



**DECREE CONCERNING LICENSING THE ESTABLISHMENT
OF A KUWAITI SHAREHOLDING
COMPANY IN THE NAME OF BURGAN BANK**

We, Sabah Al Salim Al Sabah, Amir of the State of Kuwait, after perusal of Law No. 15 of 1960 on Commercial Companies and subsequent laws amending it;

Law No. 32 of 1968 concerning Currency, the Central Bank of Kuwait, and the Organization of the Banking Business;

The Memorandum and Articles of Association of Burgan Bank (Kuwaiti Shareholding Company),

And upon the proposal of the Minister of Commerce & Industry,
And following the approval of the Council of Ministers, do hereby enact as follows:

Article (1)

The Minister of Finance, in his capacity as representative of the Government of the State of Kuwait, is authorized to set up a Kuwaiti Shareholding Company to be called Burgan Bank with a capital of KD10,000,000 (Kuwaiti Dinars ten million).

Article (2)

Without prejudice to the provisions of Law No. 32 of 1968 mentioned above, this Company is allowed to practice banking business within the provisions of the Articles of Association attached to this Decree.

Article (3)

The founder in his capacity is to abide by the provisions of the Memorandum and Articles of Association of the Company, an official copy of which is attached to this Decree, and by the provisions of the Commercial Companies Law and other Laws in the Country.

Article (4)

This Decree does not imply the grant of any monopoly or concession to the Company nor does it result in any liability on the part of the Government.

Article (5)

The Minister of Commerce & Industry shall enforce this Decree which shall be published in the Official Gazette.

Amir of the State of Kuwait
Sabah Al Salim Al Sabah

Prime Minister
Jaber Al Ahmed Al Jaber Al Sabah

Minister of Commerce & Industry
Abdul Wahab Yousif Al Nifisi

Issued at the Seif Palace
On 25 Thu-Al-Hijja 1395 H, Corresponding to 27 December, 1975

Burgan Bank certifies that this copy of the bank Memorandum and Articles of Association contains the last amendments indicated in the banks register until 12/03/2023.

Mahmoud Ezzat
Group Chief Legal Counsel





MINISTRY OF JUSTICE AND ISLAMIC AFFAIRS
Real Estate Registration and Authentication Dept.
(Notary Public)

BURGAN BANK
Kuwaiti Shareholding Company
MEMORANDUM OF ASSOCIATION

On Wednesday 22nd Thu-Al-Hijja, 1395 H., Corresponding to 24th December 1975, before me, I Abdullah Jawad Yali, Notary Public of the Real Estate Registration and Authentication Department, where I delegated Mr. Mohammad Nasser Al-Braikan to call on the Council of Planning, and in the presence of:

1. Khalid Ahmed Nasser Al-Jehma, a Kuwaiti national, holding citizenship No.62188 dated 5th February 1967;
2. Hamad Abdulla Hussain AL-Tammar, a Kuwaiti national, holding citizenship No.1188 dated 18th July 1960;

Both witnesses, possessing all required characters and attesting to the identity of those hereinafter present, there appeared H.E. The Minister of Finance in his capacity as the representative of the Government of the State of Kuwait, and requested the authentication of the following text.

Article (1)

The Minister of Finance, in his capacity as the representative of the Government of the State of Kuwait, has hereby formed a Kuwaiti shareholding Company by permission of the Government of the State of Kuwait and in accordance with the provisions of the Commercial Companies Law and the amending laws thereof, and the Articles of Association attached to this memorandum.

Article (2)

The name of the Company is: Burgan Bank, A Kuwaiti Shareholding Company.

Article (3)

The head office and legal domicile of the Company are in Kuwait City. However, the Company may establish branches or agencies in Kuwait City and abroad.

Article (4)

The duration of this Company is unlimited.

Article (5)¹

The objectives for which the Company is established are: to transact for the account of the Company or for the account of others, all commercial banking services and operations, in particular:

1. Accept cash deposits, pay against commercial papers and orders drawn on the bank by depositor with the amounts deposited to their account;
2. Obtain funds by issuing lending bonds,
3. Buy and sell gold bullions, foreign currencies, grant advances thereon, and buy and sell their assignments;
4. Discontinuing draft orders, promissory notes, loan bonds, coupons and all commercial and industrial bonds, buy and re-discontinue thereof and invest capitals;
5. Lend, borrow, give credits and all bank facilities;
6. borrow on bills of lading, transport instrument, and fund collecting orders in the State of Kuwait and abroad;
7. Issue secured or unsecured guarantees;
8. Collect allowances of transfers, bills of exchange, commercial papers, bills of lading and other instruments;
9. Purchase and sell shares and bonds for the account of the company and account of a third party;
10. Act as savings and family fund bank;
11. Take custody of all types of currencies, precious metals, and other properties, bonds, parcels, bundles, and leasing private metal safe deposit boxes;
12. Operating as trustee and agent and to accept agencies and to appoint agents for or without commission;
13. Accepting subscriptions towards the establishment of shareholding companies;
14. Establishment and management of collective investment schemes (Collective Investment Scheme Manger);
15. Custody of assets constituting collective investment schemes (Custodian);and
16. Investment Controller.

In general, the Company may carry out all banking and commercial operations and services permissible by laws, regulations and statutes adopted in commercial banks.

The Company may acquire interest in, or in any manner associate itself with bodies carrying out activities similar to its own, and which may assist the Company to realize its objectives in the State of Kuwait and abroad, and it may acquire total equity in or annex such bodies

¹ Article (5): Text amended by virtue of the Extraordinary General Assembly Resolution No. 31 dated 20/4/2016.

Article (6)¹

The company's authorized capital is fixed at KD 400,000,000/- (Kuwaiti Dinar Four Hundred Million Only) distributed over 4,000,000,000 shares (Four billion shares), the value of each share is one hundred fils. And the company's issued and paid-up capital is fixed at 328,781,250 KWD (Kuwaiti Dinars Three Hundred twenty eight Million and Seven hundred Eighty one Thousands and two hundred fifty) distributed at 3,287,812,500 shares (Three Billion, two Hundred eighty seven Million, and eight Hundred twelve Thousand and five hundred shares), all are cash shares.

Article (7)

The undersigned Founder has subscribed in the capital of the Company for five million one hundred thousand shares (5,100,000) and undertakes to pay the full nominal value of his subscription shares amounting to five million one hundred thousand Kuwaiti Dinars with National Bank of Kuwait, the Commercial Bank of Kuwait, Gulf Bank, Al-Ahli Bank of Kuwait and the Bank of Kuwait and the Middle East.

The remaining shares, amounting to 4,900,000 shares (four million nine hundred thousand) shall be placed for public subscription according to the provisions of the attached Articles of Association.

Article (8)

Expenses, charges, remunerations, and costs which the Company shall incur as a result of its formation are about one hundred thousand Kuwaiti Dinars, which shall be deducted from the general expenses account.

¹ Article (6): Amended according to extraordinary general assemblies' decisions, addressing the capital and nominal value of the share, the latest was the extraordinary general assembly no.34 dated 23/12/2018, and also amended pursuant to board of directors' resolutions addressing issued and paid-up capital, the latest was the board resolution issued on 10/01/2022 and published in the Official Gazette on 27/03/2022 issuance no. 1578 .

The capital of the company at the foundation, was initially fixed at KD 21,000,000 (Kuwaiti Dinars twenty-one million) divided into twenty-one million shares of one Kuwaiti Dinar each, all of which are in cash.

Article (9)

The undersigned Founder undertakes to seek issuance of the Decree of Incorporation and to take all steps necessary for the completion of the Incorporation of the Company. For this purpose, the Founder has appointed a constituent committee consisting of the following:

1. Ali Al Khalifa Al-Athbi Al Sabah
2. Ibrahim Yali Ahmed
3. Khalid Abu Assuad
4. Abdulla Jasim Al Sederawi

To take the legal measures, to complete the necessary documents, and to insert in this memorandum or in the attached Articles of Association the amendments which the Government deems necessary. They may delegate others or any one of them to undertake the aforementioned tasks whether completely or partially.

The Kuwaiti Auditing Office has been appointed to supervise the process of share subscription and allocation.

Within three months of closing the subscription, and before the meeting of the Constituent Assembly, the Founder shall submit to the Ministry of Commerce & Industry a list indicating number of shares subscribed, and that subscribers have paid in the amounts they have to pay, and the names of the subscribers, their addresses, number of shares each has subscribed to, the value of the share, and portion paid in, and the names of subscribers whose subscriptions have been made void as a result of sorting of applications of subscription.

ARTICLES OF ASSOCIATION

CHAPTER ONE

Formation of the Company

1. Formation Elements

Article (1)

In accordance with the provisions of the Commercial Companies Law and these Articles of Association, a Kuwaiti Shareholding Company, called Burgan Bank, has been incorporated by the Shareholders the provisions of which are set forth hereunder.

Article (2)

The head office and the legal domicile of the Company are in Kuwait City. However, the Board of Directors may establish branches or agencies of the Company both in the State of Kuwaiti and abroad.

Article (3)

The duration of the Company is unlimited.

Article (4)¹

The objectives for which the Company is established are: to transact for the account of the Company or for the account of others, all commercial banking services and operations in particular:

1. Accept cash deposits, pay against commercial papers and orders drawn on the bank by depositor with the amounts deposited to their account;
2. Obtain funds by issuing lending bonds,
3. Buy and sell gold bullions, foreign currencies, grant advances thereon, and buy and sell their assignments;
4. discontinuing draft orders, promissory notes, loan bonds, coupons and all commercial and industrial bonds, buy and re-discontinue thereof and invest capitals;
5. Lend, borrow, give credits and all bank facilities;
6. borrow on bills of lading, transport instrument, and fund collecting orders in Kuwait and abroad;
7. Issue secured or unsecured guarantees;
8. Collect allowances of transfers, bills of exchange, commercial papers, bills of lading and other instruments;

¹ Article (4): Text amended by virtue of the Extraordinary General Assembly Resolution No. 31 dated 20/4/2016.

9. Purchase and sell shares and bonds for the account of the company and account of a third party;
10. Act as savings and family fund bank.
11. Take custody of all types of currencies, precious metals, and other properties, bonds, parcels, bundles, and leasing private metal safe deposit boxes;
12. Operating as trustee and agent and to accept agencies and to appoint agents for and without commission;
13. Accepting subscriptions towards the establishment of shareholding companies;
14. Establishment and management of collective investment scheme (Collective Investment Scheme Manger);
15. Custody of assets constituting collective investment scheme (Custodian);
16. Investment Controller.

In general, the Company may carry out all banking and commercial operations and services permissible by laws, regulations and statutes adopted in commercial banks.

The Company may acquire interest in, or in any manner associate itself with bodies carrying out activities similar to its own, and which may assist the Company to realize its objectives in the State of Kuwait or abroad, or it may acquire total equity in or annex such bodies

2- Capital of the Company

Article (5)¹

The company's authorized capital is fixed at KD 400,000,000/- (Kuwaiti Dinar Four Hundred Million Only) distributed over 4,000,000,000 shares (Four billion shares), the value of each share is one hundred fils. And the company's issued and paid-up capital is fixed at 328,781,250 KWD (Kuwaiti Dinars Three Hundred twenty eight Million and Seven hundred Eighty one Thousands and two hundred fifty) distributed at 3,287,812,500 shares (Three Billion, two Hundred eighty seven Million, and eight Hundred twelve Thousand and five hundred shares), all are cash shares.

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The capital of the company at the foundation, was initially fixed at KD 21,000,000 (Kuwaiti Dinars twenty-one million) divided into twenty-one million shares of one Kuwaiti Dinar each, and all of which are in cash.

Article (6)¹

The shares of the Company are nominal and cannot be owned by non-Kuwaitis except for matters decided under provisions of the respective law and the related ministerial resolution.

Article (7)

The par value of the shares shall be paid in full upon subscription.

Article (8)

The undersigned founder has subscribed in the Capital of the Company for 5,100,000 shares (five million and one hundred thousand shares) and he undertakes to pay the full nominal value of his subscription shares in the National Bank of Kuwait , the Commercial Bank of Kuwait, the Gulf Bank, Al Ahli Bank of Kuwait and the Bank of Kuwait and the Middle East.

Article (9)

The remaining shares, amounting to 4,900,000 (four million nine hundred thousand shares) shall be placed for public subscription for a period of one month. Subscription shall be undertaken in the following banks: The National Bank of Kuwait, The Commercial Bank of Kuwait, The Gulf Bank, Al Ahli Bank of Kuwait, and the Bank of Kuwait and the Middle East.

And, if after closing the subscription period, the total number of shares subscribed to exceeds the number of shares placed for subscription, shares shall be allocated pro-rata the number of shares subscribed to.

¹ Article (6): Text amended by virtue of the Extraordinary General Assembly Resolution No. 12 dated 28/3/1995.

Article (10)¹

Any percentage of the bank's shares may be held at any time subject to the relevant ministerial resolutions and CBK instructions.

Article (11)

Within three months from the date on which the incorporation of the Company is declared to be final the Board of Directors shall issue each shareholder an instrument representing the shares he owns.

Article (12)

The ownership of a share shall definitely mean the acceptance of the Articles of Association of the Company and the resolutions of the General Assembly.

Article (13)²

Each share entitles its holder to equal share to other, without discrimination, in the ownership of the assets of the Company, and in distributed dividends as well in the manner indicated hereinafter.

The Company may purchase its shares for its own benefits, to sell or dispose shares within limits and in accordance with terms and rules prescribed as per law and regulations as well as instructions of regulatory authorities.

¹ Article (10) Old Text: " No person may subscribe for more than five hundred shares, nor may a person at any time own more than 1% of the Bank shares other than by Inheritance or Will, The General Assembly may except some other Companies or establishments from the referred to maximum limits".

During the validity of the old text, it has been approved to except the following parties from the ceiling of owning the bank's shares:

1. Kuwait Investment Company.
2. Kuwait Foreign Trading, Contracting & Investment Company .
3. Securitles Group Company.
4. Securitles House Company.

It has also been approved to except Kuwait and Middle East Financial Investment Company from the ceiling of owning the Bank's shares, to a maximum Limit of 5% of the Bank's capital. But an amendment has been effected to this text which led to the instant case by virtue of the Extraordinary General Assembly meeting No. 25 held on 5/4/2010.

² Article (13): Text amended by virtue of successive Extraordinary General Assemblies, last of which no. 31 dated 20/4/2016.

The purchased shares are not included in the company's total shares in the events that require the shareholders' ownership of a certain percentage of the capital.

And in all issues related to calculating the necessary quorum for the general assembly, and voting on the general assembly's resolutions.

Article (14)¹

The company has a special record that it maintains at a offset agency where the names of its shareholders, their nationalities, and place of residence, and number of shares owned by each of them, its type, and the paid value of each share are kept.

Any changes in the recorded information will be noted in the shareholders' register per the information received by the company or offset agency.

Every concerned party may request to be provided information from this register from the company or the offset agency.

Article (15)

New shares may not be issued at less than their value, and if issued at more than that value, the difference remaining after paying off the expenses of the issue shall be added to the legal reserves. The General Assembly shall determine the priority rights as to the subscription in the newly shares or waive them or registering them with any entry.

Article 15 (bis)²

For the purpose of giving incentives to the Bank staff and to attract qualified staff members to work at the Bank, the Board of Directors shall be entitled to introduce a new plan called "Staff Stock Option Plan", the purpose of this plan is to provide incentives to the Bank's staff and attract new qualified ones to work at the Bank and promote loyalty to it, as the terms and conditions and regulations identified by the resolution of the Minister of Commerce and Industry No. (337) for the year 2004 dated 10/11/2004 and any future amendments entered thereto, provided that the following shall be taken into consideration.

¹ Article (14): Text subjected to various amendments by virtue of successive Extraordinary General Assemblies, last of which no. 28 dated 1/04/2013.

² Article 15 (bis) added by virtue of the Extraordinary General Assembly dated 21/3/2006.

1. The Company's capital may be increased to meet the Company's obligations by virtue of the Staff Stock Option Plan, conditionally the volume of shares be issued to BB employee according to the staff stock option plan shall not exceed 10% of the paid-up capital of the company during ten years at most from the date of application of the scheme.
2. The annual report of the Board of Directors to shareholders shall include the job levels which benefited from this plan and the volume of shares designated to each level.
3. This plan shall be presented to the general assembly meeting of BB to be conclusively endorsed.

CHAPTER TWO Management of the Company A. Board of Directors

Article (16)¹

The management of the company shall be entrusted to a Board of Directors consisting of eleven members elected by the General Assembly by secret ballot. The number of independent board members shall be not less than four members and shall not exceed 50% of the number of the board members. As an exception, the number of independent board members may not be less than two members starting from 30/6/2020 and four members starting from 30/6/2022, considering the corporate governance rules related to the independent members of the board of directors. Each shareholder, whether a natural person or an entity, may appoint representatives for it on the company's Board of Directors according to the percentage of shares owned by him. The number of board members chosen in this method is deducted from the total board members elected. Shareholders with representatives on the board may not participate with other shareholders in the election of the remaining board members, unless in the limits of the percentage used in appointing his representatives on the board. A group of shareholders may create an alliance among themselves to appoint one representative or more on the board by their collected ownership percentage. These representatives have the same rights and obligations as elected members. The shareholder is responsible for the actions of his representatives toward the company and its creditors and shareholders.

¹ Article (16): Text amended by virtue of successive Extraordinary General Assemblies, last of which dated 13/2/2020.

The text was upon incorporation by that form:

"The management of the Company shall be entrusted to a Board of Directors consisting of nine members. The Ministry of Finance shall appoint five of them and the General Assembly shall elect four members by secret ballot."

Article (17)¹

Members of the Board of Directors shall be appointed for a 3 years renewable period.

Article (18)²

Without prejudice to the terms mentioned in Law No.32 of 1968 concerning Currency, the Central Bank of Kuwait and the Organization of the Banking Business, and CBK's issued instructions, the nominee for the membership of the board of directors must fulfill the following terms:

- 1- Eligibility to act.
- 2- He wasn't sentenced in a felony with a freedom-restricting punishment or in a bankruptcy case due to negligence or fraud or a turpitude or dishonesty crime or a freedom-restricting punishment due to his violation of the Companies Law provisions, unless rehabilitated.
- 3- He must own personally or represent a person who owns a number of the company's shares.
- 4- The independent board members shall fulfill the terms, conditions and requirements of stipulated in the instructions issued by CBK in this regard.
- 5- Any other terms and conditions stated in the memorandum of association.

If a board member loses any of the above-mentioned terms and conditions or other conditions contained in the companies' law or other laws, his membership shall be eliminated from the date of losing this condition.

¹ Article (17): amended by extraordinary general assembly's resolution dated 13/2/2020

The text upon incorporation was as follows:

Members of the Board of Directors shall be appointed for a period of three years. By the end of this period, the total Board shall stand again for election. A Board member may be reelected once or more.

² Article (18): Text amended by virtue of Extraordinary General Assembly dated 13/2/2020

Old Text: "The elected Member of the Board of Directors shall be in his personal capacity, or the Juristic entity he represents, the owner of not less than one thousand shares, If the member at the time of his election does not have this number of shares, he shall within one month from being elected to own this number of shares, otherwise his membership will be dissolved and eliminated.

This amount of shares shall be allocated to secure the management of the board member, and shall be deposited within one month from the date of the appointment at the company and it shall be continued to be deposited without the ability to be traded until the end of term of the membership and the financial statement of the last fiscal year in which the board member conducted acts is rectified. If the board member does not submit the security as stated above, his membership shall be nullified and dissolved. for the first board of directors, the board member shall deposit the membership security shares within three months from the date of issue of the first financial statements for the company for 12 months at least"

Article (19)¹

A member of the Board of Directors shall not be a member of the Board of Directors of a similar or competitive Company, nor shall he be a merchant engaging in business similar to or competitive with that of the Company, or have an interest directly or indirectly in the contracts and deals that be concluded with the company unless there is a special authorization given by the General Assembly and with the same terms under which the company deals with others.

Neither the Chairman nor any member of the Board of Directors, even if he is representing a judicial person, shall utilize information he acquires due to his position, to obtain benefit for himself or for others. He shall not sell or buy shares of the Company throughout his term as a member of the Board of Directors, unless upon obtaining the consent of the General Assembly.

Article(20)²

If a director's office becomes vacant, it shall be succeeded by the shareholder who gained the highest number of votes in the last elections but did not win the office. However, if the vacant offices equal one fourth of the original number of offices or no person is available to meet the required conditions, then the board shall invite the general assembly for convening within two months from the date the last office becomes vacant in order to elect successors to the vacant offices. If an appointed director's office becomes vacant, a substitute shall be appointed by the party who appointed the director. In all cases, the new director shall only complete the tenor of his predecessor.

Article (21)³

The Board of Directors shall elect, by secret ballot, a Chairman and Deputy Chairman. The Chairman shall represent the Company before others and before the judiciary, in addition to other competences stated in the company's memorandum of association. His signature is considered as the Board's signature in the company's relationship with others. He shall be responsible for the execution of resolutions passed by the Board and abides by its recommendations. The Deputy Chairman shall replace the Chairman in his absence or in the event of his inability to officiate.

¹ Article (19) : Amended per Extraordinary General Assembly meeting No. 28 held on 1/4/2013.

²Article (20) : Amended more than once, latest per Extraordinary General Assembly meeting No. 25 held on 5/4/2010.

²Article (21) : Amended per Extraordinary General Assembly meeting No. 28 held on 1/4/2013.

³Article (22) : Amended per Extraordinary General Assembly meeting No. 28 held on 1/4/2013.

Article (22)¹

The company shall have one or more chief executive officer(s) appointed by the board of directors from among its members or others, who will be tasked with managing the company and the board of directors shall specify his allocations and authorities to sign on behalf of the company. The positions of CEO and Chairman can't be combined.

Article (23)²

The Chairman of the Board of Directors and Deputy Chairman may individually sign on behalf of the company. The CEO shall have the right to sign on behalf Company per the authorities specified by the Board of Directors.

Article (24)³

The Board of Directors shall meet at least six times during a Fiscal year at the request of the Chairman. It shall also meet at the request of not less than three members. A meeting of the Board shall be deemed valid only if attended by the majority of its members and there is no attendance by proxy in the board's meetings. Meetings may be conducted via modern communication means. Resolutions made by circulations are allowed with the agreement of all the board members.

Article (25)⁴

Resolutions of the Board of Directors shall pass by a majority vote of the members present. And in the case of a tie, the Chairman shall have the casting vote. The minutes of the Board meetings shall be recorded and signed by all the attendees and the Board Secretary. A dissenting member may request that his opinion be recorded.

¹Article (23) : Amended per Extraordinary General Assembly meeting No. 28 held on 1/4/2013.

³ Article (24) : Amended per Extraordinary General Assembly meeting No. 28 held on 1/4/2013.

²Article (25) : Amended per Extraordinary General Assembly meeting No. 28 held on 1/4/2013.

³Article (26) : Amended per Extraordinary General Assembly meeting No. 28 held on 1/4/2013.

⁴Article (27): Amended per Extraordinary General Assembly meeting No. 28 held on 1/4/2013.

Article (26)¹

Subject to the provisions of Article.18 of these articles of association, and without prejudice to the terms mentioned in Law No. 32 of 1968 concerning Currency, the Central Bank of Kuwait, and Organization of the Banking Business, the provisions of the Companies Law, and CBK's issued instructions, a board member will lose his position on the board in the following cases:

1. If he fails to attend four consecutive meetings without valid justification, upon a resolution by the Board of Directors.
2. If he submits his resignation in writing.
3. If he is declared bankrupt.
4. If he occupies any other position in the Company where he receives a salary, other than the position of the CEO.

Article (27)²

Without prejudice to the provisions of the Companies Law, the ordinary General Assembly shall determine the remuneration of the Board Members.

Article (28)³

The Board of Directors is the supervisory authority for managing the affairs of the Company, performing its functions and setting the policies to be followed by the Company. The Board of Directors may issue resolutions and bylaws relating to the operations of the Company, and to the financial and administrative affairs, and regulation of the Company's personnel. The Board of Directors may set other regulations which it deems to attain the objectives for which the Company has been established.

The Board of Directors shall have the fullest powers in lending and borrowing and in selling and mortgaging the real estate of the Company, issuing guarantees, arbitration, settlement, and donations, per the conditions and terms decided by the Board of Directors from time to time.

The Board may buy movable property and all the rights and concessions, whether movable or fixed, and rent and hire, and allow withdrawing funds and securities owned by the Company, and to transfer these and sell them. In general, the Board of Directors may perform all these functions. These powers of the Board shall be subject to no limitation except such as may be provided for in law, these articles, or the resolutions of the General Assembly.

³ Article (28) : Amended per Extraordinary General Assembly meeting No. 28 held on 1/4/2013.

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رأس المال المصدر والمدفوع ٣٢٨,٧٨١,٢٥٠ د.ك
سجل تجاري رقم ٢٤٠٦٧



Article (29)

The members of the Board of Directors shall not be personally liable for the undertakings of the Company by reason of performing the duties of their offices within the limits of their authority.

Article (30)

The Chairman and members of the Board of Directors shall be accountable to the Company, the shareholders and third parties for any fraudulent act, abuse of authority, violation of the Law or the Articles of Association and mismanagement.

A vote of the General Assembly to absolve the Board of Directors from responsibility shall not prevent the filing of a liability suit against it.



B. General Assembly

Article (31)¹

The invitation for attending the General Assembly meetings, including the agenda, time, and place of the meeting, shall be announced twice, at least, in two local Arabic newspapers, the company's website, and any modern advertising means – per the executive regulations of the Companies Law – and the second announcement should take place after the first publication and one week before the due date of the General Assembly meeting.

The Ministry of Commerce & Industry should be notified in writing of the meeting's agenda, time, and place a week before it is held.

Article (32)

In cases where it is permissible to convene a meeting of the General Assembly at the request of the shareholders, or the auditors, or the Ministry of Commerce & Industry, the agenda shall be prepared by the party making the request. Subjects not listed on the agenda may not be discussed.

Article (33)

Each shareholder is entitled to a number of votes equal to the number of shares he owns. Meetings may be attended by proxy. Minors and impounded persons shall be represented by their legal representatives. No member may vote either on his behalf or on behalf of the person he represents in matters connected with his personal interest or disputes that may exist between himself and the Company.

Article (34)²

The shareholder is given an invitation to attend the meeting, stating the number of votes he is entitled to.

Article (35)

The required quorum for the meeting of the General Assembly in its various types and the majority necessary to pass resolutions shall be subject to the provisions of the Commercial Companies Law.

¹ Article (31) : Amended per Extraordinary General Assembly meeting No. 28 held on 1/4/2013.

² Article (34) : Amended per Extraordinary General Assembly meeting No. 28 held on 1/4/2013.

Article (36)

Voting at the General Assembly meetings shall be in the manner prescribed by the Chairman of the session, unless the General Assembly decides on another voting method. The election and dismissal of the members of the Board of Directors shall be by secret ballot.

Article (37)

The Founder shall call the shareholders within three months after the subscription closing date, to meet as a constituent General Assembly, and submit a comprehensive report about the incorporation of the Company, supported by the relevant documents. The General Assembly shall verify the documents concerning their conformity with the provisions of the Law and the Memorandum and Articles of Association.

It shall also look into reports which may be submitted by the Ministry of Commerce & Industry concerning this matter. The Constituent General Assembly shall elect the members of the Board of Directors and the Auditors, and shall announce the final incorporation of the Company.

Article (38)¹

The Ordinary General Assembly shall meet upon the invitation of the Board of Directors at least once a year and within three months following the closing of the fiscal year of the Company.

The Board of Directors may call this General Assembly whenever it deems it necessary, and it shall convene whenever requested by a number of shareholders owning ten percent the company's capital, or based on the auditor's request, within fifteen days from the request's date, and the agenda is prepared by the party requesting the meeting.

The ministry may also request a meeting by the general assembly within fifteen days if there is no invite to the general assembly by the board of directors for any reason whatsoever in the cases where the board should convene a meeting of the assembly.

The Ministry shall replace the board of directors in taking the necessary actions to hold the meeting, and may chair the meeting, unless the assembly elects a shareholder for this purpose.

¹ Article (38) : Amended per Extraordinary General Assembly meeting No. 28 held on 1/4/2013.

Article (39)

The ordinary General Assembly meeting may discuss any matter related to the Company's activities, except for those matters which are specified by law and /or the Articles of Association to be discussed in an extra-ordinary or constituent meetings.

Article (40)

The Board of Directors shall submit a report to the ordinary General Assembly meeting about the operations of the Company, its financial and economic position, the balance sheet, profit and loss accounts, the Board of Directors remunerations, the Auditor's fees, and a proposal for distribution of dividends.

Article (41)¹

The ordinary general assembly shall discuss the issues in these articles of association, in addition to the issues that are within its purview per the law and take whatever resolutions it deems appropriate.

Article (42)²

The extra-ordinary General Assembly shall convene via a call by the Board of Directors, or a request by shareholders who represent fifteen percent of the company's issued capital or from the Ministry of Commerce & Industry. The board should hold a meeting of the extraordinary general assembly within thirty days of the request's date.

If the board of directors didn't hold the assembly within the period mentioned in the preceding paragraph, the Ministry of Commerce & Industry may issue an invitation to the meeting within fifteen days from the date of the period ending in the preceding paragraph.

¹ Article (41) : Amended per Extraordinary General Assembly meeting No. 28 held on 1/4/2013.

² Article (42) : Amended per Extraordinary General Assembly meeting No. 28 held on 1/4/2013.

Article (43)¹

Subject to other competences stated in the law, the extraordinary general assembly shall have competence over the following issues:

1. Amending the Memorandum and the Articles of Association of the Company.
2. Selling or otherwise disposing of the entire project undertaken by the Company.
3. Dissolving the Company or merging with another Company or entity or its conversion or division.
4. Increasing or decreasing the company's capital.

Article (44)²

All amendment to the company's Articles of Association, its shares, its objectives, or its capital except capital increase by issuing shares against profits realized by the company or as a result of the addition of its reserves which can be utilized to the capital, shall not be valid without the approval of the Commerce & Industry Ministry and taking all actions stated in the Law concerning Currency, the Central Bank of Kuwait, and the Organization of the Banking Business, and the Companies Law.

C. The Accounts of the Company

Article (45)³

The Company shall have one or more Auditors who shall be a registered Accountant. He shall be appointed by the general assembly – after CBK's approval - and his fees shall be calculated and he shall supervise the accounts for the fiscal year he was hired for.

If the company has more than one auditor, they must prepare a unified report according to the law.

Article (46)

The fiscal year of the Company shall commence on the first of January and end on December 31st of each year, except the first fiscal year which shall commence from the date of its final incorporation and end on December 31st of the following year.

¹ Article (43) : Amended per Extraordinary General Assembly meeting No. 28 held on 1/4/2013.

² Article (44) : Amended per Extraordinary General Assembly meeting No. 28 held on 1/4/2013.

³ Article (45) : Amended per Extraordinary General Assembly meeting No. 28 held on 1/4/2013.

Article (47)

The Auditor shall have authorities and obligations as stated in the Law of Commercial Companies. In particular, he shall have the right of access at all times to all books, records and documents of the Company, and to request any information as he may deem necessary. He shall also have the right to verify the assets and liabilities of the Company.

In the event that he is obstructed to exercise these authorities, he shall report this in writing to the Board of Directors and Such report shall be presented to the General Assembly. He may also call a meeting of the General Assembly for this purpose.

Article (48)

The Auditor shall submit to the General Assembly a report stating as to whether the balance sheet and profit and loss account represent fairly the actual financial position of the Company; whether the Company keeps proper books of accounts, whether an inventory was conducted in accordance with the established practices; whether the information given in the report of the Board of Directors is in agreement with the books of the Company; whether contraventions of the Law affect the Company's function or financial position; and whether such contraventions are, to the best of his knowledge, still standing.

The Auditor, Being an agent to all shareholders, shall be responsible for the accuracy of the information contained in his report and any shareholder may, during the General Assembly meeting, discuss and request clarification of the content of his report.

Article (49)

A certain percentage to be determined by the Board of Directors should be deducted from the gross profits to meet the depreciation of the Company's assets or to counter- balance the devaluation of such assets. Such amounts shall be utilized for the purchase or repair of material, equipment and premises needed. These funds may not be distributed to shareholders.

Article (50)

The net profit shall be distributed in the following manner:

First:

10 percent shall be set aside for statutory reserves. The General Assembly may discontinue this if the statutory reserve increases to more than half of the capital of the Company.



Second:

Another 10 percent shall be set aside for voluntary reserve. Such percentage may be discontinued by a resolution from the General Assembly upon a recommendation by the Board of Directors.

Third:

A portion of the net profit, to be fixed by the General Assembly, shall be set aside to meet the Company's obligations as provided for in the labour law.

Fourth:

A sufficient amount to be allocated for the distribution to the shareholders of the first dividends amounting to 5 percent of the value of their shares.

Fifth:

Thereafter, a certain percentage to be determined by the General Assembly not exceeding 10 percent of the balance shall be allocated as remuneration to the Board of Directors.

Sixth:

The balance shall be distributed to the shareholders as additional dividends, or, upon a recommendation by the Board of Directors, shall be carried forward to the following year or kept as extraordinary reserve or depreciation account.

Article (51)

Dividends shall be paid to the shareholders at the place and time specified by the Board of Directors.

Article (52)

The reserve funds shall be used as decided by the Board of Directors in the best interest of the Company . The statutory reserve shall not be distributed to the shareholders, but it may be used to secure distribution to the shareholders dividends amounting to 5 percent in the years in which the profits of the Company do not permit the distribution of this percentage. In case statutory reserve exceeds 50% of the company's capital, the General Assembly may determine, at its discretion, how to employ such an excess for the benefit of the company and the shareholders.

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رأس المال المصدر والمدفوع ٣٢٨,٧٨١,٢٥٠ د.ك
سجل تجاري رقم ٢٤٠٦٧



CHAPTER THREE

Dissolution and Liquidation of the Company

Article (53)

The Company may be dissolved for any of the reasons provided for in the Law of Commercial Companies, or by issuance of decision of deletion from the Register of Banks according to the Law concerning Currency, The Central Bank of Kuwait, and the Organization of Banking Business.

Article (54)

The liquidation of the Company's holdings shall be conducted in accordance with the relevant provisions of the Law of Commercial Companies, and the Law concerning Currency, The Central Bank of Kuwait, and the Organization of Banking Business.

The Founder **First Witness** **Second Witness**
In his capacity

In witness thereof, these Articles of Association have been made in the presence of the Founder and the above mentioned witnesses and upon reading it, they all set their signatures thereon with me .

Authenticator
Abdullah Jawad Yali

Note:

The Decree concerning the establishment of the Bank and the Memorandum and Articles of Association were published in the Official Gazette "Al-Kuwait Al-Youm" issue No. 1062 dated 28 December 1975, the amendments per Extraordinary General Assembly meeting No. 32 held on 29/3/2017 were published in the Official Gazette "Al-Kuwait Al-Youm" issue No. 1336 dated 16 April 2017.