



مكتب الديرة للترجمة

AL-DEERA TRANSLATION OFFICE

In The Name of Allah, The Merciful, The Compassionate

State of Kuwait

Ministry of Justice

Real Estate Registration and Documentation department

Notary Public

R : 21 V : 7

Boubyan Bank

General Kuwaiti Joint Stock Company

Articles of Association

The First Chapter in incorporating the Company

Elements of incorporation of the Company

Article (1)

A Kuwaiti Joint Stock Company named : bank of boubyan has been incorporated under the provisions of the Kuwaiti Law and the articles of association between the owners of the shares that its provisions prescribed below .

Article (2)

The Company's head office is in the State of Kuwait. However the company's managers may decide to open branches and agencies inside state of Kuwait or abroad.

Article (3)

The term of this company is unlimited and start from the issuance of the decree of its association in the official gazette.

Article (4)

The purpose of establishing this Company is to carry out the following all the banking works and what the commercial law prescribed or the tradition considered it from the banking works , and that according to the Islamic shareaa and according to the ruled set by the central bank of Kuwait . and should not carry out directly or indirectly any banking of





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financial activities contravenes to the provisions of Islamic shareaa . and the company in order to that is carrying out the following works :

- 1 - accepting deposits with its types in form of current accounts or saving accounts or investment accounts for limited and unlimited periods and purposes .
 - 2 - Undertaking all kinds of financing processes by using the forms of legal contracts like trading , sharing , speculation , tooling and lease inside and abroad .
 - 3 -providing the banking and financial services with its different types and dealing with shares , and financial bonds according to Islamic provisions .
 - 4 - embarkation of the financial and direct investment processes either for itself or for others or with others .
 - 5 - establishing companies or participating in the current or under-establishment companies that practice the aspects of the different economic activities with which not inconsistent with the Islamic shareeah provisions .
 - 6 - the works necessary for achieving these purposes or arise from it or related to it or assisting it directly or indirectly .
- the company may have an interest or participate in any way with the authorities or organizations or companies that carry out similar activities and that may help it in achieving its purposes in the state of Kuwait or abroad and to buy these companies or associations or authorities or attaching it or combining it provided that it commit with the Islamic shareeah provisions and according to the rules prescribed by the central bank .

The Capital

Article (5)

The Company's capital was fixed at KD 100,000,000/- (Kuwaiti .Dinar one hundred million) , divided into 1,000,000,000 shares, each of 100 Kuwaiti fills and all the these shares are cash .

Article (6)

All the shares of the company are nominal and allowed to the non-Kuwaiti to owe it according to the provisions of the law and the ministerial resolutions organizing it .



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Administrative Affairs
Dpt.
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Article (7)

The total value of the shares are paid in addition to other expenses for association for every share to the account of association , and what is more than that being processed according to the provisions of commercial companies .

Article (8)

The government of Kuwait represented by the public authority of investment subscribed in its capacity of being one of the founders and signed this contract in the capital of the bank with shares reached 200 million shares and paid the total nominal value which was 20 million KD (twenty million Kuwaiti dinars) for the finance house of Kuwait under the certificate dated on 01 / 03 / 2004 . which attached with the original contract and also the public authority of social security in its capacity of being one of the founders and signed this contract subscribed in the capital of the bank with shares reached 40 million shares and paid the total nominal value which was 4million KD for the finance house of Kuwait under the certificate dated on : 2004 which attached to the original contract and offered the rest shares which are 760 million for the public subscription .

Article (9)

The rest shares will be offered which are 760 million for the public subscription for a period not less than 15 days and not more than three months according to the provisions of commercial companies law .

Article (10)

With pursuant to the provisions of Law No. 32 of 1968 concerning cash , the Central Bank of Kuwait and the organization of the banking profession and its amendments, and what mentioned in this system , no body shall possess shares of the company more than 100 thousand shares and shall not possesses in any time more than 5% of the capital .

Article (11)

As result of the ownership of the stock , shall accept the memorandum of association of the Company and the resolutions of the general assembly.





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Article (12)

Each share entitles his holder to a quota indiscriminately equal to any other shareholder in the ownership of the Company's Assets and Dividend as will be hereafter clarified.

In case of distribution of the Company's assets, accrued dividend and other payable amounts shall be paid solely to the latest holder of shares having his name recorded in the Company's records., whether shares in the profits or a share in the assets of Company.

Article (13)

It is not allowed to increase the company's capital only if the original shares have been paid in full value and not allowed to issue new shares with less value, and if it were issued more than that , the difference inevitably will be added to the legal reserve after the fulfillment of the issuance expenses . and every contributor has the priority in subscribing in a share of the new share compliance with the number of his shares and gives for practicing the right of priority a period of 15 days from the date of invitation of the contributor to that and the contributor have the right to waive the right of priority in advance .

Article (14)

The company may buy not more than 10 % of the its total shares according to what prescribed in the related laws and resolutions .

Second Chapter

Management of the Company

Chapter (15)

Management of the Company shall be ensured by a Board of Directors consisting of Nine members , the finance minister appoints some of them according to what the government of Kuwait owes in the company , and the general assembly elects the rest members by the secret voting / and the term of membership of the board of directors members is three years and the member mar re-elected .





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Article (16)

The board member must be owner in his capacity or be the person represented by an owner of some of shares that its nominal value must be not less than seven thousand and five hundred Kuwaiti dinars , and this amount of shares are specialized to guarantee of the management of the member and must be deposited within month from the date of appointment in an authorized bank with exception of the government of Kuwait representatives , and these share remain un-transmittal or traded or converted till the end of the membership and authorize the last fiscal year balance in which the member do his work , and if the member did not provide the guarantee as prescribed , his member ship became invalid.

Article (17)

With pursuant to the provisions of the law no 32 of 1968 in the regard of the cash and the central bank of Kuwait and organizing the banking profession and its amendments , the head of the board of directors and the members shall not be member in similar or competitive company or be a merchandise in a similar trade to the trade of the company or have direct or indirect interest in the contracts made with the company on its behalf or has an interest opposite to the interest of the company and without any of this by special permission from the public assembly and with the same conditions that the company deals by it with others and the head of the board of directors or any member to use the information he get by his position in getting benefit for himself or for other and he shall not sell the shares of the company during the term of his membership .

Article (18)

If a position of elected member in the board of directors is vacated , superseded by the one who take the most voices from the shareholders who did not win the membership of the board of directors in the last election , but if the vacated positions reached 25 % of the original positions or there is no one has the specifications , the board of directorates has to call the general assembly to a meeting in a time of two months from the date in which the position became free . and elect who replace him , but if a position of the appointed members is vacated , the minister of finance should appoint another one and in all cases , the new member complete the term of the last one only .





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Article (19)

The board of directors elects in a secret vote , a president and deputy for a period of three years .

Article (20)

The manager of the board of directors represents the company before the judiciary and other and has to carry out the resolutions of the board and the deputy replace the manager during his absence or what prevent him . the board of directors may appoint managing director or more , and the board also may appoint general manager or more and assistants for him and the board determines their specifications .

Article (21)

The right of signing in behalf of the company belongs to each of manager of the board of directors or his deputy or another member delegated by the board for this purpose .

Article (22)

The board of directors meet one time every three months at least upon the invitation of its manager , and upon his request , three members meet at least , and the meeting of the board be correct by the presence the majority of its members and not allowed to present in the meeting of the board by power of attorney , and if a member of board of directors doesn't attend four successive meeting without excuses accepted by the board is deemed resigned .

Article (23)

The board of directors decisions are issued by the majority of the present members votes , and in the case of the equality between the votes , the side of the manager win , and prepare special register to record in it the meetings of the board and the opposite member may demand to record his opinion .

Article (24)

The board of directors , upon the suggestion of the chairman , determine the conditions or systems of contracting with the investment authorities , experts , consultants and individuals , either their relations with the company are permanent or not .





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Article (25)

Without prejudice to the provisions of the commercial companies law , the general assembly determines a remuneration for the members of board of directors and the board of directors determines the salary of the general manager .

Article (26)

The board of directors has the full power in managing the company and carry out all the works necessary for the management of the company according to its purpose and don't limit this power anything but what prescribed in the law or this system or the decisions of the general assembly . the board of directors in particular has the right to pay all the primary charges and expenses to associate the company of registering , publication , and execution to the articles of memorandum of association and the main system and carry out all the necessary legal procedures for that and determine the general expenses for the management and issuing the regulations , systems , organizing the work , appointing managers or directors of the works and employees in all the administrative levels and describe their jobs and determine the specification of each of them and his responsibility and determine the salaries and remunerations .

Article (27)

To the Board of Directors has the right to buy and sell real estate and movables as it has the right to dispose the assets of the company in whole or part of it or selling it or otherwise to meet the price that he sees rewarding and, in particular, to meet quotas and shares or other Securities issued by another company, as well as has the right to borrow money or get it by the way they see it appropriate at home and abroad, rental , leasing and has to do whatever it takes to carry out the work related to the purposes of the company .

The Company's Board of Directors may sell real estate and mortgage of company and give guarantees and loans held to ensure Real Estate of the company, as well as to the Board of Directors is authorized to raise all claims and defend the interests of the company before the courts, whether the company is defendant or the plaintiff and can make a conciliation , settlements , arbitration and cancellation registers and waive rights Whether paid waive or otherwise decide the way of company funds, including its reserved money , and in general managing the company in the best way, and that all not inconsistent with the provisions of Islamic Sharia.





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Article (28)

The members of the board of directors are nor committed with any personal commitment with regard to the obligations of the company because of carrying out their jobs according to the limits of their authorizations .

Article (29)

Chairman of the Board and its members are responsible for their actions towards the company, shareholders and third parties for all acts of fraud , abuse of power, and every violation of the law or of this system and the mis-management. don't prevent claiming a case of responsibility , a suggestion from the general assembly with clearance of the board of directors .

(B) The General Assembly

Article (30)

The invitation will be directed to the shareholders to attend the General Assembly meeting, in any capacity before the specific time of it by one week at least by publication in local newspapers in accordance with the provisions of the law or by registered letters sent to all shareholders before the time of the meeting with at least one week. the invitation must include agenda and the founders puts agenda of the General Assembly session as a constituent, the board of directors also puts agenda for the ordinary general assembly and EGM in conditions which General Assembly may be held at the request of shareholders or auditors or the Ministry of Trade and Industry, puts the agenda from the request the assembly, and may not discuss any matter not included in the agenda.

Article (31)

Each shareholder has a number of votes equal to the number of shares and may make power of attorney to attend the meeting and represent minors and interdicted their legal representatives, no member shall participate in the vote for himself and who is represented in matters that relate to particular benefit to him or dispute exists between him and the company.

Handwritten signature or initials.

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Article (32)

Shareholders register their names in a special register prepared for that at the center of the company before the time of the convening of the General Assembly with Twenty-four hours at least, and includes the names of the shareholders and registration number of shares owned and the number of shares Represent and the names of their owners with providing the bond of the agency, and give the shareholder card to attend the meeting stating the number of votes he deserves .

Article (33)

Apply to the quorum that should be considered for the correctness of the General Assembly in its different capacities and the majority required to take decisions, the provisions of the Commercial Companies Law.

Article (34)

The vote in the General Assembly be in the manner specified by the Chairman of the meeting unless the General Assembly decided a certain way to vote, and must be secret voting in the elections of the members of the Board of Directors and the dismissal of membership.

Article (35)

The founders direct the invitation to the shareholders within three months from the date of closing the door transcription to hold the General Assembly as a constituent, and give it a report on all processes of incorporation with the supporting documents, and the general assembly has to prove the authenticity of the establishment procedures and approval of the Memorandum of Association of the company and its statute, and also discuss what provided by the Ministry of Commerce and Industry of reports in this regard and shall elect the members of the first Board of Directors and appointing auditors and announce the establishment of the company altogether.

Article (36)

The Ordinary General Assembly shall convene at least once a year, within three months following the end of the Company's financial year. The Board of Directors may call to a General Assembly meeting





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whenever the need to such a meeting arises or, on demand by the Auditors or, upon the request of a number of shareholders representing not less than 10% of the Company's capital and also if the ministry of commerce and industry demanded .

Article (37)

the ordinary General Assembly is specialized in all matters concerning the company, except those reserved by law or this system of the General Assembly sitting as unusual or as a constituent assembly.

Article (38)

The board of directors submit to the ordinary General Assembly, a report containing a full report of the company work processing and its financial position and statement of profit and loss accounts and a statement on the remuneration of the Board of Directors, and the wages and bonus of the auditors and a proposal to distribute profits.

- Article (39)

the ordinary General Assembly Discuss the board's report and decide what they see of decisions and would review the auditors' report and the report of the Ministry of Trade and Industry, if any, and elect the members of the Board of Directors and appoint auditors for the coming year and determine their wages and reward.

Article (40)

The extraordinary General Assembly meet upon the invitation of the Board of Directors or upon a written request of shareholders holding at least a quarter of the company's shares, and in this case the Board of Directors shall call the assembly within month from the date of application receipt.

Article (41)

Extraordinary General Assembly meetings shall discuss the following issues :

- 1- Alteration of the Company's Memorandum or Articles of Association .
- 2 - Selling the whole project for which the Company has been established or disposal of the same in any other way.
- 3 - Dissolution, or merging it with another Company.





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4 - Increase or decrease of the Company's capital .

It shall not in any way that the modification or disposal or merging or accession or any action affects the company's ability to finance, in all its forms, and all changes in the company's system is not effective only after approval by the Central Bank of Kuwait and the Ministry of Trade and Industry, and to take all measures stipulated in the relevant laws, as regards that any amendment on behalf of the company or its purposes or capital, except for the capital increase through the issuance of Shares for earnings achieved by the company or the result of adding reserves may be used to the capital, do not be effective only if passed by decree.

The Third Chapter

Shariah Supervisory Board

Article (42)

The company is basically committed to performs all its work in conformity with the provisions of Islamic Sharia.

Article (43)

General Assembly appoints upon the nomination of the Board of Directors at its ordinary annual meeting, Sharia Supervisory Board consisting of three members, at least among the scientists who specialize in Islamic jurisprudence transactions in general and in the jurisprudence of Islamic financial transactions, in particular, as they determine their remuneration and allowances and the members of the Supervisory Board choose from them a president and require from its all members to attend the meetings of the board for the validity of the meeting if the number of the board is not more three members.

Article (44)

The Sharia Supervisory Board is responsible for expressing an opinion on the extent of the commitment of the company in all its transactions and operations to the provisions of the Islamic Sharia and for that the authority shall examine the contracts and agreements, policies and transactions conducted by the company with others, and are entitled to a full check without restrictions on all records and transactions of the company to ensure compliance with the provisions of Islamic shariah,





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and the management of the company shall provide the authority with all the data and information required for the performance of its functions, and the authority must submit an annual report to the General Assembly of the Bank includes its opinion on the extent of that the bank's business is keep pace with the provisions of the Islamic Sharia and what it may have of notes in this regard, and include this within the annual report of the bank.

Article (45)

The Board shall issue a list of Sharia Supervisory Board work system , its terms of reference , its meetings and regulate its relations with company departments

the Board of Directors Appoints , on the nomination of the Shari'a Supervisory Board , internal legitimate supervisor to the company with the task of monitoring all company's business and ensure compliance with the resolutions and recommendations of the Sharia Supervisory Board and reports the remarks of the President of the authority .

Article (46)

if a dispute arises between members of the authority on the legal judgment in a subject proposed on the board , the Board of Directors during a period of not more than thirty days, to refer the matter to the Fatwa authority in the Ministry of Awqaf and Islamic Affairs, and the opinion of the Fatwa authority in Ministry of Awqaf and Islamic Affairs is final and binding .

Article (47)

It is not allowed to stop the members of the Sharia Supervisory Board from work or dismissed except by decision of the General Assembly upon compelling reasons for such procedure.





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The Fourth Chapter

Accounts of the Company

Article (48)

The Company shall have one or more Auditor(s) to be appointed by the General Assembly which shall determine their fees and they have to monitor the accounts of the fiscal year in which they appointed .

Article (49)

The financial year of the Company shall begin on the first of January and shall end on the thirty first of December of each calendar year. The first fiscal year shall, however, include the period from the Company's Date of Incorporation up to the end of the next fiscal year.

Article (50)

Auditors have the powers and obligations stipulated in the relevant laws, and have , in particular, the right to be informed at any time on all the company's letters , records and documents in requesting the data that they see it is important and they have to check as well as the assets of the company and its obligations and if not able to The use of these powers , they prove that in a written report to the Board of Directors and presented to the General Assembly and the they have the right to call the General Assembly for this purpose.

Article (51)

Auditors submit to the General Assembly a report stating what if the budget and profit and loss account is in accordance with reality and express honestly and clearly about the true financial position of the company, and whether the company's accounts are maintained regularly, and whether an inventory was conducted in accordance with the proper process, and whether the data contained in the report of the Board of Directors is in accordance with what stated in the records of the company, and whether there are any violations of the provisions of the company or the provisions of the law have occurred during the financial year in a way that affects the activity of the company or its financial position, with a statement of whether these violations are still occurring , and the auditors be responsible for the correctness of the data contained in their report and in their capacity as agents of Shareholders, each shareholder during holding the General Assembly to discuss the auditors and ask them about what stated in their report .





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Article (52)

Deducted from the gross profit percentage determined by the Board of Directors to build up reserves as reserves for the debt and the reserve of currency fluctuations, in addition to Depreciation, reserves and provisions imposed by law or custom, or contained thereon provision in this system, as deducted from the gross profit percentage determined by the Board of Directors for the consumption of the company's assets or compensation for the descent of its value, and also a part of the gross profits are deducted , and upon the suggestion of the Board of Directors and approved by the General Assembly to face the obligations of the company under labor laws.

Article (53)

Net profits are distributed as follows:

- _ Deduct 10% allocated to the statutory reserve account.
- _ Deduct 10% allocated to the voluntary reserve account, and stop this deductible by a decision of the Ordinary General Assembly upon the suggestion of the Board of Directors and the approval of the Central Bank of Kuwait.
- _ Deduct 1% allocated to calculate the Kuwait Foundation for the Advancement of Science.
- _ Deduct the amount needed for the distribution of the first share in the profits of 5% of the shareholders paid for the value of their shares.
- _ specializing as a reward to the Board of Directors an amount approved by the AGM so that no more than 10 % of the net profit after the previous deductions .

The rest of the profits are distributed to shareholders after that as additional share of the profits, or postpone upon the suggestion of the Board of directors to the next year, or allocated for the establishment of a reserve for the settlement of profits for the insurance of appropriate distribution in the years that the net profit are reduced, or to configure unusual allocations.

Article (54)

Dividends are paid to shareholders at the place and on the dates specified by the Board of Directors.





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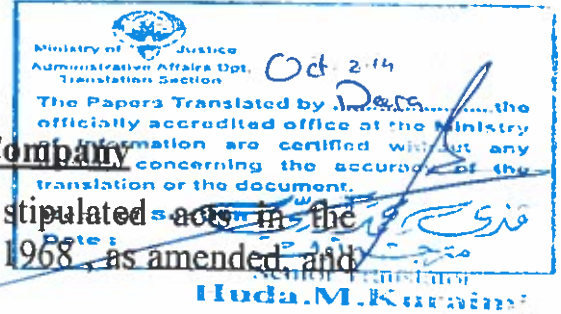
Article (55)

Statutory reserve shall not be distributed to the shareholders, and it may be used to secure the distribution of dividends to shareholders up to 5% (five percent) in the years that do not allow the profits of the company to secure this limit, the General Assembly may stop this deduction if the statutory reserve increased on the half of the company's capital, as it may decide the use of what increased than this limit on the ways that it see benefit of the company and its shareholders.

The Fifth Chapter

Dissolution- Liquidation of the Company

The company is terminated by one of the stipulated acts in the Commercial Companies Law and Law No. 32 of 1968, as amended, and intervene in liquidation.



Article (57)

The liquidation of the company when dissolution in accordance with the provisions contained in the law of Commercial Companies, as amended, and the provisions of Law No. 32 of 1968, as amended.

Article (58)

The provisions of the Commercial Companies Law, as amended, and Law No. 32 of 1968, as amended, and Law No. 30 for the year 2003 are applied by adding a special section for Islamic banks to Part III of the Law No. 32 of 1968 concerning cash and Central Bank of Kuwait and the organization of the banking profession.
- This contract is issued upon the letter of the Ministry of Trade and Industry, No. 8796 on 13/03/2004 which registered in the contracts and corporate registration Office in number of 1502 on 13/03/2004 AD .

First party/ signed

Second party / signed

On the above this contract is made after reading it on those present and signed .

Drawn in original and 8 copies and containing (16) pages.

This much of writing without any cross or addition and its attachment with the original .

Authenticator
Ministry of Justice, Sd/- & Stamped
State of Kuwait.



MOI
Translation Specialist
MODAK A. HASSA

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AUTHORIZED TRANSLATION

بسم الله الرحمن الرحيم

Administrative Affairs
Dpt.
Translation Section



وزارة العدل
الانتقالات الخارجية

وزارة العدل

إدارة التسجيل العقاري والتوثيق

سجل مكتب توثيق العقود والشركات

جلد ٧ / ٤٦

(كاتب العدل)

شركة بنك بوييان

شركة مساهمة كويتية عامة

النظام الأساسي

الفصل الأول في تأسيس الشركة

عناصر تأسيس الشركة

هامش

مادة (١)

تأسست طبقاً لأحكام القانون وهذا النظام الأساسي بين مالكي الأسهم المبينة أحكامها فيما بعد شركة مساهمة كويتية عامة تسمى بنك بوييان - شركة مساهمة كويتية.

مادة (٢)

مركز الشركة الرئيسي ومحلها القانوني في مدينة الكويت ويجوز لمجلس الإدارة أن ينشئ لها فروعاً أو توكيلات أو مكاتب تمثيل داخل دولة الكويت وخارجها.

مادة (٣)

مدة الشركة غير محددة وتبدأ من تاريخ نشر المرسوم الصادر بتأسيسها في الجريدة الرسمية .

مادة (٤)

الأغراض التي أسست من أجلها الشركة هي مزاوله جميع أعمال المهنة المصرفية وما ينص عليه قانون التجارة أو يقضي العرف باعتباره من أعمال البنوك ، وذلك وفقاً لأحكام الشريعة الإسلامية السمحاء ووفقاً للضوابط التي يضعها بنك الكويت المركزي . ولا



رايد

بسم الله الرحمن الرحيم



٢١
٧

وزارة العدل

إدارة التسجيل العقاري والتوثيق

مادة (٥٧)

تجري تصفية أموال الشركة عند لقضائها وفقاً للأحكام الواردة في قانون الشركات التجارية وتعديلاته وأحكام القانون رقم ٣٢ لسنة ١٩٦٨ وتعديلاته .

مادة (٥٨)

تطبق أحكام قانون الشركات التجارية وتعديلاته والقانون رقم ٣٢ لسنة ١٩٦٨ وتعديلاته والقانون رقم ٣٠ لسنة ٢٠٠٣ بإضافة قسم خاص بالبنوك الإسلامية إلى الباب الثالث من القانون رقم ٣٢ لسنة ١٩٦٨ في شأن للنقد وبنك الكويت المركزي وتنظيم المهنة المصرفية .

- حرر هذا العقد بناء على كتاب وزارة التجارة والصناعة رقم ٨٧٩٦ في

٢٠٠٤/٣/١٣ والمضجل بوارد مكتب توثيق العقود والشركات برقم ١٥٠٢ في

٢٠٠٤/٣/١٣

الطرف الثاني بصفته

الطرف الأول بصفته

بدر محمد عبد الله السعد

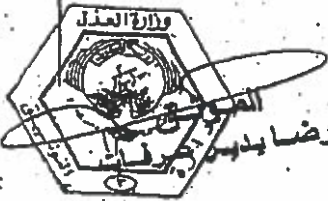
فهد مزيد البرحبان

بدر

وبما نكر تحرر هذا العقد وبعد تلاوته على الحاضرين وقعه.

تحرر من أصل وعدد (٨) نسخة ومكون من عدد (١٦) صفحة.

القدر من الكتابة وليس به شطب أو إضافة ومرفقاته.



رائد

الموثق
حقيق سالم

الموثق
سليم

