



THE ESKAN BANK REALTY INCOME TRUST (THE "TRUST")

Minutes of the Annual General Meeting of Unitholders of the Trust held on Wednesday, 22 April 2020 at 10:00 a.m. Via Zoom Video Conference (the "Meeting")

IN ATTENDANCE:

Members of the Board of Directors of the Trust:

1. Bashar Bazian (Chairman)
2. Saeed Butt (Deputy Chairman); and
3. Michael Roy Pankhurst.

Central Bank of Bahrain:

Represented by Mrs. Amina Yousef and Mr. Wael Al Baqarah of the Financial Institutions Directorate

Crestbridge Bahrain B.S.C (c) as Trustee of the Trust

Represented by Bashar Bazian – Managing Director

Eskan Bank B.S.C (c) as Investment Manager to the Trust:

Represented by Mr. Ahmad Tayara - Chief Business Officer & Deputy General Manager

Bahrain Bourse as Registrar to the Trust:

Represented by Mr. Senan Al Sherooqi of the Listing and Disclosure Department

Deloitte & Touche as External Auditor to the Trust:

Represented by Mr. Omer Ghafor – Manager

Keypoint Consulting W.L.L as Administrator to the Trust:

Represented by Mr. Nandakumar Narasimhan – Senior Director

Savills as Property & Facility Managers to the Trust:

Represented by Mr. Mark Gravener – Associate Director

The Chairman welcomed all those present and duly appointed Ms. Rania Fikry as secretary of the Meeting.

IT WAS NOTED that the Unitholders present at the Meeting represented 60.84% or 120,467,615 units in the Trust.

The Chairman noted that a quorum was present and that the Meeting was properly convened and duly declared the Meeting open.

The Chairman stated that due to the unforeseen circumstances of the global Coronavirus (COVID-19) situation, in line with the Central Bank of Bahrain directives and in the interest of protecting the Unitholders and public health, the Annual General meeting of the Trust, originally scheduled to be held on Monday, 23rd March 2020 was postponed until today Wednesday, 22 April 2020 and is being held through visual communication, as announced in the Bahrain Bourse website and the newspapers (Akhbar Al Kahaleej & Al Ayaam).

The Chairman briefed the Unitholders on the progress of the Trust and confirmed that the Trust was the first and currently still the only publicly listed and Shari'a compliant Real Estate Investment Trust in the Kingdom of Bahrain. It was referenced that the Trust is an approved Bahrain domiciled Retail Collective Investment Undertaking and is regulated by the Central Bank of Bahrain.



The Chairman explained that following the Trust's listing in January 2017, it continued to be unique without any bank debt for the third year in row. 2019 had challenging market conditions and the Trust focused on its core objective of maximizing stable income generation for Unitholders with a long-term approach.

Further, the Chairman briefed the Unitholders on Segaya Plaza residential tenant lease termination that occurred in May 2019, where the single tenant of the 105 apartments terminated its lease for the sake of cost cutting measures. After a required comprehensive refurbishment project, to bring the property back up to an acceptable condition and to ensure that the asset remained a prominent property and attractive to prospective tenants, Segaya Plaza was subsequently re-offered to the residential rental market in August 2019. It was referenced that the property is now let to independent tenants, that dilutes the concentration risk from single tenant defaults or terminations. As of today, 50 apartments have been let, which represents an occupancy rate of 47.6%.

The Chairman further explained that with the introduction of Value Added Tax ("VAT") and the removal or reduction of food, petrol, electricity and water subsidies that in fact increases operating costs for the Trust, businesses and families have reduced spending power and this is generally creating downward pressure on rental rates, especially in an over-supplied market. It was referenced that the niche locations of the Trust's properties provide little protection to these factors and measures have been implemented to create an attractive pricing structure for these properties to continue to improve occupancy rates and to retain tenants for the longer term.

The Chairman advised the Unitholders that following a tender process, Knight Frank were appointed as the new Property Appraiser in June 2019, following the termination of Savills on the basis they completed their mandatory two-year engagement. Both properties owned by the Trust (Segaya Plaza property and Danaat Al Madina property) saw significant reductions in their valuations on 30 June 2019, based on fresh valuation assumptions, up to date market and economic data, which also unfortunately coincided with when the Segaya Plaza property was in the middle of its refurbishment and the property had no residential tenants.

It was further referenced that the most recent valuations to 31 December 2019 resulted in increases of approximately 15% for the Segaya Plaza property and approximately 12% for the Danaat Al Madina property, but the Directors opted to take a conservative approach and only implement half of this improvement within the audited year-end financials, in light of any additional headwinds that may occur in 2020, namely COVID-19 as witnessed now.

It was noted that the management team are intensifying efforts and focusing on ways to increase occupancy at Segaya Plaza. Additionally, a process is underway to reduce overall operating and overhead costs for the Trust, to streamline operations and ultimately improve net yields and increase funds for distribution.

Given the circumstances, it was confirmed that the Directors believed the Trust performed relatively well in 2019 despite the challenging regional economic and real estate conditions.

The Chairman proposed to consider each of the agenda items as defined in the previously circulated Meeting notice. After reading the materials, the following resolutions were carried:

1) AGENDA ITEM 1

IT WAS UNANIMOUSLY RESOLVED that the minutes of the previous Annual General Meeting held on 30 April 2019, be and are hereby approved.

2) AGENDA ITEM 2

IT WAS UNANIMOUSLY RESOLVED that the Board of Directors' report on the Trust's operations and its financial position for the year ended 31 December 2019, be and is hereby approved.



3) AGENDA ITEM 3

IT WAS UNANIMOUSLY RESOLVED that the External Auditor's report for the year ended 31 December 2019, be and is hereby approved.

4) AGENDA ITEM 4

IT WAS UNANIMOUSLY RESOLVED that the Shari'a Supervisory Board report for the year ended 31 December 2019, be and is hereby acknowledged and approved.

5) AGENDA ITEM 5

IT WAS UNANIMOUSLY RESOLVED that the audited consolidated financial statements for the Trust for the year ended 31 December 2019, be and is hereby approved.

6) AGENDA ITEM 6

IT WAS RESOLVED to approve that the Board of Directors be relieved of any liability arising from their acts during the year ended 31 December 2019.

IT WAS NOTED that unitholders representing 119,616,610 units voted in favour of Agenda Item 6 and that unitholders representing 851,005 units voted against Agenda Item 6.

7) AGENDA ITEM 7

IT WAS UNANIMOUSLY RESOLVED that the reappointment of the members of the Shari'a Supervisory Board for the financial year ending 2020 and authorisation of the Board of Directors to determine their remuneration, be and is hereby approved; and

8) AGENDA ITEM 8

The Chairman reported that the management team are presently conducting a tender process for the audit services to the Trust, with key audit firms in Bahrain. Presently, the Directors were unable to propose an auditor for the 2020 financial year and unless the Unitholders approve a resolution to delegate authority to the Trustee and Investment Manager to appoint the auditors for the 2020 financial year, subject to CBB consent, it was proposed that this agenda item be postponed to a future General Meeting.

IT WAS UNANIMOUSLY RESOLVED that the appointment of external auditors for the financial year ending 2020 be deferred to a future General Meeting.

9) AGENDA ITEM 9

The Chairman asked the Unitholders present at the Meeting whether they had any questions relating to Any Other Business.

IT WAS NOTED that a number of questions were asked, which were subsequently answered and addressed by either the Directors or the representatives of the Trust.

The Chairman confirmed that the agenda items had been addressed and asked whether the Unitholders had any further questions. No further questions were asked, and the Chairman expressed thanks to all those present for their participation and their continued support.



There being no further business, the Chairman declared the meeting closed at 12.30pm

A handwritten signature in blue ink, consisting of a large, sweeping loop followed by a smaller, more detailed signature.

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Chairman

A handwritten signature in black ink, appearing as a cursive 'P' followed by a series of horizontal strokes.

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Secretary of Meeting