



# Memorandum and Articles of Association







His Highness  
**Sheikh Nawaf Al-Ahmad Al-Jaber Al-Sabah**  
Amir of the State of Kuwait



His Highness  
**Sheikh Mishal Al-Ahmad Al-Jaber Al-Sabah**  
Crown Prince of the State of Kuwait



**Kuwait International Bank**  
Kuwait Shareholding Company

**MEMORANDUM AND ARTICLES  
OF ASSOCIATION**  
(Revised)

**Kuwait 2022**



## Decree

Granting license to establish a Kuwaiti Shareholding Company under the  
name

### **KUWAIT REAL ESTATE BANK**

**We, Sabah Al-Salem Al-Sabah, Amir of Kuwait,**

Having considered the Commercial Companies Law No. 15 of 1960 and the laws amending the said law,

the Law No. 32 of 1968 concerning currency, the Central Bank of Kuwait and organisation of Banking Business,

and the Memorandum and Articles of Association of Kuwait Real Estate Bank (Kuwaiti Shareholding Company),

and pursuant to the proposal of the Minister of Commerce and Industry,

and the approval granted by the Council of Ministers,



have decreed as follows

## Article 1

License is hereby granted to:

Yousef Ibrahim Al-Ghanim, Jamil Abdul Razzaq Al-Sane, Abdul Razzaq Abdul Hamid Al-Sane, Sheikha Munira Sabah Al-Nasir Al-Sabah, Sheikh Nasir Sabah Al-Nasir Al-Sabah, Souad Hamad Al-Saleh Al-Humaidhi, Marzouq AL-Abdul Wahab Al-Dawood, Ahmed Abdul Wahab Al-Dawood, Sheikha Badreya Al-Saud Al-Sabah, Abdul Rahman Abdul Mughni Al-Mohammed, Marzouq Al-Jassim Al-Marzouq, Sara Fahed Al-Marzouq, Ghanimah Fahed Al-Marzouq, Yousef Abdul Mohsen Al-Hunaif, Faisal Saud Al-Zabin, Mustafa Jassim Boodai, Mohammed Yousef Al-Nisf, Sheikh Ali Abdullah Al-Salem Al-Sabah, Sheikh Mubarak Abdullah Al-Ahmad Al-Sabah, Abdul Latif Abdul Hamid Al-Sane, Abdul Razzaq Sultan Aman, Faisal Saud Al-Fulaij, Khalid Saleh Al-Ghunaim, Abdul Aziz Ahmed Al-Bahar, Hamad Ahmed Al-Bahar, Fahed Ahmed Bahar, Mohammed Abdul Rahman Al-Bahar, Jassim Hamad Al-Sager, Khalid Al-Dawood Al-Marzouq, Abdul Salam Shuaib Mohammed, Kuwait Insurance Company , Barrak Abdul Mohsen Mohammed Al-Mutair, Mohammed Abdul Mohsen Al-Kharafi, Lulua Khalifa Ahmed Al-Ghanim, Ahmed Al-Saleh Mohammed Al-Saleh, Saud Abdul Aziz Al-Abdul Razzaq, Ibrahim Abdul Aziz Al-Abdul Razzaq, Sheikh Meshal Ahmed Al-Jaber Al-Sabah, Fahed Al-Abdul Aziz Al-Marzouq, Mohammed Jassim Al-Marzouq, Sheikh Mubarak Abdullah Al-Jaber Al-Sabah, Yaqoub Yousef AL-Nafisi, Abdul Wahab Yousef Al-Nafisi, Khalid Yousef Al-Marzouq, Faisal Yousef Al-Marzouq, Abdul Aziz Abdul Mohsen Al-Rashid, Kuwait Real Estate Company.

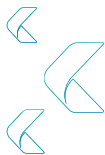
To establish, in Kuwait and at their responsibility, a Kuwaiti shareholding company under the name of “Kuwait Real Estate Bank”, with a capital of (5,000,000) five million Kuwaiti Dinars.

## Article 2

Without prejudice to the provisions of the Law No. 32 of 1968, referred to above, permission is hereby granted to conduct the profession of banking within the scope of its articles of association attached to this Decree.

## Article 3

The aforesaid founders shall observe the provisions of the Memorandum and Articles of Association of the company, an official copy of each of which, duly signed by them, is attached to this Decree. They shall further observe the provisions of the Commercial Companies Law and the other laws.



## **Amiri Decree No. 121 of 2007**

### Consenting Amendment of the Name, Memorandum and Articles of Association of Kuwait Real Estate Bank (Kuwaiti Shareholding Company)

- Having perused the constitution; and
- The Commercial companies Law No. 15 of 1960, and the amending laws thereto; and
- The Decree passed on 13 May of 1973 licensing the incorporation of a Kuwaiti Shareholding company by the name of “Kuwait Real Estate Bank” and the amending decrees thereto; and
- The Resolution of the extraordinary General Assembly of the Kuwait Real Estate Bank (K.S.C.) passed on 25/12/2006; and
- The Letter of the Central Bank of Kuwait No. 2/105/85591 dated 3 December 2006, to the effect that the bank business would be run in accordance with the Islamic Shari’ah and amending its name and objectives; and
- Upon the presentation of the Minister of Commerce & Industry; and
- After approval of the Council of Ministers,

We hereby Decreed the following:

### **Article 1**

Endorsement of the extraordinary general assembly of the Kuwait Real Estate Bank (K.S.C.) resolution passed on 25/12/2006 amending article (2) of the memorandum of association and article (1) of the articles of association, to become as follows: (A Kuwaiti shareholding company in the name of “Kuwait International Bank” has been incorporated among the owners of shares provisions of which are identified hereunder), in conformity with the provisions of the Commercial Companies Law and Law No. 32 of 1968 concerning currency, Central Bank of Kuwait and Organization of Banking Business and its amendments and the articles of association.

### **Article 2**

Endorsement of the above mentioned extraordinary general assembly resolution dated 25/12/2006 amending article (5) of the memorandum of association and article (4) of the articles of association to become as follows:

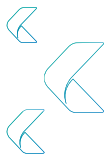
The purposes for which the company has been established are carrying out all banking, financing and investment businesses in compliance with the provisions of the Islamic Shari’ah and in accordance with the regulations issued by the Central Bank of Kuwait. The company may- for example not for limitation carry out the following:

- 1) Accept all types of deposits in the form of current accounts, savings accounts, or investment accounts for limited and unlimited terms and purposes.





- 2) Exercise financing transactions in all their several terms using the Shariah compliant contract forms, e.g. sale in all its Islamic Shari'ah complaints forms such as Murabaha, Musharaka, Mudharabah, Istisna'a, Ijara, and accept mortgages at local and international levels.
- 3) Provide banking and financial services in all their types and issue credit cards and trade in shares and sukuks in conformity with the Islamic Shari'ah.
- 4) Carry out direct financial investments on all economic levels to its account or to the account of third parties, or by participation with third parties and manage financial, investments and real estate portfolios.
- 5) Open and issue letters of credit and guarantees.
- 6) Incorporate companies or take contributions in existing companies or companies under incorporation which exercise various economic activities complaint with Islamic Shari'ah.
- 7) Establish and manage investment funds and assume the role of the investment custodian for the funds incorporated in accordance with the law and carry out marketing of the shares and units of investment funds inside the State of Kuwait.
- 8) Carry out studies, Consultancy Activities, surveys and provide relevant advice to capital managements, as well as to provide the services relevant to these operations to third parties, including individuals, companies, institutions, authorities and governments.
- 9) Assume the functions of trustee and agent and accept agencies and appoint agents with or without commissions, in respect of business falling within the scope of the Bank's purposes.
- 10) Maintain all kinds of currencies, precious metals, jewelries, documents and lease out private safe Deposit Boxes.
- 11) Complete the construction of real estates and its maintenance with regard to real estates properties, or projects financed by it or that inure to it later.
- 12) Manage properties to the account of third parties and carry out all activities relevant to the requirement of this Management and carry out Appraisals of real estate properties.
- 13) Purchase vacant lands and real estates properties for the purpose of their selling on their original status or after their partition or lease them vacant or with additional constructions, buildings and equipments.
- 14) Receive subscriptions in the phases of establishment of shareholding companies and capital calls.
- 15) All functions needed to realize such purposes or those arising therefrom, related thereto or associated therewith, directly or indirectly. The company, may in general, carry out all the above and any other functions to realize its purposes, whether directly or in collaboration with individuals, institutions, companies, authorities, and governments bodies in and out of Kuwait, in compliance with the provisions of Islamic Shari'ah. The company may have an interest or engage, in any means, in any business with authorities institutions, or companies carrying out similar businesses, or collaborating with the company to achieve its purposes inside or outside of Kuwait. The company may buy, merge, or consolidate with the same, provided their activities are in compliance with the provisions of the Islamic Shari'ah.



### Article 3

The Minister of Commerce and Industry shall implement this decree, and shall be published in official Gazette.

Amir of Kuwait

**Sabah Al-Ahmad Al-Jaber Al-Sabah**

Prime Minister

**Nasser Al-Mohammed  
Al-Ahmad Al-Sabah**

Minister of Commerce & Industry

**Falah Fahad Al-Hajiri**

Issued in Seif Palace on:

27 Rabi Al-Akher 1428 (H) corresponding to 14 May 2007 (AD).



## KUWAIT INTERNATIONAL BANK

### Kuwait Shareholding Company MEMORANDUM OF ASSOCIATION

#### Article 1\*

The signatories hereof are agreed among themselves to enter into contract aiming at establishment of a Kuwaiti shareholding company, licensed by the government of Kuwait pursuant to the Commercial Companies Law and its amendments, and pursuant to Law No. 32/1968 concerning currency, Central Bank of Kuwait and Organization of Banking Business and its amendments, and the Articles of Association annexed hereof.

#### Article 2\*\*

The title of the company is: Kuwait International Bank (KSC).

#### Article 3

The head office and legal domicile of the company shall be in Kuwait City. The board of directors may establish branches or agencies in the State of Kuwait or abroad.

#### Article 4

The term of this company shall be indefinite and shall terminate upon the occurrence of any of the reasons for termination as specified by law.

#### Article 5\*\*\*


“The purposes for which the company has been established are carrying out all banking, financing and investment businesses in compliance with the provisions of the Islamic Shari’ah and in accordance with the regulations issued by the Central Bank of Kuwait. The company may - for example not for limitation -carry out the following:

- 1) Accept all types of deposits in the form of current, saving, or investment accounts for a limited or unlimited terms and purposes.
- 2) Perform financing transactions of various terms using Shari’ah contract instruments; such as all types of Islamic legitimate sales like Murabaha, Musharaka, Mudaraba, Istisna, and Ijira, and accept mortgages locally and internationally.
- 3) Provide all types of financial banking services, issue credit cards; furthermore, deals in shares and Sukuk pursuant to the Provisions of Islamic Shari’ah.
- 4) Initiate direct investment and financial operations related to all economic sectors, whether for itself, or for a third party, or in partnership with a third party, and also manage financial, investment and real estate portfolios.

\* Amended pursuant to the of the extra-ordinary general assembly of Kuwait on the Kuwait Real Estate Bank held on 21/3/2005

\*\* Amended pursuant to the resolution of the extra-ordinary general assembly held on 25/12/2006 and the issued decree No. 121/2007 has consented this amendment

\*\*\* Amended pursuant to the resolution of the extra-ordinary general assembly held on 25/12/2006 and the issued decree No. 121/2007 has consented this amendment

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- 5) Open and issue letters of credit [LC] and letters of guarantee [LG].
  - 6) Establish companies, participate in existing companies, or participate in the ones in the process of establishments such companies perform various economic activities in accordance with the Provisions of Islamic Shari'ah.
  - 7) Establish and manage investment funds, function as trustee in the investment funds established pursuant to effective laws; furthermore, marketing of funds' shares and units inside the State of Kuwait.
  - 8) Perform all types of studies and consultancy services, surveys and provide advise regarding placement of capitals, and all related services of such transactions to a third party whether individuals, companies, institution or government departments.
  - 9) Perform the functions of trustee, agent; and accept agencies, appoint agents with or without commission concerning functions that are within the purposes of the bank.
  - 10) Keep all kinds of currencies, precious metals, Jewelleries, documents and lease out private safe deposit boxes.
  - 11) Complete the construction of real estate and related maintenance regarding the Real Estate or projects financed by the bank or that inure to it.
  - 12) Perform property management and related functions, in addition to real estates appraisal.
  - 13) Purchase vacant lands and Real Estate for the purpose of trading as it is or after being partition or leased out as is, or with added constructions, buildings and equipments.
  - 14) Receive subscriptions services in the phases of establishment of shareholding companies, and capital calls.
  - 15) All functions needed to realize such purposes or those arising therefrom, related thereto or associated therewith, directly or indirectly. The company, may in general, carry out all the above and any other functions to realize its purposes, whether directly or in collaboration with individuals, institutions, companies, authorities, and governments bodies in and out of Kuwait, in compliance with the provisions of Islamic Shari'ah. The company may have an interest or engage in any means, in any business with authorities establishments or corporations, carrying out similar businesses, or collaborating with the company to achieve its purposes inside or outside Kuwait. The company may purchase, merge, or consolidate with the same, provided their activities are in compliance with the provisions of the Islamic Shari'ah.

## Article 5 (bis)\*

An independent Shari'ah supervisory authority must be formed under the title of "Shari'ah Authority for Supervision and Fatwa", which will supervise company's business, must involve at least three members specialized in Islamic Shari'ah, and must stipulate that the quorum is achieved in the presence of all authority members if they do not exceed three members. The Sharia'a Authority for Supervision and Fatwa shall provide Sharia'a views on banks compliance with the provisions of Islamic Sharia'a regarding all its transactions and operations; and execution of Authority decision shall be mandatory.

Therefore, the Authority shall examine the contracts, agreements, policies, and transactions performed by the bank with others. The Shari'ah Supervisory Authority shall have the

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\* This Article has been added pursuant to resolution made by extra-ordinary general assembly decision held on 25/12/2006.



right to review without any restrictions all bank's records and transactions to ensure full compliance with the provisions of Islamic Shari'ah, and in this process the bank management shall provide the Authority with all data and information requested by the Authority to perform its duties.

The Authority shall meet, at least, four times a year to be summoned by its Chairman, or its Reporter, or Chairman of Board of Directors, or the General Manager.

General Assembly shall appoint the members of the Authority that have been nominated by company's board of directors; the Board shall also decide indemnities and benefits of such members. Board of Directors shall issue, based on Authority proposal, the Authority charter manual; such a convening its meetings, minutes of meetings record, and organize it relations with the rest of company's departments and divisions taking into consideration the provisions of the Law No. 32/1968 concerning "Currency, Central Bank of Kuwait, and Organization of Banking Business" and amendments, in addition to the instructions issued by the Central Bank of Kuwait in this concern.

The Authority shall present to the General Assembly of the company an annual report that involves its views regarding company's compliance with the provisions of Islamic Shari's. This report shall be included in company's annual report.

## Article 6\*

The authorized, issued and fully paid-up capital of the bank is decided at KD117,807,115.200 (Kuwaiti Dinars One Hundred Seventeen Million, Eight Hundred Seven Thousand, One Hundred Fifteen, 200 Fils) divided into 1,178,071,152 shares (One Billion, One Hundred Seventy Eight Million, Seventy One Thousand, and One Hundred Fifty Two shares) of nominal value of 100 fils each (One Hundred Fils). All shares are paid up in cash.

## Article 7

The founders have subscribed to a part of the capital of the company in the following manner:

No.	Name	Number of Shares	Value in KD
1	Yousef Ibrahim Al-Ghanim	<b>1,500</b>	<b>15,000</b>
2	Jamil Abdul Razzaq Al-Sane	<b>1,650</b>	<b>16,500</b>
3	Abdul Razzaq Abdul Hamid Al-Sane	<b>1,650</b>	<b>16,500</b>
4	Sheikha Munira Sabah Al-Nasir Al-Sabah	<b>2,100</b>	<b>21,000</b>
5	Sheikh Nasir Sabah Al-Nasir Al-Sabah	<b>7,500</b>	<b>75,000</b>
6	Souad Hamad Al-Saleh Al-Humaidhi	<b>2,400</b>	<b>24,000</b>
7	Marzouq Al-Abdul Wahab Al-Dawood	<b>2,100</b>	<b>21,000</b>
8	Ahmed Abdul Wahab Al-Dawood	<b>2,100</b>	<b>21,000</b>
9	Sheikha Badreya Al-Saud Al-Sabah	<b>1,500</b>	<b>15,000</b>
		<b>22,500</b>	<b>225,000</b>

No.	Name	Number of Shares	Value in KD
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\* The authorized, issued and fully paid-up capital of the Bank was increased to KD 117,807,115.200 (Kuwaiti Dinars One Hundred Seventeen Million, Eight Hundred Seven Thousand, One Hundred Fifteen, 200 Fils) divided into 1,178,071,152 shares (One Billion, One Hundred Seventy Eight Million, Seventy One Thousand, and One Hundred Fifty Two shares) of nominal value of 100 Fils each (One Hundred Fils). All shares are paid up in cash. Pursuant to resolutions of successive extra-ordinary general assembly resolution issued on 06/04/2022.



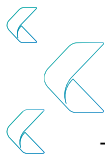
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10	Abdul Rahman Abdul Ghani Al-Mohammed	1,500	15,000
11	Marzouq Al-Jassim Al-Marzouq	1,500	15,000
12	Sara Fahed Al-Marzouq	2,400	24,000
13	Ghanimah Fahed Al-Marzouq	2,400	24,000
14	Yousef Abdul Mohsen Al-Hunaif	1,500	15,000
15	Faisal Saud Al-Zabin	1,500	15,000
16	Mustafa Jassim Boodai	1,500	15,000
17	Mohammed Yousef Al-Nisf	1,500	15,000
18	Sheikh Ali Abdullah Al-Salem Al-Sabah	7,500	75,000
19	Sheikh Mubarak Abdullah Al-Ahmad Al-Sabah	2,400	24,000
20	Abdul Latif Abdul Hamid Al-Sane	1,500	15,000
21	Abdul Razzaq Sultan Aman	1,500	15,000
22	Faisal Saud Al-Fulaij	1,500	15,000
23	Khalid Saleh Al-Ghunaim	1,800	18,000
24	Abdul Aziz Ahmed Al-Bahar	500	5,000
25	Hamad Ahmed Al-Bahar	500	5,000
26	Fahed Ahmed Al-Bahar	500	5,000
27	Mohammed Abdul Rahman Al-Bahar	1,800	18,000
28	Jassim Mohamed Al-Sager	1,800	18,000
		<b>57,600</b>	<b>576,000</b>

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No.	Name	Number of Shares	Value in KD
29	Khalid Al-Dawood Al-Marzouq	<b>1,800</b>	<b>18,000</b>
30	Abdul Salam Shuaib Mohammed	<b>1,500</b>	<b>15,000</b>
31	Kuwait Insurance Company	<b>1,500</b>	<b>15,000</b>
32	Barrak Abdul Mohsen Mohammed Al-Mutair	<b>1,500</b>	<b>15,000</b>
33	Mohammed Abdul Mohsen Al-Kharafi	<b>1,800</b>	<b>18,000</b>
34	Lulua Khalifa Ahmed Al-Ghanim	<b>1,500</b>	<b>15,000</b>
35	Ahmed Al-Saleh Mohammed Al-Saleh	<b>1,500</b>	<b>15,000</b>
36	Saud Abdul Aziz Al-Abdul Razzaq	<b>750</b>	<b>7,500</b>
37	Ibrahim Abdul Aziz Al-Abdul Razzaq	<b>750</b>	<b>7,500</b>
38	Sheikh Meshal Ahmed Al-Jaber Al-Sabah	<b>3,900</b>	<b>39,000</b>
39	Fahed Al-Abdul Aziz Al-Marzouq	<b>1,500</b>	<b>15,000</b>
40	Mohamed Jassim al-Marzouq	<b>1,500</b>	<b>15,000</b>
41	Sheikh Mubarak Abdullah Al-Jaber Al-Sabah	<b>2,400</b>	<b>24,000</b>
42	Yaqoub Yousef Al-Nafisi	<b>750</b>	<b>7,500</b>
43	Abdul Wahab Yousef Al-Nafisi	<b>750</b>	<b>7,500</b>
44	Khalid Yousef Al-Marzouq	<b>7,500</b>	<b>75,000</b>
45	Faisal Yousef Al-Marzouq	<b>7,500</b>	<b>75,000</b>
46	Jassim Yousef Al-Marzouq	<b>7,500</b>	<b>75,000</b>
47	Abdul Aziz Abdul Mohsen Al-Rashid	<b>1,500</b>	<b>15,000</b>
48	Kuwait Real Estate Company	<b>20,000</b>	<b>200,000</b>
		<b>125,000</b>	<b>1,250,000</b>



The founders deposited the whole nominal value of the shares to which they have subscribed, namely 125,000 shares of a value of KD 1,250,000 (One million two hundred fifty thousand Kuwaiti Dinars) at the commercial banks operating in Kuwait, each in the ration of their subscription.

The remainder of the shares, amounting to 375,000 shares, with a nominal value of KD 3,750,000 (Three million seven hundred fifty thousand Kuwaiti Dinars) shall be offered for public subscription at a nominal price of ten Kuwaiti Dinars per share in accordance with the provisions of the articles of association.

## **Article 8**

The expenses, fees and costs which the company is under an obligation to bear by reason of its establishment are estimated at KD 50,000 (Fifty thousand Kuwaiti Dinars), approximately, and these shall be charged to the general expenses account.

## **Article 9**

The founders who have signed this contract shall seek to perform all the legal formalities required for finalizing the establishment of this company. For this purpose they have appointed as their attorneys, Messrs:

1. Abdul Razzaq Abdul Hamid Al-Sane
2. Faisal Saud Al-Fulajj
3. Abdul Wahab Yousef Al-Nafisi
4. Khaled Yousef Al-Marzouq

jointly or at least any two of them acting together, to take all legal measures, finalize the required documents, and introduce the amendments which the Government may deem necessary for inclusion in this memorandum or the articles of association of the company attached hereto. They or at least any two of them shall have the right to deposit the subscription funds at the banks accredited in Kuwait, namely, National Bank of Kuwait, Al-Ahli Bank of Kuwait, Commercial Bank of Kuwait, Gulf Bank and the Bank of Kuwait and the Middle East, on deposit, pending the formation of the first board of directors; and they shall have the right to delegate to others all or part the aforesaid powers.

## **Article 10\***

An original copy of the company's memorandum of association shall be maintained at the company's Head Office and also uploaded on its website. Another original hereof shall be kept in the company's file at the competent department of the Ministry of Commerce & Industry. Whoever wishes to get a copy thereof shall request the same from the company against a fixed fee determined by the company.

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\* Article 10 was added by virtue of a resolution rendered by the extraordinary general assembly convened on 28/3/2015.





## **ARTICLES OF ASSOCIATION**

### **KUWAIT INTERNATIONAL BANK**

Kuwaiti Shareholding Company



## Chapter I incorporation of the Company

### a- Elements of incorporation of the Company

#### Article 1 \*

The parties hereto have mutually agreed to establish a Kuwaiti company with title of Kuwait International Bank in accordance with the provisions of Commercial Companies Law, and Law No. 32/1968 concerning currency, Central Bank of Kuwait, and Organization of Banking Business and amendments; and also in accordance with these Articles of Association.

#### Article 2

The head office and legal domicile of the company shall be in Kuwait City. The Board of Directors may establish branches or agencies in the State of Kuwait or abroad.

#### Article 3

The term of this company shall be indefinite and shall commence on the date of the issue of the license of its incorporation.

#### Article 4 \*\*

The purpose of establishing this company is to carry out all banking, financing and investment operations in compliance with Islamic Shariah Principles and in line with Central Bank of Kuwait regulations. Thus, the company may undertake any of the following:

- 1) Accept all types of deposits in the form of current, saving, or investment accounts for a limited or unlimited terms and purposes.
- 2) Perform financing transactions of various terms using Shari'ah contracts instruments; such as all types of Islamic legitimate sales like Murabaha, Musharaka, Mudaraba, Istisna, and Ijara, and accept mortgages locally and internationally.
- 3) Provide all types of financial and banking services, issue credit cards; furthermore, deals in shares and Sukuk pursuant to the Provisions of Islamic Shari'ah.
- 4) Intitiate direct investment and financial operations related to all economic sectors, whether for itself, or for a third party, or in partnership with a third party, and also manage financial, investment and real estate portfolios.

\* Amended pursuant to the resolution of the extra-ordinary general assembly held on 25/12/2006 Amiri decree No.121/2007 has consented this amendment

\*\* Amended pursuant to the resolution of the extra-ordinary general assembly held on 25/12/2006 Amiri decree No. 121/2007 has consented this amendment.



- 5) Open and issue letters of credit [LC] and letters of guarantee [LG].
- 6) Establish companies, participate in existing companies, or participate in the ones in the process of establishment; such companies perform various economic activities in accordance with the Provisions of Islamic Shari'ah.
- 7) Establish and manage investment funds, function as trustee in the investment funds established pursuant to effective laws; furthermore, marketing of funds' shares and units inside the State of Kuwait.
- 8) Perform all types of studies and consultancy services surveys, and provide advise regarding placement of capitals, and all related services of such transactions to a third party whether individuals, companies, institutions or government departments.
- 9) Perform the functions of trustee, agent; and accept agencies, appoint agents with or without commission concerning functions that are within the purposes of the bank.
- 10) Keep all kinds of currencies, precious metals, jewelries, documents and lease out private safe deposit boxes.
- 11) Complete the constructions of real estate and related maintenance regarding the Real Estates or projects financed by the bank or that may be owned by it late.
- 12) Perform property management and related functions, in addition to real estates appraisal.
- 13) Purchase of lands and properties for the purpose of trading whether in their original condition, after being partitioned, leased out as vacant, or with added constructions, buildings and equipments.
- 14) Receive subscription services in the phases of establishment of shareholding companies, and capital calls.
- 15) All related functions necessary to realize these purposes, or the functions ensued from it, or related to it, or associated with directly or indirectly.

Generally the company may perform all such functions and any other functions that related to its purposes directly or indirectly or in cooperation on participation with individuals, corporations and institutions establishments, corporations, authorities, governments inside and outside State of Kuwait in accordance with the principles and provisions of Islamic Shari'ah.

The company may have interest or may participate by any means with the authorities or establishments, or corporations, that perform similar functions, or the one that might assist in realizing its purposes in the State of Kuwait and abroad, and may purchase such authorities or establishments or corporations, and associate or merge them to it, on condition that they must , perform functions in compliance with the provisions of Islamic Shari'ah.



## Article 4 (bis) \*

An independent Shari'ah supervisory board must be formed under the title of Shari'ah Board for Supervision and Fatwa”, which will supervise company's business, must involve at least three members specialized in Islamic Shari'ah, and must stipulate that the quorum is achieved in the presence of all board members if they do not exceed three members. The Shari'ah board for Supervision and Fatwa shall provide Shari'ah views on bank's compliance with the provisions of Islamic Shari'ah regarding all its transactions and operations; and execution of Board decision shall be mandatory. Therefore, the Board shall examine the contracts, agreements, policies, and transactions preformed by the bank with others. The Shari'ah Supervisory Board shall have the right to review without any restrictions all banks' records and transactions to ensure full compliance with the provisions Islamic Shari'ah, and in this process the bank management shall provide Board with all data and information requested by the board to perform its duties.

The Board shall meet, at least, four times a year to be summoned by its Chairman, or its Reporter, or Chairman of Board of Directors, or the General Manager.

General Assembly shall appoint the members of the Board that have been nominated by company's board of directors; the Board of Directors shall also decide indemnities and benefits of such members. Board of Directors shall issue, based on Shariah Board's proposal, the Shariah Board charter manual; such as convening its meetings, minutes of meetings record, and organize it relations with the rest of company's departments and divisions taking into consideration the provisions of the Law No. 32/1968 concerning currency, Central Bank of Kuwait, and Organization of Banking Business” and amendments, in addition to the instructions issued by the Central Bank of Kuwait in this concern.

The Shariah Board shall present to the General Assembly of the company an annual report that involves its views regarding company's compliance with the provisions of Islamic Shari's. This , Shariah report shall be included in company's annual report.

## b -Capital of the Bank

### Article 5 \*\*

The authorized, issued and fully paid-up capital of the bank is decided at KD117,807,115.200 (Kuwaiti Dinars One Hundred Seventeen Million, Eight Hundred Seven Thousand, One Hundred Fifteen, 200 Fils) divided into 1,178,071,152 shares (One Billion, One Hundred Seventy Eight Million, Seventy One Thousand, and One Hundred Fifty Two shares) of nominal value of 100 fils each (One Hundred Fils). All shares are paid up in cash.

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\* Added pursuant to the resolution of the extra-ordinary general assembly held on 25/12/2006.

\*\* The authorized, issued and fully paid-up capital of the Bank was increased to KD 117,807,115.200 (Kuwaiti Dinars One Hundred Seventeen Million, Eight Hundred Seven Thousand, One Hundred Fifteen, 200 Fils) divided into 1,178,071,152 shares (One Billion, One Hundred Seventy Eight Million, Seventy One Thousand, and One Hundred Fifty Two shares) of nominal value of 100 Fils each (One Hundred Fils). All shares are paid up in cash. Pursuant to resolutions of successive extra-ordinary general assembly resolution issued on 06/04/2022.



## **Article 6\***

The share of the company has nominal value, and may be owned by non-Kuwaiti persons pursuant to arrangements decided by laws and ministerial decisions thereof.

## **Article 7**

The price of the share shall be paid in full upon subscription.

## **Article 8**

The founders who have signed the Memorandum of Association have subscribed to 125,000 shares of a value 1,250,000 (One million two hundred fifty thousand Kuwaiti Dinars) distributed among them in the ratio of their respective subscriptions as set forth in the memorandum of association. They have deposited the whole nominal value of the shares to which they have subscribed at the commercial banks operating in Kuwait, namely, National Bank of Kuwait, Ahli Bank of Kuwait, Gulf Bank, and the Bank of Kuwait and the Middle East.

## **Article 9**

The shares related to the increase of the capital shall be offered for public subscription for a period of not less than one month and not more than three months. Subscription shall be made at the national banks or at any bank thereof and the value of the shares shall be paid in cash in one payment or by installments in such a way that the value of the to be settled upon subscription shall not be less than 20% of the value of the shares. The board of Directors shall be entitled to fix the term of settlement of the rest of the value of the shares. The entire value shall be settled within five years from offering the increase shares for subscription.

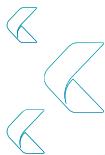
## **Article 10\*\***

Law provisions shall be effective on subscription of bank's capital increase. Without previous consent of the Central Bank of Kuwait, each proprietor, whether natural person or in its capacity, its share in the company may not exceed 5% of bank's capital whether proprietorship was direct or indirect. Government departments, independent and annexed budget institutions are exceptional taking into consideration the provision of the Law No. 32/1968 and its amendments.

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\* Amended pursuant to the resolutions of the extra-ordinary general assembly held on 3/5/2004.

\*\* Amended pursuant to the of the extra-ordinary general assembly held on 19/5/2001



## Article 11

The Board of Directors shall, within three months from date of announcement of the ultimate establishment of the company, deliver to every shareholder the certificates representing the shares owned by such shareholder.

## Article 12

Ownership of the share inevitably entails acceptance of the provisions of the Memorandum and Articles of Association of the company and the resolution of the general assembly thereof.

## Article 13

Every share entitles its owner to a share equal to that of every other share without discrimination, in the ownership of the assets of the company and in the profits to be divided in the manner hereinafter set forth.

## Article 14

Whereas all the shares of the company are nominative, the last owner thereof whose name is registered in the register of the company shall, alone have the right to receive the amounts of in respect of the share, whether by way of dividends or the share thereof in the assets of the company.

## Article 15 \*

The capital may be increased by virtue of a resolution by the Extra-ordinary General Assembly and new shares may not be issued at less than their nominal value. If they are issued at more than their nominal value, the difference will be added to statutory reserve after settling the issuance expenses.

The new shares are offered for public underwriting to raise capital in accordance with the laws of the State of Kuwait.

Upon agreement to raise capital through offering new shares for public underwriting, each shareholder shall have the priority for underwriting a share of the newly offered shares in proportion with the number of their own shares within fifteen days of the prospectus date. The shareholders shall have the right to waive their priority right in advance; waiver is also possible for the development of a system creating options for the employees to buy shares. The Bank shall also have the right to sell its priority right for underwriting through the clearing house which keeps the record of the Company's shareholders to prove the same on the form prepared for this purpose.

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\* Article 15 was amended pursuant to the resolution of the extra-ordinary general assembly held on 14/4/2014



## Article 15 (bis) \*\*

The company may increase its capital for the purpose of keeping its efficient employees to emphasize their loyalty thereof, and the Board of Directors may create a system titled “Staff Option for Purchase of Shares” pursuant the Ministerial Decision No. 337 / 2004.

1) The company may increase its capital, which total increments may not exceed 10% of paid up capital within a maximum period of ten years effective application of the system in order to meet the liabilities of the company under the system of “Staff Option for Purchase Shares”.

2) The “annual Report” issued by the Board of Directors to the shareholders shall indicate the employment levels benefiting from the system and the number of shares will be allocated to each level.

3) The system and program of “Staff Option for Purchase of Shares” shall be presented to and adopted by the General Assembly.

## Article 16 \*\*

The company may finance its banking activities from the local and foreign banks inside and outside State of Kuwait according to Shariah.

The company may also issue all types of finance Sukuk in order to finance its banking pursuant to the related effective laws, resolutions, and regulations in accordance with the provisions of Islamic Shariah.

The company may purchase, sell or dispose of its shares (treasury shares) at market value of no more than 10% of the issued and paid-up capital, in accordance with the provisions of the Companies Law and the respective regulatory bylaws and instructions.

In all cases where it is required for shareholders to own specific percentage of capital, the purchased shares shall not be taken into account inter alia the company's shares. Such shares shall not be considered for calculating the quorum of the General Assembly meetings or for voting for the General Assembly resolutions, all in line with the instructions of Capital Markets Authority.

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\* Article 15 (bis) was added pursuant to the resolution of the extra-ordinary general assembly held on 21/3/2005

\*\* Article 16 was amended the resolution of the extra-ordinary general assembly held on 27/3/2016



## CHAPTER II – Management of the Company The Board of Directors

### Article 17 \*

With the current Board of Directors continuing to perform its duties until the end of the term for which it has been elected, the Bank shall be managed by a board of directors consisting of eleven members, including at least two independent members. As of 30/06/2022, at least four independent members to be elected, provided however that the number of the independent members does not exceed half the members of the Board of Directors.

The Ordinary General Assembly shall elect the members of the Board of Directors, select the independent members by means of secret ballot, and shall determine their remunerations.

The election of the Board of Directors shall be for a three-year renewable term, taking into consideration that the membership term of an independent member ends by the end of the board term for which he/she was elected, and that the Ordinary General Assembly may elect the independent board member for one more term.

Except for any ad-hoc provisions pertinent to independent members mandated by law, executive regulations, instructions of the regulatory authorities, or this Articles of Association, the independent members shall be subject to all the provisions applied on other members of the Board of Directors, particularly the provisions stipulated in the Companies Law, and its executive regulations for occupying vacant positions in the Board of Directors. It should be considered that if the vacant position is for an independent member, then it should only be occupied by another independent member.

### Article 18

The term of membership of the Board of Directors shall be three years and such term shall be renewable.

### Article 19 \*\*

A candidate for membership of the Board of Directors must meet the following criteria:

- (1) Shall possess the capacity to act.
- (2) Shall not have been convicted of a felony, sentenced to prison for a crime or bankruptcy of negligence, committed fraud or a crime involving moral turpitude or dishonesty, or incurred a penalty restricting freedom because of his / her violation of the provisions of the Companies Act, unless he / she has been pardoned.
- (3) Shall, in his personal capacity or the legal person whom such member represents, own any number of shares of the company.
- (4) He/she, or any independent board member, shall meet the conditions stipulated by Companies Law and Law No. 32 of 1968, as amended, and shall also meet corporate governance rules and regulations issued by the Central Bank of Kuwait in this respect, and any amendment thereto.

Any member of the Board of Directors who does not meet the aforementioned condi-

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\* Article 17 was amended pursuant to the extra-ordinary general assembly held on 06/05/2021.

\*\* Article 19 was amended pursuant to the extra-ordinary general assembly held on 26/03/2020.

\*\*\* Article 20 was amended pursuant to the extra-ordinary general assembly held on 26/03/2020.





tions shall be terminated from the Board of Directors.

## Article 20 \*\*\*

Neither the Chairman nor any other members of the Board of Directors, or any individual having a representative on the Board of Directors or a member of the executive management, their spouses or relatives on the first or second degree kinship may have a direct or indirect interest in the contracts or deals concluded with or for the account of the company without specific permission given by the ordinary general assembly.

In this case, the respective member shall disclose such interest to the Board of Directors and shall cease voting. The company shall also have a register to include all related parties' transactions, which have been disclosed, and the shareholders shall have the right to obtain a copy of such register.

## Article 21

If the event where the seat of a member of the Board of Directors becomes vacant, he shall be succeeded by the person who has obtained the highest number of shareholders' votes among those who have not been elected to the Board of Directors at the last election. In the event where the number of vacant seats on the Board reaches one fourth of the seats and where there are no shareholders who satisfy the conditions, the Board of Directors shall convene the general assembly to meet within two months from the date on which the last seat became vacant in order to elect members to occupy the vacant seats. In all events, the new member shall act only for the remainder of the term of his predecessor.

## Article 22 \*

Board of Directors shall, by secret ballot, elect Chairman and the Deputy Chairman for a term of three renewable years, and the chairman shall represent the company at others. Chairman's signature shall take the effect of the Board of directors in companies relations with others, and he shall execute the resolutions adopted by the board of directors. Deputy Chairman shall assume chairman's responsibilities upon his absence or due to any impediment that prevent him from resuming his authorities.

## Article 23 \*\*

The company may have one or more Chief Executive Officer to be appointed by the Board from the Board members or otherwise. Such CEO/CEO's to be entrusted with the management of the company. The Board shall determine the allocation and powers in signing on behalf of the company. The positions of the Chairman of the Board and Chief Executive Officer may not be combined.

## Article 24 \* \* \*

The Chairman or the Vice President has the right to sign on behalf of the company, individually, and the Board of Directors may distribute duties among its members, according to the nature of the company's operational guidelines, as the Board of Directors may authorize one of its members, or a committee from among its members, or any of party or parties to

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\* Article 22 was amended pursuant to the extra-ordinary general assembly held on 21/3/2005.

\*\* Article 23 was amended pursuant to the extra-ordinary general assembly held on 14/4/2014.

\*\*\* Article 24 was amended pursuant to the extra-ordinary general assembly held on 14/4/2014.



perform a particular task or more than one task within the work scope of the company, or to exercise certain powers or competences entrusted to the Board of Directors.

The Chairman or any other member of the Board of Directors even if representative a natural person or body corporate, may not use information obtained as a result of his or her position to benefit himself or others, as well as he / she cannot conduct any activity relating to the shares of the company while serving as member of the Board of Directors prior to obtaining approval from the Capital Markets Authority.

Members of the Board of Directors are not allowed to disclose to shareholders save for the general assembly, or to others, confidential information related to the company obtained as a result of assuming a management role otherwise, they shall be terminated and requested to pay, in compensation for damages resulting from the violation of this article.

## Article 25 \*

The Board of Directors shall meet at least six times a year and at least one time each quarter upon the invitation of its chairman. It shall also meet whenever so requested by at least three of its members and they may agree on additional meetings. The meeting of the Board of Directors shall be valid if attended by the majority of its members. The meeting may be convened with the use of modern means of communication and decisions may be taken by circulation with the consent of all members of the Board of Directors attendance of Board meetings by a person representing a Board member is not permissible.

## Article 26 \*\*

The decisions of the Board of Directors are issued by the majority of the present members and if the votes are equal, the side that the Chairperson stands for will win. A special record shall be prepared that will include all minutes of the Board meetings and shall be signed by the Chairman, the Board Secretary and all the attended members, and any member who does not agree on the decision taken by the Board to prove its opposition in the meeting's minutes.

## Article 27

In the event where a member of the Board fails to attend three successive Meetings without a valid excuse, he may, by a resolution of the Board of Directors, be deemed to have resigned.

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\* Article 25 was amended pursuant to the extra-ordinary general assembly held on 14/4/2014.

\*\* Article 26 was amended pursuant to the extra-ordinary general assembly on 14/4/2014.



## Article 28 \*

Without prejudice to the provisions of the commercial companies' law, the general assembly sets the remuneration of the members of the Board of Directors. The Board of Directors sets the remuneration of the Chief Executive Officer.

The total remuneration of the Chairman and members of the Board of Directors may not exceed ten percent of the net profit after deducting depreciation, reserves and the distribution of profits of at least five percent of the capital to shareholders.

An annual bonus may be distributed not exceeding KD 6,000 (Kuwaiti Dinars Six Thousand) to the Chairman and every Board Member from the date of incorporation of the company until realizing profits that allow to distribute bonuses in accordance with the provisions of the preceding paragraph, with the exception for independent Board Members, who may be awarded bonuses exceeding the maximum limit by decision of the General Assembly of the company, if the company has independent members.

The Board of Directors shall submit an annual report to the ordinary general assembly for approval and it shall contain a detailed statement of the amounts and the remunerations obtained by the Board of Directors, whatever its nature and title may be.

## Article 29 \*\*

The Board of Directors is fully authorized to manage and supervise the company as stipulated by the provisions of Law; it may settle all registration and establishment expenses, appoint the General Manager and all department Executives, also appoint the agents inside and abroad, decide their authorities, terminate their services, open branches inside and abroad, shall have the prerogative to issue and revoke the rules and regulations that organize work process, decide company's policy regarding all types of its investments and follow up on execution of such policy. It may take all necessary action to initiate all company's related business transactions within the company's objectives, provide permission for litigation and defend company's interests in the courts of justice whether the company in position of being plaintiff or defendant, and decide reconciliations, arbitration, recognition and write off entries, assign of rights with or without compensation, shall have the right to mortgage, to take oath, sell, and decide the process to invest company's funds, including the reserved and commission funds, and decide the maximum credit limit.

The Board of Directors shall be responsible for the company's businesses especially all types of expenditure, reconciliations, amicable settlements, investments of funds, and other legal rights, and assign such rights with or without collateral, write off mortgages, and assign all legal or personal rights, or real estate mortgages without compensation, or management's expenditures and any other agreements.

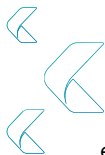
The Board of Director shall have the prerogative to initiate, issue, purchase, and sell Sukuk instruments and to issue the company's business rules and regulations which organizes all the company's business as well as the general terms of contracts.

The Board of Directors shall also have the right to purchase and sell movable assets and real

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\* Article 28 was amended pursuant to the extra-ordinary general assembly held on 14/4/2014.

\*\* Article 29 was Amended pursuant to the of the extra-ordinary general assembly held on 28/3/2015.



estates; and to dispose of all or some of company's assets through selling or by other means such as exchange contracts against the price they find adequate, particularly against bonds or shares or other securities issued by another company; to lease or rent; to undertake whatever necessary to attain the company's objectives and serve its interests. The Board of Directors may sell and mortgage the company's assets, give guarantees and may donate the same, all in full compliance with the Islamic Shariah provisions.

The Board of Directors shall also have the authority to extend financing facilities inside and outside the State of Kuwait with or without collaterals. The Board may take loan or get financing of any types whether from inside or outside the country, including however all types of credit facilities in accordance with the law or norms of banking business. Nothing will limit this authority except by law or the memorandum of association or any regulatory instructions. In general terms, they have all the legal and customary of the Boards of Directors in companies similar to this one, and in the scope of its purposes, provided that all the above is done in accordance with Islamic Shariah Law and pursuant to the provisions of Law No. 32 of 1968 regarding monetary, Central Bank of Kuwait and Banking Industry Regulations and its amendments.

## **Article 30**

The members of the Board of Directors shall not assume any personal obligation with regard to the undertakings of the company by reasons of performance by then of their duties within the limits of their mandate.

## **Article 31**

The Chairman and members of the Board of Directors shall be responsible for their actions vis-a-vis the company, the shareholders and others in respect of all acts of fraud, abuse of power, any violation of the law or these articles or mistakes in management. A vote by the general assembly releasing the Board of Directors from liability shall not prevent the filing of an action for liability.



## b-General Assembly

### Article 32

The General Assembly represents all the shareholders and may only be held in Kuwait City.

### Article 33 \*

Invitation shall be extended to the shareholders to convene the General Assembly meetings in its either capacity. The Agenda, date and place of the meetings shall be enclosed herewith and delivered by any of the following:

1. Invitation shall be published in, at least, two daily Arabic newspapers, the invitation shall be advertised twice, provided that the second advertisement shall be at least one week after the first one and one week prior to the convening of the General Assembly taking into consideration that the second published invitation must be in the Official Gazette in addition to the two daily newspapers.
2. by email.
3. by fax.

The second advertisement of invitation shall be at least one week after the first one and at least one week prior to the convening of the General Assembly. The first invitation may also mention the date of holding a second meeting in case of lack of quorum needed for holding the first meeting.

For the authenticity of the invitation by the methods herein above referred to, the shareholder should have provided the company or the clearing agency with his/her/its email, fax addresses and agreed to be notified therewith by these means.

No variations to the above address information by the shareholder will be considered, unless he/she notifies the company or the clearing agency of this variation at least five days from the date of notification.

In case of dispute on the receipt of notification, a certificate by the service provider of the communication method used to deliver the same will be deemed sufficient to this effect.

### Article 34

In the events where the General Assembly may meet at the request of the shareholders and auditors the Agenda shall be determined by the party requesting such meeting of the General Assembly. Only matters listed on the Agenda may be discussed.

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\* Article 33 was amended pursuant to the extra-ordinary general assembly held on 26/03/2020.



## Article 35

Every shareholder shall have a number of votes to the number of his shares. Attendance of meetings by proxy is permissible. Minors and interdicted persons shall be represented by the legal representatives. No member may participate in the voting, whether as principal or as representative of another shareholder, on matters relating to a benefit for himself or in respect of a dispute existing between him and the company.

## Article 36

The shareholders shall, at least twenty four hours prior to the date fixed for holding the General Assembly meeting, have their names registered in a special register to be kept for this purpose at the head office of the company. The register shall show the name of the shareholder, the number of shares he represents, and the names of their owners. The proxy deed shall be submitted. The shareholder shall be given an attendance card for the meeting, showing the number of votes to which he is entitled as principal or by proxy.

## Article 37 \*\*

The provision of the Commercial Companies Law shall apply with regard to the quorum required for the meetings of the General Assembly of whatever capacity and with regard to the majority required for the taking of the resolutions.

In line with the rules and regulations stipulated by the Executive Bylaws, it is also allowed to attend board meetings by using the latest technological methods/tools, by shareholders, their proxies, representatives of concerned regulatory bodies, the company's auditors as well as any individual whose attendance may be required.

## Article 38

Voting at the meetings of the General Assembly shall be affected in the manner determined by the Chairman of the meeting unless the General Assembly shall determine a specific method of voting. Voting with regard to the election or dismissal of members of the Board of Directors shall be effected by secret ballot.

## Article 39

The founders shall, within one month from the date of closure of subscription, invite the shareholders to a meeting of the General Assembly in its capacity as constituent General Assembly. They shall submit a report in respect of all the operations relating to the establishment of the company, along with the supporting documents. The assembly shall verify the information contained in the said report and its conformity with the law and the Memorandum and Articles of Association. of the company. The assembly shall appoint the members of the Board of Directors and the auditors and announce the final establishment of the company.

## Article 40 \*

The General Assembly shall hold an ordinary meeting at least once a year at the invitation of the Board of Directors, within three months after the end of the financial year of the company. The Board of Directors may convene the General Assembly whenever necessary, and

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\*\* Article 37 was amended pursuant to the extra-ordinary general assembly held on 26/03/2020.



shall so convene as per a justifiable request by a number of shareholders owning not less than 10% of the capital or request of the auditor. The General Assembly shall take place within twenty one days of the call date. The party calling for the meet-ing shall be responsible for developing the agenda.

## Article 41

The ordinary General Assembly shall undertake all matters relating to the company except such matters that are reserved for the extra-ordinary General Assembly or the constituent assembly under the law or these Articles.

## Article 42 \*\*\*

The Board of Directors shall submit to the ordinary General Assembly a report containing a comprehensive statement of the progress of the company's business, its financial position and the balance sheet and profit and loss statement, a statement with regard to the remuneration of the Directors and the fees of the auditors, and a proposal for the distribution of the profits.

The General Assembly may issue a decision to delegate the Board of Directors to distribute dividends semi-annually, subject to renewal of the validity of this decision on an annual basis by the General Assembly and to follow the procedures and standards applicable on approving the annual distribution of dividends.

## Article 43 \*\*

Subject to the provisions of the Law and the memorandum of association of the company, the ordinary general assembly in its annual meeting shall make its perspective decisions, on the following:

1. The Board of Director's decision about the company's activity and financial position for the ended financial year.
2. Auditor's report on the financials of the company.
3. Report on any violations detected by the regulators and for which penalties were imposed on the company.
4. The financials of the company.
5. Board of Directors suggestions concerning the distribution of dividends.
6. Discharge of Board of Directors
7. Election or dismissal of Board members and decision on their rewards.
8. The Fatwa & Shariah Supervisory Board report on the company's activities agreement with the provisions of Islamic Shariah.
9. Appointment of an auditor for the company, and deciding upon its fees and the board's delegation to this effect.
10. Appointment of Fatwa & Shariah Supervisory Board and deciding upon its members remuneration and the board delegation to this effect.
11. Declaration on the transactions with related parties as recognized by the international accounting principles.

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\* Article 40 was amended pursuant to the extra-ordinary general assembly held on 26/03/2020.

\*\*\* Article 42 was amended pursuant to the extra-ordinary general assembly held on 06/04/2022.

\*\* Article 43 was amended pursuant to the extra-ordinary general assembly held on 28/3/2015.



## Article 44

The General Assembly shall hold an extra-ordinary meeting upon the invitation of the Board of Directors or upon a written request by shareholders owning not less than one fourth of the shares of the company. In such event, the Board of Directors shall convene the General Assembly to meet within one month from the date of receipt by the Board of such request.

## Article 45 \*

The following matters may not be discussed except by the extra-ordinary General Assembly:

1. Amendment of the Memorandum or Articles of Association of the company.
2. Dissolution of the company or the merger thereof with another company or entity.
3. Decrease or increase of the capital of the company.
4. Sale of the entire project of the company or disposal thereof otherwise.
  - Provided however that such amendment, disposal, merger or any action aiming at enhancing the company's capability for financing, should not affect whatsoever the Riba dealings rule by any forms.
  - Any amendment to the company's name, purposes or capital, except for increasing the capital by issuing shares against profits realized by the company or as a result of the addition of reserves usable to the capital, shall not be effective save after the Ministry of Commerce & Industry and the regulatory bodies approvals and all other procedures prescribed by the Law regarding Monetary, Central Bank of Kuwait and Banking Industry Regulations. The extraordinary general assembly's decisions shall not whatsoever be deemed effective safe after carrying out the promulgation procedures.

## Article 46 \* \*

The company shall have two or more auditors who shall be chartered accountants. The General Assembly shall appoint the auditor and determine his fees, and he shall audit the accounts for the year for which he has been appointed.

## Article 47

The financial year of the company shall start on January 1 and end on December 31 of every year, except for the first financial year of the company, which shall start on the date of announcement of its establishment and end on December 31 in the following year.

## Article 48

The auditor shall have the powers obligations prescribe under the Commercial Companies Law. He shall at any time have the right to inspect all the books, records and documents of the company, to request any data that he may deem necessarily for him to obtain and

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\* Article 45 was amended pursuant to the extra-ordinary general assembly held on 28/3/2015.

\*\* Article 46 was amended pursuant to the of the extra-ordinary general assembly held on 21/3/2005.





to verify assets and liabilities of the company. In the event where the auditor is unable to exercise these powers he shall state this fact in writing in a report which shall be submitted to the Board of Directors and which shall be presented to the General Assembly. The auditor shall have the right to convene a meeting of the General Assembly for this purpose.

## **Article 49**

The auditor shall submit to the General Assembly a report in which he shall state whether the balance sheet and profit and loss account are in agreement with the facts and fairly and clearly reflect the real financial position of the company, whether the company keeps regular books of account, whether the stock taking has been carried out in accordance with recognized practices, whether the data contained in the report of the Board of Directors are in agreement with the books of the company, whether any violations of the Articles of Association or of the law have been committed during the financial year in such a way as to affect the company's activity or financial position and whether such violations still exist, all within the information made available to him. The auditor shall be responsible for the accuracy of the details contained in his report in his capacity as agent for the entire body of shareholders. Every shareholder may address questions to the auditor during the meeting of the General Assembly and may request clarifications of any point contained in the auditor's report.

## **Article 50 \***

Deduct percentage of the gross profits as decided by the Board of Directors against depreciation of company's assets, or compensate its depreciated value. Such funds may not be distributed to the shareholders.

## **Article 51 \*\***

The net profit shall be distributed as follows:

First: 10% to the account of reserve requirements.

Second: another at least 10% to account of optional reserve, and this deduction may be suspended by a resolution issued by the ordinary general assembly based on Board proposal and consent of the Central Bank of Kuwait.

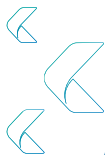
Third: for Board members indemnity, a percentage that may be allocated by the general assembly, not more than 10% from the net profit after discount of shareholders dividend, which is 5% against shares paid up value.

Forth: the remaining profits shall be distributed to the shareholders as additional profit share, or to be carried out to next year, or to be allocated for extra ordinary reserve or depreciation based on Board's proposal.

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\* Amended pursuant to the resolution of the extra-ordinary general assembly held on 25/12/2006.

\*\* Amended pursuant to the resolution of the extra-ordinary general assembly held on 25/12/2006.



## Article 52

Dividends shall be paid to the shareholders at the place and times to be determined by the Board of Directors.

## Article 53

The reserve fund shall be used pursuant to a resolution of the Board of Directors in such a manner as shall best serve the interests of the company. The funds of reserve requirements may not be disturbed among the shareholders. However, they may be used to ensure the payment of dividends to the shareholder up to 5% in the years in which the profits of the company do not allow payment of such percentage.

### CHAPTER III Termination and Liquidation of the Company

## Article (54) \*

Company shall be dissolved pursuant to any of the causes decided in Companies Commercial Law, and Law No. 32/1968 concerning currency, Central Bank of Kuwait, and Organization of Banking Business and amendments.

## Article (55) \*\*

Liquidation pursuant to the commercial companies Law, company's funds shall be processed upon its dissolution the provisions indicated in Companies. Commercial Law, and 32/1968 concerning Monetary, Central Bank of Kuwait, and of Banking Profession and amendments

## Article (56) \*\*\*

The provisions of the Companies Law No. 1 of 2016, the amendments thereto and the pertinent Executive Bylaws shall apply for whatever not stated in the Memorandum of Association or in the Articles of Association.

The provisions of Law No. 32 of 1968 concerning Currency, Central Bank of Kuwait and Bank-ing Industry Regulations, the amendments thereto and the regulations issued to this effect shall apply.

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\* Amended pursuant to the resolution of the extra-ordinary general assembly held on 25/12/2006.

\*\* Amended pursuant to the resolution of the extra-ordinary general assembly held on 25/12/2006.

\*\*\* Article 56 was added pursuant to the extra-ordinary general assembly held on 26/3/2020.

