

CORPORATE GOVERNANCE

Al Baraka Bank (Pakistan) Ltd (ABPL) is a part of Al Baraka Banking Group B.S.C. ("ABG"), Al Baraka Banking Group is licensed as an Islamic wholesale bank by the Central Bank of Bahrain and is listed on Bahrain Bourse and Nasdaq Dubai. ABG is a leading international Islamic banking group providing its unique services in countries with a population totaling around one billion.

The Group has a wide geographical presence in the form of subsidiary banking units and representative offices in 17 countries, which in turn provide their services through over 700 branches. Al Baraka Banking Group has operations in Jordan, Egypt, Tunis, Bahrain, Sudan, Turkey, South Africa, Algeria, Pakistan, Lebanon, Saudi Arabia, Syria, Morocco and Germany, in addition two branches in Iraq and two representative offices in Indonesia and Libya.

ABG and its Units offer retail, corporate, treasury and investment banking services, strictly in accordance with the principles of the Islamic Shari'a. The authorized capital of ABG is US\$ 2.5 billion.

S&P Global Ratings has updated the long-term rating on Al Baraka Banking Group B.S.C. to 'BB-' with a 'Stable' Outlook, while affirming the 'B' short-term rating of the bank. ABG has also been rated A3 (short term) by Islamic International Rating Agency (IIRA). IIRA has also rated ABG on the national scale at A+ (bh) / A2 (bh) with a fiduciary score of 81-85, the highest level amongst Islamic Financial Institutions in the region.

ABPL promotes a disciplined corporate governance and risk management culture as a fundamental prerequisite to effective management of the Bank. The adoption and maintenance, through continual and vigilant review, of the high standards of corporate governance and risk management have thus been key to building a strong, ethical and responsible organization. This has been essential for establishing an overarching governing structure under which the functions, roles and responsibilities are clearly divided between the Board of Directors, Board Committees and Executive Management, officers and staff of the organization.

THE BOARD OF DIRECTORS

The Board of Directors (the "Board") is responsible for the establishment and oversight of the Bank's business strategy and priorities, for setting its high-level policies and for overall management; and is accountable to the shareholders for the financial and operational performance of the Bank. It is responsible for ensuring capital compliance, monitoring of the Executive Management and its conduct of the Bank's operations, making critical business decisions and building long-term shareholder value. The Board, through approving and monitoring the Bank's risk appetite, and identifying and guarding against the long term strategic threats to the business, ensures that the Bank manages risk effectively. The Board discharges its responsibilities in line with the regulatory requirements.

The Board reviews Bank's business plans and the inherent level of risk in those plans. It also assesses the adequacy of capital to support the business risks of the Bank; sets performance objectives; and oversees major capital expenditures, divestitures and acquisitions. The Board of Directors has overall responsibility for the Group's system of internal control and its effectiveness and for defining and enforcing standards of accountability that enable the Executive Management to achieve the Bank's corporate objectives. The Board ensures that the systems and controls framework, the Board structure and the organizational structure of the Bank are appropriate for the Bank's business and associated risks, and regularly assesses the systems and controls framework to that end. There are established and ongoing

procedures in place for identifying, evaluating and managing significant risks faced by the Bank. These are regularly reviewed by the Board. The Bank's system of internal controls provides for a documented and auditable trail of accountability and applies across its operations. This system is designed to ensure effective and efficient operation and compliance with all applicable laws and regulations, and seeks to manage risk with a view to avoiding material errors, losses and fraud.

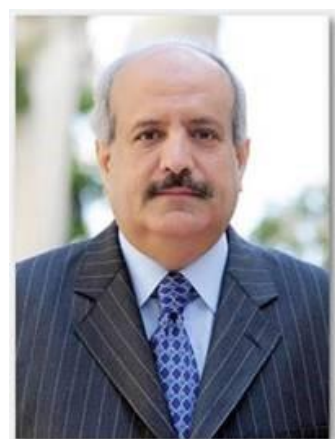
The Board has established a written compliance policy governing the Bank's compliance with all laws and regulations; in particular those enunciated by the State Bank of Pakistan (SBP). The Board has delegated responsibility for monitoring compliance to the Chief Executive Officer of the Bank. This responsibility is carried out through a dedicated Compliance Department and Compliance Committee of Management with a mandate to cover all aspects of compliance including: formulation of effective policies and processes for the management of the Bank's compliance risk; assisting Executive Management and staff in managing risk; advising on laws and regulations and applicable compliance standards; disseminating compliance policies and providing guidelines to staff members; ensuring an effective compliance methodology; providing periodical reports to the Board in connection with compliance controls; and establishing operational controls and a robust Know Your Customer (KYC) and Anti-Money Laundering (AML) framework.

The shareholder elects the Board of Directors for a 3 years term in Extra Ordinary General Meeting. The nominations for the Board Members from the sponsors shareholders are sought when the three years tenor is about to expire. The Fit and proper tests of the consenting Directors are then submitted to SBP for their clearance. Whereas, the nominations for casual vacancy are submitted to the Chairman of the Board, within the time frame provided in the announcement, then to the Board Human Resources and Remuneration Committee (BHR&RC) for it to make its recommendations to the Board. As part of the nomination process, every nomination must comply with the rules and regulations as described in SBP's Prudential Regulation's "Fit and Proper Test", Companies Act 2017 and Code of Corporate Governance 2019.

DIRECTOR'S PROFILES

- **Mr. Adnan Ahmed Yousif - Chairman (Sponsor Director):**

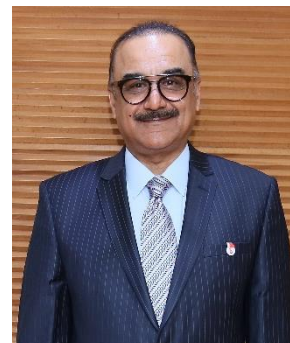
Mr. Yousif is an International Banker and holds a Master of Business Administration degree from University of Hull, UK. Mr. Yousif has been a Director of Al Baraka Banking Group since its inception and President & Chief Executive from August 2004 to December 31, 2020. He is also Chairman of Banque Al Baraka D'Algerie, Al Baraka Turk Participation Bank, Al Baraka Bank Ltd., South Africa, Al Baraka Bank Syria, Al Baraka Bank Sudan and Al Baraka Bank (Pakistan) Ltd., Vice Chairman of Al Baraka Islamic Bank, Bahrain, Director of Al Baraka Bank Tunisia, Chairman of Bank al Tamweel waal Inma, Morocco and Director of Itqan Capital. He has over 46 years' of experience in international banking, including involvement with numerous financial institutions and social organizations and has twice been the recipient of the "Islamic Banker of the Year" Award at the World Islamic Banking Conference, in December 2004 and December 2009. He was appointed Chairman of the Union of Arab Banks in April 2007 and re-elected for a further three-year term in April 2010. He was honored with the Tatweej Award for excellence in leadership and institutional performance in the category "Wise Leadership in the field of Arab banking for 2012"



granted by the Arab Administrative Development Organization (ARADO) - an organization affiliated to the Arab League - in cooperation with the Tatweej Academy. In addition, he was awarded by LARIBA American Finance House the 2012 “LARIBA Award for Excellence in Achievement”, in recognition of his leadership role in consolidating and operating the largest diversified Islamic Banking Group in the world.

- **Mr. Tareq Mahmood Kazim - Deputy Chairman (Sponsor Director):**

Mr. Tareq Kazim has over 36 years of experience in Banking & General Management with special emphasis on International Operations, Marketing, Information Technology, and Human Resource. Currently, he is General Manager of Business Group of Al Baraka Islamic Bank B.S.C. He has also served as Deputy General Manager-Support Services and Overseas Branches at Al Baraka Islamic Bank B.S.C. Amongst his main responsibilities included Pakistan operations, Bahrain Information Technology Operations, Human Resources-Bahrain, Administration, PR and Security & Safety Departments. He also headed Group Business Process Re-Engineering, Project Management Office at BIB and ABG. He has also served as a board member of Al Baraka Bank Syria. Prior to becoming an integral part of ABG, Mr. Tareq was General Manager of Arabian Network Information Services W.L.L.



- **Mr. Abdulrahman Shehab - (Sponsor Director):**

Mr. Abdulrahman Shehab is a Master in Business Administration from University of Hull UK. He has been with Al Baraka Banking Group since 2006 and has served as Executive Vice President, heading Operations and Administration at ABG till December 31, 2020. Mr. Shehab is also the Board Member of Al Baraka Bank Algeria and Al Baraka Bank (Pakistan) Ltd. He was a Member Establishment Committee of Al Baraka Bank Syria. He also chaired certain management committees at the ABG, HO and acted as a member in other management committees of ABG.



- **Mr. Salman Ahmed - (Non-Executive Director):**

Mr. Salman Ahmed is a Chartered Accountant from ICAEW and ICAP, and holds a Corporate Finance Qualification from the ICAEW. He has worked in the UK, Channel Islands, Bahrain, Saudi Arabia and the UAE. Formerly, he has held positions as Partner in PricewaterhouseCoopers Middle East (also headed their financial services practice), Regional MD of a boutique UK bank for their Dubai and Qatar offices, and a Founding Senior Partner of a US\$ 460MM Private Equity Fund. Currently, he is serving on the Boards and/or Board Committees as Member or Chairman in Independent or Non-executive capacities in SABB Takaful Company - Saudi Arabia (an affiliate of SABB Bank/HSBC), Tullet Liberty WLL - Bahrain (an affiliate of TPICAP plc), Yanal Finance Company (formerly Saudi Orix Leasing Company) - Saudi Arabia, Saudi Steel Pipes Company - Saudi Arabia. He also served as an Independent member of the Audit Committees of Alistithmar Capital - Saudi Arabia (a subsidiary of Saudi Investment Bank) and Medgulf Insurance Company - Saudi Arabia, and a Director in



Manara Equity Partners BSC(c), Bahrain and its related entities. In addition to Board positions, he also advises financial and other institutions in the Middle East.

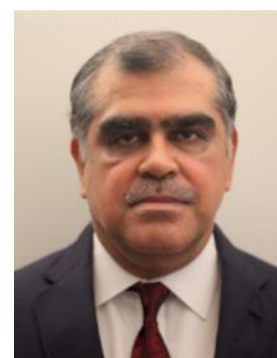
- **Mr. Mohamed Tareq Sadeq - (Independent Director):**

Mr. Tareq is the Managing Director of Keystone Consulting Inc. W.L.L., a boutique consulting firm based in the Kingdom of Bahrain, since 2013. He is engaged in providing specialist advisory services to niche family and corporate clients as well as to high net worth individuals. Currently he is the Independent director on the Boards of Ahli United Bank K.S.C.P. Kuwait, Ahli United Bank Egypt S.A.E., Cairo, Egypt, National Bank of Bahrain B.S.C, Bahrain, Bahrain International Golf Course Co. B.S.C (c) Bahrain, Al Zayani Investments B.S.C (c) Bahrain, First Motors W.L.L., A.M. Yateem Brothers W.L.L., Bahrain, Yateem Air Conditioning W.L.L., Bahrain. Previously he served as independent director of BMI Bank, Bahrain, Ibdar Bank B.S.C. (c), Bahrain, and Ahli United Bank Limited, Dubai. Mr Sadeq served EY Middle East and North Africa (MENA) for well over 34 years and held various leadership roles with the firm from partner of the Bahrain office to senior member of the MENA leadership team - as Account and Business Development Leader and retired in 2013 as the Head of Advisory practice of the Firm. At EY he was closely involved in developing the Firm's Assurance and Advisory practices in Bahrain and across the MENA region. During this period he spear-headed several significant initiatives for the Firm especially for the Government and Public Sector and Financial Services Sector by providing valuable insights to the various Ministries and the Central Bank of Bahrain (CBB). These include, but not be limited to, establishment of One Stop Shop for the investors, assisting the regulatory bodies, including Central Bank of Bahrain, in formulating and setting up diverse policy frameworks. He is a Chartered Accountant from the Institute of Chartered Accountants in England & Wales.



- **Ahmed Rehman - (Independent Director):**

Mr. Ahmed Rehman has over 38 years of experience with multinational banks in senior management roles, such as Chief Executive as well as direct responsibility for wholesale bank and risk. He was also involved in the Corporate banking integration of Standard Chartered Bank Pakistan with Grindlays Bank Pakistan. His experience covers different geographies in Asia, Middle East and Africa, with American Express Bank, Standard Chartered Bank and Al Rajhi Bank. In his last role as CEO at Al Rajhi Bank Malaysia, (subsidiary of one of the largest Islamic Banking Groups in the world) he set up a Greenfield project in Malaysia with complete embedded Wholesale, Retail and Investment Banking strategies. Within Five (5) years in operation the bank established 24 branches spread across the country, an enviable customer base of 200,000 and an approximate balance sheet size of \$ 2 billion. The bank was profitable for the last three (3) consecutive years of his tenure. The bank also won several awards in this short period since inception. In his current position Mr. Ahmed Rehman is an independent Board Director of CIMB Islamic Bank Malaysia. At this institution he is also the Chairman of the Board Risk and Compliance committee and a member of the Board Shariah Committee. In addition to that role he is a World Bank/IFC Nominee Director of Asean Financial Innovation Network (AFIN) based in Singapore. AFIN is an innovative technology platform bringing Financial Institutions and Fin Techs together sponsored by Monetary Authority of Singapore, IFC/World Bank and the Asean Banking Association.



- **Mr. Azhar Hamid - (Independent Director):**

Mr. Azhar Hamid is an international banker with a career spanning over 55 years with Grindlays Bank, ANZ Bank and latterly Standard Chartered Bank. He was appointed as the first Pakistani Country Head of ANZ Grindlays Bank in Pakistan in 1994. After acquisition of the Bank in 2000 by Standard Chartered Bank, he was asked to continue as the Country Head of the combined bank, retiring in 2003. After introduction of a Riba free financial system in Pakistan in 1985, he led the team that established the First Grindlays Modaraba which became the most successful and dominant Modaraba Company in the Country. Senior overseas assignments with ANZ Bank include UK, Bahrain, Jordan, and Australia. He has served on the board of Grindlays Bahrain Bank in Bahrain. Upon retirement in 2003, he served as Director Board of the State Bank of Pakistan the position that he relinquished when asked by the Government to establish a Banking Mohtasib (Ombudsman) function in the Country. He was thus the first Banking Mohtasib (Ombudsman) in Pakistan and completed his 3 years term in May 2008. He has served as Director on the Board of the Bank of Punjab, the position which he was relinquished in September 2009 and served on the Board of Burj Bank for 3 years up to end 2015. He is currently serving as a Chairman of UBL Fund Managers since July 2017. He has also served on several Pakistan Government and State Bank of Pakistan committees on economic reforms and monetary policy.



- **Mr. Zahid Rahim - (Sponsor Director):**

Mr. Zahid Rahim last served Arab National Bank as the General Manager / Head of Corporate Bank. He was additionally responsible for the Financial Institution Group, Islamic banking Division, Projects and structured Finance Division and strategic investments Group which primarily comprised an Insurance company, an operating lease financing company and a home financing company all in joint venture with strategic partners. He has previous long experience of working with a major international bank - Standard Chartered Bank - over a period of 35 years, spanning nine countries over UK, Europe, Middle East, Africa and South Asia. He has held several prominent roles at Standard Chartered Bank. Whilst serving at SCB, as Chief Executive Officer for Levant, the geographic responsibility covered "Jordan, Lebanon, Israel, Palestine, Syria and Egypt". He has also served as the Regional Head of Corporate and Institutional Banking for South Asia, based in Dubai and Jordan. In previous roles, Mr. Rahim served as the Chief Executive Officer for Pakistan (1996-2000) with overall responsibility of Sri Lanka and as Executive Director for Corporate and Institutional Banking in East Africa. He is a graduate in Arts and an Associate Member and Fellow of the London Institute of Bankers. He also holds an Honorary Fellowship from the Institute of Bankers in Pakistan.



- **Mr. Shafqaat Ahmed - (Non-Executive Director):**

Mr. Shafqaat Ahmed possesses over 48 years of rich banking experience both within Pakistan and in international markets of Corporate Finance, Capital markets, Treasury & portfolio management. He was responsible for establishing AlBaraka Pakistan and served as its Head from 1992 till early 2018. He was instrumental in overseeing the two mergers of Al Baraka Pakistan. First with Emirates Global Islamic Bank in 2010 & the second with Burj Bank in 2016. He is currently serving as an Independent



director in National Insurance Co Ltd, and Dandot Cement Company. He is also the Chairman of Civic Centres Company Ltd . Mr. Ahmed is a graduate of Foreman Christian College, Lahore with Majors in Economics. He has served as the Vice Chairman of the Pakistan Banks Association and is a fellow of the Institute of Bankers in Pakistan.

- **Mohammad Asheque Moyeed - (Sponsor Director):**

Mr. Asheque has 23 years of working experience in infrastructure project finance, corporate finance, PPP, debt syndications etc. Mr. Asheque Moyeed has been working for the Islamic Development Bank (IsDB) Group since 2010 and has been focused on infrastructure, energy, power generation, Public-Private Partnerships (PPP) as well as corporate finance business. During this period, he has played a leading role in closing many important projects and has worked closely with major international, regional and local investors, project developers, financial institutions, government agencies etc. Mr. Asheque has also been leading the infrastructure and corporate finance operation of ICD, the private sector arm of the IsDB Group since August 2018. Mr. Asheque has been involved with projects in Saudi Arabia, Pakistan, Bangladesh, Egypt, Turkey, Mozambique, Nigeria etc.



Prior to joining the IsDB Group, Mr. Asheque Moyeed worked at IFC, World Bank Group and also at the Standard Chartered Bank. At Standard Chartered Bank, he led the debt syndications and debt capital markets teams in Bangladesh and his team led many landmark transactions in the country. Mr. Asheque has an MBA degree from the Institute of Business Administration, University of Dhaka.

- **Ahmed Shuja Kidwai - (Chief Executive Officer):**

Mr. Ahmed Shuja Kidwai is the Chief Executive Officer of Al Baraka Bank (Pakistan) Ltd and has been associated with it since 1996 in different capacities including Chief Operating Officer and Regional Manager (South). He is an international banker with extensive experience of 44 years in banking and finance especially Islamic banking, Credits, Lending, Risk Management, Corporate, Commercial Relationship Management and Back Office management. Prior to joining ABPL he has worked with Bank Al Habib, Emirates Bank International and BCCI at Karachi, Swaziland, Zambia, Kenya, UK and Italy. He holds a BS degree from Gordon College, Rawalpindi and has attended a number of international training programs and seminars. He is also a Director of Takaful Pakistan Ltd.



Details of Membership on the Board(s) and Sharia Boards of other companies (Table-1)

Disclosure on Board of Directors

Sr. #	Name of Directors	Date of Joining the Board of ABPL	Status of Director (Independent, Non-Executive, Executive)* in ABPL	Number of other Board Memberships along with name of company(ies)
1	Mr. Adnan Ahmed Yousif	29-Oct-10	Sponsor Director	Al Baraka Banking Group- President & Chief Executive, Banque Al Baraka D' Algerie, Algeria- Chairman, Al Baraka Turk Participation Bank- Chairman, Albaraka Bank Limited, South Africa- Chairman, Al Baraka Bank, Syria- Chairman, Al Baraka Bank, Sudan- Chairman, Bank al Tamweel waal Inma, Morocco- Chairman, Al Baraka Islamic Bank, Bahrain- Vice Chairman, Al Baraka Bank, Tunis- Director, Itqan Capital- Director.
2	Mr. Tareq Mahmood Kazim	29-Oct-10	Sponsor Director	Nil
3	Mr. Abdulrahman Shehab	31-Dec-10	Sponsor Director	Al Baraka Bank Algeria, Islamic International Rating Agency

4	Mr. Salman Ahmed	22-Jan-11	Non-Executive Director	Yanal Finance Company
				Saudi Steel Pipes Company, Saudi Arabia
				Tullet Prebon (Bahrain) BSC (c).
				SABB Takaful Co. Saudi Arabia.
5	Mr. Mohamed Tareq Sadeq	28-Nov-18	Independent Director	Ahli United Bank Kuwait K.S.C.P., Director
				Ahli United Bank Egypt S.A.E Cairo Egypt, Director
				National Bank of Bahrain B.S.C, Director
				Al Zayani Investment B.S.C (c) Bahrain, Director
				Bahrain International Golf Course Co. B.S.C (c) Bahrain, Director
				First Motors W.L.LL
6	Mr. Ahmed Rehman	26-Apr-17	Independent Director	CIMB Islamic Bank, Malaysia.
				Asean Financial InnovationNetwork (AFIN) - Singapore
7	Mr. Azhar Hamid	1-Feb-17	Independent Director	UBL Fund Managers
8	Mr. Zahid Rahim	30-Oct-17	Sponsor Director	Nil
9	Mr. Shafqaat Ahmed	29-Oct-10	Sponsor Director	National Insurance Co Ltd
				Civic Center Company Ltd
				Dandot Cement Company
10	Mr. Mohammed Asheque Moyeed	5-Dec-19	Sponsor Director	Nil
11	Mr. Ahmed Shuja Kidwai	1-Mar-18	Chief Executive Officer & Executive Director	Takaful Pakistan Limited

Disclosure on Shariah Board

Sr. No.	Name of Shariah Board Member	Date of Joining the Board	Status of Shariah Board Member	Member of	Number of other Shariah Board Memberships along with name of company(ies)
1	Sheikh Esam Ishaq	2/8/2018	Chairman (SB)	Shariah Board	Meezan Bank Limited, AlBaraka Islamic Bank, Bahrain and Various International Organizations
2	Abdullah Siddiqi	2/8/2018	Resident Shariah Board Member	Shariah Board	Nil
3	Bilal Ahmed Qazi	2/8/2018	Member (SB)	Shariah Board	Summit Bank, Soneri Bank and Shaheen Takaful

BRIEF PROFILE OF MEMBERS OF SHARIAH BOARD

Shaikh Esam Mohammad Ishaq Abdul Rahman Ishaq - Chairman Shariah Board

Sheikh Esam Ishaq is amongst the most renowned and respected Shariah scholar in the Islamic finance industry and has an international repute. Sheikh has studied in a number of Islamic study circles with various Sheikhs and students of Shariah. Presently he is an instructor of Fiqh, Aqeeda and Tafseer courses in English and Arabic, in various centers in Bahrain. He is also a graduate from McGill University.

Sheikh Esam Ishaq is the Chairman of the Shariah Board of ABPL and Member of Shariah Supervisory Board in Al Baraka Islamic Bank Bahrain. He is also member of Shariah Supervisory Board in ArCapita, Meezan Islamic Bank Pakistan, Shariah Advisor to Bahrain Development Bank and a senior member of AAOIFI Bahrain.

Mufti Bilal Ahmed Qazi - Member Shariah Board

Mufti Bilal Ahmed Qazi is the Member of Shariah Board of ABPL. Mufti Bilal has done his Al-Aalamiyyah from Jamiah-tul-Uloom Ul-Islamiyah Banori Town, Karachi and then completed specialization in Islamic Jurisprudence from Jamia Darul-Uloom and has also obtained an MBA from Institute of Business Administration.

Mufti Bilal is associated with with Darul Ifta Jamia Darul-Uloom, Karachi and has written over two thousand Fatwas on various issues of high importance. He is in the teaching faculty of Centre for Islamic Economics. He has been associated with Meezan Bank Ltd as Shariah Scholar. He has also been the Shariah Advisor of NAFA Islamic Mutual Funds and is currently a Shariah Board Member of Summit Bank and Soneri Bank Limited Pakistan.

Mufti Abdullah Najeeb Ul Haq Siddiqi - Resident Shariah Board Member

Mufti Abdullah Najeeb-ul-Haq Siddiqi's association with ABPL is more than a decade old, currently he is serving at ABPL as the Resident Shariah Board Member and is the focal point in advising on routine Shariah matters of the Bank. Mufti Abdullah possess insight of the key developments in the local Islamic Banking industry and related challenges and has played an instrumental role in the Shariah structuring of Tier II Modaraba Sukuk of ABPL.

He has graduated from Jamia Darul-Uloom Karachi as Aalim-e-Deen, thereafter specialized in Islamic Fiqh and Fatawa and obtained certification in Islamic Banking, Finance and Economics from the Centre for Islamic Economics. Mufti Abdullah Najeeb has also completed his LL.B and is engaged as a faculty member of Jamia Darul-Uloom, CIE and visiting faculty of Institute of Business Administration, Karachi. Mufti Abdullah Siddiqi is also a member of the AAOIFI regional committee and had been engaged internationally with Swiss Re Takaful. Locally he had associations with various Islamic Financial Institutions, Mutual Funds and Takaful Companies in different advisory roles.

PROCESS OF THE APPOINTMENT OF SHARIAH BOARD

- The BOD of ABPL appoints the Shariah Board.
- The appointment of the SB shall be subject to prior written approval of SBP.
- ABPL may, in consultation with the SB, also engage professionals like lawyers, accountants and economists to assist and advise the SB on banking, legal, financial and economic matters. The nature of engagement of such members shall however be advisory for the SB and they shall not have voting rights in the SB meetings.
- The SB members shall be appointed for a term of 03 years and shall be eligible for reappointment.
- Up-till the time permitted by the SBP Shariah Governance Framework, The SB members except the Resident Shariah Board Member (RSBM) can serve at the SB of up to three IBIs in Pakistan
- For inclusion of a new member, the Chairman of SB may recommend his name to the BOD for appointment in SB.

COMPOSITION AND MEMBERSHIP OF EACH BOARD COMMITTEE

Board Committees	
Board Executive Committee (BEC):	
Mr. Tariq Mahmood Kazim	Chairman - Non-Executive Director
Mr. Salman Ahmed	Member - Non-Executive Director
Mr. Zahid Rahim	Member - Non-Executive Director
Mr. Mohammad Asheque Moyeed	Member - Non-Executive Director
Board Human Resources & Remuneration Committee (BHR&RC)	
Mr. Ahmed Rehman	Chairman - Independent Director
Mr. Abdulrahman Shehab	Member - Non-Executive Director
Mr. Tariq Mahmood Kazim	Member - Non-Executive Director
Mr. Mohammad Asheque Moyeed	Member - Non-Executive Director
Board Audit & Compliance Committee (BA&CC):	
Mr. Mohamed Tareq Sadeq	Chairman - Independent Director
Mr. Abdulrahman Shehab	Member - Non-Executive Director
Mr. Azhar Hamid	Member - Independent Director
Board Risk Committee (BRC):	
Mr. Salman Ahmed	Chairman - Non-Executive Director
Mr. Ahmed Rehman	Member - Independent Director
Mr. Zahid Rahim	Member - Non-Executive Director
Mr. Shafqaat Ahmed	Member - Non-Executive Director
Board Sustainability & Social Responsibility Committee (BS&SRC):	
Mr. Tariq Mahmood Kazim	Chairman - Non-Executive Director
Mr. Azhar Hamid	Member - Independent Director
Mr. Shafqaat Ahmed	Member - Non-Executive Director
Shariah Board Committee (SBC):	
Mr. Sheikh Essam Ishaq	Chairman
Mr. Mufti Bilal Ahmed Qazi	Member
Mr. Mufti Abdullah Siddiqi	Resident Shariah Board Member

TORs of Board Executive Committee (BEC)

1. The Bank's participation in any joint venture or partnership.
2. Annual Budget of the Bank.
3. Merger, acquisition or reconstruction of the Bank.
4. Strategic Investment in any undertaking, assets or shares.
5. An increase or decrease in authorized or issued share capital of the Bank.
6. Creation of any charge or encumbrances on the Bank's assets.
7. Declaration or payment of any dividends or other distribution of the Bank's profits
8. Recommendations of the Bank's Employees' Share Option, in the Scheme of Compensation.
9. Addition, deletion, variation or amendments to the Bank's Memorandum & Articles of Association in any manner.
10. Significant change in Bank's strategy with regard to the Marketing; Business Plan and Budget.
11. Significant changes and decisions with regard to the Bank's operational side.
12. Formation of IT and Digital strategies and relevant IT policies.
13. Addition, deletion and changes to the Bank's IT & Digital Strategies and IT policies.
14. Reporting to the Board on the status of technology activities and digital initiatives in the Bank enabling Board to make decisions without involvement in routine activities.
15. To ensure that risk management strategies are designed and implemented to achieve resilience, such as the ability to respond effectively to disruptions caused due to cyber and other critical infrastructure attacks.
16. To receive reports from IT Steering Committee to monitor all technology related projects.
17. Procurement of technology and its alignment with IT Strategy
18. To approve terms of reference of IT Steering Committee.
19. Any other matter, delegated to the committee by the Board from time to time.

Achievements of BEC:

1. Ensured that the Bank remains well capitalized
2. Approved Budget of the Bank
3. Cyber security governance framework and action plan was envisaged and approved by the Committee.
4. Approved implementation of log aggregation and review capabilities and also combined them with 24x7 security monitoring and privilege access control mechanisms to further strengthen the security posture of the bank.
5. New mobile app, Internet Banking and cash management solution with Digital Platform were implemented for better customer experience and flexibility to incorporate new customer journeys as per requirements of the Bank.
6. The Bank has successfully completed the project of implementation of new security fabric with NEXGEN firewalls for all its internal and external communication links and core switches.
7. Established IT Governance & PMO Unit within the IT Department to focus on IT Governance area.
8. **Oversaw** implementation of Work-From-Home infrastructure in terms of technology, security and operational protocol under global pandemic.
9. Launched PayPak Debit Card which is Pakistan's first domestic card payment scheme to support State Bank of Pakistan's vision 2020 towards financial inclusion.

10. The Bank launched its new Internet Banking & Mobile Banking apps which is developed on a more secure and advanced platform.
11. Al Baraka Bank also launched “1Bill” Facility for the customers.
12. Collaboration with different technology partners (APPS and NIFT) to facilitate local merchant payments.

TORs of Board Audit & Compliance Committee (BACC)

The charter of BACC includes the following:

1. Facilitate board in establishing an unambiguous & observable “tone at the top” for strong and effective system of internal control based on & supported by strong ethical practices, culture, comprehensive policies, procedures, processes and technological systems
2. Formulate and document “Key Performance Indicators” (KPI) for Chief Internal Auditor and evaluate his/her performance against set KPIs on an annual basis.
3. Review and recommend the Internal Audit Charter and Procedural Manual for the approval of BOD.
4. Review and recommend 3 years internal audit strategy for the approval of BOD.
5. Review and approve the annual risk based audit plan, reporting framework & procedures and ensuring that the internal audit function has adequate resources and is appropriately placed within the bank
6. Review and approve budget for internal audit function.
7. Ensure that internal audit function remains equipped with necessary financial, human, operational, physical and technological resources to carry out its mandated responsibilities as per internal audit charter.
8. Review annual and interim financial statements of the bank, prior to approval by the BOD, focusing on:
 - i. major judgmental areas;
 - ii. significant adjustments resulting for the audit;
 - iii. going concern assumption;
 - iv. any changes in accounting policies and practices;
 - v. compliance with applicable accounting standards;
 - vi. compliance with statutory and regulatory requirements; and
 - vii. all related party transactions
9. Discussion with external auditors on major observations arising from interim and annual audits and any matter that the auditors may wish to highlight
10. Review management letter issued by external auditors and management response thereto.
11. Consider major findings of internal investigations of activities characterized by fraud, corruption and abuse of power and management’s response thereto.
12. Annually obtain from Chief Internal Auditor an independent assessment/opinion on the state of bank’s internal controls based on the audit conducted over the period.
13. Exercise oversight on AML policy & procedures development & execution.
14. Oversee and ensure the effective performance of the AML-CFT function.
15. Receive the enforcement/corrective actions determined by the Shari’ah Board and ensuring compliance with Shari’ah Board directives.

Achievements of BACC:

1. Reviewed and approved the annual Risk-based Audit Plan, reporting framework & procedures, budget for the year 2020 and ensured that the Internal Audit Function has adequate resources and is appropriately placed within the Bank. Annual Internal Audit plan has successfully been completed.
2. Reviewed annual and interim financial statements of the Bank, prior to approval by the BOD, focusing on:
 - major judgmental areas;
 - significant adjustments resulting for the audit;
 - going concern assumption;
 - any changes in accounting policies and practices;
 - compliance with applicable accounting standards;
 - compliance with statutory and regulatory requirements; and
 - all related party transactions
3. Reviewed and recommended to BOD for approval of internal audit manual, BACC TORs, Fraud Risk Management Policy and Whistle Blow policy.
4. Reviewed on a quarterly basis the significant internal audit observations identified during various audit activities.
5. Discussed with external auditors on major observations arising from interim and annual audits and any matter that the auditors may wish to highlight.
6. Reviewed regulatory observations compliance status on quarterly basis.
7. Reviewed management letter issued by external auditors and management response thereto.
8. Reviewed major findings of internal investigations of activities characterized by fraud, corruption and abuse of power and management's response thereto.
9. Obtained independent assessment/opinion from Chief Internal Auditor on the state of Bank's internal controls based on the audit conducted over the period.
10. Performed oversight responsibility relating to AML policy & procedures, developments & related executions.
11. Ensured the effectiveness of the AML-CFT function.
12. Discussed the enforcement/corrective actions determined by the Shari'ah Board and ensured compliance with Shari'ah Board directives.
13. In general, performed all the roles & responsibilities as envisaged in the BACC Charter.

TORs of Board Human Resource & Remuneration Committee (BHR&RC)

- 1 The Committee shall assist the Board to take any strategic decisions regarding the bank's Human Resource;
- 2 The Committee is responsible to ensure essence of the information that should be provided to the Board to determine the bank's Remuneration Policy and/or any change therein;
- 3 The Committee shall determine the bank's Remuneration Structure;
- 4 The Committee shall review the agreements of Key/Senior Executives and Consultants, particularly considerations of their services;
- 5 The Committee is responsible to review and execute agreements with Members of Shariah Board;

- 6 The Committee shall periodically review the Board structure, taking into consideration the bank's needs of sub-committees and present recommendations to the Board with respect to any required revisions in its composition;
- 7 The Committee shall review trainings, skills, experience and other characteristics of the Board Members to run the Board's business in an effective manner:
- 8 The Committee shall review the process and forms of Annual Performance Evaluation of the Board, its Subcommittees, Members and Board Secretary:

Achievements of BHR&RC:

1. Alignment of Organization Structure
2. Appointments of certain key executives
3. Appraisal of Key Executive based on RABS
4. Introduction of Robust and Effective Succession Plan
5. Change/Introduction of following Human Resource Policies related to Compensation & Benefits:
 - Shift allowance for Debit Card Activation & Field Allowance introduced as per market practices in 2020.
 - Increase in Driver Salary.
 - Increase in Telephone Allowance and Handset Limit
 - Increase in Club Membership Monthly subscription.
 - Increase in Daily Room rent for staff health Takaful.
 - Relaxation in eligibility period of Car Financing and Housing Finance
6. Approval of Training Plan
7. Approval of Revised HR Policy with following new policies
 - Employee of the quarter
 - Mid-year Review
 - Iddat Leave
 - Travel security
 - Disability Quota
 - Rehiring ex-staff

TORs of Board Risk Committee (BRC)

BRC is primarily responsible to assist the Board to have an oversight of the risk involved in the Bank's functions. This includes but is not limited to the following activities:

- 1) Review and recommend to the Board of Directors for approval, Bank's overall risk appetite statement taking account of various business activities, current and prospective macroeconomic and financial environment.
- 2) Review and recommend to the Board of Directors for approval, policies and guidelines and amendments therein, for identification, measurement, monitoring and control of all major risk categories including but not limited to credit, market, liquidity, operational and Shariah risk.
- 3) Review and Consider key risks affecting the bank and its impact on the bank's performance through quarterly risk review report presented by RMG and recommend to the Board of Directors for taking corrective actions to address early warning signals of

potential risks emerging from bank's activities. These include but not limited to the following:

- 3.1) Review reports on credit portfolio risk analysis with respect to product wise, segment wise, portfolio concentration, industry concentration, overdue position, non-performing portfolio, risk ratings & its migration analysis.
- 3.2) Quarterly review reports on credit risk review with respect to review of financing proposals by RMG including policy exceptions.
- 3.3) Review of adequacy of appropriate procedures and controls to recognize adverse trends in the credit portfolio of the bank, early identification of problems in financing portfolio and taking corrective action.
- 3.4) Quarterly review of any material breaches of risk limits and deviations from the risk management policies and the adequacy of proposed action by the management.
- 3.5) Quarterly review reports on bank's market risk exposures including Investment portfolio, foreign exchange exposure, profit spread & margin, maturity and yield gap.
- 3.6) Quarterly review of desired key Liquidity ratios for the bank, deposit mix, deposit ratios, concentration arising from depositors and maturity gaps.
- 3.7) Quarterly review of key operational risk events with respect to the operational risk loss data summary, incidents summary for fraud and forgeries, technology & regulatory penalties and key indicators for operational risk of each risk type.
- 3.8) Quarterly review of bank's capital adequacy ratio and stress testing results and implementation of directives issued by State Bank of Pakistan (SBP) from time to time under Basel accord for management of capital adequacy by the bank.
- 3.9) Quarterly review that the bank's Capital Adequacy Ratio is maintained as per the limits prescribed by SBP with its optimum allocation to various business activities with a risk weighted perspective.

Achievements of BRC:

1. Provided strategic direction on key risk issues faced by the bank during the most challenging year of 2020 amid COVID-19 Pandemic. In responding to the COVID-19 pandemic, the mitigation strategy advised by BRC addressed two interrelated challenges:
 - a. protecting the health of the bank's employees, customers and other stakeholders while also;

- b. Oversight on risk portfolios through periodic COVID-19 impact analyses on key business segments/sectors and the relief measures introduced by Government and State Bank of Pakistan including payment holidays, low rate refinance facilities to vulnerable sectors.
2. Reviewed and approved updated BCP Plan covering mitigation strategies to ensure business continuity and health & safety of staff/customers during Pandemic. The bank showed improved operational resilience in terms of Disaster Recovery (DR) management and conducted a successful full scope DR drill in December 2020.
3. Under BRC guidance bank successfully completed internal and external validation of Internal Risk Rating Models and International Financial Reporting Standard - (IFRS 9) risk parameters and Expected Credit Loss (ECL).
4. For enhanced monitoring of overdue financing portfolio, BRC approved an improved monitoring system where the accounts are monitored daily by Credit Monitoring Unit under RMG with rigorous follow ups with the Business Units to ensure early adjustments of overdue accounts.
5. Reviewed and recommended for approval of the Board, Reputational Risk Policy, Outsourcing Policy, Green Banking Policy, Market Risk Policy, Liquidity Risk Policy, Stress Testing Policy, SAM Policy, BCP Policy and Operational Risk Management Policy.
6. Reviewed and updated the Risk Management Framework and approved change in reporting lines of IT Security, Business Continuity Management and Credit Operations to Risk Management Group as per best industry practices.
7. Reviewed and approved Industry Analysis Report covering short, medium and long term impact of COVID-19 and proposed changes in industry/sector and product limits.
8. Advised management to institute monitoring mechanism to ensure that regulatory penalties which were reported in previous quarters are not repeated and that controls need to be strengthened in these and other areas where deficiencies have been identified.
9. Continue to provide strategic direction to the bank for effective management of Capital Adequacy Ratio (CAR) by deployment of available funds in zero risk weighted government securities to mitigate increased level balance sheet risk in the pandemic situation.

TORs of Board Sustainability & Social Responsibility Committee

The major responsibilities of the Committee shall be to:

1. Manage and supervise the Bank-wide implementation of the Al Baraka Social Responsibility Program.
2. Require update on the progress made on the Al Baraka Social Responsibility Program.
3. Facilitate and enhance the communication with the Board of Directors and the Management.

4. Protect environment by adopting various conservation strategies (such as paper usage reduction, energy and water conservation etc.).
5. Provide an overall supervision of the Al Baraka Social Responsibility Program.

Achievements of BS&SRC:

1. Al Baraka Pakistan and UNDP Collaboration Committee formed in Pakistan to foresee the possible projects including clean affordable energy, fostering innovation, improved health and wellbeing, youth empowerment, and poverty alleviation.
2. Several initiatives taken under Social Responsibility Program such as: Iftaar Drives in 5 cities of Pakistan, circulation of Covid-19 Awareness messages for staff and customers, distribution of goody bags to Children fighting Cancer, arranged Dastarkhwan - where lunch was served to more than 500 underprivileged.
3. Al Baraka Pakistan received two CSR awards, which are as follows:
 - “Collaboration & Partnership” at the “9th Annual Corporate Social Responsibility Summit & Awards 2020”.
 - “Health & Safety Award” at the “6th Environment, Health & Safety Awards 2020”.

TORs of Shariah Board (SB)

The SB shall carry out the following tasks:

1. The SB shall advise the BOD and the executive management of the bank on all Shariah related matters and all SB decisions / rulings/ Fatawa are binding on the bank.
2. SB shall review and approve all products and services and related agreements / contracts, structure, process flows, product manuals, marketing advertisements, sales illustrations and brochures etc, to ensure that they are in conformity with the rules and principles of Shariah.
3. SB shall extend enlightenment and guidance to the employee and assist in training programs for them related to the Islamic Financial transactions to assist them in achieving the consistency with Shariah rules.
4. It will review and approve the scope, methodology, Shariah audit manual, Internal Shariah audit unit plan and format of the internal Shariah audit report.
5. All the reports of internal Shariah audit and Shariah compliance reviews shall be submitted to the SB for prescribing appropriate enforcement action.
6. The SB, based on the work of internal / external Shariah audit, Shariah compliance review, prepare a report on Bank’s Shariah compliance environment and conditions.
7. SB takes up the unresolved issues with the management and if warranted shall include the outstanding issues in its annual Shariah compliance report.
8. The report will be placed before the BOD meeting for discussion and shall be published in English with Urdu translation in the bank’s annual report.
9. SB shall ensure that earnings realized from sources or by means prohibited by Shari’ah have been credited to charity account and the charity account is being properly utilized.
10. The BOD will meet the SB at least on half yearly basis.
11. SB will have meetings at least on quarterly basis.
12. The approved / confirmed minutes of meetings of the SB are submitted to IBD-SBP within 15 days of its approval / confirmation for information and record.

Achievements of Shariah Board (SB):

1. Development and timely issuance of Shariah guidelines for each product to manage the principal deferment as advised by SBP under COVID schemes and also shared the same with other units of ABG
2. Structured product guidelines for SBP's Islamic refinance scheme for payment of wages and salaries to the workers and employees of business concerns to dampen the effect of COVID
3. Review of concept paper for purpose finance scheme for individual and sole proprietors to manage financial difficulties due to COVID
4. Reviewed, assisted and approved Tabeer Saving Plan product and Hajj Albaraka product
5. Reviewed various Islamic card structures and proposed the structure based on charge card model.
6. Prepared a detailed report on Islamic card and its challenges submitted to Board and management.
7. Advised the bank appropriately on pending observations and advised correct income procedures.
8. Assisted the bank in automation of Pool Profit and loss distribution system of the bank covering special pools.
9. Reviewed and approved various cases of Charity distributions.
10. Review and approval of various structures related to Trustee ship, Sukuks and Syndication.
11. Reviewed and provided opinions on various reports from Internal Shariah Audit, External Shariah Audit, ABG Shariah Audit, SBP Inspection team and Shariah Compliance Department.
12. Review and approved around twenty five policies and SOPs related to various functions of the bank.
13. Conducted ten training sessions through hybrid model of online and physical sessions covering around two hundred employees.
14. Conducted Executive management training in south region.
15. Attended two meeting with Board of Directors during the year
16. Conducted four Shariah Board meeting during the year which were attended by all the members
17. Attended various meetings with Central bank regarding bank's products and other industry related matters.

Number of Board Committees meetings held during the year 2020

Number of Meetings Held	BOD	BEC	BA&CC	BRC	BHR&RC	BS&SRC
Name of Directors						
1) Mr. Adnan Ahmed Yousif, Chairman	4/4	-	-	-	-	-
2) Mr. Tareq Mahmood Kazim, Deputy Chairman	4/4	5/5	-	-	4/4	3/3
3) Mr. Abdulrahman Shehab, Director	4/4	-	4/4	-	4/4	-
4) Mr. Salman Ahmed, Director	4/4	5/5	-	4/4	-	-
5) Mr. Mohammed Tareq Sadeq, Director	4/4	-	4/4	-	-	-
6) Mr. Ahmed Rehman, Director	4/4	-	-	4/4	3/3	-

7) Mr. Azhar Hamid, Director	4/4	-	4/4	-	-	3/3
8) Mr. Zahid Rahim, Director	4/4	5/5	-	4/4	-	-
9) Mr. Shafqaat Ahmed, Director	4/4	-	-	4/4	-	3/3
10) Mr. Mohammed Asheque Moyeed	4/4	4/5	-	-	3/4	-

Note: Denominator shows total number of meetings entitled to attend.

* 47th BOD held on March 9, 2020 attended as ICD Observer

Meetings attended by Shariah Board Members during 2020			
S.No	Name of Shariah Board Members	No. of Meetings held	No. of Meetings attended
1	Sheikh Esam Ishaq	4	4
2	Mufti Abdullah Siddiqi	4	4
3	Mufti Bilal Ahmed Qazi	4	4

SBP requires the banks to perform external independent evaluation of the Board, sub-committees, Directors, CEO and the Company Secretary every third year. For the year 2020 this evaluation was conducted in-house by the Bank.

Corporate Governance and Remuneration

The Bank's remuneration framework aims to comply with the Revised Guidelines on Remuneration Practices issued by State Bank of Pakistan. All compensation matters, and overall compliance with regulatory requirements, are overseen by the Board Human Resource & Remuneration Committee (BHR&RC) and approved by the Board of Directors thereafter.

Board Remuneration

The Board of Directors' remuneration is determined in line with the Para 2 of Section 'C' of Prudential Regulation G-1, which inter-alia deals with the remuneration of Board members of banks/DFIs, subsequently amended vide BPRD Circular No. 03 of 2019. Board remuneration is subject to approval of the shareholders in the Annual General Meeting. Remuneration of non-executive Directors does not include performance-related elements such as grants of shares, share options or other deferred stock-related incentive schemes, bonuses or pension benefits.

Staff Remuneration Strategy

The Bank's variable remuneration policy is driven primarily by a performance-based culture that aligns employee interests with those of the Bank's shareholders. These elements support the achievement of the Bank's objectives, through balancing rewards for both short-term results and long-term sustainable performance. The Bank's reward package solely on cash awards is comprised of the following key elements:

1. Fixed pay;
2. Benefits; and

3. Annual performance bonus/awards etc (variable remuneration).

The Bank's remuneration policy, in particular, considers the role of each employee and sets guidance on whether an employee is a "Material Risk Taker (MRT)" and/or a "Material Risk Controller (MRC)" in a business line, control or support functions.

An employee is considered as Material Risk Taker if he/she has authority and is a decision maker having appropriate level of power and control related to the products, portfolios, transactions and processes, which may pose serious risks to the Bank. Whereas, an employee is considered Material Risk Controller (MRC) who is primarily tasked with reviewing and assessing the idiosyncratic and systemic risks, and controls pertaining to functions and processes, to determine and recommend the ways to mitigate those risks, and to minimize the probability of occurrence of loss to the Bank. These employees are not directly involved in business or risk taking activities of the Bank.

The Bank uses Risk Adjusted Balanced Scorecard to measure the performance of MRTs and MRCs.

Variable Remuneration

Variable remuneration is completely performance related and consists of annual performance bonus award which is connected to achievement of operational and financial targets set out at beginning of the year and employees contribution to delivering the Bank's strategic objectives.

In the framework adopted for determining the variable remuneration pool, the BHR&RC aims to balance the distribution of the Bank's profits between shareholders and employees.

Key performance metrics in Risk adjusted Balanced Scorecard at the Bank level include a combination of short-term and long-term measures, and include profitability, solvency, liquidity and growth indicators. The performance management process ensures that all goals are appropriately cascaded down to respective business units and employees.

The Bank uses a formalized and transparent process to adjust the bonus pool for quality of earnings. It is the Bank's objective to pay bonuses out of realized and sustainable profits. If the quality of earnings is not strong, the profit base may be adjusted at the discretion of the BHR&RC.

Remuneration for MRTs

The compensation mix for MRTs shall be appropriately balanced and the amount of fixed remuneration must be sufficiently high in order to ensure that the reduction of the variable remuneration down to zero would be possible.

Further, the variable remuneration of MRTs will be compensated on achieving the pre-determined qualitative and quantitative objectives considering the risk-adjusted performance and long-term health of the bank. The qualitative factors may override the achievements of quantitative factors in order to discourage undue/ excessive risk taking.

Remuneration for MRCs

The remuneration level of staff in the control and support functions/ MRCs shall allow the bank to employ qualified and experienced personnel in these functions. The Bank ensures that the mix of fixed and variable remuneration for control and support function personnel should be weighted in favor of fixed remuneration. The variable remuneration of control functions is to be based on function-specific objectives and is not determined by the

financial performance of the business areas they monitor. This compensation structure is designed to ensure that objectivity and independence of these functions is not compromised.

Deferral of variable remuneration

The variable compensation of all MRTs and MRCs shall be subject to mandatory deferrals between 20-30% of their variable remuneration, while the deferral period shall be 3 years.

Malus and Clawback Framework

The Bank has devised malus and clawback provisions in the policy that allows forfeiture / adjustment of paid variable remuneration in certain adverse business situations. Any decision to hold or clawback individual's award can only be made by the BHR&RC of the Bank as per events set out in detail in the Bank's remuneration framework