the executive team, the members of the Board of Directors, and the shareholders in attendance. He congratulated everyone on the holidays and expressed hope for God's blessings on the Jordanian people and His Majesty the King. He also wished the bank well and affirmed his pride in Capital Bank.

He asked the Chairman of the Board to begin the discussion of the items set on the agenda presented in the Invitation to the shareholders.

After the Chairman of the Board thanked the Companies' Controller for his speech, and announced the appointment of Ms. Orouba Qarain, secretary of the Board of Directors, as the clerk of the meeting and Capital Bank's work team as the observers of the vote collection mechanism. He asked Ms. Qarain to announce the percentage of the attendees according to the latest list of attendees.

Ms. Qarain announced that the shareholders attending the meeting were 112, holding 160,762,911 bank shares personally and by proxy, representing 80.38% of the bank's subscribed and paid-up capital amounting to JD/shares 200,000,000 and that 11 of the 13 board members were in attendance. She also announced that the bank's external auditors, PriceWaterhouse Coopers, were in attendance and that the quorum for the extraordinary General Assembly was legally met. She noted that the date of the General Assembly meeting was announced in two daily newspapers, on the bank's website, and on the website of the Companies Control Department as per the Procedures issued by the Minister of Industry, Trade, and Supply on April 9, 2020, and Defense Order Number 5 for the year 2020.

Based on this, H.E. the Chairman of the Board of Directors declared the meeting legal and that all decisions taken by the extraordinary General Assembly are binding to all shareholders present and absent.

With regards to inquiries posed by shareholders who own less than 10% of shares through the bank's website, were as follows:

Ms. Sana' Qarain, representing shareholders of the Jordanian Phosphate Company
The required amendments to the bank's Articles of Association are in accordance with the Companies Law currently in force, and the Disclosure Instructions issued by the Securities Commission. What were these provisions before the amendment, as the agenda did not present the Articles of Association before the amendment?

Answer

The amendments to the bank's Articles of Association are in accordance with the Companies Law currently in effect and the Disclosure Instructions issued by the Securities Commission, and approval was obtained from the regulatory authorities, noting that the items will be presented before amending the extraordinary General Assembly meeting and will also be included in the minutes of the meeting.

Shareholder Mr. Mohammad Hashem Abdul Amir Al-Wardi

It is being circulated that there is a deal or intention on the part of Capital Bank to purchase the assets and branches of Société Générale Bank in Jordan. Is it possible to confirm or deny this news? And if the news is true, what are the procedures, where have negotiations reached, and what is the benefit to the bank and the shareholders?

Answer

Capital Bank is always looking for opportunities to enhance its market share and its financial solvency, and in the event that there is any transaction to be materialized, the bank will inform its shareholders and obtain their approval if the law requires that, as well as obtain the approval of the relevant regulatory authorities in a timely manner and disclose as required by law.

Shareholder Mr. Hamza Hashem Abdul Amir Al-Wardi

1. What are the reasons behind the bank's desire to acquire Société Générale? Is it considered a successful bank and how many branches does it have in Amman? What is the bank's capital? What are the reasons for selling the bank?

Answer

Société Générale Bank is one of the most successful banks in the market, as it has 19 branches. The reason for considering the acquisition of Société Générale Bank is due to the existence of an opportunity to create alignment with regard to the credit portfolio of the two banks and also in order to strengthen the bank's position in the market and expand and spread further in the local market. As for the reasons for offering to sell Société Générale Bank, it is similar to the rest of the Lebanese banks that want to focus on the Lebanese local market, given the current economic conditions in Lebanon.

2. Most banks and offices have started using their own applications for trading in the Amman Stock Market (electronic trading), which gives an advantage to the trader in terms of expediting the execution of buying and selling orders. Until this moment, there is no special application for Capital Bank for electronic trading, as if Capital Bank is not interested in developing the trading technology for electronic trading in the Amman Stock Exchange.

Answer

The bank has, through its subsidiary Capital Invest, an application for electronic trading, and it is considered one of the best applications in the market and is characterized by speed and efficiency in executing buying and selling orders, noting that the main focus of Capital Bank is striving towards development in information technology in all its fields and forms to better serve its clients.

3. In light of the expansion carried out by Capital Bank in Iraq and its possession of more than 60% of the National Bank of Iraq and the acquisition of Bank Audi and the ongoing negotiations on another bank, is it possible that this year will see raising the bank's capital from 200 million to 220 or more?

Answer

The management is studying several possible options to maintain a solid capital adequacy ratio, and the bank confirms that it will communicate with the shareholders at some stage and in a timely manner, and upon reaching decisions and directions in this matter.

Shareholder Mr. Ramez Fu'ad Qustandi Bajjali

What is the reason for issuing the loan bond and what is the purpose of this issuance at this time?

Answer

The bonds are intended to be issued as tier one capital bonds (additional capital) (perpetual bonds), and the reasons for issuing the bond are due to the expansion sought by the bank and to ease the ownership rights and financing sources from the shareholders.

Discussion of the items on the agenda started, and Ms. Qarain read them as follows:

Item One: Amending the following articles in the Articles of Association:

1. Article 18, which stipulates the following:

"Subject to the provisions of the Companies Law, the company may, with the approval of the extraordinary General Assembly, by a majority of 75% of the votes of the shares represented in the meeting, issue all kinds of bonds."

With the amendment, the article shall be read as follows:

"Issuing loan bonds shall be in accordance with the provisions of Article 117 of the Jordanian Companies Law in force."

The approval percentage reached 80.19%. Hence, it was decided to approve the amendment of Article 18 of the Articles of Association.

2. Article 22, which stipulates the following:

"Voting on the decisions of the Board of Directors of the company shall be in person and shall be carried out by the member himself and may not be delegated, nor may it be conducted by correspondence or by other indirect means."

With the amendment, the article shall be read as follows :

"Members of the bank's Board of Directors may attend its meetings by any of the audiovisual (electronic) means to discuss the agenda of the meeting, provided that the chairman of the board and the secretary approve the minutes of the meeting and its quorum."

The approval percentage reached 80.24%. Hence, it was decided to approve the amendment of Article 22 of the Articles of Association.

3. Article 26/A/3, stipulates the following:

"Not to be a member of the boards of directors of more than three public shareholding companies in Jordan. He may also be a representative of a juridical person on the boards of directors of three public shareholding companies at the most. In all cases, a person may not be a member of more than five boards of directors of public shareholding companies in Jordan in his personal capacity in some of them and as a representative of a juridical person in others."

With the amendment, the article shall be read as follows :

"A person may not be a member of more than five boards of directors of public shareholding companies in Jordan in his personal capacity in some of them and as a representative of a juridical person in others."

The approval percentage reached 80.25%. Hence, it was decided to approve the amendment of Article 26/A/3 of the Articles of Association.

4. Article 37/C, stipulates the following:

"The Board of Directors of the company can terminate the services of the chief executive officer, provided that the Central Bank, the Companies' Controller, and the Amman Stock Market are informed of any decision taken regarding the appointment of the chief executive officer of the company or the termination of his services, within 10 days from the date of taking the decision."

With the amendment, the article shall be read as follows:

"The board of directors of the company may appoint or the general manager/chief executive officer or terminate his services provided that this is disclosed to the relevant parties within the set deadlines stipulated in legal legislation in effect."

The approval percentage reached 80.26%. Hence, it was decided to approve the amendment of Article 37/C of the Articles of Association.

5. Article 46/A/7, stipulates the following:

"A. The company's General Assembly, in its extraordinary meeting, shall consider discussing the following matters and taking the appropriate decisions in their regard: 7- Issuing loan bonds."

With the amendment, the article shall be read as follows:

"Issuing loan bonds shall be in line with the requirements of Article 117 of the Jordanian Companies Law in effect."

The approval percentage reached 80.24%. Hence, it was decided to approve the amendment of Article 46/A/7 of the Articles of Association.

6. Article 53/B, which stipulates the following:

"The right to collect profits towards the company shall be for the owner of the share registered in its records on the date decided by the General Assembly in its meeting in which it approves the distribution of profits. The Board of Directors of the company shall announce this in at least two local daily newspapers and other media on the day following the meeting of the General Assembly and to inform the companies controller general and the Amman Financial Market of this decision."

With the amendment, the article stipulates the following:

"The right to collect profits towards the company shall be for the owner of the share on the date of the General Assembly meeting in which it decides to distribute profits. The Board of Directors of the company shall announce this in at least two local daily newspapers and other media within one week at the most from the decision of the General Assembly, and the company shall inform the companies' controller general and the Amman Stock Market of this decision."

The approval percentage reached 80.26%. Hence, it was decided to approve the amendment of Article 53/B of the Articles of Association.

7. Article 53/C, which stipulates the following:

"The company shall commit to paying the profits set for distribution to the shareholders within 60 days from the date of the meeting of the General Assembly. In case of breach of this, the company shall commit to paying interest to the shareholder at a rate equal to the interest rate on deposits for the same term with banks during the year of distribution before the payment of profits, provided that the period of delay in paying the profits does not exceed six months from its maturity date, after seeking the opinion of the Central Bank of Jordan."

With the amendment, the article shall be read as follows:

"The company shall commit to paying the profits set for distribution to the shareholders within a period of 45 days from the date of the General Assembly meeting."

The approval percentage reached 80.26%. Hence, it was decided to approve the amendment of Article 53/C of the Articles of Association.

Item Two: Authorizing the Board of Directors to finalize all procedures related to this and the amendment of the Articles of Association in accordance with the provisions of the Jordanian Companies Law, the Securities Commission, and the laws in effect:

The shareholders were provided an opportunity to vote on this item and the approval percentage was 80.26%. Hence, it was approved to authorize the Board of Directors to finalize all procedures related to the amendment of the Articles of Association in accordance with the provisions of the Jordanian Companies Law, the Securities Commission, and the laws in effect.

Ms. Qarain then announced the conclusion of the meeting as there were no other inquiries due to the fact that the bank does not have shareholders owning more than 10%.

At the conclusion of the meeting, the Chairman of the Board of Directors thanked Capital Bank's shareholders for their presence. He also thanked all the Regulators' bodies, in particular the Companies' Controllers. He also thanked LUMI, the leading specialized company in organizing general assembly meetings, for its efforts with the bank. He expressed hope that God would protect Jordan under HM King Abdullah II Ibn Al-Hussein.

The Company's Controller extended his gratitude to the Chairman of the Board and Capital Bank, as well as the secretary of the board Ms. Qarain. He thanked the shareholders for attending and everyone for the good organization of this successful meeting. He wished the bank more progress and prosperity under the leadership of HM King Abdullah II Ibn Al-Hussein and the best for Jordan.

The Chairman of the Board of Directors then thanked Companies Controller Dr. Wael Armouti and all the attendees, and the meeting was concluded.

Clerk: Orouba Qarain

H.E. Companies Controller: Dr. Wael Armouti

H.E. Chairman of the Board of Directors: Bassem Khalil Al-Salem