



Invitation
Extraordinary General Meeting & Annual General Assembly Meeting
For the Year Ending 31st December, 2016

The Board of Directors of GFH Financial Group B.S.C. is pleased to invite the shareholders of the Group to attend its Extraordinary General Meeting and General Assembly Meeting to be held on **Wednesday 22 February 2017 at 10:00a.m.** at the Group's headquarters, located at **Bahrain Financial Harbour, East Tower - 28th Floor** to consider the following agenda. If the required quorum is not available, a second meeting will be held on **Wednesday 1st March 2017**, or a third meeting, if required, will be held on **Wednesday 8th March 2017** at the same time and place.

Extraordinary General Meeting Agenda:

- 1- To approve the minutes of the previous Extraordinary General Meeting held on 12th April 2015.
- 2- To discuss and approve the Board of Directors' recommendation to increase the authorized capital of GFH from US\$1,500,000,000 divided into 5,660,377,358 share to US\$2,500,000,000 divided into 9,433,962,264 share at a nominal value of US\$0.265 per share.
- 3- To discuss and approve GFH's new strategy to acquire financial institutions, infrastructure investments, and investment assets by swapping the shares of the investors and shareholders of those companies with GFH shares through issuance of new shares by increasing the issued and paid up capital from US\$ 597,994,604 to US\$ 1,498,994,604 subject to obtaining all relevant authorities' approvals, as follows:
 - a. Increasing the capital up to US\$ 450,500,000 by way of issuance of up to 1,700,000,000 new share at a nominal value of US\$ 0.265 in addition to a share premium of US\$ 0.688 (total share value of US\$ 0.953 – equivalent to 0.36 Bahraini Dinar / Emirati Dirham 3.5/ Kuwaiti Dinar 0.29) allocated for the acquisition of a number of infrastructure projects and investment funds.
 - b. Increasing the capital up to US\$ 450,500,000 by way of issuance of up to 1,700,000,000 new shares at a nominal value of US\$ 0.265 in addition to a share premium to be determined by the Board of Directors as per market conditions, to be allocated for the acquisition of a number of financial institutions and strategic assets.



- 4- To discuss and approve waiver of the current shareholders' pre-emption right to the new ordinary shares that shall be issued as per Clause (3) of the agenda.
- 5- To authorize the Board of Directors to impose any other provisions or conditions related to the referred acquisitions as per Clause (3) of the agenda.
- 6- To approve and authorize the Chairman and/or Chief Executive Officer or the person acting on his behalf to take all necessary measures needed to carry out the above mentioned actions, including and not limited to, representing GFH in the final negotiations for the acquisitions as mentioned above and to take all necessary steps with any related parties, related regulatory authorities inside or outside of the Kingdom of Bahrain and all the markets in which GFH's shares are listed. In addition, to signing all the papers and the final contracts of the acquisition, and to carry out and sign any other documents or amendments to the Memorandum of Association and the Articles of Association of GFH Group on behalf of shareholders of GFH before the Notary in the Kingdom of Bahrain in relation to the agenda.
- 7- To discuss and approve the amendments to the Memorandum of Association and Articles of Association of GFH in line with the requirements of Law No. (50) of 2014 amending certain provisions of the Commercial Companies Law issued under Law No. (21) of 2001, and to add the necessary amendments as per the agenda by redrafting the Memorandum of Association and Articles of Association to include all these amendments. .



Annual General Meeting Agenda:

- 1- To approve the minutes of the previous Ordinary General Meeting held on 5th April 2016.
- 2- To discuss and approve the Board of Directors' report on the Group's business activities for the year ended 31st December 2016
- 3- To discuss the Sharia Supervisory Board's report on auditing the Group's business activities for the year ended 31st December 2016
- 4- To discuss the external auditors' report about the consolidated audited financial statements for the year ended 31st December 2016.
- 5- To discuss and approve the consolidated audited financial statements for the year ended 31st December 2016.
- 6- To approve the Board of Directors' recommendation to allocate the net profits for the year 2016 as follows:
 - a. Transfer a sum of US\$ 21,712,400 to the Statutory Reserve account.
 - b. Allocate an amount of US\$ 2,000,000 to charities and civil society institutions and US\$ 1,509,620 to Zakah Fund.
 - c. Distribute cash dividends to all ordinary shares as per the shareholders register on the date of the AGM at a rate of 10% of the par value at US\$0.0265 per share with a total sum of US\$ 59,799,460.
 - d. Transfer the remaining sum amount of US\$ 65,727,060 to the Retained Earnings account.
- 7- To approve the Board of Directors' recommendation to distribute 10% bonus shares of 1 share for each 10 shares held by the shareholder as on the AGM day, which amounts to 225,658,340 shares.
- 8- To approve the Board of Directors' recommendation to allocate US\$2,500,000 as remuneration to the Board of Directors.
- 9- To discuss and approve the corporate governance report for the financial year ended 31st December 2016 and inform the shareholders of the Group's compliance with the Central Bank of Bahrain's requirements with respect to the same.
- 10- To authorize and ratify the operations and transactions carried out during the past year with any related parties or major shareholders of GFH as outlined in the Board of Directors report



presented to the general assembly and consolidated audited financial statements and approve the same , in line with Article 189 of Bahraini Companies Law.

- 11- To authorize the Board of Directors to issue new shares up to 300,000,000 share for the GFH Employee Benefit Trust as per the internal remuneration framework.
- 12- To discuss the continuation of listing of GFH's shares in Kuwait Boursa, and to fully authorize the Board of directors to take all necessary measures and resolutions as per regulatory authorities' and internal procedures and requirements.
- 13- To release the members of the Board of Directors from liability in respect of the operation of the Group for the financial year ended 31st December 2016.
- 14- To approve the appointment/reappointment the external auditors of GFH for the financial year ending in 31st December 2017, and authorize the Board of Directors to fix their fees (subject to obtaining the approval of the Central Bank of Bahrain).
- 15- To approve the appointment/reappointment of the Sharia Supervisory Board for the financial year ending in 31st December 2017.
- 16- To elect the Board of Directors of the Group for the next three years (2017 – 2019) subject to the Central Bank of Bahrain's approval.
- 17- Any other business in accordance with Article 207 of the Commercial Companies Law.



Important Notice to shareholders:

- The financial statements for the year ended 31st December 2016 and Proxy Forms are available on GFH's website at www.gfh.com, or they can alternatively be requested directly from the Group or the Share Registrar.
- Each shareholder whose name is recorded in the company's shareholders register on the date of the meeting may attend the meeting in person or may appoint another person in writing to attend the meeting and vote on his behalf, noting that such person shall not be the Chairman, a Board member or an employee of the Group.
- If the shareholder is a company, the representative who will attend the meeting shall present the authorization letter issued by the authorized person in the company and sealed by the company's seal. The authorization letter shall be submitted prior to the deadline for depositing proxies.
- Proxy Forms shall be deposited at least 24 hours prior to the fixed time of the meeting, as indicated below, ensuring that they will be received on time. Proxy Forms received after the fixed time will be considered invalid for the purpose of the meeting.
 - Delivery by hand at the Bank's premises, by fax at +973 17911380, or e-mail at iservices@gfh.com.
 - **For shareholders in Kuwait:** Kuwait Clearing Company, P.O. Box 22077, Kuwait. Fax No. +965 2469457.
 - **For shareholders in other countries:** Karvy Computershare W.L.L., P.O. Box 514, Manama, Kingdom of Bahrain. Fax No. +973 17212055
- Shareholders wishing to nominate themselves for the Board of Directors membership for the next period shall complete the Nomination Form (Form-3) available at (CBB Rulebook-Vol.2) http://cbb.complinet.com/net_file_store/new_rulebooks/v/o/Vol_2_Form_3_Updated_May_12_Apr_2016.pdf, with all the required information stated therein. Original Form-3 shall be signed on each page and returned together with the required documents by 15th February 2017 to the Corporate Secretary of the Group, by hand, or courier to the address: Bahrain Financial Harbour, East Tower, 37th Floor, in order to be submitted to the competent regulatory authorities for official approval prior to the date of the meeting.

For any enquiries, please contact Investors Relation Department on +973 17538787.

Chairman
Dr. Ahmed Al-Mutawa