

Gulf Bank

Memorandum and Articles of Association

**Eleventh Edition
2022**



**AMIRI DECREE NO. (44) OF THE YEAR 1960
REGARDING INCORPORATION OF A KUWAITI SHAREHOLDING
COMPANY TO BE CALLED "GULF BANK"**

We, Abdullah Al-Salem Al-Sabah, Amir of Kuwait, having perused the Memorandum and Articles of Association of "GULF BANK", a Kuwaiti Shareholding Company, incorporated on October 29, 1960, and the Commercial Companies Law No. (15) of 1960, and upon the proposal of the Director of Finance and Economy and the approval of the Supreme Council;
We decree the following:

Article - 1

Authorization is hereby given to Messrs. Abdul Aziz Al-Saleh, Ahmed Abdul Karim Abul, Mustafa Al-Sultan, Abdul Wahab Abdul Aziz Al-Qatami, Khalid Yousuf Al-Mutawa, Ahmed Al-Bazee', Ali Abdul Rahman Al-Bahar, Musaed Al-Saleh, Khalid Fulaij Al-Ali Al-Fulaij, Abdul Aziz Al-Sahli, Abdul Wahab Al-Khaleefah Al-Shaheen Al-Ghanim and Abdul Latif Al-Abdullah Al-Mehri, to incorporate at their own risk a shareholding company in Kuwait under the name "GULF BANK", with an authorized capital of I.Rs.24,000,000/- (Twenty Four Million Indian Rupees).

Article - 2

The aforementioned Founders shall abide by the provisions of the Memorandum and Articles of the Company, whereby an official copy of each, signed by them, is to be attached to this Decree. They shall also abide by the provisions of the Commercial Companies Law and other valid laws.

Article – 3

This authorization does not confer on the Company any monopoly or concession, and the Government shall not be liable for any commitments on behalf of the said bank.

Article – 4

The Director of Finance and Economy shall enforce this Decree after its publication in the Official Gazette.

**AMIR OF KUWAIT
ABDULLAH AL-SALEM AL-SABAH**

Issued on 4 Jumaada al-Aakher 1308 H
23rd November, 1960

GULF BANK – A KUWAITI PUBLIC SHAREHOLDING COMPANY MEMORANDUM OF ASSOCIATION

On this day, Saturday, the 29th (Twenty Ninth) of October, 1960, this Memorandum of Association has been agreed upon and signed by and between:

1. Mr. Abdul Aziz Al Saleh
2. Mr. Ahmed Abdul Karim Abul
3. Mr. Mustafa Al-Sultan
4. Mr. Abdul Wahab Abdul Aziz Al-Qatami
5. Mr. Khalid Yousuf Al-Mutawa
6. Mr. Ahmed Bazee'
7. Mr. Ali Abdul Rahman Al-Bahar
8. Mr. Musaed Al-Saleh
9. Mr. Khalid Fulaij Al-Ali Al-Fulaij
10. Mr. Abdul Aziz Al-Sahil
11. Mr. Abdul Wahab Al-Khaleefah Al-Shaheen A1-Ghanim
12. Mr. Abdul Latif Al-Abdullah A1-Mehri.

All of whom are citizens and residents of Kuwait.

First:

The founders signing this Act have agreed to establish a Kuwaiti Public Shareholding Company, to be called "Gulf Bank", in accordance with provisions of the attached Articles of Association¹.

Second:

Company Objects:

1. Conduct all banking and commercial banks business activities, dealing in shares, bonds, and securities, in all aspects of legal disposition, all other business activities which banks and financial institutions are allowed to transact by law.
2. Accept cash deposits, pay against commercial papers and orders drawn on the bank by depositor with the amounts deposited to their account.
3. Obtain funds by issuing lending bonds.
4. Buy and sell gold bullions, foreign currencies, grant advances thereon, and buy and sell their assignments.
5. Issue, purchase, re-issue assignments, bills, lending bonds, coupons, and all commercial and industrial bonds, and invest capitals.
6. Lend, grant advances, credits and all bank facilities.
7. Grant advances on bills of lading, transport notes, and fund delivery notes in Kuwait and abroad.

¹ This article was amended by the bank's extraordinary general assembly resolution, issued on 9.3.2016.

8. Collect amounts of transfers, bills, commercial papers, bills of lading, and other notes, and issue secured or unsecured guarantees.
9. Act as savings and family fund bank.
10. Buy and sell securities for the Bank's own account.
11. Take custody of assets constituting collective investment systems.
12. Offer or sell securities to the favor of their issuers or their allies, or obtain securities from the issuers, or their allies, for the purpose of re-marketing the same.
13. Customer/investment controller back-up custody services.
14. Investment portfolio management.
15. Take custody of all types of currencies, precious metals, and other properties, bonds, parcels, bundles, and leasing private metal safe deposit boxes.
16. Purchase and import devices, fittings, and equipment necessary to implement the company's objects.
17. Own movables and real estate properties necessary to proceed on its activity within the limits permitted by law.
18. Utilize the financial surpluses available with the company by investing the same in financial portfolios managed by specialized companies and entities.
19. Act as investment Advisor and practice all advisory activities falling within the scope of investment or associated with it in accordance with the prevailing laws and regulations of CBK and CMA, who supervise the said activities.
20. Establish or participate in establishing new companies or provide financing to existing companies.
21. In general, to carry out all banking and other commercial works and services permitted by applicable laws, regulations, bylaws, current customs of banks and financial institutions and this Memorandum of Association; as well as all works and services necessary for the attainment of its objects or that are incidental or conducive to or related thereto, whether directly or indirectly.

The company may practice the above activities in the State of Kuwait or abroad, originally or by agency. The company may also have interest in, or participate, in any manner, in the companies or institutions that run similar business activities or cooperate to achieve its objects in Kuwait or abroad, and to merge thereto, acquire or annex those entities, all in accordance with the provisions of the law and these Articles, as it is imperative to obtain CBK's prior approval. In case of merger, it is imperative to obtain a prior license from the Minister of Finance¹.

Third:

The Head Office of the Company will be in the City of Kuwait, and the Board of Directors may establish branches, agencies, or representative offices in Kuwait or abroad.

¹ This article was amended by the bank's extraordinary general assembly resolution, issued on 23.3.2014. Then was amended by the bank's extraordinary general assembly resolution, issued on 8/3/2017. Then was amended by the bank's extraordinary general assembly resolution, issued on 22/3/2022.

Fourth:

The authorized, issued and paid-up capital of the company is KD 320,053,429.200 (Three Hundred and Twenty Million, Fifty- Three Thousand, Four Hundred Twenty-Nine Kuwaiti Dinars and 200 Fils), divided into 3,200,534,293 shares of 100 Fils each, all in cash¹.

¹ The Bank's share capital, as stated in the Articles of Association, was initially KD 1,800,000/- (24 Million Rupees) divided into 240,000 shares of KD 7/500 each (100 Rupees)

A share capital increase to KD 2,250,000/- was effected on 28.4.1969 by an issue of 60,000 new shares by transferring KD 450,000/- from General Reserve (voluntary), i.e., an issue of bonus shares at the rate of one share per every four shares held.

On 14.3.1971 the share capital was increased from KD 2,250,000/-to KD 2,475,000/- by an issue of 30,000 new shares financed by transferring KD 225,000/- from General Reserve, i.e., an issue of bonus shares at the rate of one share per every ten shares held.

On 18.2.1973 by resolution of the Extraordinary General Meeting, the share capital was increased to KD 2,970,000/- -by an issue of 66,000 new shares distributed among shareholders of record as of 31.12.1972 at the rate of one share per every five shares held. This increase of KD 495,000/- was financed from General Reserve whereby the deficit in General Reserve amounting to KD 410,000/- was transferred from Contingencies Reserve. The Board was authorized to dispose of the share fractions remaining after above distribution.

On 19.2.1974 the Extraordinary General Meeting passed a Bank's share capital increase from KD 2,970,000/- to KD 3,267,000/- by an issue of 39,600 new shares to be distributed among shareholders of record as of 31.1.1974 at the rate of one share per every ten shares held.

On 10.3.1975 the Extraordinary General Meeting passed a capital increase by an issue of 108,900 new shares, paid with two installments, the first in June, 1975 bringing the capital up to KD 3,675,375/- and the second in April, 1976 as per resolution of the Extraordinary General Meeting of 30.3.1976 whereby the capital of the Bank was increased to KD 4,083,750/-. At the same meeting, the Bank's capital was increased to KD 4,696,312/500 by an issue of 81,675 bonus shares, i.e. at the rate of 15% of total Bank shares.

On 22.2.1977 the capital was increased to KD 7,044,465/- by an issue of 125,235 bonus shares at the rate of one share per every five shares held. This increase of KD 939,262/500 was financed by a transfer from General Reserve whereby the equivalent amount was transferred from Inner Reserve to General Reserve, and by an issue of 187,852 shares at the rate of 3 shares per every 10 shares held at par KD 7/500 per share plus an issue premium of KD 52/500.

The capital was increased again to KD 9,000,000/- on 22.2.1978 by an issue of 260,738 shares. The increase of KD 1,955,535/- was financed from the General Reserve whereby the equivalent amount was transferred from Inner Reserve to General Reserve.

A capital increase to KD 12,000,000/- was effected on 18.2.1979 by an issue of 1,500,000 bonus shares at the rate of one share per every six shares held, whereby the increase of KD 1,500,000/- was financed by transferring this amount from General Reserve, and the equivalent amount from Inner Reserve to General Reserve, and by a rights issue of 1,500,000 shares at the rate of one share per every six shares held, at par KD 1 / - per share plus an issue premium of KD 7/-.

On 18.2.1980 the capital was increased to KD 15,000,000/- by an issue of 1,200,000 bonus shares equal to 10% of capital, at the rate of one share per every ten shares held. The increase of KD 3,000,000 / - was financed by transferring KD 1,200,000 / -from General Reserve and the equivalent amount from Inner Reserve to General Reserve, and by a rights issue of 1,800,000 shares at the rate of three shares per every 20 shares held at par KD 1 per share plus an issue premium of KD 7/-.

On 16.2.1981, the capital was increased to KD 17,500,000/- by an issue of 2,500,000 bonus shares at 16.6% on the basis of one new share for every six shares held as of 31.12.1980. The cost of the issue was financed by transferring KD 2,500,000 / - from General Reserve to capital and an equivalent amount from Inner Reserve to General Reserve.

The Share's par value was reduced from KD 7/500 to KD 1/- as per authorization of the Council of Ministers, Meeting No. 15/1978 at the request of the Bank and according to Extraordinary General Meeting Resolution of 22.2.1978. This authorization was conveyed to the Bank in letter No. CI/I-4343 dated 6.4.1978 issued by Ministry of Commerce and Industry-Companies and Insurance Supervision Dept.

On 10.2.1982, the capital was increased to KD 25,500,000/- by an issue of 3,500,000 bonus shares at 20% (i.e. 1 share per every 5 shares held) and by a rights issue of 4,500,000 shares at 25.71% (i.e. 9 shares per every 35 shares held) at par KD 1 plus an issue premium of KD 7/-

On 14.2.1983 the capital was increased to KD 32,500,000/- by an issue of 7,000,000 bonus shares at approximately 27.45% (i.e., 14 shares per every 51 shares held).

On 19.2.1984 the capital was increased to KD 39,000,000/- by an issue of 6,500,000 bonus shares at 20% (i.e., one share per every 5 shares held).

On 12.3.1985 the capital was increased to KD 40,950,000/- by an issue of 1,950,000 bonus shares at 5%(i.e., one share per every 20 shares held).

On 9.4.1986 the capital was increased to KD 43,407,000/- by an issue of 2,457,000 bonus shares at 6%.

On 29.3.1987 the Extraordinary General Meeting approved the increase of capital to KD 58,165,380/- by an issue of 3,906,630 bonus shares at 9% and by a rights issue of 10,851,750 shares to be offered for subscription by shareholders at 25% (i.e. one share per every 4 shares held) at par KD 1/- plus an issue premium of KD 2/-. The Extraordinary General Meeting also agreed to reduce the Bank's shares par value from KD 1/- to 100 fils as per Law Decree No. 132 of 1986 by the issue of 10 new shares per each old share held.

On 6.4.1988 the Extraordinary General Meeting agreed to reduce the Bank's authorized capital from KD 58,165,380/- to KD 57,477,125/-. The decrease of KD 688,255 / - represents that part of the Bank's capital increase for 1986 which was not subscribed to (i.e., 688,255 shares before split).

On 3.4.1989, the Extraordinary General Meeting agreed to increase the Bank's capital from KD 57,477,125/ to KD 61,500,524/- by an issue of 40,233,990 bonus shares at the rate of 7% (i.e., seven shares per every 100 shares held).

On 25.3.1990, the Extraordinary General Meeting approved increasing the Bank's capital to KD 65,805,560/- by an issue of 43,050,360 bonus shares at the rate of 7% (i.e., seven shares per every one hundred shares held).

On 6.7.1993, the Extraordinary General Meeting agreed to increase the Bank's capital from KD 65,805,560/- to ED 71,070,005/- by an issue of 52,644,448 bonus shares at the rate of 8% (i.e., eight shares per every 100 shares held).

On 12.4.1994, the Extraordinary General Meeting agreed to increase the Banks capital from KD 71,070,005/- to KD 78,177,005/- by an issue of 71,070,004 bonus shares at the rate of 10% (i.e., ten shares per every 100 shares held).

On 14.3.1998, the Extraordinary General Meeting agreed to increase the Bank's capital from KD 78,177,005/- to KD 82,085,885/- by an issue of 39,088,502 bonus shares at the rate of 5% (i.e, five shares per every 100 shares held).

On 19.2.2005, the Extraordinary General Meeting agreed to increase the Bank's capital from KD 82,085,885/- to KD 86,190,148/- by an issue of 41,042,930 bonus shares at the rate of 5% (i.e, five shares per every 100 shares held).

On 11.3.2006, the Extraordinary General Meeting agreed to increase the Bank's capital from KD 86,190,148/500 to KD 94,809,163/300 by an issue of 86,190,148 bonus shares at the rate of 10% (i.e, ten shares per every 100 shares held).

On 3.3.2007, the Extraordinary General Meeting agreed to increase the Bank's capital from KD 94,809,163/300 to KD 109,030,537/700 by an issue of 142,213,744 bonus shares at the rate of 15% (i.e, fifteen shares per every 100 shares held).

On 8.3.2008, the Extraordinary General Meeting agreed to increase the Bank's capital from KD 109,030,537/700 to KD 125,385,118/300 by an issue of 163,545,806 bonus shares at the rate of 15% (i.e, fifteen shares per every 100 shares held).

On 2.12.2008, the Extraordinary General Meeting agreed to increase the Bank's capital by 100% from KD 125,385,118/300 to KD to KD 250,770,236/600, by a new rights issue of 1,253,851,183 new shares at par 100 fils plus an issue premium of KD 200 fils, to be allocated for shareholders of record as at 26.10.2008, and to be offered for subscription for a period of 15 days from the date of the Board's call of this capital increase. Shareholders right to subscribe to these shares shall expire after the lapse of the mentioned 15 day period.

On 17.3.2012 the Extraordinary General Meeting approved increasing the bank's capital to KD 263,308,748/400 by issuance of 125,385,118 bonus shares, at 5% (i.e., five shares per every one hundred shares held).

On 16.3.2013 the Extraordinary General Meeting approved increasing the bank's capital to KD 267,474,185/800 by issuance of 131,654,374 bonus shares, at 5% (i.e., five shares per every one hundred shares held).

On 23.3.2014 the Extraordinary General Meeting approved increasing the bank's capital to KD 290,297,895/100 by issuance of 138,237,093 bonus shares, at 5% (i.e. five shares per every one hundred shares held).

On 9.3.2015 the Extraordinary General Meeting approved increasing the bank's capital to KD 304,812,789/800 by issuance of 145,148,947 bonus shares, at 5% (i.e. five shares per every one hundred shares held).

On 22.3.2022 the Extraordinary General Meeting approved increasing the bank's capital to KD 320,053,429/200 by issuance of 152,406,395 bonus shares, at 5% (i.e. five shares per every one

Fifth:

The duration of the Company is indefinite. It shall be wound up in any one of the events provided for in the Companies Law.

Sixth:

The Founders shall undertake all the necessary procedures for the legal formation of the Company and its establishment, for which purposes Messrs:

- (1) Ali Abdul Rahman Al-Bahar
- (2) Khalid Fulajj Al-Ali Al-Fulajj
- (3) Mustafa Al-Sultan

Have been delegated to carry out the necessary formalities

Seventh:

Expenses for the formation and establishment of this Company were estimated at:

1. Printing and publication of the Memorandum of Association	Rs. 45,000
2. Local banks charges for Share Subscriptions	Rs. 24,000
3. Registration Fees	Rs. 3,000
Total:	Rs. 72,000 ¹ .

hundred shares held)

¹ KD 5,400/-.

**GULF BANK
ARTICLES OF ASSOCIATION
PART ONE - INCORPORATION**

CHAPTER I

(Formation of the Company, Name, Objects, Duration, Registered Office)

Article – 1

A Kuwaiti Public Shareholding Company, to be called "GULF BANK" has been incorporated by and between the Shareholders, in accordance with the Law and these Articles¹.

Article – 2

“Company Objects:

1. Conduct all banking and commercial banks business activities, dealing in shares, bonds, and securities, in all aspects of legal disposal, all other business activities which banks and financial institutions are allowed to transact by law.
2. Accept cash deposits, pay against commercial papers and orders drawn on the bank by depositor with the amounts deposited to their account.
3. Obtain funds by issuing lending bonds.
4. Buy and sell gold bullions, foreign currencies, grant advances thereon, and buy and sell their assignments.
5. Issue, purchase, re-issue assignments, bills, lending bonds, coupons, and all commercial and industrial bonds, and invest capitals.
6. Lend, grant advances, credits and all bank facilities.
7. Grant advances on bills of lading, transport notes, and fund delivery notes in Kuwait and abroad.
8. Collect amounts of transfers, bills, commercial papers, bills of lading, and other notes, and issue secured or unsecured guarantees.
9. Act as savings and family fund bank.
10. Buy and sell securities for the Bank’s own account.
11. Take custody of assets constituting collective investment systems.
12. Offer or sell securities to the favor of their issuers or their allies, or obtain securities from the issuers, or their allies, for the purpose of re-marketing the same.
13. Customer/investment controller back-up custody services.
14. Investment portfolio management.
15. Take custody of all types of currencies, precious metals, and other properties, bonds, parcels, bundles, and leasing private metal safe deposit boxes.

¹ This article was amended by the bank’s extraordinary general assembly resolution, issued on 9.3.2016.

16. Purchase and import devices, fittings, and equipment necessary to implement the company's objects.
17. Own movables and real estate properties necessary to proceed on its activity within the limits permitted by law.
18. Utilize the financial surpluses available with the company by investing the same in financial portfolios managed by specialized companies and entities.
19. Act as investment Advisor and practice all advisory activities falling within the scope of investment or associated with it in accordance with the prevailing laws and regulations of CBK and CMA, who supervise the said activities.
20. Establish or participate in establishing new companies or provide financing to existing companies.
21. In general, to carry out all banking and other commercial works and services permitted by applicable laws, regulations, bylaws, current customs of banks and financial institutions and this Memorandum of Association; as well as all works and services necessary for the attainment of its objects or that are incidental or conducive to or related thereto, whether directly or indirectly.

The company may practice the above activities in the State of Kuwait or abroad, originally or by agency. The company may also have interest in, or participate, in any manner, in the companies or institutions that run similar business activities or cooperate to achieve its objects in Kuwait or abroad, and to merge thereto, acquire or annex those entities, all in accordance with the provisions of the law and these Articles, as it is imperative to obtain CBK's prior approval. In case of merger, it is imperative to obtain a prior license from the Minister of Finance¹.

Article - 3

The duration of the Company is indefinite.

Article – 4

The domicile of the Head Office of the Company will be in the City of Kuwait, and the Board of Directors may establish branches, agencies, or representative offices in Kuwait and abroad.

¹ Amended by Extraordinary General Meeting Resolution of 23.3.2014 Then was amended by the bank's extraordinary general assembly resolution, issued on 8/3/2017. Then was amended by the bank's extraordinary general assembly resolution, issued on 22/3/2022.

CHAPTER II CAPITAL AND SHARES OF THE COMPANY

Article – 5

The authorized, issued and paid-up capital of the company is KD 320,053,429.200 (Three Hundred and Twenty Million, Fifty- Three Thousand, Four Hundred Twenty-Nine Kuwaiti Dinars and 200 Fils), divided into 3,200,534,293 shares of 100 Fils each, all in cash¹.

Article – 6

Deleted².

Article – 7

At least twenty percent of the nominal value of shares shall be paid upon subscription, and the remaining within five years from date of the Decree of Incorporation. The Board of Directors shall set dates of calls and amounts of installments³.

Article – 8

Subscription period is one month and shall be closed after 10 days if all shares available for subscription have been subscribed to. If, at close of subscription, the number of original shares available is oversubscribed, these shall be allotted to subscribers in proportion to their subscriptions to the nearest whole share.

Proportionate allotment shall not apply to subscribers to 50 shares or less, neither it shall be permissible to reduce the number of allotted shares to less than 50 shares.

Article – 9

A share is indivisible but may be jointly held by two persons or more who shall be represented vis-a-vis the Company by one person. The holders of the shares shall be jointly liable in respect of this ownership.

Article – 10

If a shareholder fails to pay the calls on the day fixed for payment, the Company may, after serving on him a notice requiring payment, offer his shares at public auction or at the stock exchange. The Company shall have priority over all other creditors in collecting from the sale proceeds the value of calls due on the shares including interest

¹ Refer to capital increase development in the margin of Article 4 of the Articles of Association.

² Deleted by Extraordinary General Meeting Resolution of 16.2.1981.

³ Amended by Extraordinary General Meeting Resolution of 16.2.1981.

and expenses, and refund the balance, if any, to the defaulting shareholders. If, however, the sale proceeds are insufficient to cover calls, due interest and expenses, the Company shall have the right to claim the residue from the shareholder's private funds.

Article – 11

The Board shall determine an interest not exceeding the legal limit on the sums due from the date fixed for payment.⁽¹⁾

Article – 12

The Company may not increase its share capital unless calls on the old shares had been fully paid. The nominal value of new shares equals the nominal value of the original shares. Subscription for the newly issued shares shall be subject to the same provision of subscription for the original shares.

In the event of offering the capital increase rights issue to the public, each shareholder shall have the right of first refusal in subscribing to a number of new shares in proportion to the number of shares held by him. Exercising such rights of first refusal shall be valid for fifteen days from the date of inviting subscriptions. However, the Ordinary General Meeting may relinquish in advance such right. In the event of over or under subscription, the Board may have the right to take appropriate action in each case in the interest of the Company.⁽²⁾

Article – 13

The Company may by resolution of the Extraordinary General Meeting reduce its share capital if it is in excess of its needs. Such reduction shall be made in accordance with the provisions of the Law.⁽³⁾

Article – 14

The Founders may dispose of their shares only after completion of at least three years from the final incorporation of the Company.⁽⁴⁾

Article – 15

The Company shall deliver to subscribers provisional share certificates indicating number of shares subscribed to, amounts paid and calls due. These shall serve as ordinary share certificates until all calls on shares have been paid at which time they shall be replaced by final share certificates.

⁽¹⁾ Amended by Extraordinary General Meeting Resolution of 16.6.1981.

⁽²⁾ Amended by Extraordinary General Meeting Resolution of 29.3.1987.

⁽³⁾ Amended by Extraordinary General Meeting Resolution of 16.2.1981.

⁽⁴⁾ Amended by Extraordinary General Meeting Resolution of 16.2.1981.

Article – 16

Shares may be sold or disposed of in accordance with the provisions of the Law.

Article – 17

The Company may buy, sell or dispose of its own shares, for its own account, in the following events:

- A. If such acts are for the purpose of maintaining stability of share price, without exceeding the ratio identified by regulators, out of the total shares of the Company.
- B. Capital reduction.
- C. Company's recovery of a debt against such shares.
- D. Any other events to be identified by CMA.

Purchased shares shall not be included in the total shares of the Company in the events where the shareholders are required to own a certain percentage of the capital, in all matters relating to the calculation of quorum for correct general assembly meeting, and for voting on the resolutions during the general assembly meeting, as regulated by CBK instructions.

The Ordinary General Assembly shall authorize the Board of Directors to buy, sell or dispose a maximum of 10% of the Company's own shares, in accordance to the Law provisions.⁽¹⁾

Article – 18

Deleted.⁽²⁾

Article – 19

Deleted.⁽³⁾

Article – 20

The shareholders shall be liable only in respect of the subscription value of shares acquired, and claim upon them shall not exceed the same.

⁽¹⁾ Amended by Extraordinary General Meeting Resolution of 9.3.2016.

⁽²⁾ Deleted by Extraordinary General Meeting Resolution of 28.1.1969.

⁽³⁾ Deleted by Extraordinary General Meeting Resolution of 16.2.1981.

Article – 21

All the Company's shares are nominal, and may be owned in accordance with the provisions of the Law, regulating resolutions, and CBK instructions.⁽¹⁾

Article – 22

The Bank may introduce an employee share option scheme.⁽²⁾

⁽¹⁾ Amended by Extraordinary General Meeting Resolution of 9.3.2016.

⁽²⁾ Added by Extraordinary General Meeting Resolution of 19.2.2005.

CHAPTER III MEMBERSHIP

Article – 23

Consistent with the provisions of the Law and these Articles, the founding members and subscribers to the shares of the Company shall be deemed members of the Company having equal rights and subject to same obligations.

Article – 24

The shareholders of this Company are entitled to the following rights:

- (1) Cash dividends and benefits approved for distribution among shareholders.
- (2) Participate in the management of the Company, through its General Meetings or the Board of Directors, in accordance with the provisions of these Articles or the Law.
- (3) Dispose of the shares held and the right of first refusal to subscribe for new shares in accordance with the Law.
- (4) All other rights provided for under these Articles or the Law.

Article – 25

The shareholders shall comply with the following:

- (1) Payment of due calls, and interest on overdue calls beginning from the expiry of the date fixed for payment, without the necessity of being served a notice.
- (2) Payment of expenses incurred by the Company in recovery of due calls and sale of shares.
- (3) Refraining from any act intended to cause harm to the Company.
- (4) Implementation of any resolution duly passed by the General Meeting.

Article – 26

Deleted⁽¹⁾.

⁽¹⁾ Deleted by Extraordinary General Meeting Resolution of 26.3.2014.

CHAPTER IV

AMENDMENTS TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION

Article – 27

The Extraordinary General Meeting may make any amendments to the Memorandum and Articles of Association.

Any amendments to these Articles shall be subject to the approval of the Ministry of Commerce and Industry. Furthermore, no amendments concerning the name of the Company, its objects or capital – save for capital increase by issue of shares in place of dividends or by carrying applicable reserves to the capital – shall become effective unless a decree is issued to this effect.⁽¹⁾

⁽¹⁾ The second paragraph was added by virtue of Article (6) of Law Decree No. 3/75 of 27.1.1975.

PART TWO - MANAGEMENT OF THE COMPANY
CHAPTER I
THE BOARD OF DIRECTORS

Article – 28

The business of the Company shall be managed by a Board of Directors composed of eleven members, including at least two independent members as of 30/6/2020, and four members as of 30/6/2022 (as stipulated in the regulatory instructions), not exceeding half of the number of Board Members, to be elected by the Ordinary General Meeting by secret ballot. If the election of a new Board of Directors cannot be completed on the specified date, the existing Board shall continue to manage the business of the Company until the reasons thereof are eliminated, and the election of a new Board takes place.⁽¹⁾

Article – 29

In accordance with Article (141) of the Commercial Companies Law, the subscribers of the Memorandum of Association have decided to appoint from amongst themselves the following six members to the first Board of Directors:

1. Mr. Khalid Yousuf Al-Mutawa
2. Mt Ali Abdul-Rahman Al-Bahar
3. Mr. Abdul Aziz Al-Saleh
4. Mr. Mustafa Al-Sultan
5. Mr. Khalid Fulaij Al-Ali Al-Fulaij
6. Mr. Ahmed Al-Bazee'

The other Directors shall be elected by the Constituent General Meeting from amongst all the subscribers of these Articles and the shareholders. The Constituent General Meeting shall pass its resolutions by absolute majority of shares represented, in accordance with Article (156) of the Commercial Companies Law.

Article – 30

Any person nominated for membership of the Board of Directors must meet the following conditions:

1. Must be competent to act.
2. Must not have been previously convicted in a felony by a freedom-restricting punishment, or in a bankruptcy crime by delinquency or fraud, or a crime involving

⁽¹⁾ Amended by Extraordinary General Meeting Resolution of 6.12.1992, amended thereafter by Extraordinary General Meeting Resolution of 23.3.2014 and amended thereafter by Extraordinary General Meeting Resolution of 31.3.2020.

moral turpitude or trust, or a freedom-restricting punishment due to violating the provisions of the Companies Law, unless rehabilitated.

3. Except for independent members of the board, must be holder, in a personal capacity, or by person representing him, of a number of the Company's shares.
4. Conditions listed in the instructions issued by the regulatory authorities in regard to independent and non-independent members must be met.

If a member dissatisfied any of the said conditions or any other conditions of the companies Law or other laws or regulations applicable in the state of Kuwait, he shall no longer have the capacity of membership from the date of dissatisfying such condition. ⁽¹⁾

Article – 31

Deleted. ⁽²⁾

Article – 32

A person may not hold, even when representing a natural or corporate person, membership in boards of directors of more than five shareholding companies whose legal domicile is in Kuwait, nor may he hold the office of the chairman at more than one such company. Violation of this term shall render his membership in companies exceeding the prescribed number null and void, according to the recent appointment therein, as well as the effects thereof, without prejudice to third parties' rights in good faith. The person violating this term shall refund to the company wherein his membership is nullified all remuneration and benefits he may have had.

A member of the Board of Directors also may not, even when representing a corporate body, use any information he has acquired by virtue of his office for his own benefit or the benefit of others; nor may he sell or purchase Company's own shares during the term of his office as Director, unless upon obtaining the approval of the Capital Markets Authority (CMA). ⁽³⁾

Article – 33

The term of the members of the Board of Directors shall be three years, renewable. The membership tenure of the independent members shall not exceed two terms. ⁽⁴⁾

⁽¹⁾ Amended by Extraordinary General Meeting Resolution of 16.2.1981, and amended thereafter by Extraordinary General Meeting Resolution of 23.3.2014, then by Extraordinary General Meeting Resolution of 9/3/2015. Then amended thereafter by Extraordinary General Meeting Resolution of 31.3.2020.

⁽²⁾ Amended by Extraordinary General Meeting Resolution of 16.2.1981, then deleted by Extraordinary General Meeting Resolution of 23.3.2014.

⁽³⁾ Amended by virtue of Law Decree No.3/75 of 27.1.1975, then amended by Extraordinary General Meeting Resolution of 26.3.2014.

⁽⁴⁾ Amended by Extraordinary General Meeting Resolution of 22.2.1977 and amended thereafter by

Article – 33 (bis)

As an exception from the rule of (33) of these Articles of Association, the office term for the existing board of directors shall expire at the time of announcing the results of the election of a new board of directors, instead of expiring on 31.12.2000. Legal procedures for electing a new board of directors shall be initiated.⁽¹⁾

Article – 34

If the post of a member of the Board of Directors becomes vacant, it shall be filled by the candidate who obtains most votes of shareholders who have not won the membership of the Board - and if hindered – he shall be succeeded by the candidate who ranked second. The new member shall only complete the tenor of his predecessor. However, if more than two positions become vacant, the Board of Directors shall call the General Assembly within two months from the date the last position became vacant, to elect those who can fill the vacancies.

Should the vacant posts exceed two, the Board should convene the General Meeting within two months from the date the last post became vacant, in order to fill the vacant posts.

Article – 35

The Board of Directors shall elect by secret ballot a Chairman and a Deputy Chairman. The Chairman shall represent the Company in its relations with third parties and before courts, in addition to other competences stated in the Company's Memorandum and Articles of Association. His signature shall be considered as the signature of the Chairman in the Company's relations with third parties. He shall implement the Board resolutions, and shall adhere to its recommendations. The Deputy Chairman shall replace the Chairman in the absence of the latter, or if his performance of his competences is hindered.

The Company shall have one or more Chief Executive Officers (CEO), to be appointed by the Board of Directors from the Board Members or others, to be assigned to manage the Company. The Board of Directors shall determine his allocations and signature authority for the Company. Both posts of the Chairman and CEO may not be combined.⁽²⁾

Extraordinary General Meeting Resolution of 31.3.2020.

(1) Added by Extraordinary General Meeting Resolution of 12.6.1999.

(2) Amended by Extraordinary General Meeting Resolution of 29.3.1995, then amended by Extraordinary General Meeting Resolution of 23.3.2014.

Article – 36

The Board of Directors shall meet within ten days of its election for the purpose of electing the Chairman and the Deputy Chairman whose term of office shall expire with the expiry of their term of office as Directors. They shall be eligible for re-election on proviso they are re-elected as members of the Board.

Article – 37

The Board of Directors meetings shall be deemed duly held if attended by half the number of Directors, provided that at least three members shall attend. Resolutions by the Board shall be passed by absolute majority of those present. In case of a tie vote, the Chairman shall have a casting vote. Meetings may be held using modern means of communication, and resolutions may be adopted by circulation, with the approval of all Directors.

The Board shall meet at least six times during each fiscal year.⁽¹⁾

Article – 38

A member of the Board of Directors shall not delegate others to attend meetings of the Board on his behalf.

Article – 39

Consistent with the pertinent legal provisions, especially those stipulated in the Central Bank Law, the Board of Directors may exercise all the tasks of the management of the Company in accordance with its objectives, and the Board may participate in companies or entities that engage in activities similar to those of the Company or that may assist in achieving the Company's objectives in Kuwait or aboard. The Board further may implement the necessary procedures in connection with the management of the Company, appoint employees, purchase movables as well as real estate property and all other transferable or fixed rights. The Board may also lease from and lease to others, allow for the withdrawal of funds and securities owned by the Company and the sale or assignment of the same, allow for the filing of legal claims and defense of the Company's interest before the court, whether the Company is the plaintiff or defendant, arbitrate, execute settlements, waive rights for or without consideration, and decide the methods of utilizing the Company's funds in attaining its objectives. Additionally, the Board of Directors has the widest scope of authority in lending, borrowing, selling or pledging of rights and real estate owned by the Company, executing all forms of guarantees, granting donations, acknowledging and settling, in accordance with terms and restrictions the Board of Directors determines from time to time.⁽²⁾

⁽¹⁾ Amended by Extraordinary General Meeting Resolution of 23.3.2014.

⁽²⁾ Amended by Extraordinary General Meeting Resolutions of 16.5.1964, 28.1.1969 and

Article – 40

The Chairman of the Board of Directors is the president of the Company and shall represent it before other parties. His signature shall be considered as the signature of the Board of Directors as to the Company's relations with third parties. He shall carry out the resolutions of the Board and comply with its recommendations, and the Deputy Chairman shall take the place of the Chairman and assume all his duties in his absence.

Article – 41

The Chairman of the Board of Directors and all members thereof shall be accountable to the Company, shareholders and third parties for all fraudulent acts, abuse of power, violations of the Law or these Articles, and mismanagement.

A vote by the General Meeting to exonerate the Board of Directors shall not preclude the institution of an action for liability.

Article – 42

The Board of Directors may determine an emolument for its Chairman and members by not more than 10% of net profit after depreciation, reserves and distribution of a cash dividend of not less than 5% of the share capital to shareholders. In the event the Board of Directors elects its Chairman or any of its members to the office of Delegate Member, or charge any of its members to an executive office, then the Board of Directors shall determine the remuneration for such a Director.⁽¹⁾

Article – 43

The Chairman, Deputy Chairman or any Director shall be entitled to be paid by the Company all expenses incurred in the discharging of any assigned duty or task for the Company.

Article – 44

In accordance with an absolute majority decision of the Board of Directors or a petition signed by a number of shareholders owning not less than 25% of the share capital, the Ordinary General Meeting may remove the Chairman or any other member of the Board.

16.2.1981.

⁽¹⁾ Amended by Extraordinary General Meeting Resolution of 6.7.1993.

[GBK Classification: PUBLIC]

Article – 45

Neither the Chairman nor any Director may have any interest, whether direct or indirect, in contracts or transactions entered into by the Company or for its account unless by authorization from the General Meeting. However, they may open and maintain accounts with the Company and may - within the confines of the provisions of the Central Bank Law, these Articles or the resolutions of the General Meeting - borrow money and obtain credit facilities from the Company within the guidelines of ordinary banking business and in their capacities as ordinary customers, subject to same terms and regulations applied by the Company. Furthermore, they shall not take part in the management of any similar or competing company.⁽¹⁾

Article – 46

The Board of Directors may appoint a general manager for the Company by a contract specifying authorities delegated, responsibilities, salary and remunerations and other conditions as agreed upon. The Board of Directors may also appoint an acting general manager to assume the general manager's duties in his absence.

Article – 47

The General Manager shall implement the Board resolutions, and the Board may grant him the power to sign all documents relating to the business of the Company, contracts, promissory notes, cheques and bills, and to endorse and accept the same within the provisions of articles 146 and 147 of the Commercial Companies Law.

Article – 48

Any Directors failing to attend three consecutive meetings – without an acceptable excuse – shall be deemed as having resigned.

Article – 49

The membership in the Board of Directors shall expire with the death, resignation, removal, bankruptcy or the loss of legal capacity of member.

⁽¹⁾ Amended by Extraordinary General Meeting Resolutions of 16.5.1964 and 28.1.1969.

CHAPTER II GENERAL MEETING

Article – 50

The Founders shall, within 30 days from close of subscription, serve notice to the subscribers to convene as a Constituent General Meeting. The meeting shall be deemed duly held if attended by a number of members holding, in person or by proxy, more than 50% of the subscribed shares. The Meeting shall be presided over by one of the Founders, elected by the General Meeting for this purpose.

Article – 51

The Constituent General Meeting shall elect the first Board of Directors and Auditors.

Article – 52

The Board of Directors shall convene a General Meeting at least once a year. Notices of meetings shall specify the place, the day and the hour of meeting.

Article – 53

Notices convening General Meetings shall be served, including the agenda, date and venue of convening, in one of the following manners:

- a. Dispatch of registered letters to all shareholders at least two weeks prior to the convening of such meeting.
- b. Announcement, twice. The second announcement shall take place at least one week after the date of first announcement, and at least one week prior to the convening.
- c. Hand delivery of invitations to shareholders, or their legal representatives, at least one day prior to the date of the meeting. Copy of the invitation shall be signed received.
- d. Any other modern means of communication, as stated in the Executive Regulations of the Companies Law (Articles 136, 137 of the Executive Regulations), and any future amendments to the Companies Law and Executive Regulations in this respect.⁽¹⁾

Article – 54

Every shareholder shall be deemed a member of the General Meeting having all rights provided for in the Law. He shall be entitled to a number of votes equal to the number of shares held by him.

(1) Amended by Law Decree No. 9/1978 of 26.3.1978, then amended by Extraordinary General Meeting Resolution of 23.3.2014.

Article – 55

The General Meeting shall be deemed duly held if attended by a number of shareholders holding fifty percent (50%) of the shares. If a quorum is not present, a notice for a second meeting shall be made and any number of shareholders present shall be considered a quorum.

Resolutions at the General Meeting shall be passed by absolute majority of shares represented at that meeting. Delegations can be made to Members of the Board to attend the meeting.⁽¹⁾

Article – 56

The Extraordinary General Meeting shall be deemed duly held if attended by a number of shareholders representing three quarters of the shares of the Company. If a quorum is not present, a second meeting shall be convened and the members representing more than half the number of shares shall be a quorum.

Extraordinary Resolutions shall be passed by a majority vote representing more than half the number of the Company's shares.

Article – 57

The Chairman of the Board of Directors, or his Deputy, or whomever the Board delegates, or shareholders elected by the General Meeting, or others, shall preside as Chairman at every General Meeting. The Chairman, or a person acting in his capacity, shall appoint a secretary and two observers to sort out the votes, provided such appointments are approved by the General Meeting.⁽²⁾

Article – 58

The Ordinary General Meeting may issue resolutions in the matters that fall within its competence, mainly:

1. Report of the Board of Directors on the Company's business and operations and on its financial position throughout the ended financial year.
2. Auditor's Report on the Company's financial statements and its financial position for the ended financial year.
3. Report on any violations observed by the regulators, and the Company is penalized accordingly.

⁽¹⁾ A member was not allowed to hold by proxy more than 4,000 shares, then an amendment was made by a resolution passed by the Extraordinary General Meeting held on 19.2.1974, and proxy became allowed for twenty thousand shares, and after the devaluation of share's nominal value to one Kuwaiti Dinar the proxy limit was expanded as stated in this article.

⁽²⁾ Amended by Extraordinary General Meeting Resolution of 23.3.2014.

4. The company's financial statements.
5. Board of Directors proposals regarding dividend distribution.
6. Releasing the Board Members.
7. Election, dismissal, or determination of the remuneration of Board Members.
8. Report on transactions made, or to be made, with related parties; as defined according to International Accounting Standards.
9. Discussion of any other proposal to be listed in the agenda, for resolution in accordance with the law.
10. All matters set forth by law or these articles as competence of the Ordinary General Meeting.⁽¹⁾

Article - 59

The following matters shall not be decided thereon except by the Extraordinary General Meeting:

1. Amending the Memorandum of Association or these Articles.
2. Selling or otherwise disposing of the entire project undertaken by the Company.
3. Dissolving the Company or merging it with another company or entity.
4. Reducing the share capital of the Company.

Article – 60

General Meetings shall be held by invitation of the Board of Directors, or on the requisition of shareholders holding not less than one tenth of the Company's share capital, to discuss particular subjects.

Article – 61

The Extraordinary General Meeting maybe be convened upon an invitation by the Board of Directors, or upon a causative requisition by shareholders representing at least fifty per cent (50%) of the company's issued capital, or upon request by the Ministry of Commerce and Industry. The Board of Directors, or the Extraordinary General Meeting, shall convene within thirty days from the date of request.⁽²⁾

Article – 62

Minutes of the proceedings at General Meetings shall be recorded in books provided for this purpose, to be signed by the Chairman of the meeting. A list of names of members present and number of shares they represent, shall be attached to the minutes.

⁽¹⁾ Amended by Extraordinary General Meeting Resolution of 16.2.1981, then amended by Extraordinary General Meeting Resolution of 23.3.2014.

⁽²⁾ Amended by Extraordinary General Meeting Resolution o 23.3.2014.

CHAPTER III ACCOUNTS

Article – 63

The Company's financial year shall commence on January 1st and end on December 31st of every year. The Company's first fiscal year shall commence on the date of its incorporation and end on December 31st, 1961.

Article – 64

The Board of Directors shall, within the first three months of each financial year, prepare a report, to be signed by the Chairman, exhibiting and explaining the Company's assets and liabilities, all sums of money received and expended, the manner in which net profit shall be distributed and date fixed for its payment.⁽¹⁾

Article – 65

The Board of Directors shall, within one month from the ratification of the balance sheet by the General Meeting, publish a summary of its report, the auditors report and the annual balance sheet of the Company.

Article – 66

The Company shall have one or more auditors who shall be certified accountants. Such auditor shall be appointed and his fees determined by the General Meeting. It shall be his duty to audit the accounts of the financial year for which he has been appointed.

Article – 67

The auditor shall attend the General Meeting and shall submit to the General Meeting a report on all matters related to his assignment, in particular, the balance sheet. The audit report shall show:

1. Whether the Auditor had obtained all information deemed necessary for the performance of his duties satisfactorily.
2. Whether the balance sheet and profit and loss account are consistent with the current state of affairs of the Company, in compliance with the requirements of the Law and these Articles, and reflect fairly and clearly the financial position of the Company.
3. Whether proper books are being kept by the Company.
4. Whether an inventory has been carried out in accordance with the standard practice.
5. Whether the data appearing in the report of the Board of Directors are consistent

⁽¹⁾ Amended by Extraordinary General Meeting Resolution of 16.2.1981.

with the data appearing in the books of the Company.

6. Whether any violations of the provisions of the Law or of these Articles had occurred during the financial year, which may adversely affect the Company's business or its financial position, and whether such violations are continuing, based on information made available to him.

Article – 68

The Auditor shall be responsible for the correctness of the statements contained in his report in his capacity as representative of all shareholders. Each shareholder shall be entitled during the General Meeting to discuss with the auditor and to ask him for an explanation of any items contained in his report.

Article – 69

A percentage of the gross profits to be determined by the Board of Directors, shall be set aside for depreciation of the assets of the Company or for making provision for the decline in their value. Such amount shall be used for the purchase or maintenance of supplies, equipment and installations, and may not be distributed to the shareholders.

Article – 70

A percentage of no less than 10% (Ten Percent) shall be deducted annually from the net profits in accordance with a resolution issued by the Ordinary General Assembly based on a proposition by the Board of Directors, to be allocated to the statutory reserve.

The statutory reserve may only be utilized to cover the company's losses or to secure the distribution of dividends to shareholders of up to 5% (Five Percent) of the paid-up capital in the years in which the company's profits do not allow the distribution of this percentage, due to the absence of a voluntary reserve that allows the distribution of this percentage of dividends.

The amount which was deducted from the statutory reserve shall be returned to it when the following year's profit is permissible unless this reserve exceeds half of the issued capital.

The General Assembly may suspend this deduction if the statutory reserve exceeds half of the issued capital of the company. It may also approve the use of the amount that exceeded this limit in whichever ways it deems appropriate to the favor of the company and its shareholders.

The Ordinary General Assembly may, upon the proposal of the Board of Directors, distribute dividends to shareholders at the end of the financial year, or semi-annually. It is also permissible, upon a decision from the Ordinary General Assembly, to be renewed annually, to authorize the Board of Directors in advance to distribute dividends on a semi-annual basis and to determine the timetable for this distribution. In order for this distribution to be valid and in accordance with the generally accepted accounting principles, it must be made from actual profits provided this distribution shall have no effect on the paid-up capital of the company.⁽¹⁾

Article – 71

The General Meeting may, upon recommendation of the Board, decide a certain percentage of net profit to be carried to the Voluntary Reserve Account for uses the General Meeting may deem proper.⁽²⁾

Article – 72

The General Meeting shall determine a certain percentage of the profits to meet the Company's obligations as provided for by the Kuwait Labor Law.

Article – 73

The Board of Directors may establish a pension fund for the benefit of all the Company's personnel.

Article – 74

Expenses incurred in the formation of the company shall be entered into its General Expenses Account.

(1) Amended by virtue of Article 9 of Law Decree No. 3/1975 of 27.1.1975. Then amended by Extraordinary General Meeting Resolution of 22.3.2022.

(2) Amended by Extraordinary General Meeting Resolution of 10.3.1975.

GENERAL PROVISIONS

Article – 75

Any and all matters not mentioned in these Articles shall be governed by the provisions of the Law.⁽¹⁾

Article – 76

The Company shall be wound up in accordance with the provisions of the Law.

Article – 77

The Company shall have a special register, to be kept with a clearing agency. The register shall contain the names of shareholders, their nationalities, domicile, number and type of shares held, and the amount paid per share.

Any changes to the information shall be marked in the register, according to the information received by the Company or the clearing agency. Any person of interest may request the Company or clearing agency to provide them with information out of this register.⁽²⁾

Article – 78

Securities issued by the Company shall be subject to the central securities depositing system applicable at the clearing agency. Receipt of securities depositing with the clearing agency shall be deemed a title deed of the security. Each holder shall be handed over with a receipt giving the number of securities held by them.

Each share shall entitle its holder to a share equal to the share of other, without discrimination, in the Company's assets, and dividend distributed as stated below. As the Company's shares are nominal, the latest holder thereof, whose name is registered in the Company's register, shall solely be entitled to receive the amounts due on the share, whether in the form of shares in the profit, or stake in the Company's assets.

The Company's shares shall be traded in accordance with the provisions of Law No. 7 of 2010, establishing the Capital Markets Authority, and regulating the securities activity, its executive regulations, as amended, and the rules to be issued by CMA in this respect.⁽³⁾

⁽¹⁾ Amended by Extraordinary General Meeting Resolution of 16.2.1981.

⁽²⁾ Added by Extraordinary General Meeting Resolution of 9.3.2016.

⁽³⁾ Added by Extraordinary General Meeting Resolution of 9.3.2016.