Invitation to the Ordinary and Extraordinary General Assembly Meeting (1/2019)

20 March 2019

The Chairman of the Board of Directors of Al Salam Bank-Bahrain (B.S.C) cordially invites the shareholders to attend the Bank's Ordinary and Extraordinary General Assembly Meeting, to be held on **Wednesday, 20 March 2019**, at 10:00 a.m. and 11:00 a.m. respectively at Al-Sarr Ballroom, Jumeirah Royal Saray Hotel, Seef District, Manama, Kingdom of Bahrain. In case the applicable quorum is not present for any of the first meetings on this date, another meeting will be held on **Thursday, 28 March 2019** at the same venue and time; and if no applicable quorum is present on such date for any of the second meetings a third meeting will be held on **Monday, 8 April 2019** at the same venue and time in accordance with the applicable articles of the Bahrain Commercial Companies Law.

The Annual Ordinary General Assembly Meeting shall discuss the following Agenda:

1. To approve the minutes of the previous Annual Ordinary General Assembly Meeting held on 22 March 2018.
2. To discuss and approve the Board of Directors' report on the Bank's activities for the year ended 31 December 2018.
3. To receive the Shari'a Supervisory Board's report for the year ended 31 December 2018.
4. To receive the external auditor's report for the year ended 31 December 2018.
5. To discuss and approve the financial statements for the year ended 31 December 2018.
6. To ratify and approve the operations and transactions carried out during the year ended 31 December 2018 with any related parties or major shareholders of the Bank as presented in the notes (no. 31) of the consolidated audited financial statements.
7. To approve the recommendations of the Board of Directors with respect to the following distributions of the net profit for the year ended 31 December 2018 (amounting to BD 18.5 million):
   a. Transfer of BD 1.850 million to statutory reserves.
   b. Distribution of 7% dividends of the paid-up share capital, equating to BD 14.987 million for the year ended 31 December 2018 to be equally distributed in cash dividends and bonus shares as follows:
      I. 3.5% cash dividends equating to BD 7.493 million excluding treasury shares as of the date of approval of the dividends by the Annual Ordinary General Assembly Meeting; and
      II. 3.5% bonus shares equating to 74.932 million shares – i.e. (1 share for each 28.6 shares held) to the shareholders registered in the share register of the Bank as of date of approval of the dividends by the Annual Ordinary General Assembly Meeting.
      All cash dividends shall be paid by no later than ten days from the date of the Annual Ordinary General Assembly Meeting.
   c. Transfer of the remaining balance of BHD 1.662 million to reserves and retained earnings.
8. Approve the Board of Directors remuneration in the aggregate amount of BD 595 thousand for the year ended 31 December 2018, subject to the necessary approvals of the regulatory bodies.
9. To receive the Board of Directors' report on the Bank's compliance with the Corporate Governance requirements.
10. To absolve the Directors of the Board from liability for their actions as directors during the year ended 31 December 2018.
11. To approve the use of treasury shares for its transfer to the remaining shareholders of Bahrain Saudi Bank B.S.C.(C) (merged with Al Salam Bank – Bahrain B.S.C.), and authorize the Board of Directors to appoint an independent advisor to determine an exchange rate for this transaction subject to obtaining the Central Bank of Bahrain's approval.
12. To appoint or reappoint the Shari'a Supervisory Board for the year ending 31 December 2019 and authorize the Board of Directors to determine their remuneration.
13. To appoint external auditors for the year ending 31 December 2019 and authorize the Board of Directors to determine their remuneration, subject to the approval of the Central Bank of Bahrain.
14. To discuss and approve any other matters that may arise as per Article 207 of the Commercial Companies' Law.

The Extraordinary General Assembly Meeting shall discuss the following Agenda:

1. To ratify the minutes of Extraordinary General Assembly Meeting which was held on 25 June 2018.
2. To approve the amendment of Article 5 (Company's Capital) of the Memorandum and Articles of Association of the Bank to reflect the increase in the Bank's share capital from BD 214,093,075/200 to BD 221,586,332 and issued shares from 2,140,930,752 shares to 2,215,863,320 shares following the distribution of the bonus shares, subject to regulatory authorities approval.
3. To amend Article 31 (Quorum of the Board of Directors Meeting) of the Articles of Association with respect to the Board resolutions by circulation by requiring the approval of "majority" of members of the Board instead of "all" , subject to regulatory authorities approval.
4. To authorize the Chairman of the Board of Directors, Mr. Khaleefa Butti Bin Omair Bin Yousef and/or the Bank's Chief Executive Officer, Rafik Nayed to individually sign the amendment to the Bank's Memorandum and Articles of Association before the notary public and any relevant documents related to official authorities, and undertake all procedures required to complete this process.

Khaleefa Butti Omair Al Muhairi
Chairman

Important notes to the shareholders:

1. You can download the consolidated financial statements for the year ended 31 December 2018 and a copy of the proxy letter through the Bank's website: **www.alsalambahrain.com** and Bahrain Bourse website: **www.bahrainbourse.com**
2. Shareholders whose names are registered in the share register of the Bank on the date of the meeting are entitled to attend in person, or appoint in writing a proxy to attend the meeting and vote on behalf of such shareholder, provided such proxy is not a director or employee of the Bank (unless the proxy is a first degree relative of that shareholder).
3. For submission of proxy or representative authorization documents (**"Appointment Documents"**), the **"Submission Deadline"** shall mean receipt of the relevant documents by Al Salam Bank, 14th Floor, East Tower, World Trade Center, P.O. Box 18282, Manama, Kingdom of Bahrain, **no later than 24 hours before meeting date**. Appointment Documents may be provided by hand delivery, post, or facsimile transmission (Fax: +973 17131073) or by E-mail: **investors@alsalambahrain.com** provided the same are received prior to the Submission Deadline. Appointment Documents received after the Submission Deadline shall be invalid for the purposes of the meeting.
4. In the case of an institutional shareholder, the representative attending the meeting must submit a letter of appointment of representative duly appointing the relevant person as the respective shareholders representative. The appointment must be in writing, issued by an authorized person of the institution, sealed under the company's stamp and provided to the registrar prior to the Submission Deadline.
5. For any inquiry please contact the Investor Relations Department on: (+973) 17133399 or (+973) 17133426.