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ARTICLES OF ASSOCIATION
AS AMENDED AND REFORMULATED
OF
BANK OF BAHRAIN AND KUWAIT B.S.C.
A Bahraini Public Shareholding Company

On Tuesday, the 29th day of Shaban 1444 AH corresponding to 21st day of March 2023 AD

Before me, **Saleh Mansoor Saleh Al Nashaba, Private Notary;**

Attended:

Bank of Bahrain and Kuwait BSC, a Bahraini Public Shareholding Company incorporated and registered in the Kingdom of Bahrain under No. 1234 on 27.03.1971, represented by **Murad Ali Murad**, Bahraini national, holding CPR No. 43001354, in his capacity as the chairman and authorized signatory for the purpose of signing these amended Articles of Association , which includes the amendments that have been approved during the meeting of the General Assembly, held as an extra-ordinary business on 09.02.2023 and also approving all the amendments that have been previously made by incorporating them in one comprehensive and unified document.

CHAPTER ONE

Company Incorporation

Article (1) Company Incorporation – Memorandum & Articles of Association:

Bank of Bahrain and Kuwait B.S.C. was incorporated in the Kingdom of Bahrain, as a Bahraini Public Shareholding Company in 1971 AD, under a license issued by the Government, and was registered under C.R No.1234 with the Ministry of Industry, Commerce and Tourism (the “**Ministry**”) and carries out its activities in accordance with the Bahrain’s Commercial Companies Law (the “**Companies Law**”) and/or (the “**Law**”) and its Implementing Regulation, promulgated by Ministerial Order No. (6) of 2022, Law of Bahrain Central Bank and subject to the Memorandum and Articles of Association, as amended, and whereas the shareholders during the General Assembly meeting, held as an extra ordinary on

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09.02.2023 has resolved to replace the Memorandum and Articles of Association and all the amendments thereto, to reflect all the changes to the Commercial Companies Law and Law of Central Bank of Bahrain as follows:

Article 2: Name of the Company

The name of the Company shall be “Bank of Bahrain and Kuwait B.S.C ”, a Bahraini Public Shareholding Company. The General Assembly, held as an extra-ordinary business may resolve to change the name of the company subject to the provisions of Commercial Companies Law and the Law of Central Bank of Bahrain,

Article 3: Company Principal Office and Legal Domicile

The registered principal office of the Company and its legal domicile shall be in the City of Manama, Kingdom of Bahrain. The Board of Directors may establish branches, agencies or offices for the Bank inside or outside the Kingdom of Bahrain according to rules applicable in the relevant countries, subject to the consent of the Central Bank of Bahrain.

Article 4: Objects of the Company

The objects for which the company has been incorporated are those stated and provided under Article (4) of the Memorandum of Association.

Article 5: Duration of the Company

The duration of the Company shall be indefinite.

CHAPTER TWO

Capital of the Company

**Section One
Shares**

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Article 6: Authorized Share Capital

The authorized share capital of the Bank is BD 250,000,000 (Two hundred fifty Million Bahraini Dinars) divided into 2,500,000,000 (Two billion and five hundred million) shares each with a nominal value of 100 Fils.

Article 7: Issued and Paid-up Share Capital

1. The issued and paid up share capital of the Bank is BD 164,770,096.200 (One hundred sixty four Million and seven hundred seventy thousand and ninety six Bahraini Dinars and two hundred Fils) divided into 1,647,700,962 (One Billion and six hundred forty seven Million and seven hundred thousand and nine hundred sixty two shares) each with a nominal value of 100 Fils (One hundred Fils).
2. The shareholders have subscribed to all the issued share capital and paid their value in full.

Article 8: Shares of the Company

Shares of the Company are nominal and negotiable and will be indivisible, but two or more persons may jointly own one share or a number of shares provided that only one person shall represent the joint owners in relation to the Company. The joint owners of a share will be jointly liable for the obligations in respect of the ownership of such share.

Article 9: Share Register & Share Certificates

1. The Company shall maintain at its Head Office and with the appointed Share Registrar or any other entity appointed by the Company, a Shareholders' Register wherein there shall be recorded the Shareholders' names, addresses, domiciles, nationalities and number of shares owned by each of them. Any disposal of the shares shall be recorded in the Register including any transfer or mortgage of shares by the shareholders and the date of such transfer or mortgage.

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2. Every shareholder shall have the right of access to the said Register and the Ministry of Commerce and the Bahrain Stock Exchange shall be furnished with the details entered in the Register and any amendment made thereto.
3. Share Certificates shall be prepared in the manner provided in Article 117 of the Commercial Companies Law and shall be issued from a book with serialized counterfoils. Every certificate must be signed by two members of the Board of Directors and sealed with the Company seal.

Article 10: Rights and Obligations of Shareholders

1. Shareholders are members in the Company and shares in the Company shall confer equal rights and create equal obligations. Ownership of shares in the Company shall inevitably entail acceptance of the provisions of the Memorandum of Association and the Articles of Association of the Company and the resolutions legally passed by its General Meeting.
2. A Shareholder shall have the rights provided in Articles 168 and 168bis of the Commercial Companies Law.
3. A Shareholder shall have the obligations provided in Article 169 of the Law and in particular the following obligations:
 - (a) to pay any instalments undertaken to be paid by the Shareholder on due date with respect to his subscription in the Company share capital, any increase thereof or expenses incurred for the purpose of collection of unpaid instalments;
 - (b) to pay any interest in arrear accrued on instalments due from him without the need for notice, once the date of payment becomes due. If a Shareholder fails to pay an instalment that becomes due on the share on its due date, the Board of Directors may proceed with execution of said share by giving notice to the shareholder to that effect by registered mail with recorded delivery. If the shareholder fails to pay within 10 days of the date of receipt of notice, the Company may sell his shares at the Bahrain Stock Exchange or by public auction. However, the defaulting shareholder may, before the date fixed for

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the said auction, pay the amount due together with the expenses incurred by the Company;

The Company shall deduct from the amount realized out of the sale of such shares, the delayed instalments together with expenses incurred and the balance shall be paid to the share's owner. If the proceeds of sale are insufficient to cover these amounts, the Company may have recourse to the usual methods for recovering the balance from the shareholder. A shareholder shall not be liable except to the extent of the value of his shares or the unpaid portion of such values. Neither the General Meeting nor the Board of Directors may impose any obligation on the shareholder in excess of the value of his shares, without prejudice to the right of the Company to exercise against the defaulting shareholder at the same time or any other time all the rights available to it under the general provisions of the Law.

4. The General Meeting of Shareholders may not:
- (a) increase the financial liabilities of the shareholders nor increase the value of the share except within the ambit of the provisions of the Law;
 - (b) reduce the percentage specified in the Articles of Association of the Company of net profits to be distributed as dividends to the shareholders;
 - (c) impose any new conditions other than those contained in the Articles of Association of the Company with respect to the right of a shareholder to attend General Meeting and vote thereat;
 - (d) restrict the right of a shareholder to institute action against all or some of the Directors in respect of compensation for damages suffered by him pursuant to the provisions of Law.

Article 11: Negotiability of Shares and Temporary Share Certificates

1. Share trading, registration, depositing, transfer of their title, clearing, settlement, registering mortgage and attachment and purchase of the company's shares shall be subject to the provisions of the Law of Central Bank of Bahrain and Financial

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Institutions, promulgated by Law No. (64) of 2006 and the implementing rules issued to implement the same.

2. Notwithstanding the transfer of shares and the registration of transfer in the Shares Register, the original shareholders and successive transferors shall remain jointly liable with the transferees in respect of amounts due but unpaid to the Company until the full value of the shares is paid.

Article 13: Company's Funds & Assets May Not Be Attached

1. General Meeting resolutions shall be binding on the attachor and the creditor mortgagee to the same extent as they are on the shareholder whose shares are attached or mortgaged without such party acquiring the rights of membership of the Company.

Section Two Alteration of Capital

Article 14: Increase of Authorized Capital

The Company's authorized capital may be increased by resolution of the Extraordinary General Meeting on the recommendation of the Board of Directors in accordance with the provisions of Articles 49 and 50 of the Implementing Regulations of the Commercial Companies Law.

Article 15: Increase of Issued Capital

1. The issued capital of the Company may be increased within the limits of the authorized capital by resolution of the Ordinary General Meeting, which shall determine the manner of such increase in accordance with the provisions of Articles 125 and 126 of the Law, provided that the shareholders have paid in full all the issued capital. The actual issued capital shall be increased within three years following the date on which a resolution authorizing the increase is issued, provided that the nominal value of the new shares shall be equivalent to the value of the original shares. The Extraordinary General Meeting may, however, resolve to issue shares at a premium to be added to the nominal value and may fix the value of such premium. The net total of said premium shall be added, after deduction of expenses of the share issue, to the Legal Reserve Account even if it amounts to half the capital. The

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Ministry of Commerce and the Bahrain Stock Exchange shall be furnished with reports and reasons necessitating an increase in all cases of increase of capital.

2. Priority to subscribe to the new shares shall be given to existing shareholders in the manner specified in Articles 128 and 129 of the Law, and the Company shall follow the procedures set out in the said two Articles.
3. If the new shares are offered for public subscription, a subscription prospectus shall be prepared and shall include in particular the information required by Article 130 of the Law. The prospectus shall be signed by the Chairman of the Board of Directors and the Auditor who shall jointly be responsible for the accuracy of the details stated therein.
4. (a) For the purpose of increase of its capital the Company may have one or more underwriters to subscribe to the shares remaining unsubscribed for according to the provisions of Article 93 of the Law.
(b) Underwriter(s) contracted by the Company with respect to the remaining shares shall purchase all the shares remaining unsubscribed for by shareholders entitled to do so and they shall have shares allotted to them as provided hereinabove. Underwriter(s) may offer shares to which they have subscribed for public subscription through the Bahrain Stock Exchange.
5. The resolution issued in approval of the capital increase in the Ministry's website following marking such increase in the commercial register.

Article 16: Reduction of Capital

The Extraordinary General Meeting may resolve to reduce the capital of the Company if the same is in excess of its needs or if there has been a loss and the Company resolves to reduce its paid up capital to the actual value thereof according to provisions of Articles 132 to 137 of the Law.

Article 17: Preference Shares

1. The Extraordinary General Meeting may, by numerical majority of shareholders, representing two thirds of the capital at the time of capital increase, resolve to issue

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preference shares of one or more classes subject to the terms specified in the said resolution and the prospectus as approved by the competent authorities with respect to the class or classes of preference shares, the number of shares to be issued in each class, the priorities and rights attaching to these shares, and their order of priority in respect of voting and their share in the profit or liquidation proceeds and any other conditions provided all the above shall be in conformity with the provisions of the Law and its Implementing Regulations applicable in this respect and that shares of the same class shall be equal in rights, priorities and restrictions.

2. The conditions governing subscription in the above mentioned preference shares of any class may, without limitation, include the following:
 - (i) Preference shares issued in certain class or classes shall have priority over dividends provided that such dividends shall be non-cumulative so that no dividends may be distributed to holders of ordinary shares unless dividends of the holders of preference shares are declared and distributed in full to them. In any year, where no declaration is made of distribution of non-cumulative dividends for preference shares, holders of these shares shall have no right to claim in the following years any of these undeclared dividends which they were not entitled to receive.
 - (ii) Holders of preference shares shall have no pre-emptive rights on ordinary or any other shares issued by the Company but shall have pre-emptive rights on issues of preference shares of the same class.
 - (iii) The holders of preference shares shall, in accordance with the terms and conditions contained in the prospectus, have priority over the Company's assets on liquidation up to the extent of the par value of the preference shares in addition to any unpaid declared dividends. Their rank in priority on such assets shall be senior to the rank of holders of ordinary shares but junior to the rank of creditors.
 - (iv) Subject to the right of the holders of ordinary shares for subscription in preference shares, the Company shall have the right to dispose of the shares remaining unsubscribed for by allotting them in the manner it deems fit.

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- (v) The Company shall have the right of redemption over preference shares issued by it according to redemption conditions set out in the prospectus upon the lapse of fixed period or periods of time or on the occurrence of such special redemption circumstances as stated in the prospectus.
- (vi) Since preference shares are redeemable according to the prospectus as stated in Paragraph (v) above, and as they constitute no part of fixed capital, the provisions of the Law with respect to Statutory Reserve shall not apply to said preference shares.
- (vii) The Company shall invite the holders of preference shares to the General Meetings of the Company at which they shall have the right to attend and to take part in the deliberations but they shall have no right to vote at such meetings, provided the meeting shall not approve any substantial change that may adversely affect the rights of the holders of preference shares unless only with the written approval of no less than 51% of the holders of preference shares or by approval of holders of 51% of the preference shares present or represented at a meeting attended by shareholders representing at least two thirds of the preference shares.
- (viii) A special Register shall be maintained at the Company wherein there shall be entered the issued preference shares of all categories and all dispositions taking place with respect to them.

CHAPTER THREE

Debentures

Article 18: Issue of Debentures/ Hybrid Securities

- a. The Company may borrow or collect capital in any currency through (1) by issuing debentures or (2) Issue and structure any of securities or bonds that fulfill eligibility criterion for additional first-class capital, provided the consent of the Central Bank of Bahrain is obtained. The Board of Directors, by resolution of the Extra-ordinary General Meeting, maybe authorized to issue debentures and fixing the date of their issue, which takes place within two years from the date of issuance of such resolution and/or to

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authorize the Board of Directors, by a resolution of the Extra-ordinary General Meeting with regard to increasing the capital through issuance of hybrid securities, and the Board of Directors takes any action that maybe necessary or appropriate with regard to the issuance of hybrid securities and the possible listing of the same, which shall take place within two years following the date of the resolution.

- (i) Debentures may not be issued unless the issued capital of the Company has been fully paid up and the balance sheet and profit and loss account for at least two financial years are published.
- (ii) The total value of debentures issued by the Company shall not exceed the issued and paid up capital and non-distributable reserves according to the most recent balance sheet approved by the General Meeting.
- (iii) Debentures shall be nominal, or made to bearer and negotiable, having equal value or denominations on the issue date and shall have a maturity of no less than two years. Debentures of the same issue shall confer upon their holders equal rights as against the Company.
- (iv) The Company may issue hybrid securities in a form of securities to the present shareholders pro rata to their contribution, which maybe transferrable to shares in the Company subject to the prospectus and the related documents that have been approved by the Central Bank of Bahrain and other specialized regulatory authorities.
- (v) Any transfer of debt to shares subject to the hybrid securities shall be at the sole discretion of the Company.

Article 19: Cover of the Value of Debentures/Issue of Hybrid Securities

The Company may cover the value of debentures by one of the following two methods:

- a. By floating debentures by means of public subscription in which case the rules and provisions prescribed for share subscription in the Articles of Association and the Commercial Companies Law shall be applicable to the extent it that does not conflict with the nature of the debentures.

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- b. By sale of debentures through banks, finance and investment companies and underwriters, in which case the prevailing custom and practice shall be applicable without being in conflict with the provisions of the applicable Law.
- c. The shareholder may substitute his/her right in receiving securities that form a part of any plan for hybrid securities, where such securities are freely transferable immediately upon their issuance pursuant to the preceding (a) and (b) above and in accordance with the regulatory documents and rules and the laws applicable to the securities and the transfer of the same.

Article 20: Subscription in the Offered Debentures or Giving Up the Loan

If 50% or more of the debentures offered for public subscription are subscribed for during the fixed period or any other extended period for subscription, such extended subscription period shall be deemed to have been completed, otherwise the General Meeting may either give up the subscription and refund amounts of subscriptions to subscribers or be satisfied with the number of debentures subscribed and cancel the balance.

Article 21: Other Provisions Relating to Debentures/Hybrid Securities

- a. Reference shall be made to Articles 138 to 146 of the Law for any rules or provisions relating to debentures to which reference is not made in these Articles of Association.
- b. Resolutions of the General Meeting of shareholders shall apply to holders of private debentures. The said resolutions shall not, however, affect the established rights of the debenture holders unless they give their consent in the special Meeting of Debenture Holders referred to in Article 162 of the Law.
- c. All rules, laws, requirements, criterion, instructions and policies (as may be determined and applied at any time) related to capital adequacy requirements for the financial institutions in the Kingdom of Bahrain in connection to any plan or offer of hybrid securities.
- d. All laws, rules, requirements, criterion, instructions and policies (as may be determined and applied at any time) as issued by the Bahrain Bourse or Central Bank of Bahrain or otherwise with regard to listing hybrid securities under the hybrid securities (or any listing of the Company's shares)>

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SECTION FOUR

Administration of the Company

Article 23: Board of Directors

1. The Company shall be administered by a Board of Directors consisting of 10 (ten) members to be appointed and/or elected respectively in accordance with the provisions of the Articles of Association. The number of directors may be varied according to Paragraph 4 below of this Article subject to the provisions of the Law.
2. A shareholder who owns 10% or more of the capital shall be entitled to appoint his representative on the Board of Directors proportionately to the total number of Board members, so that one member shall be appointed for each 10% shareholding in the capital, and the shareholder shall forfeit his right of voting to the extent of the percentage or percentages of shares for which an appointment is made. If the shareholder still holds a percentage that is not enough to make him eligible for appointment of another member, he may use such percentage in voting with the other shareholders who have the right to elect members of the Board of Directors (other than appointed members) in accordance with the provisions of Paragraph 3 of this Article.
3. After making the appointments for membership of the Board of Directors by eligible shareholders subject to the provisions of Paragraph 2 above, the Ordinary subject to the provisions of said Paragraph 2 above, the General Meeting shall elect the remaining members of the Board of Directors by accumulative secret voting, and shall have the right to vote for one nominee or distribute the same on the nominees whom he chose.
4. The Ordinary General Meeting may from time to time determine the number of members of the Board of Directors otherwise than specified in Paragraph 1 above, provided the number of members shall at no time be less than five. The purpose of determining the number of members in this manner is to include the number of members appointed pursuant to Paragraph 2, the members and those elected pursuant

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to Paragraph 3 of this Article. The Board of Directors shall also include a number of independent non-executive members subject to the controls specified therefor.

5. Members of the Board of Directors shall be elected for a three year renewable term. A corporate person who has appointed one or more members of the Board may replace them by others whether during the said period or on its expiry. An elected member of the Board may be re-elected upon the expiry of the term of his office, and this shall be considered to be a new nomination which requires satisfaction by such member of all the terms and conditions required to be satisfied by a person nominated for the Board membership for the first time as set out in Article 23 of these Articles. The term of office of the Board of Directors may be extended by a decision of the Central Bank of Bahrain Resolution for a period not exceeding six months at the request of the Board.
6. No person shall be appointed or elected to membership of the Board of Directors unless he consents in writing thereto, provided that his declaration shall include a disclosure of any business that he is undertaking which may compete directly or indirectly with the business of the Company together with the names of companies and bodies with whom he is working or occupying a post at their board of directors.
7. The Company shall provide the following information in respect of every nominee to the Board of Directors on its website or sending the same personally to the shareholders in any recognized manner effective from the date of summoning the General Meeting:
 1. Curriculum vitae, including academic and professional qualifications.
 2. Any business he is undertaking which directly or indirectly compete with the Company's business.
 3. Names of companies and bodies with whom he is working or occupying a post at their board of directors.
 4. Any position he is occupying that requires a substantial time to execute.

The Company shall send all the information to the shareholders of the Company in any manner it deems appropriate. The Company shall also publish such information in all social media channels, if any.

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The Company shall also undertake to publish all the information related to the chairman and members of the Board of Directors in its annual report and website.

Article 24: Conditions of Board Membership

A member of the Board of Director shall fulfill the following conditions:

- a) He must be fully qualified to act.
- b) He must not have been convicted in a crime involving negligent or fraudulent bankruptcy or a crime affecting his honour or involving a breach of trust or in a crime on the account of his breach of the provisions of this law, unless he has been reinstated.
- c) He must not have been prohibited to be member of board of directors of a public shareholding company subject to the provisions of the law.
- d) With regard to the chairman or d deputy chairman, he must not combine this position with another senior position within the Bank.
- e) Terms and conditions that maybe determined by a decision from the Central Bank of Bahrain with regard to independent, non-executive and executive members.

Article 27: Termination of Membership of Directors

A director's membership of the Board of Directors terminates in the following events:

1. If he was appointed or elected contrary to the provisions of Law and Articles of Association.
2. If he loses any of the qualifying conditions referred to in Article 22 above or in Articles 173 and 174 of the Law.
3. If he misuses his position as director in carrying on business that is competitive to that of the Company or if he causes actual damage to it.

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4. If he fails to attend three consecutive meetings of the Board without lawful excuse notified in writing to the Board, and the Board shall resolve on this matter as it may deem fit.
5. If he resigns or withdraws from his office, provided the foregoing shall be done in an opportune time, otherwise he shall be liable to pay damages to the Company.
5. If he accepts appointment in any other office in the Company for which he would receive remuneration other than that which the Board of Directors may decide from time to time to remunerate its occupier because of the executive nature of his duties.

Article 28: Removal of Directors

1. The General Meeting may terminate the membership of all or some of the members of the Board of Directors. Such request for termination shall be presented to the Board by shareholders representing at least 10% of the capital. The Board shall forward such requisition to the General Meeting within a maximum period of one month from the date of its submission; otherwise the Ministry of Commerce may issue the notice for the Meeting. The General Meeting may not consider this requisition with respect to the said termination unless the said requisition is on the agenda, save when serious developments are revealed during the meeting requiring such termination. A member who has been terminated may seek compensation from the Company if the said termination is without acceptable justification or at an inopportune time.
2. A director may resign his office provided such resignation is made at an opportune time; otherwise he shall be liable to pay damages.

Article 29: Filling of Vacancies on the Board of Directors

In case the office of one or more directors becomes vacant, the provisions of Article 179 of the Law shall apply.

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Article 30: Chairman, Deputy Chairman and Managing Director

The Board of Directors shall elect by secret ballot its Chairman and Deputy Chairman each of whom shall hold office for a one year term renewable further for one or more terms. In the absence or disability of the Chairman, the Deputy Chairman shall act in his place.

The Board of Directors may elect by secret ballot one or more Managing Directors, and specify the duties and powers of each of them. They shall have the right to sign for and on behalf of the Company jointly or severally as the Board of Directors may resolve.

The Ministry of Commerce shall be furnished with copies of resolutions for election of the Chairman, Deputy Chairman, and the Managing Director.

Article 31: Powers of the Board of Directors

The Board of Directors may exercise all the powers and do all the acts necessary for the management of the Company in conformity with its objects, save to the extent limited by the Law, the Law of Central Bank of Bahrain, these Articles of Association or the resolutions of the General Meeting. The Board of Directors shall in particular have the power to establish the necessary regulations for the organization of work and management of the Company's business, appoint the Manager or Managers, officers or employees and to remove them, determine their duties and fix their salaries. The Board of Directors is empowered to form permanent or temporary committees reporting to it , appoint their members and specify their powers. The Board of Directors may purchase, sell and mortgage movables, properties and all rights and privileges, whether movable or immovable, rent and lease, withdraw funds and securities owned by the Company, transfer and sell them, borrow funds for a tenor exceeding three years, issue securities, give guarantees in favor of third parties, to institute all actions and defend the interests of the Company before courts, whether as plaintiff or defendant, enter into agreements for gift, conciliation, arbitration and receipt and release and assign the priority rights whether for consideration or otherwise and to decide on the manner of utilizing properties of the Company.

- a. With exception to mortgage and in cases where the action is in favor of subsidiary company, no action within the ordinary context of Company's business, may be taken, the value of which exceeds one half of the Company's assets, without the consent of the Board of Directors and presenting the action to the Extra-ordinary General

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Meeting for approval, taking into consideration the provisions of item (b) hereof. The invitation documents for the Extra-ordinary General Meeting must include sufficient details regarding the act and its terms and conditions. For the purposes of this Paragraph, the assets of the Company shall include the assets of any subsidiary.

- b. Without prejudice to the rights of bona fide third parties, the Board of Directors shall not be obliged to implement the action following approval by the Extra-ordinary General Meeting on the same, subject to the provisions of Paragraph (a) of this Article if there is a justification to do so. The Board of Directors shall state the reasons for non-implementing such action to the General Meeting during its first meeting following the decision of the Board of Directors in which it has been decided not to implement the action.

Article 32: Representation of the Company

1. Subject to provisions of the Law, the Company shall be represented in its relations with third parties by the Chairman of the Board of Directors or his Deputy (in his absence or disability). The signature of either of them –as the case maybe- shall be binding on behalf of the Company in all matters and things concerned with the administration of the Company in the normal course of business, within the objects specified therefor and according to the provisions of the laws in force, the Company’s Articles of Association and resolutions and recommendations of the Board of Directors.
2. The Board of Directors may by resolution and within the limits of authority decided by it, appoint one or more of its members or any other person to sign on behalf of the Company jointly or severally with others, including the Chairman or his Deputy pursuant to Paragraph (1) above, or the Managing Director pursuant to Article 30 above of these Articles of Association.

Article 33: Attendance Quorum and Voting Quorum at Board of Directors’ Meetings

1. The Board of Directors shall meet at the summons of its Chairman or his Deputy (in event of his absence or disability) or if requested to do so by at least two directors. A meeting of the Board of Directors shall be valid if attended by not less than on fifty percent of of the members. Participation in such meetings by conference call or

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visible communication shall be deemed that they are physically present provided such is documented.

2. Resolutions of the Board of Directors shall be adopted by a majority votes of the directors present. In case of a tie, the Chairman or the person deputizing for him shall have a casting vote. A dissenting member of the Board shall record his dissent in the Minutes. The Board may adopt resolutions by correspondence, including mail, electronic or fax correspondence, provided that in order for resolutions taken in this manner to be valid, they shall be approved by all the members and documented in a minutes of meeting to be submitted in the first following meeting. Any member to whom a proposed resolution is sent in his place of residence and who fails to respond within three working days following the date on which the proposed resolution is sent to him shall be considered to have approved the resolution.
3. The Board of Directors shall meet at least four times in every financial year.
4. (a) Any of the meetings of the General Assembly or the Board of Directors maybe conducted through any electronic or telephonic means provided that measures are taken to ensure the following:
 - i. Verify the identity of the person taking part in the meeting.
 - ii. Enable the shareholder and Board member to fully participate in the meeting, as if he was present at the meeting venue, including awareness of all the meeting's proceedings, expressing opinion and taking part in the discussions.
 - iii. Record any statement or voting made by the participant in the meeting in an adequate manner.
 - iv. Any other measures that may be determined by an order from the minister concerned with commerce.

Article 34: Attending Board Meetings

1. All the Board members shall attend no less than 75% of all the meetings of the Board during the year.
2. In the event a director fails to attend not less than 75% of all the meetings of the Board in any financial year, the Bank shall immediately notify the Central Bank of Bahrain,

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stating the member name who failed to fulfill this requirement, level of his attendance and any circumstances that affected his non-attendance.

3. Names of members who are absent from the meetings of the Board and its committees shall be recorded in the minutes of meetings. The General Meeting shall be notified of the members' attendance percentage when the Board members proceed to nominate themselves once again to re-elected them.

Article 35: Minutes of Board of Directors Meetings

Minutes of meetings of the Board of Directors shall be entered on a regular basis following the end of each meeting in a Special Register and shall be signed by the Chairman and members present as well as the Secretary of the Meeting. The minutes shall be maintained at the main office of the Company. In the Minutes there shall be recorded the names of directors present and those who are absent and the justification for absence, if any, of the absent members. The Minutes shall also include the names of persons who are not members, whose presence in the meeting is required by the Articles stating the names of those who attended the meeting and those who were absent. A record in the Minutes shall also be made of non-members who attended the meeting or any part of it.

The Minutes shall embody a detailed summary of the deliberations of the Board covering every event that took place at the meeting and any matter that the members had required to be recorded in the Minutes.

A member who objects to any resolution adopted by the Board shall have his objection recorded in the Minutes. Those members who sign the Minutes of any meeting shall be jointly answerable for the accuracy of the details contained therein.

Article 36: Appointment, Remuneration and Corporate Governance Committee

1. The Board of Directors shall appoint the members of the Appointment, Remuneration and Corporate Governance Committee consisting of no less than three members for one year. The chairman of the committee shall be independent any the majority of its members shall be independent as well.
2. Appointment, Remuneration and Corporate Governance Committee shall elect a Chairman and a Deputy Chairman during its first meeting held after appointment of its members.
3. The Committee shall meet at least twice every year.

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4. The quorum shall be satisfied with the presence of more than one half of the number of members, in the presence of the Committee chairman or his deputy.
5. Attending by proxy is not permitted.
6. The Chief Executive Officer and the General Manager of Joint Services shall attend all the meetings of the Committee.
7. The Company's Board Secretary shall be the secretary for the Committee and shall record the meeting's deliberation in a special minutes to be signed by all the members.
8. The Appointment, Remuneration and Corporate Governance Committee shall present guidance and evaluation to the Board of Directors with regard to all matters related to the appointment and remunerations of the Board of Directors and Executive Management. It shall also ensure of enhancing good corporate governance practices in line with the Corporate Governance Charter in the Kingdom of Bahrain and the requirements of the governing authorities and adequately submits recommendations to the Board of Directors.

Article 37: The Audit & Compliance Committee

1. The Board of Directors shall form an Audit Committee which shall consist of at least three members.
2. The chairman of the Committee shall be elected, during the first meeting following the appointment of members, from amongst the members of the Committee who must be an independent non-executive board member. Most of the Committee members shall be independent as well. The quorum includes the Committee Chairman.
3. The Committee shall meet at least four time every year and its meeting shall be valid if attended by more than half of the members. The quorum includes the Committee Chairman.
4. Attending by proxy is not permitted.
5. The Chief Executive Officer, General Manager of Joint Services, Head of Audit Department and representatives from external auditors shall attend all the meetings of the Committee.

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6. The Secretary of the Board of Directors shall act as Secretary for the Audit Committee and shall record the deliberations of the meeting in a special minutes to be signed by all the members.
7. The duties of the Audit Committee are as follows:
 - (a) to review the Internal Audit Program and internal controls, and consider the basic findings arising from the internal audit reviews and investigations and the responses of the Management thereto, and to ensure co-ordination between the Internal and External Auditors;
 - (b) The Committee shall monitor the dealings of key persons and the target of the same, and to avoid any misuse of the material information available with the key persons.
8. Powers of the Audit Committee:
 - a) An audit committee shall be formed, by a resolution passed by the Board of Directors, responsible for revision of accounting and financial practices of the Company and accounts auditing and the related matters, and the extent of compliance with the provisions of law and the regulation and policies of the Company. The Corporate Management and Governance Charter shall define the controls for forming the audit committee, its powers, term of reference and remunerations of its members.
 - b) For the sake of conducting its assignment, the audit committee shall have the right to have access to the Company's records, documents, papers and accounts and request any clarifications or information from the members of the Board of Directors or the Executive Management.
 - c) The annual report shall include details of the activities of the Audit Committee, including the details prescribed in the Corporate Management and Governance Charter.
 - (a) The Board delegates to the Audit Committee the power to review any activities falling within the scope of the mission assigned to it. The Committee shall be empowered to obtain any information from any of the Bank's employees and all

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employees shall be instructed to respond to any call for information received from the Committee. The Committee shall be empowered by the Board of Directors to obtain any professional independent advice, whether legal or otherwise, and to arrange for the attendance of persons from abroad who have the required technical know-how and expertise as it may deem necessary.

Article 38: The Risk Committee

Notwithstanding the rules issued by the Central Bank of Bahrain:

1. The Board of Directors shall appoint the members of Risk Committee, which shall consist of at least four members.
2. The committee chairman shall be an independent director and most of the members of the committee must be other than those working on daily risk-related activities.
3. Among the members there shall be members with experience in risk management and the practices related thereto.
4. The members of the committee shall meet four times at least.
5. The quorum shall be the presence of more than half of the members, provided the chairman or his deputy among the attendees. No members with proxy may attend.
6. The committee chairman or his deputy shall be present at the Annual General Meeting to respond to the questions related to the duties of the Committee.
7. The committee shall conduct self-evaluation of its performance as per the evaluation method approved by the Board of Directors

Article 39: List of the names of the Chairman, Deputy Chairman and Members of the Board of Directors

The Company shall prepare in respect of each financial year a detailed list, certified by the Chairman of the Board of Directors, of the name of the Chairman, Deputy Chairman, members of the Board of Directors, General Manager and his deputies. The Company shall keep a copy of such list and shall send the original to the Directorate of Company Affairs at the Ministry of Commerce together with the annual report, the balance sheet, the profit and loss account of the Company for the relevant financial year referred to in Article 40 of these Articles of Association and shall notify said Ministry of each amendment made to the list within the said year.

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Article 40: Annual Report

The Board of Directors shall prepare in respect of each financial year within the period that may permit for convening the General Meeting of Shareholders and within a maximum of three months from the end of each financial year, a report on the activities of the Company during the financial year and its financial standing, the balance sheet of the Company and a profit and loss statement. The Chairman of the Board of Directors and one of the Directors shall sign the Report and the Balance Sheet and the Profit and Loss Statement. A copy of the said Report attached to said documents shall be sent to the Directorate of Company Affairs at the Ministry of Commerce not later than ten (10) calendar days after it has been signed.

Article 41: Liability of Directors, Exemption From Liability and Liability Action

Liability of the Chairman and members of the Board of Directors to the Company, its shareholders and third parties, exemption therefrom, action liability and the nonsuit of such action shall be in accordance with the provisions of Articles 185 to 187 of the Law.

- (a) The liability of the Chairman and members of the Board of Directors shall be represented in their own properties for any damages that may suffered by the Company, partners, shareholders or third parties in the following events:
- i. If he/she submits false data or information regarding the Company's capital in its memorandum or articles of association, in its dealings with third parties, in any of its documents which may affect the financial trustworthiness of the Company.
 - ii. If he/she exploits the company for fraudulent purposes or for illegal purposes. .
 - iii. If he/she deals with the Company's property as if it was his own.
 - iv. If he/she fails to differentiate between own interest and the interest of the Company.
 - v. If he/she causes any obligations on the part of the Company, despite his/her certain or assumed knowledge that the Company is unable to satisfy such obligations once they fall due or the arrangement of such obligations was due to his gross negligence or fault.
 - vi. If he/she causes the Company to be unable to pay taxes and the fees payable to the Government or public institutions or authorities, despite his/her certain or assumed knowledge that the Company is unable to satisfy such obligations, or the inability of the Company to satisfy such obligations was due to his/her gross negligence or fault.
 - vii. If he/she violates the provisions of law or the Company's memorandum or articles of association.

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- (b) The liability shall not be negated if the violation has taken place as a result of a resolution passed in the Board of Directors or in the constituent or general meeting, unless the member has objected to the resolution that caused such liability and recorded his objection in the minutes of meeting. In case a member has failed to attend the meeting in which such resolution was passed, this shall not be a ground for discharging him from liability unless he/she proved that he/she was unaware and was unable to object to the same.
- (c) The liability referred to in paragraph (a) above shall be either a personal liability caused to the founder, partner, capital owner, manager, or board director or a joint liability in case those who committed the violation is multiple:
- viii. If he/she exceeds his/her authority or commits fraud or negligence in performing his/her duties.
 - ix. If he/she fails to act as a prudent person in such circumstances.

Provisions of Article 189 of the Law shall apply to personal interest, if any, of the Chairman, Directors or Managers of the Company in respect of its business and contracts.

Article 42: Granting of Loans to Directors

Subject to the provisions of applicable laws in this regard, the Company may, within the limits of its objects and under same terms and conditions as it applies to transactions with the body of its customers, grant loans or open credits for any director or guarantee loans contracted by him with third parties.

The Report of the auditors shall be made available to the shareholders for their reference during the period stated in the last paragraph of Article 195 of the Law in which they shall state that such loans, letters of credit or guarantees have been granted without any breach of the provisions of the preceding paragraph.

According to the provisions of the Law, any agreement contravening the provisions of this Article shall be deemed null and void without prejudice to the rights of the shareholders to claim damages from violators where applicable.

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Article 43: Remuneration of the Board of Directors

1. The Ordinary General Meeting shall establish the remuneration of the members of the Board of Directors, provided that the total of such remuneration shall not exceed ten per cent (10%) of the net profit in any one financial year after allowing for statutory reserves and after allowing for distribution to the shareholders of a dividend of no less than five per cent (5%) of the paid up capital of the Company. This provision shall not, however, be deemed to create an obligation on the part of the Company to pay a dividend of five per cent (5%) or of any amount. Remuneration of the Board shall be distributed to the members in proportion to their actual attendance at the meetings of the Board and its Committees as evidenced by the minutes of such meetings as certified by the Company.
2. The Ordinary General Meeting may resolve to pay an annual remuneration to members of the Board of Directors in the years when the Company does not realize profits or for years in which the Company does not distribute dividends, subject to approval of the Minister of Commerce. The Report of the Board of Directors to the Ordinary General Meeting shall include a detailed statement of all the amounts received by the Board members during the financial year in terms of remunerations including any benefits, dividends, attendance allowance, representation allowance, expenses and other amounts. The aforesaid report shall also contain details of the amounts received by Board members in their capacities as employees or administrators or amounts received in consideration of technical, management, advisory or other duties.

The report shall also include details of the remunerations received by the Executive Management during the financial year, including any salaries, benefits, shares, dividends subject to the limitations prescribed in the Implementing Rules of the law.

Article 44: Sale of Company Shares to Employees

The Company may sell or grant to its employees all or any part of its shares bought by it (Treasury Shares) subject to a resolution of the shareholders in an Ordinary General Meeting approving such act. Said resolution shall give authorization to the Board of Directors to set the rules regulating the sale or grant of these shares to Company employees.

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CHAPTER FIVE

General Meetings

Article 45: Types of General Meetings

The General Meetings of Shareholders are two:

1. Ordinary General Meeting.
2. Extraordinary General Meeting.

Article 46: General Provisions Applicable to General Meetings

1. Application

These provisions apply to General Meetings of Shareholders whether they are Ordinary or Extraordinary and shall be complementary to the provisions provided in these Articles of Association in respect of each of the two types of General Assemblies.

2. Convening General Assemblies

- a. Persons and authorities who have the right to convene the General Meeting shall invite every person who is legally entitled to attend the Meeting, provided those given notice to attend shall include the Ministry of Commerce, Central Bank of Bahrain, the Auditors and the legal representative of share registers, if any.
- b. Notice to attend the Ordinary General Meeting shall be published at least 21 days prior to the date fixed for the Meeting in at least two daily newspapers published in Arabic language, one of which shall be local. The notice shall include the agenda which must be in detail and covers the necessary information stated in the Implementing Rules of the Commercial Companies Law.
- c. Copies of the notice shall be sent to the Ministry of Commerce at least 10 days before the date set for the Meeting.

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3. **Details of the Notice**

Notice of convening the General Meeting shall include in particular the following details:

- a. Name of the Company and address of its Principal Office.
- b. Commercial Registration Number of the Company.
- c. Date, time and place of the Meeting.
- d. Type of Meeting.
- e. Agenda for the Meeting.
- f. Date, time and place of the Second and Third meetings in the event that the Meeting is not quorate on the first date fixed for it.

Notwithstanding the measures prescribed under Article (105) of Implementing Rules of the Commercial Companies Law.

4. **The Agenda**

The Board of Directors shall prepare the agenda for the Ordinary or the Extraordinary General Meeting. In case the General Meeting is summoned by the shareholders or at the request of the Auditors or on a directive from the Ministry of Commerce, the agenda shall be prepared by those who summoned the meeting. No issues other than those stated on the agenda shall be debated, subject to provisions of Article 207 of the Law in this respect.

5. **Attendance, Representation and Proxy**

Any shareholder, irrespective of the number of shares he owns, may attend the General Meeting, personally or through any social media or telephonic means approved by the law and/or the orders and instructions issued by the official authorities, subject to Article 23bis of the Law and the Order No. (63) of 2021 concerning Electronic Meetings and controls of Electronic Voting System in the General Meeting in shareholding companies.

Pursuant to the provisions of Article 203 of the Law, a shareholder who is a corporate entity may appoint a representative to attend the General Meeting and to vote thereat

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on its behalf. The said shareholder will be deemed to be attending at the Meeting and acting thereat through its representative. If the shareholder is a natural person and is unable to attend the Meeting, he may appoint another shareholder or a third party to act as his proxy, provided that such proxy shall not be the Chairman, a member of the Board of Directors or an employee of the Company, without prejudice to the right to give proxy to relatives of the first degree nor to the eligibility of the representatives of persons lacking legal capacity to attend the Meeting on their behalf.

The Company shall provide special cards evidencing the number of shares owned by a shareholder and the shares for in relation to which he attends as representative or proxy of other shareholders. Delegation to representatives' power of attorney and proxy instruments shall be issued and the representation capacity shall be provided to the Company at least 24 hours prior to the date of the General Meeting. No member shall participate in voting whether on his own behalf or on behalf of those whom he represents or for whom he is acting as proxy on issues in which he has a personal interest or in respect of a standing dispute between him and the Company.

6. **Chairmanship of the Meetings**

The Ordinary General Meeting shall be presided over by the Chairman of the Board, his Deputy or any other person appointed by resolution of the Board or the General Meeting for this purpose.

7. **Attendance Record**

- a. Shareholders shall enter their names in a special register to be prepared at the Principal Office of the Company at least 24 hours before the time fixed for holding the General Meeting. The said register shall include the names of shareholders, the number of shares owned by them, and the number of shares they represent and the names of the owners of said share and the documents evidencing their appointment and proxies. The shareholder shall be given an attendance card wherein shall be indicate the number of votes to which he is entitled as a principal or proxy.
- b. The Chairman shall at the beginning of the Meeting nominate vote checkers who shall be appointed by resolution of the General Meeting. Vote checkers may be appointed from non-shareholders. The Chairman shall ask the

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Auditors and vote checkers to determine the percentage of attendance of shareholders and to enter such percentage in the special register which shall be signed by them and declared by the Chairman.

8. Minutes of Meetings

- a. The Chairman of the General Meeting shall appoint from among the shareholders or third parties a Secretary who shall draw up minutes of the General Meeting in which there shall be entered the number of shares represented at the Meeting whether by a shareholder present in person or by proxy, and the percentage thereof to the total issued and paid up capital. The Minutes shall also contain sufficient summary of all issues discussed at the General Meeting and resolutions adopted thereat as well as the number of votes cast for or against such resolutions. To the Minutes shall be attached a list of the names of shareholders attending the Meeting and the number of shares they represent by the shareholder in person or by proxy.
- b. The minutes shall be co-signed by the Chairman of the meeting and the Secretary appointed to draw up the minutes. The certified original copy of the minutes shall be taken as evidence of the details contained therein and as a source for producing copies thereof by the Company.

9. Voting:

Electronic voting is permissible in the General Meetings, subject to the terms and controls provided in Order No. (63) of 2021 concerning Electronic Meetings and controls of Electronic Voting System in the General Meeting in shareholding companies and the resolutions passed in this respect.

Article 47: Ordinary General Meeting

- a. The Ordinary General Meeting of Shareholders shall be summoned by the Chairman of the Board of Directors at the time and place as specified in the Articles of Association of the Company. . The General Meeting shall meet at least once in every financial year within three months following the end of the financial year of the Company.

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- b. The Board of Directors may summon the Ordinary General Meeting if requested to do so by the Auditors or a number of shareholders representing 10% of the capital of the Company.
- c. The Ministry of Commerce may summon the General Meeting to convene in the following events:
 - 1. On the lapse of one month following the date fixed for convening such meeting without a meeting being convened.
 - 2. If the number of members of the Board of Directors falls below the required quorum for holding the Board's meetings.
 - 3. If the Board of Directors fails to summon the General Meeting to convene during one month from the following day of the date of request to convene subject to Paragraph (b) hereof.
 - 4. If the minister concerned with commercial affairs decides that there is a requirement for the General Meeting to convene and passed an order justifying such request.
 - 5. If the authority concerned with control on the Company's activities so requests in the cases where the ministry is not the one concerned of the same.

Article 48: Quorum

The Ordinary General Meeting shall not be valid unless attended by shareholders having voting rights and representing more than one half of the shares of the Company. If the said quorum is not obtained, the General Meeting shall be called to convene for a second Meeting with the same agenda to be held within a period of not less than seven days and not more than fifteen days after the date of the first Meeting. The second Meeting shall be valid if attended by shareholders having the right to vote and representing at least 30% of the Company's capital. The third Meeting shall be valid irrespective of the number of shareholders present. New notices of the second and third Meetings need not be sent, if their dates were fixed in the notice given in respect of the first Meeting, provided that notice shall be published in at least two local Arabic newspapers and another one in an English newspaper that neither of these two meetings was held.

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Article 49: Voting

1. Voting at the General Meeting shall be by show of hands or any manner approved by the General Meeting. Voting shall be by secret ballot if the resolution concerns the election or dismissal of a member of the Board of Directors or filing action of liability against them or when the Chairman of the Board or a number of shareholders representing at least one tenth of the number of votes present. Electronic voting may be adopted subject to the terms and controls to be issued by an order from the minister concerned with Commercial Affairs.
2. Directors may not participate in voting on resolutions of the General Meeting pertaining to fixing their salaries, remuneration or their exemption from liability for their management.
3. The resolutions of the General Meeting shall be valid, if passed by an absolute majority of shares represented at the Meeting. In the event of a tie, the Chairman of the meeting shall have a casting vote.

Article 50: Competence of the Ordinary General Meeting

The Ordinary General Meeting shall be competent to consider all matters relating to the Company and to adopt appropriate resolutions in relation thereto save those that have been reserved by the Law to the Extraordinary General Meeting. The Ordinary General Meeting shall be competent, in particular, in relation to matters provided in Article 206 of the Law.

Article 51: Discussions at General Meetings

- (a) The General Meeting shall only discuss topics included in the agenda, except in the following events:
 1. If there are urgent matters that have arisen after preparation of the agenda;
 2. If they are uncovered during the Meeting;

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3. If a competent governing authority, a public corporate shareholder in the Company, the Auditors or a number of shareholders who own at least 5% of the Company capital request the Board of Directors to include a particular item in the agenda.
- (b) If it is found during the discussion that information relating to certain issues is not sufficient, the Meeting shall be postponed for no more than 10 working days, if so requested by a number of shareholders who own one quarter of the shares by which the Meeting was held.
- (c) The Board of Directors shall submit the resolution passed by the General Meeting as an urgent matter to the Ministry or to the Central Bank of Bahrain with regard to the companies licensed by it, as the case maybe, within five working days from the following day of its convention.

Article 52: Extraordinary General Meeting

1. Convening

An Extraordinary General Meeting is held on summons from the Board of Directors or on a written requisition addressed to the Board of Directors by shareholders representing not less than 10% of the Company's shares.

The Board of Directors shall, in such event, call for an Extraordinary General Meeting to convene as extra-ordinary business, within one month of the date on which such requisition was received by the Board; otherwise the Ministry of Commerce shall call up the meeting within fifteen days from the date of expiry of said period.

2. Quorum

The Extraordinary General Meeting shall not be validly held unless attended by shareholders representing at least two thirds of the shares of the Company. If the said quorum could not be attained, summons should be sent for a second meeting which shall be held within the next fifteen days following the date of the first meeting. The quorum for the second meeting shall be valid if it was attended by members representing more than one third of the shares. If a quorum could not be obtained for the second meeting, summons shall be sent for a third meeting which shall be held after the lapse of fifteen days of the date of the second meeting. The third meeting

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shall be valid if attended by members representing one quarter of the shares. New summons for the second and third meetings need not be given if their dates were fixed in respect of the first meeting, provided that notice shall be published in two local Arabic newspapers and one English newspaper, that the first two meetings were not held as the case may be.

3. **Voting**

Resolutions at the Extraordinary General Meeting shall be passed by a two third majority of the shares represented at the meeting unless the resolution relates to the increase or reduction of capital, extension of the term of the Company, dissolution or merger of the Company with another company in which case resolutions shall only be valid if adopted by 75% of the shares present at the Extraordinary General Meeting. Resolutions of the Extraordinary General Meeting shall not be valid unless approved by the Ministry of Commerce.

4. **Competence**

- a. The Extraordinary General Meeting shall have competence over all the matters provided for in Article 210 of the Law.
- b. The Extraordinary General Meeting may adopt resolutions in respect of matters falling within the competence of the Ordinary General Meeting provided that:
 - i. the quorum and voting majority required for the Ordinary General Meeting are available; and
 - ii. the subject of the resolution had been placed on the agenda.

Article 53: Binding Effect of Resolutions of the General Meeting

1. Resolutions adopted at the General Meeting in accordance with the provisions of the Law and these Articles shall be binding on all shareholders whether they were present at the meeting at which the said resolutions were passed or absent or whether they voted for or against them.

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2. The Board of Directors shall implement the resolutions of the General Meeting.

Article 54: Invalidity of Resolutions

The provisions of Articles 215 and 215bis of the Commercial Companies Law with respect to the Invalidity of resolutions of the Company's General Meeting shall apply.

CHAPTER SIX

Auditors

Article 55: Appointment of Auditors

The Company shall have one or more Auditors from among those licensed to practice in Bahrain who shall be appointed and have their remuneration and period of service fixed by the General Meeting. If more than one Auditor is appointed, each of them shall carry out the audit duties independently. However, if the Auditor appointed by the General Meeting does not carry out his duties for any reason whatsoever, the Board of Directors may whenever necessary appoint another Auditor to replace him, provided that such appointment shall be referred to the next General Meeting for a decision. In the event that more than one Auditor is appointed, the Auditors shall be jointly liable for the audit of the accounts of the Company.

Article 56: Qualifications, Powers and Duties of Auditors and Audit Procedures

The Auditor shall be subject to provisions of Articles 217 to 222 of the Law in respect of his qualifications, powers and duties and the audit procedures.

CHAPTER SEVEN

Financial Provisions

Article 57: Financial Year

- a. The Financial Year of the Company shall commence on the 1st of January and end on 31st of December in each year.

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- b. The Company may, by resolution of the General Meeting and with the consent of the appropriate authorities, change the dates on which its financial year begins and ends in which case the Company shall prepare a balance sheet for the period from the end of the financial year preceding the change of date until the beginning of the financial year following the change of date.

Article 58: Company's Annual Balance Sheet and the Directors' Report

1. The Board of Directors shall prepare for each financial year, within a maximum period of three months from the end of the financial year, the following:
- The Balance Sheet of the Company for the last financial year including particulars of the Company's assets and liabilities;
 - Profit and Loss Account.
 - A detailed report on the Company operations, its financial position during the preceding year and the detailed recommendations of the Board of Directors regarding distribution of net profits of the last year and the profits carried over from the year before. This report shall be attached to the Balance Sheet. The Chairman of the Board of Directors shall sign the Report, Balance Sheet and Profit and Loss account and the members of the Board of Directors shall be responsible for its implementation.
2. The Chairman of the Board of Directors shall publish the Balance Sheet, the Profit and Loss Account, a detailed summary of the Annual Report and the full text of the Auditor's Report in one local newspaper published in Arabic language at least 15 days before the meeting of the General Meeting.

Article 59: Determination of Net Profits

Net profits are the balance remaining out of the Company's gross profits after deduction of:

- a. General expenses;

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- b. The percentage fixed by the Board of Directors for the depreciation of assets and compensation for loss in value of such assets, provided that these deductions shall be used for purchasing and maintaining the assets of the Company and may not be distributed among the shareholders;
- c. Interest paid on all loans and all Company obligations and liabilities including allocations made by the Company therefor as required by the International Accountancy Principles applicable to the banking business.

Article 60: Methods of Distribution of Net Profits

1. The net profits of the Company shall be distributed in the following manner:
 - a. Ten per cent shall be set aside every year for the Statutory Reserve. Such deduction may be discontinued when such Statutory Reserve attains 50% of the paid up capital. If the Statutory Reserve falls below said percentage, deduction shall be resumed until it attains the percentage. The Statutory Reserve shall not be distributed among shareholders; however, it may be utilized in order to ensure distribution of dividends to the shareholders amounting to not less than 5% of the paid-up capital in years when the net profit of the Company is insufficient to permit dividend distribution equal to 5% of the paid up capital. Subject to the approval of the General Meeting, a percentage of the net profits realized by the sale of any of the fixed assets or out of any compensation therefor, may be distributed, provided that this shall not result in preventing the Company from restoring the assets of the Company to their original condition or from buying new fixed assets.

The General Meeting may, before giving its said consent, request the Company's Auditor to prepare a report on the percentage to be distributed from net profits and the sufficiency of the remaining balance of the proceeds of sale of the fixed assets or compensation therefor to restore the Company assets to their original condition.
 - b. A sum to be determined by the General Meeting shall be deducted to meet obligations of the Company including those arising pursuant to the Labour Laws.

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- c. The General Meeting may, at the proposal of the Board of Directors, decide to allocate annually a percentage of the net profits to the voluntary reserve account. The said voluntary reserve shall be used for the purposes determined by the General Meeting including the use for depreciation of Company's assets or for making up for any fall in the value thereof or converting it into capital.
 - d. An amount as required shall be deducted for distribution as an interim payment of dividend to shareholders amounting to 5% of the paid up value of the shares.
 - e. After the foregoing deductions, 10% of the remaining amount shall be allocated for remuneration of the members of the Board of Directors.
 - e. The balance remaining of the profits shall be divided among the shareholders as additional dividends or carried over at the proposal of the Board of Directors to the following financial year or be utilized in building up contingency reserve or a reserve fund for unusual depreciation.
2. Losses, if any, shall be borne by the shareholders in proportion to the number of shares owned by each of them and the liability of a shareholder shall not exceed the value of his shareholding in the Company. A shareholder shall only be obliged to pay the unpaid portion of the nominal value of shares subscribed for, if any.

CHAPTER EIGHT

Dissolution and Liquidation

Article 61: Dissolution of the Company

The Company shall be dissolved for any of the following reasons:

1. Attainment of the objects for which the Company has been incorporated.
2. Loss of all its capital or a sizeable portion thereof, rendering it not feasible for the Company to continue.

If it appears from the Balance Sheet that the Company has lost its reserves and three quarters of its capital, the Chairman of the Board of Directors shall summon the

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Extraordinary General Meeting to convene in order to resolve whether to dissolve the Company before the expiry of the period fixed therefor, or reduce the capital or to take other suitable measures. If the General Meeting refuses to dissolve the Company, any shareholder shall have the right to take the matter to the court.

3. Adoption of a resolution by the Extraordinary General Meeting by unanimous vote of shareholders or by the majority of votes specified by the Law for the adoption of the resolutions at Extraordinary General Meetings dissolving the Company before the expiry of the period specified therefor.
4. The Company is declared bankrupt.
5. A court order is made for dissolution of the Company.
6. Merger of the Company with any other company.

Article 62: Liquidation of the Company and Division of its Assets

The Company shall, upon dissolution, be considered in a state of liquidation, and shall be liquidated and its assets divided in accordance with the provisions of Articles 325 to 344 of the Law.

CHAPTER NINE

Final Provisions

Article 63:

These Articles of Association shall be deposited and published in accordance with the provisions of the Law.

Article 64:

These Articles of Association have been made pursuant to the no-objection of the Directorate of Company Affairs in the Ministry of Commerce vide their letter dated 19/03/2023 Ref. CR2023-45520.

*Note: This a translation of the original and notarized Articles of Association.
In case of any contradiction the Arabic version shall prevail*

Article 65:

All costs and fees in respect of these Articles and their full legalization shall be debited to the Company overheads.

Article 66:

The provisions of the Commercial Companies Law issued by Decree Law No.21 for the year 2001 and its Implementing Regulations issued by Order No.6 of the year 2002 shall apply with respect to any matter for which no specific provision is embodied in these Articles of Association.

In witness whereof, these Articles of Association were made in one original and one copy which were signed upon having been read by all the parties and by myself. The parties concerned were given three copies to act in accordance therewith.