

INVESTCORP BANK B.S.C.

SHAREHOLDER CIRCULAR

**FOR THE
EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS
TO BE HELD
ON
September 26, 2017**

September 10, 2017

Dear Shareholders

An Extraordinary General Meeting of the Shareholders of Investcorp Bank B.S.C. (the "Company") is scheduled to be held at 12:00 p.m. on Tuesday, September 26 2017 at Investcorp House, Diplomatic Area, Manama, Kingdom of Bahrain to consider the amendment to Articles 13(a) and 14(b) of the Company's Articles of Association to bring them in line with the Central Bank of Bahrain Rulebook, Volume One and Volume Six, and to designate one or more individuals to sign the Amendment to the Articles of Association before the Notary Public of the Kingdom of Bahrain.

Article 13(a) of the Company's Articles of Association provides that:

"The Company shall be administered by a Board of Directors consisting of no less than five (5) and no more than **twenty (20)** members, such number to be determined from time to time by shareholders by resolution adopted at an Ordinary General Meeting."

While Article 13(a) of the Company's Articles of Association is in compliance with Article 172 of the Commercial Companies Law, Section 1.3.9 of the High-Level Controls Module of Volume One of the Central Bank of Bahrain Rulebook ("Module HC") specifies that the Company may not have more than 15 members on its Board of Directors. Therefore, in order to bring Article 13(a) in line with the requirements of Module HC, the shareholders are requested to consider an amendment to Article 13(a) of the Company's Articles of Association, reducing the maximum number of members of the Board of Directors from 20 members to 15 members.

The text of the amended Article 13(a) of the Articles of Association (with the proposed changes marked) shall read as follows:

"The Company shall be administered by a Board of Directors consisting of no less than five (5) and no more than ~~twenty (20)~~ fifteen (15) members, such number to be determined from time to time by shareholders by resolution adopted at an Ordinary General Meeting."

Article 14(b) of the Company's Articles of Association provides that:

"A Director may grant a proxy to another Director or to a representative of the corporate entity represented by said Director on the Board of Directors. A meeting of the Board of Directors shall be valid only if attended in person or by proxy by at least one half of the Directors, provided that in the event of any attendance by proxy, the number of proxies present shall not exceed two and the minimum attendance quorum stated herein shall include the Chairman or, in his absence, the Deputy Chairman."

While Article 14(b) of the Company's Articles of Association is in compliance with Article 180 of the Commercial Companies Law, Section 1.3.4 of Module HC specifies that voting and attendance proxies for Board meetings are prohibited. Therefore, in order to bring Article 14(b) in line with the requirements of Module HC, the shareholders are requested to consider an amendment to Article 14(b) of the Company's Articles of Association, removing the ability for Directors to appoint proxies.

The text of the amended Article 14(b) of the Articles of Association (with the proposed changes marked) shall read as follows:

~~A Director may grant a proxy to another Director or to a representative of the corporate entity represented by said Director on the Board of Directors. A meeting of the Board of Directors shall be valid only if attended in person or by proxy by at least one half of the Directors, provided that in the event of any attendance by proxy, the number of proxies present shall not exceed two and the minimum attendance quorum stated herein shall include the Chairman or, in his absence, the Deputy Chairman."~~

It is proposed that the law firm of Zu'bi & Partners be designated to represent the Company before the relevant governmental authorities with respect to the amendment of the Company's Articles of Association, and that Mr. Qays Hatim Zu'bi, Mr. Hatim Qays Zu'bi, and/or Mr. Omar Manassaki be authorized to sign the Amendments to the Articles of Association before the Notary Public of the Kingdom of Bahrain.

With God's blessings,



Nemir A. Kirdar
Chairman of the Board of Directors