

Ahli United Bank
Kuwaiti Shareholding Company - Public
Memorandum of Association

On this Wednesday, 30th Thul Qi'dah 1390 AH, corresponding to 27th January 1971, A.D., the twenty-seventh day of January in the year one thousand nine hundred seventy one AD,

Before me, Abdulrahman Ahmad Al-Rabah, Notary Public of Kuwait, having delegated Mr. Ameen Najib to proceed to the Ministry of Finance & Oil, and in presence of the two witnesses:

- 1- Yousef Sanafi Al-Faleh, Kuwaiti national
- 2- Abdullah Abdulrahman Bishara, Kuwaiti national

Who possess all the required capacities and established the identity of the attending person who is mentioned herebelow, there appeared:

His Excellency Abdulrahman Salem Al-Ateeqi, Minister of Finance and Oil, in his capacity as representative of the Government of the State of Kuwait, and requested the notarization of this Memorandum and the Articles of Association appended thereto:

Article (1)⁽¹⁾

By virtue of this Memorandum, the Minister of Finance, in his capacity as representative of the Government of the State of Kuwait, founded a Kuwaiti Shareholding Company licensed by the government of the State of Kuwait, pursuant to the provisions of the Commercial Companies Law No. 15 of 1960 and the amending laws thereto, and in conformity with the provisions of the law No. 32 of 1968 concerning currency, the Central Bank of Kuwait, and regulation of the banking business, and its amendments, and the Articles of Association attached to this Memorandum.

Article (2)⁽²⁾

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- (1) The text of article (1) was amended pursuant to the resolution of the extraordinary general assembly convened on 10/1/2010.
 - (2) The text of Article (2) was amended several times, the latest of which was pursuant to the resolution of the extraordinary general assembly convened on 27/03/2014.

The name of the Company is Ahli United Bank, Kuwaiti Shareholding Company-Public (K.S.C.P)

Article (3)⁽³⁾

The head office of the Company and its legal domicile is in the State of Kuwait. The Board of Directors may establish branches, representative offices or agencies thereof in Kuwait or abroad.

The Board of Directors may, in circumstances of force majeure which prevent the convention of the general assembly, move the headquarters on a temporary basis to outside the State of Kuwait until such circumstances shall come to an end.

Article (4)

The term of the Company is unlimited, starting from the date of promulgation of the Decree licensing its establishment.

Article (5)⁽⁴⁾

The objectives for which the Company has been established are to exercise all banking business activities and services, in accordance with the provisions of the Law No. 32 of 1968 concerning currency, the Central Bank of Kuwait and organization of the banking business and the Law of Commerce, and their amendments, or as deemed by customary practices to fall within banking business. The Company may not directly or indirectly exercise any banking or financial activities in breach of the Islamic Shari'ah provisions. The Company may, without limitation, carry on the following businesses at the local and global levels:

1. To accept all types of deposits, in the form of current accounts, investment saving and saving accounts, investment deposit accounts, and any other accounts for definite or indefinite purposes, manage third parties funds, issue sukuk and bonds and receive finance for the Company and third parties in compliance with the Islamic Shari'ah provisions.
2. To exercise financing transactions in their various terms and forms, using Islamic Shari'ah compliant contracts such as, without limitation, Murabaha,

(3) The text of article (3) was amended pursuant to the resolution of the extraordinary general assembly convened on 10/1/2010.

(4) The text of article (5) was amended several times, the latest of which was pursuant to the resolution of the extraordinary general assembly convened on 30/06/2013.

Musharaka, Mudaraba, Istisna'a, Ijara, establish letters of credit, grant banking facilities, issue letters of guarantee and sureties.

3. To provide banking and financial services in all their forms, issue credit cards, deal in sukuk and Shari'ah compliant financial shares and securities as well as financial brokerage businesses.
4. To carry on direct and financial investment operations in all economic sectors, for its own account or for the account of third parties or in association with third parties, manage financial, investment and real estate portfolios, securities custody business, assume the role of trustee, and collaterals agent in mortgages for the account of third parties.
5. To establish companies, or acquire equities in existing or under-establishment companies which exercise miscellaneous economic activities in compliance with the Islamic Shari'ah provisions.
6. To establish, manage and market financial and real estate investment and other funds, perform the functions of investment trustee, collection agent and all other agency and management businesses for funds incorporated in accordance with the law, and market foreign investment units and equities inside the State of Kuwait.
7. To carry out all studies, undertake expert and investigation duties, issue technical reports in the financial, banking, real estate, investment, industrial sectors, corporate and economic activities in compliance with the Islamic Shari'ah provisions and provide advice relevant to employment of capital and provide all services relevant to these operations to third parties.
8. To buy, sell and manage all kinds of assets, properties and real estates, in their present condition or after their development, sorting or building thereupon in accordance with the provisions of the afore-mentioned Law 32 of 1968.
9. To carry on all businesses necessary for realizing these objects or those arising therefrom, relevant or supportive thereto, directly or indirectly.

The Company may finance its activities, either by way of issuing sukuk or Shari'ah compliant bonds or from banks and financial institutions and other institutions inside or outside Kuwait or otherwise in accordance with Shari'ah compliant formulas. The Company may also have interest or participate in whatsoever form with individuals, entities, institutions or companies exercising similar businesses, or that may assist the Company in realizing its objectives in Kuwait and abroad, and may acquire these institutions or companies as subsidiaries or affiliates or merge them to it,

provided such entities, institutions or companies shall carry on their respective businesses in accordance with the rules and regulations specified by the Central Bank of Kuwait in this regard and in compliance with the provisions of the Islamic Shari'ah.

In general, the Company may carry out all banking, finance and investment businesses or any other businesses that realize its objectives directly or in cooperation or association with individuals, institutions and companies or government entities in Kuwait and abroad, in conformity with the provisions of the Islamic Shari'ah.

Article (6)⁽⁵⁾

"The authorized and paid up capital of the Company has been set at KD 187,095,800/300 (one hundred eighty seven million, ninety five thousand, eight hundred Kuwaiti dinar and three hundred fils), divided into 1,870,958,003 shares (one milliard eight hundred seventy million, nine hundred fifty eight thousand and three shares), with a nominal value of 100 Kuwaiti fils per share".

The Company's authorized capital has been set at KD 250,000,000/-million (two hundred million Kuwaiti dinar). The issued capital may be increased, by a resolution from the board of directors at any time whenever required, within the limits of the mentioned authorized capital, by cash or bonus issuings and determine all conditions pertaining to these issuings, including the volume, share price and timing of the issuing, and take all necessary measures for enforcement of the resolutions of the board of directors for increasing the issued capital, all in accordance with the rules and bylaws regulating the same.

Shari'ah Supervision

Article (7)⁽⁶⁾

An independent Fatwa and Shari'ah Supervision Panel, the number of whose members shall not be less than three specialists in Islamic Shari'ah, shall be formed to supervise the Company's businesses. Resolutions passed by the

(5) The text of article (6) has been amended several times, the latest of which was pursuant to the resolution of the extraordinary general assembly convened on 30/03/2017 to increase the capital.

(6) Article (7) has been cancelled and a new article under No. (7) has been added pursuant to the resolution of the extraordinary general assembly convened on 10/1/2010.

Shari'ah Panel shall be binding on the Company. Meetings of the Shari'ah Panel shall be deemed valid if the meeting is attended by all its members if the Panel number does not exceed three.

The ordinary General Assembly shall, upon nomination and presentation of the Board of Directors of the Company, appoint members of the Shari'ah Panel and shall determine the term of their membership and remunerations. In event any position of a member or members of the Shari'ah Fatwa & Supervision Panel becomes vacant for whatsoever reason, the Board of Directors shall appoint a replacement thereto, and such appointment shall be presented to the first following ordinary general assembly of the Company for approval of the appointment of such member or election of a replacement thereto. The Board of Directors shall, upon a proposal of the Shari'ah Panel, issue the regulations of the Shari'ah Panel functions, convene its meetings, record its minutes, and organize its relations with the other departments and divisions in the Bank, all in conformity with the provisions of the referred-to law No. 32 of 1968 and its amendments and the Central Bank of Kuwait's instructions issued in this regard.

Article (8)⁽⁷⁾

The Shari'ah Fatwa & Supervision Panel shall assume the responsibility of providing the Shari'ah opinion on the scope of the Bank compliance, in all its transactions and operations with the Islamic Shari'ah provisions. For this purpose, the Shari'ah Fatwa & Supervision Panel shall examine all contracts and agreements, policies and transactions carried out by the Bank with third parties. The Shari'ah Fatwa & Supervision Panel shall have the right of access without any restriction to all records and transactions within the Company in order to ensure the Company's carrying on its businesses in conformity with the Islamic Shari'ah provisions. The Company's management shall provide the Shari'ah Panel with all data and information it required for the performance of its functions.

The Shari'ah Fatwa & Supervision Panel shall present to the General Assembly of the Company an annual report that includes its opinion on the extent of the compliance of the Company's businesses with the Islamic Shari'ah provisions and such comments as it may have in this regard. Such report shall be included within the annual report of the Company.

Article (9)⁽⁸⁾

The expenses, costs and charges that the Company shall be obligated to pay for the purpose of its establishment are fixed at KD 15,000 approximately (fifteen thousand Kuwaiti Dinars), to be charged to the general expenses account.

Article (10)⁽⁹⁾

The founder, signatory of this Memorandum, undertakes to procure to have a decree issued for the establishment of the Company, and take all actions necessary for the completion of the establishment of the Company.

A committee consisting of the hereunder mentioned persons have been deputized to carry out these procedures:

- 1- Bader Al-Buzea
- 2- Ibrahim Yali
- 3- Khaled Abul Saud

(7) A new article under No. (8) was added pursuant to the resolution of the extraordinary general assembly convened on 10/1/2010.

(8) Pursuant to the resolution of the extraordinary general assembly convened on 10/1/2010, the number of article (8) was amended to become No. (9) without change in its text.

(9) Pursuant to the resolution of the extraordinary general assembly convened on 10/1/2010, the number of article (9) was amended to become No. (10) without change in its text.

The Committee may seek the help of whoever it may deem appropriate of government officials or others.

Representative of the Government of the State of Kuwait
(signature)

First Witness
(signature)

Second Witness
(signature)

The attendee
(In his capacity)

In witness whereof, this Memorandum of Association was executed and signed by the attendees after it had been read to them.

Note: this Memorandum of Association is made in one original and four copies. Consisting of two pages and this amount of writing, it does not contain any addition or deletion. The draft memorandum and the Ministry of Commerce & Industry's letter are attached to the original document of this Memorandum.

Abdul-Rahman Ahmad Al-Rabah – Notary Public of Kuwait.

Ahli United Bank
Kuwaiti Shareholding Company - Public
Articles of Association
Chapter One - Incorporation of the Company
A- Elements of Incorporation of the Company

Article (1)⁽¹⁾

A Kuwaiti public shareholding company, called “Ahli United Bank”, has been established among the owners of its shares in accordance with the provisions of the Commercial Companies Law No. 15 of 1960 and the Law No. 32 of 1968 concerning currency, the Central Bank of Kuwait, and regulation of the banking business and its amendments, and these Articles of Association.

Article (2)⁽²⁾

The head office of the Company and its legal domicile are in the State of Kuwait. The Board of Directors may establish branches, representative offices or agencies therefor in the State of Kuwait or abroad. The Board of Directors may, in circumstances of force majeure which prevent the convention of the general assembly, move the headquarters on a temporary basis to outside the State of Kuwait until such circumstances shall have come to an end.

Article (3)⁽³⁾

The term of the Company is unlimited, starting on the date of issuance of the Decree licensing its establishment.

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- (1) The text of article (1) was amended several times, the latest of which was pursuant to the resolution of the extraordinary general assembly convened on 27/03/2014.
- (2) The text of article (2) was amended pursuant to the resolution of the extraordinary general assembly convened on 10/1/2010.
- (3) The text of article (3) has been amended pursuant to the resolution of the extraordinary general assembly convened on 10/1/2010.

Article (4)⁽⁴⁾

The objectives for which the Company has been established are to exercise all banking business activities and services, in accordance with the provisions of the Law No. 32 of 1968 concerning currency, the Central Bank of Kuwait and organization of the banking business and the Law of Commerce, and their amendments, or as deemed by customary practices to fall within banking business. The Company may not directly or indirectly exercise any banking or financial activities in breach of the Islamic Shari'ah provisions. The Company may, without limitation, carry on the following businesses at the local and global levels:

1. To accept all types of deposits, in the form of current accounts, investment saving and saving accounts, investment deposit accounts, and any other accounts for definite or indefinite purposes, manage third parties funds, issue sukuk and bonds and receive finance for the Company and third parties in compliance with the Islamic Shari'ah provisions.
2. To exercise financing transactions in their various terms and forms, using Islamic Shari'ah compliant contracts such as, without limitation, Murabaha, Musharaka, Mudaraba, Istisna'a, Ijara, establish letters of credit, grant banking facilities, issue letters of guarantee and sureties.
3. To provide banking and financial services in all their forms, issue credit cards, deal in sukuk and Shari'ah compliant financial shares and securities as well as financial brokerage businesses.
4. To carry on direct and financial investment operations in all economic sectors, for its own account or for the account of third parties or in association with third parties, manage financial, investment and real estate portfolios, securities custody business, assume the role of trustee, and collaterals agent in mortgages for the account of third parties.
5. To establish companies, or acquire equities in existing or under-establishment companies which exercise miscellaneous economic activities in compliance with the Islamic Shari'ah provisions.
6. To establish, manage and market financial and real estate investment and other funds, perform the functions of investment trustee, collection agent and all other agency and management businesses for funds incorporated in

(4) The text of article (4) has been amended several times, the latest of which was pursuant to the resolution of the extraordinary general assembly convened on 30/06/2013.

accordance with the law, and market foreign investment units and equities inside the State of Kuwait.

7. To carry out all studies, undertake expert and investigation duties, issue technical reports in the financial, banking, real estate, investment, industrial sectors, corporate and economic activities in compliance with the Islamic Shari'ah provisions and provide advice relevant to employment of capital and provide all services relevant to these operations to third parties.
8. To buy, sell and manage all kinds of assets, properties and real estates, in their present condition or after their development, sorting or building thereupon in accordance with the provisions of the afore-mentioned Law 32 of 1968.
9. To carry on all businesses necessary for realizing these objects or those arising therefrom, relevant or supportive thereto, directly or indirectly.

The Company may finance its activities, either by way of issuing sukuk or Shari'ah compliant bonds or from banks and financial institutions and other institutions inside or outside Kuwait or otherwise in accordance with Shari'ah compliant formulas. The Company may also have interest or participate in whatsoever form with individuals, entities, institutions or companies exercising similar businesses, or that may assist the Company in realizing its objectives in Kuwait and abroad, and may acquire these institutions or companies as subsidiaries or affiliates or merge them to it, provided such entities, institutions or companies shall carry on their respective businesses in accordance with the rules and regulations specified by the Central Bank of Kuwait in this regard and in compliance with the provisions of the Islamic Shari'ah.

In general, the Company may carry out all banking, finance and investment businesses or any other businesses that realize its objectives directly or in cooperation or association with individuals, institutions and companies or government entities in Kuwait and abroad, in conformity with the provisions of the Islamic Shari'ah.

B- Shari'ah Supervision

Article (5)⁽⁵⁾

An independent Fatwa and Shari'ah Supervision Panel, the number of whose members shall not be less than three specialists in Islamic Shari'ah, shall be

(5) Article (5) is a new article introduced to the articles of association pursuant to the resolution of the extraordinary general assembly convened on 10/1/2010.

formed to supervise the Company's businesses. Resolutions passed by the Shari'ah Panel shall be binding on the Company. Meetings of the Shari'ah Panel shall be deemed valid if the meeting is attended by all its members if the Panel number does not exceed three.

The ordinary General Assembly shall, upon nomination and presentation of the Board of Directors of the Company, appoint members of the Shari'ah Panel and shall determine the term of their membership and remunerations. In event any position of a member or members of the Shari'ah Fatwa & Supervision Panel becomes vacant for whatsoever reason, the Board of Directors shall appoint a replacement thereto, and such appointment shall be presented to the first following ordinary general assembly of the Company for approval of the appointment of such member or election of a replacement thereto. The Board of Directors shall, upon a proposal of the Shari'ah Panel, issue the regulations of the Shari'ah Panel functions, convene its meetings, record its minutes, and organize its relations with the other departments and divisions in the Bank, all in conformity with the provisions of the referred-to law No. 32 of 1968 and its amendments and the Central Bank of Kuwait's instructions issued in this regard.

Article (6)⁽⁶⁾

The Shari'ah Fatwa & Supervision Panel shall assume the responsibility of providing the Shari'ah opinion on the scope of the Bank compliance, in all its transactions and operations with the Islamic Shari'ah provisions. For this purpose, the Shari'ah Fatwa & Supervision Panel shall examine all contracts and agreements, policies and transactions carried out by the Bank with third parties. The Shari'ah Fatwa & Supervision Panel shall have the right of access without any restriction to all records and transactions within the Company in order to ensure the Company's carrying on its businesses in conformity with the Islamic Shari'ah provisions. The Company's management shall provide the Shari'ah Panel with all data and information it required for the performance of its functions.

The Shari'ah Fatwa & Supervision Panel shall present to the General Assembly of the Company an annual report that includes its opinion on the extent of the compliance of the Company's businesses with the Islamic Shari'ah provisions and such comments as it may have in this regard. Such report shall be included within the annual report of the Company.

C- The Company's Capital

(6) Article No (6) is a new article introduced to the articles of association pursuant to the resolution of the extraordinary general assembly convened on 10/1/2010.

Article (7)⁽⁷⁾

“The authorized and paid up capital of the Company has been set at KD 187,095,800/300 (one hundred eighty seven million, ninety five thousand, eight hundred Kuwaiti dinar and three hundred fils), divided into 1,870,958,003 shares (one milliard eight hundred seventy million, nine hundred fifty eight thousand and three shares), with a nominal value of 100 Kuwaiti fils per share”.

The Company’s authorized capital has been set at KD 250,000,000/-million (two hundred million Kuwaiti dinar). The issued capital may be increased, by a resolution from the board of directors at any time whenever required, within the limits of the mentioned authorized capital, by cash or bonus issuings and determine all conditions pertaining to these issuings, including the volume, share price and timing of the issuing, and take all necessary measures for enforcement of the resolutions of the board of directors for increasing the issued capital, all in accordance with the rules and bylaws regulating the same.

Article (8)⁽⁸⁾

The Company’s shares are nominal. Each shareholder may possess a ratio of the Company’s shares as stipulated by the law, the Central Bank of Kuwait’s instructions and the resolutions regulating the acquisition of banks issued capital shares. Non-Kuwaitis are allowed to acquire the Company’s shares in accordance with the rules and regulations regulating such acquisition. The General Assembly may authorize the Board of Directors to purchase / sell / dispose of the Company’s shares in all forms, provided that such purchase/sale / disposition shall not exceed the ratio stipulated by the law, bylaws, and instructions issued in this regard, and

(7) Pursuant to the resolution of the extraordinary general assembly convened on 10/1/2010, the number of article (5) has been changed to become number (7), and the Company’s capital has been amended several times, the latest of which with the increase pursuant to the resolution of the extraordinary general assembly convened on 30/03/2017.

(8) The number and text of article (6) of the articles of association have been amended to become No. (8) with merging article (9) of the articles of association within its new text pursuant to the resolution of the extraordinary general assembly resolution convened on 10/1/2010 and the text of article No (8) has been amended several times, the latest of which was pursuant to the resolution of the extraordinary general assembly convened on 27/3/2014.

that such purchase shall not be financed from the Company's capital. The provisions of these articles of association, the law, the Commercial Companies Law and its amendments and the resolutions issued by the regulatory and supervisory authorities shall apply to the authorization for purchase / sale / disposition of the purchased shares.

Article (9)⁽⁹⁾

The Company's capital increase shares shall be offered for public subscription for fifteen days from the date of notifying the shareholders thereof. Subscription shall be processed at accredited banks and the value of shares shall be paid in cash in one payment or on installments, provided that the value of the installment payable upon subscription shall not be less than 25% of the value of the shares subscribed to. The Board of Directors is authorized to identify the period during which the outstanding value of shares shall be collected. Such value shall be repaid within five years from the date of offering the capital increase shares for subscription.

Article (10)⁽¹⁰⁾

Ownership of the shares shall inevitably entail acceptance of the provisions of the Articles of Association and the resolutions of the General Assembly, including the resolutions passed before the date of ownership of the shares.

Article (11)⁽¹¹⁾

Whereas the shares of the company are nominative, every share entitles its holder to a share equal to that of any other share without discrimination in the Company's profits or assets. A shareholder, whose name is entered in

(9) The number and text of article (8) of the articles of association have been amended to become No. (9) pursuant to the extraordinary general assembly resolution convened on 10/1/2010 and the last amendment of its text was pursuant to resolution of the extraordinary general assembly convened on 27/3/2014.

(10) Article (10) of the articles of association was canceled from the articles of association and the number and text of article (11) were amended to become No. (10) pursuant to the resolution of the extraordinary general assembly convened on 10/1/2010.

(11) Articles (12) and (13) of the articles of association were amended and merged together to become No. (11) pursuant to the resolution of the extraordinary general assembly convened on 10/1/2010..

the Company's register at the time of distribution of the annual profits or the Company's assets, shall alone be entitled to receive the amounts due on shares, be they annual dividends or a share of the Company's assets.

Article (12)⁽¹²⁾

The Company's capital may be increased by a resolution of the extraordinary general assembly by issuing new shares whose value shall be paid in full, by converting the reserve funds into shares or by any other means allowed by the law. New shares may not be issued at a price lower than their nominal value. If they are issued at a price higher than their nominal value, the difference shall inevitably be added to the statutory reserve after discharge of the issuance expenses.

The new shares for the capital increase shall be offered for public subscription in the State of Kuwait according to the provisions of the law, and subject to the provisions of these articles, each shareholder shall have the priority right to subscribe in a portion of the new shares proportionate to the number of shares he owns. Shareholders shall be allowed a period of fifteen days for the exercise of their priority rights from the date on which the shareholders are notified thereof. The shareholders may, in advance, waive their right of priority, and the Board of Directors may, by an authorization from the General Assembly, sell the priority right in the private placement of the shares that are purchased in accordance with the second paragraph of Article 8 of these Articles through the Kuwait Stock Exchange.

Article (13)⁽¹³⁾

The Company's capital may be increased through the Employees Stock Purchase Option Plan approved by the ordinary General Assembly upon a proposal of the Board of Directors, for the purpose of maintaining and attracting competent employees and enhancing their loyalty to the

(12) The number and text of article (15) of the articles of association have been amended to become No. (12) pursuant to the resolution of the extraordinary general assembly convened on 10/1/2010 and the last amendment of its text was pursuant to resolution of the extraordinary general assembly convened on 27/3/2014.

(13) Article (13) is a newly introduced article added to the articles of association pursuant to the resolution of extraordinary general assembly convened on 10/1/2010.

Company, in accordance with the ministerial resolutions that regulate the same, subject to the following.

1. Shareholders are not allowed to subscribe to the capital increase shares made pursuant to this Plan.
2. The capital increase made according to this Plan may not exceed 10% of the paid- up capital.
3. The Board of Directors shall, within its annual report presented to the general assembly, present a statement of the job levels which benefited from this Plan and the number of shares designated to each job level.

Chapter Two - Management of the Company

A- The Board of Directors

Article (14)⁽¹⁴⁾

Management of the Company shall be undertaken by a Board of Directors consisting of nine members. The entity allowed to appoint directors to represent it on the Board of Directors shall appoint such members pro rata to the number of shares it owns in the Company, and the General Assembly shall elect the remaining members by secret ballot. The General Assembly may by uncontested election appoint members of the Board in event where the number of candidates does not exceed the number of members required for membership of the Board of Directors and the reserve members. Furthermore, the General Assembly may, upon nomination of the Board and approval of the concerned authorities, appoint one or more independent experienced directors.

Article (15)⁽¹⁵⁾

The term for the membership of the Board of Directors is three renewable years. A member may be reelected.

(14) This article has been amended several times, where its number was amended from (16) to become (14) pursuant to the resolution of extraordinary general assembly convened on 10/1/2010 and the last amendment of its text was pursuant to resolution of the extraordinary general assembly convened on 30/6/2013.

(15) The number and text of article (17) of the articles of association have been amended to become No. (15) pursuant to the resolution of extraordinary general assembly convened on 10/1/2010.

Article (16)⁽¹⁶⁾

Excluding the independent directors, a director, in his personal capacity, or on behalf of the corporate body he represents, shall, on the day of election, own not less than one hundred thousand shares of the Company. If a director ceases to fulfill this condition, he shall forfeit his directorship from the date of such cessation of fulfillment of this condition.

Article (17)⁽¹⁷⁾

Subject to the provisions of the Law No. 32 of 1968 concerning currency, the Central Bank of Kuwait, and regulation of the banking business, and its amendments, and the Law Decree No. 25 of 2012 promulgating the companies law, and its amendments, any person who has representatives on the Board of Directors, the Chairman or any director, or their spouses or relatives to the second degree, may have a direct or indirect interest in the contracts and deals made with or for the account of the Company, unless this has been permitted by the ordinary General Assembly. None of those persons may also be involved in the management of a company whose objects are similar to or compete with those of the Company.

Article (18)⁽¹⁸⁾

If the seat of a director becomes vacant, he shall be succeeded by the unsuccessful candidate who obtained the highest number of votes at the latest election. Where, however, the number of vacant seats reach a quarter of the total number of seats on the board and where there are no qualified persons to occupy the vacant positions, the Board of Directors shall convene the General Assembly to meet within two months from the date on which the last position became vacant to elect directors to occupy the

(16) The number and text of article (18) of the articles of association have been amended to become number (16) pursuant to resolution of extraordinary general assembly convened on 10/1/2010 and the last amendment of its text was pursuant to resolution of the extraordinary general assembly convened on 27/3/2014.

(17) This article has been amended several times, where its number was amended from (19) to become (17) pursuant to the resolution of extraordinary general assembly convened on 10/1/2010 and the last amendment of its text was pursuant to resolution of the extraordinary general assembly convened on 27/3/2014.

(18) The number and text of article (20) of the articles of association have been amended to become No. (18) pursuant to the resolution of extraordinary general assembly convened on 10/1/2010.

vacant seats. In all events, the new member shall serve only up to the end of the term of his predecessor.

Article (19)⁽¹⁹⁾

The Board of Directors shall, by secret ballot or uncontested election selection, elect a Chairman and a Vice Chairman of the Board for a term of three years. The Chairman of the Board shall represent the Company before the courts, arbitration panels and third parties and shall be responsible for implementing the resolutions passed by the Board. The Vice Chairman shall act in the place of the Chairman in the event of the Chairman's absence or inability to act.

Article (20)⁽²⁰⁾

The Board of Directors may authorize one of its directors or a committee of directors or another person to perform certain act or acts or supervise an aspect of the Company's activities or exercise some of the powers or responsibilities of the Board.

Article (21)⁽²¹⁾

Shall be authorized to sign singly on behalf of the Company the Chairman of the Board of Directors or the Vice Chairman. The Company shall have one or more chief executive officers, appointed by the Board and whose powers and jurisdictions and whether he shall be authorized to sign on behalf of the Company shall be determined by the Board. The positions of the Chairman of the Board and of the chief executive officer may not be occupied by the same person at the same time.

Article (22)⁽²²⁾

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- (19) The number and text of article (21) of the articles of association have been amended to become number (19) pursuant to the resolution of extraordinary general assembly convened on 10/1/2010.
- (20) The number of article (22) has been amended to become No. (20) without change in its text pursuant to the resolution of extraordinary general assembly convened on 10/1/2010 and the last amendment of its text was pursuant to resolution of the extraordinary general assembly convened on 27/3/2014.
- (21) The number and text of article (23) of the articles of association have been amended to become No. (21) pursuant to the resolution of extraordinary general assembly convened on 10/1/2010 and the last amendment of its text was pursuant to resolution of the extraordinary general assembly convened on 27/3/2014.
- (22) This article has been amended several times, the number of article (24) of the articles of association has been amended to become No. (22) pursuant to the resolution of extraordinary general assembly

The Board of Directors shall meet at least six times during every financial year upon an invitation from its Chairman. It shall also meet if so requested by at least four of its members. The meeting of the Board shall be valid if attended by the majority of directors. Attendance of board meetings by proxy is not permitted. Meetings may be held by using modern means of communication, and resolutions may be passed by circulation by approval of all the Board members.

Article (23)⁽²³⁾

The resolutions of the Board of Directors shall be passed by a majority of the attending directors. In the event of a tie vote, the Chairman shall have the casting vote. A special register shall be kept to record the minutes of the Board meetings and these minutes shall be signed by the directors who attended the meeting, the Board Secretary or the person who performs the Board Secretary's functions in his absence. The objecting member may record his opinion in the minutes of the meeting.

Article (24)⁽²⁴⁾

In the event where a director fails to attend three successive meetings without a justifiable excuse, he may, by a resolution of the board of directors be deemed to have resigned.

Article (25)⁽²⁵⁾

Without prejudice to the provisions of the Commercial Companies Law and these Articles, the General Assembly shall determine the remunerations of the Board Directors, and the Board of Directors shall

convened on 10/1/2010 and the last amendment of its text was pursuant to resolution of the extraordinary general assembly convened on 27/3/2014.

(23) This article has been amended several times, the number of article (25) of the articles of association has been amended to become No. (23) pursuant to the resolution of extraordinary general assembly convened on 10/1/2010 and the last amendment of its text was pursuant to resolution of the extraordinary general assembly convened on 27/3/2014.

(24) The number of the article has been amended from (26) to (24) without change in its text pursuant to the resolution of extraordinary general assembly convened on 10/1/2010.

(25) The number and text of article (27) of the articles of association have been amended to become No. (25) pursuant to the resolution of extraordinary general assembly convened on 10/1/2010.

determine the remunerations and financial benefits of the directors or other persons who are authorized to act on the Board's behalf. It shall also determine the allowances and financial benefits of the chief executive officer(s).

Article (26)⁽²⁶⁾

The Board of Directors shall have the widest powers to manage the Company, and shall, without limitation, perform all activities necessary for the management and realization of its objectives of the Company. Such powers and authorities shall be limited only by the provisions of the Law, these Articles and the resolutions of the General Assembly of the Company. The Board of Directors may sell, buy and mortgage the movable and real estate assets of the company, provide and obtain financing, give guarantees, make donations, acknowledgments in all forms, arbitrate, require the taking of oath and represent the Company through the Chairman of the Board before the courts and arbitration panels and delegate to others the power to perform all or some of the foregoing. The Board of Directors shall determine the policy of paying dividends to customers who hold investment accounts and deposits after having obtained the approval of the Shari'ah Fatwa and Supervision Panel. The Board shall perform its functions and exercise its powers in accordance with the provisions of the Islamic Shari'ah.

Article (27)⁽²⁷⁾

The Board directors shall not assume any personal obligations with regard to the company's undertakings by reason of exercising their duties within the limits of their authorities and powers.

(26) The number and text of article (28) of the articles of association have been amended to become No. (26) pursuant to the resolution of extraordinary general assembly convened on 10/1/2010.

(27) The number and text of article (29) of the articles of association have been amended to become No. (27) pursuant to the resolution of extraordinary general assembly convened on 10/1/2010.

Article (28)⁽²⁸⁾

The Chairman and members of the Board Directors are accountable towards the Company, the shareholders and others for all acts of fraud, abuse of authority, and every violation of the law or these Articles and for mis-management. Voting by the General Assembly to release the Board of Directors from liability shall not preclude the filing of a legal case for liability.

B- The General Assembly

Article (29)⁽²⁹⁾

The General Assembly represents all the shareholders. The Board of Directors shall send invitations to attend the General Assembly that shall be held at such date and place in the State of Kuwait as shall be specified in the invitation.

Article (30)⁽³⁰⁾

Invitations shall be addressed to shareholders to attend the meetings of the General Assembly of any capacity whatsoever, including a statement of the agenda by either of the following two methods:

1. Registered letters mailed to all shareholders at least one week before the date of its meeting.
2. An announcement in two daily newspapers published in the Arabic language, and such announcement must be published two times. The second announcement shall be published at least one week after publishing the first announcement and at least one week before the meeting of the General assembly.

The Board of Directors may decide to invite shareholders to attend the general assembly meeting by any other means of announcement as

(28) The number of the article has been amended from (30) to (28) without change in its text pursuant to the resolution of extraordinary general assembly convened on 10/1/2010.

(29) Article No. (29) is a newly introduced article added to the articles of association pursuant to the resolution of extraordinary general assembly convened on 10/1/2010.

(30) This article has been amended several times, where its number was amended from (31) to become (30) pursuant to the resolution of extraordinary general assembly convened on 10/1/2010 and the last amendment of its text was pursuant to resolution of the extraordinary general assembly convened on 27/3/2014.

determined by the Companies Law or its executive by-law. The Board of Directors shall also setup the agenda of the ordinary and extraordinary General Assembly.

Article (31)⁽³¹⁾

In the events where the General Assembly meeting may be held upon the request of shareholders or the auditors, the agenda shall be set by the party requesting the meeting. Matters that are not listed on the agenda may not be discussed at such meetings save in the events provided for in the Companies Law.

Article (32)⁽³²⁾

Every shareholder shall have a number of votes equal to the number of his shares. Minors and incompetent persons shall be represented by their legal representatives. No member may participate in voting either for himself or on behalf of a person whom he legally represents in matters related to a personal benefit for himself or to a dispute existing between himself and the Company. In the event of benefit or dispute, the shares owned by the shareholder shall be excluded from the quorum required for passing the resolution.

Article (33)⁽³³⁾

Every shareholder shall be entitled to attend the general assembly meetings. The shareholder may authorize another person to attend the general assembly meeting on his behalf by a special power of attorney prepared by the Company for this purpose. The shareholder shall be given a card to attend the meeting indicating the number of votes he represents as principal or by proxy.

(31) The number of this articles was changed from (32) to become (31) without change in its text pursuant to the resolution of extraordinary general assembly convened on 10/1/2010 and the last amendment of its text was pursuant to the resolution of extraordinary general assembly convened on 27/3/2014.

(32) The number of this article was changed from (33) to become (32) without change in its text pursuant to the resolution of extraordinary general assembly convened on 10/1/2010 and the last amendment of its text was pursuant to the resolution of extraordinary general assembly convened on 27/3/2014.

(33) The number of this article was changed from (34) to become (33) without change in its text pursuant to the resolution of extraordinary general assembly convened on 10/1/2010 and the last amendment of its text was pursuant to the resolution of extraordinary general assembly convened on 27/3/2014.

Article (34)⁽³⁴⁾

Without prejudice to the provisions of these Articles, the provisions of the Companies Law and its amendments shall apply to the quorum necessary for the validity of holding the General Assembly meeting in its various capacities.

Article (35)⁽³⁵⁾

Voting at the General Assembly meetings shall be in the manner determined by the Chairman of the meeting, unless the General Assembly decides upon a specific voting method. Without prejudice to Article 14 hereof, the election and removal of a member of the Board of Directors from his office must be conducted by secret ballot.

Article (36)⁽³⁶⁾

The ordinary General Assembly shall meet at least once a year upon invitation from the Board of Directors within the three months following the end of the company's financial year. The Board of Directors shall call convene this General Assembly whenever it deems necessary. It shall call for such meeting whenever required by a number of shareholders who hold at least one tenth of the capital, and whenever it is so requested by the auditor.

Article (37)⁽³⁷⁾

The General Assembly meeting in an ordinary capacity is competent to consider all matters related to the Company, except those matters reserved by the law or these Articles to be addressed by the extraordinary Assembly or the constituent assembly.

(34) The number of this article was changed from (35) to become (34) without change in its text pursuant to the resolution of extraordinary general assembly convened on 10/1/2010 and the last amendment of its text was pursuant to the resolution of extraordinary general assembly convened on 27/3/2014.

(35) The number and text of article (36) of the articles of association have been amended to become No. (35) pursuant to the resolution of extraordinary general assembly convened on 10/1/2010.

(36) Article No. (37) was cancelled and the number and text of the article have been amended from (38) to become (36) pursuant to the resolution of extraordinary general assembly convened on 10/1/2010 and the last amendment of its text was pursuant to the resolution of extraordinary general assembly convened on 27/3/2014.

(37) The number of this article was amended from (39) to become (37) without change in its text pursuant to the resolution extraordinary general assembly convened on 10/1/2010.

Article (38)⁽³⁸⁾

The Board of Directors shall submit to the General Assembly held in an ordinary capacity a report which shall include the Shari'ah Fatwa and Supervision Panel report, and a comprehensive statement of the Company's business and its financial and economic position, the balance sheet, the profit and loss account, a statement of the directors' remuneration, the auditors fees and a proposal for the distribution of profits.

Article (39)⁽³⁹⁾

The General Assembly meeting in an ordinary capacity shall discuss the report of the Board of Directors and decide upon the matters related thereto, look into the auditor's report, elect or re-elect all or some of the members of the Board of Directors, appoint the auditors for the coming year and determine their remunerations and fees.

Article (40)⁽⁴⁰⁾

All rules related to the ordinary general assembly shall be applied to the extraordinary general assembly, taking into consideration the provisions of this and the subsequent articles. The General Assembly shall meet in an extraordinary capacity upon an invitation from the Board of Directors, or upon a reasoned request made by shareholders who hold not less than fifteen percent of the company's issued capital, or upon the request of the Ministry of Commerce & Industry within 30 days from the date of submission of the request by the shareholders or the Ministry, as the case may be.

(38) The number and text of this article have been amended from (40) to become (38) pursuant to the resolution of extraordinary general assembly convened on 10/1/2010.

(39) The number of this article has been amended from (41) to become (39) pursuant to the resolution of extraordinary general assembly convened on 10/1/2010 and its text has been amended several times, the latest of which was pursuant to the resolution of extraordinary general assembly convened on 30/6/2013.

(40) The number and text of this article have been amended from (42) to become (40) pursuant to the resolution of extraordinary general assembly convened on 10/1/2010 and the last amendment of its text was pursuant to the resolution of extraordinary general assembly convened on 27/3/2014.

Article (41)⁽⁴¹⁾

The following matters shall be addressed only in the General Assembly meeting held in an extraordinary capacity.

1. Amendment of the Memorandum of Association or Articles of Association.
2. Sale of the entire project for which the Company was established or dispose of it in any other way.
3. Dissolution of the Company or merger thereof with any other company or establishment.
4. Increase or decrease of the Company's capital.

The provisions of Article 250 of the Companies Law and the amendments that may be made to this Article shall be taken into consideration in the execution of the resolutions of the extraordinary general assembly.

C- The Company's Accounts

Article (42)⁽⁴²⁾

The company shall have two or more auditors who shall be legal auditors appointed and the fees thereof determined by the ordinary General Assembly, after having obtained the approval of the Central Bank of Kuwait. The auditor shall audit the accounts of the company for the financial year for which he has been appointed.

Article (43)⁽⁴³⁾

The financial year of the Company shall commence on 1st January and end on 31st December of every year save for the first financial year which shall commence from the date of the final incorporation of the company and end on 31st December of the following year.

(41) The number of this article has been amended from (43) to become (41) without change in its text pursuant to the resolution of extraordinary general assembly convened on 10/1/2010 and the last amendment of its text was pursuant to the resolution of extraordinary general assembly convened on 27/3/2014.

(42) The number and text of this article have been amended from (44) to become (42) pursuant to the resolution of extraordinary general assembly convened on 10/1/2010 and the last amendment of its text was pursuant to the resolution of extraordinary general assembly convened on 27/3/2014.

(43) The number of article has been amended from (45) to become (43) without change in its text pursuant to the resolution of extraordinary general assembly convened on 10/1/2010.

Article (44)⁽⁴⁴⁾

The auditor shall have the powers and obligations provided for in the Companies Law. He shall particularly have the right to inspect all the Company's books, records and documents and request such data as he may deem necessary to obtain at any time. He shall also be entitled to verify the Company's assets and liabilities. If he is not enabled to exercise these powers, he shall establish this in writing in a report to be submitted to the Board of Directors and presented to the General Assembly and he may convene the General Assembly to meet for this purpose.

Article (45)⁽⁴⁵⁾

The auditors shall submit a report to the General Assembly stating whether the balance sheet and the profit and loss account reflect fairly and clearly the real financial position of the Company, whether the Company maintains proper books of accounts, the stocktaking was carried out in accordance with recognized practices, the information contained in the report of the Board of Directors are in agreement with the details mentioned in the Company's books, and whether any violations of the provisions of the Company's Articles of Association or the provisions of the law were committed during the financial year in a manner that affects the Company's business activity or financial position, and whether such violations still exist, within the limits of the information made available to him. The auditor shall be responsible for the validity of the information contained in his report in his capacity as the agent for the entire body of shareholders. Every shareholder is, during the General Assembly meeting, entitled to discuss with the auditor and request him for clarifications about the contents of his report.

Article (46)⁽⁴⁶⁾

(44) The number and text of this article have been amended from (46) to become (44) pursuant to the resolution of extraordinary general assembly convened on 10/1/2010 and the last amendment of its text was pursuant to the resolution of extraordinary general assembly convened on 27/3/2014.

(45) The number and text of this article have been amended from (47) to become (45) pursuant to the resolution of extraordinary general assembly convened on 10/1/2010 and the last amendment of its text was pursuant to the resolution of extraordinary general assembly convened on 27/3/2014.

(46) The number and text of this article have been amended from (48) to become (46) pursuant to the resolution of extraordinary general assembly convened on 10/1/2010 and the last amendment of its text was pursuant to the resolution of extraordinary general assembly convened on 27/3/2014.

A percentage from the gross profits, as determined by the Board of Directors, shall, after having received the opinion of the auditors, be deducted for depreciation of the Company's assets or compensation for the impairment of their value, and such funds may not be distributed to the shareholders.

Article (47)⁽⁴⁷⁾

The net profits of the Company shall be distributed as follows:

1. 10% (ten percent) shall be deducted and designated for the statutory reserve account. The General Assembly may discontinue such deduction if the statutory reserve exceeds one half of the Company's capital. The General Assembly may also authorize the Board of Directors to use the surplus reserves in excess of this limit in such aspects as it may deem appropriate for the interest of the Company and its shareholders.
2. 10% (ten percent) shall be deducted and designated for the voluntary reserve. Such deduction shall be discontinued by a resolution of the ordinary General Assembly upon a proposal of the Board of Directors and approval of the Central Bank of Kuwait, and shall be used as determined by the General Assembly in aspects deemed appropriate to the interest of the Company and its shareholders.
3. There shall be deducted the amount necessary for distributing a preliminary dividend equal to 5% to the shareholders on the paid portion of their shares.
4. An amount not exceeding 10% (ten percent), determined by the general assembly for the remuneration of the members of the Board of Directors.
5. The remainder of the profits shall then be distributed to shareholders as additional dividends or, upon a proposal of the Board of Directors, carried forward to the next year or allocated to the creation of an extra-ordinary reserve fund or depreciation fund.

(47) The number and text of this article have been amended from (49) and merging it with article (51) for their number together to become (47) pursuant to the resolution of extraordinary general assembly convened on 10/1/2010.

Article (48)⁽⁴⁸⁾

The dividends shall be paid to the shareholders at such place and time as are determined by the Board of Directors.

Article (49)⁽⁴⁹⁾

The shareholders shall pay the due Zakat dictated by Islamic Shari'ah for the value of their shares and the profits generated therefrom as long as the requirements of payment of such Zakat exist.

**Chapter Three
Termination and Liquidation of the Company**

Article (50)⁽⁵⁰⁾

The Company shall terminate for any of the events provided for in the Companies Law or the Law No. 32 of 1968 concerning currency, the Central Bank of Kuwait, and regulation of the banking business, and the amendments thereto.

Article (51)⁽⁵¹⁾

The Company's assets shall be liquidated according to the provisions of the Law the law No. 32 of 1968 concerning currency, the Central Bank of Kuwait, and regulation of the banking business, and its amendments.

(48) The number of this articles has been amended from (50) to become (48) without change in its text pursuant to the resolution extraordinary general assembly convened on 10/1/2010.

(49) Article (49) is a newly introduced article to the articles of association pursuant to the resolution of extraordinary general assembly convened on 10/1/2010.

(50) The number and text of this articles have been amended from (52) to become (50) pursuant to the resolution of extraordinary general assembly convened on 10/1/2010 and the last amendment of its text was pursuant to the resolution of extraordinary general assembly convened on 27/3/2014.

(51) The number and text of this articles have been amended from (53) to become (51) pursuant to the resolution of extraordinary general assembly convened on 10/1/2010 and the last amendment of its text was pursuant to the resolution of extraordinary general assembly convened on 27/3/2014.