MEMORANDUM AND ARTICLES OF ASSOCIATION

MOBILE TELECOMMUNICATIONS COMPANY (K.S.C.P)

MEMORANDUM OF ASSOCIATION

This version has been amended and approved in December 2025.

- DECREE ESTABLISHING A KUWAITI SHAREHOLDING COMPANY UNDER THE NAME OF MOBILE TELEPHONE SYSTEMS COMPANY DATED 22 JUNE 1983

- DECREE NO. 68/93 FOR APPROVAL OF CHANGING THE NAME OF MOBILE TELEPHONE SYSTEMS COMPANY K.S.C.

- A DECREE ESTABLISHING A KUWAITI SHAREHOLDING COMPANY UNDER THE NAME OF MOBILE TELECOMMUNICATIONS COMPANY (M.T.C.) - KUWAITI SHAREHOLDING COMPANY (K.S.C.) MEMORANDUM OF ASSOCIATION

DECREE ESTABLISHING A KUWAITI SHAREHOLDING COMPANY UNDER THE NAME OF MOBILE TELEPHONE SYSTEMS COMPANY

Having considered Law No. 15 of 1960 promulgating the issuance of the Commercial Companies Law and the laws amending same.

Having considered the Memorandum and Articles of Association of Mobile Telephone Systems Company (Kuwaiti Shareholding Company).

And based upon the proposal of the Minister of Commerce &Industry and following approval of the Council of Ministers.

WE HAVE DECREED AS FOLLOWS

Article 1

License is hereby issued to the Minister of Finance in his capacity as deputy for the Government of Kuwait to establish in Kuwait, a Kuwaiti shareholding company under the name of (Mobile Telephone Systems Company) with a share capital of K.D. 24,999,819 (Twenty Four Million Nine Hundred Ninety Nine Thousand Eight Hundred Nineteen Kuwaiti Dinars only.)

Article 2

The founder mentioned in the preceding Article shall observe the provisions of the Memorandum of Association and Articles of Association of the said Company as attached hereto and shall also observe the provisions of the Commercial Companies Law as amended and all other applicable laws.

Article 3

This license shall not bestow upon the said Company any monopoly or concession and shall not entail any liability on the part of the Government.

Article 4

The Minister of Commerce & Industry shall implement this Decree, which shall be published in the official Gazette.

AMIR OF KUWAIT
His Highness the Amir Sheikh Jaber Al-Ahmad Al-Sabah

PRIME MINISTER
His Highness Sheikh Saad Al-Abdallah Al-Sabah

MINISTER OF COMMERCE & INDUSTRY
Jassim Khalid Al-Marzouk

Issued at Sief Palace on 11 Ramadan 1403 Hijri Corresponding to 22 June 1983 AD

DECREE NO. 68/93
FOR APPROVAL OF CHANGING THE NAME OF
MOBILE TELEPHONE SYSTEMS COMPANY K.S.C.

Having considered Law No.15 of 1960 promulgating the issuance of the Commercial Companies Law and the laws amending the same.

Having considered the Decree issued on 11 Ramadan 1403 Hijri corresponding to 22 June 1983 for incorporation of a Kuwaiti shareholding company in the name of (Mobile Telephone Systems Company) and the resolution of the extraordinary General Assembly of Mobile Telephone Systems Company in it's session held on 28 May 1985.

Based upon the proposal of the Minister of Commerce and Industry, and following approval of the Council of Ministers.

We have decreed the following:

Article 1

To approve the resolution of the extraordinary General Assembly of Mobile Telephone Systems Company (K.S.C.) issued in its session held on 28 May 1985 which included changing of the Company's commercial name to "Mobile Telecommunications Company - K.S.C".

Article 2

The Minister of Commerce and Industry shall implement this Decree which shall be published in the official Gazette.

AMIR OF KUWAIT
His Highness the Amir Sheikh Jaber Al-Ahmad Al-Sabah

PRIME MINISTER
His Highness Sheikh Saad Al-Abdallah Al-Sabah

MINISTER OF COMMERCE & INDUSTRY
Dr. Abdullah Rashed Al-Hajri

Issued at Bayan Palace on 7 Dhu'l Al Qa'da 1413 Hijri Corresponding to 28 April 1993 AD

DECREE
ESTABLISHING A KUWAITI SHAREHOLDING COMPANY UNDER THE NAME OF MOBILE TELECOMMUNICATIONS COMPANY(M.T.C.) KUWAITI SHAREHOLDING COMPANY (K.S.C.)
MEMORANDUM OF ASSOCIATION

On Sunday: 8/9/1403 Hijri Corresponding: to 19/6/1983 A.D.

Before me, Amer Hussain Al-Shaghay, authentication officer at the Department, and in the presence of:

1 .Abdul Aziz Saleh Salahat - Kuwaiti national
2 .Mohammed Mustafa Qassim - Jordanian national

being the two witnesses, possessing all the required capacity and evidencing the identity of the following persons who are present;

There appeared:

The Minister of Finance, in his capacity as a representative of the Government of Kuwait, who requested the authentication of the following official Memorandum:

Article 1

The Minister of Finance, in his capacity as representative of the Government of the State of Kuwait, has hereby established a Kuwaiti shareholding company in accordance with the provisions of the Commercial Companies Law, its amendments, executive regulations and the Articles of Association attached hereto.[1]

Article 2

The name of the Company is Mobile Telecommunications Company[2] (Kuwaiti Shareholding Company).

Article 3

The headquarters and legal domicile of the Company shall be in Kuwait City. The Board of Directors may decide to change the Company's head office to any other location in Kuwait pursuant to a board resolution, as well as establish branches, agencies, offices or operation centers in Kuwait or abroad. The headquarters shall be considered the legal domicile of the Company, where correspondence and judicial announcements of the company shall be directed at. Its information shall be registered in the commercial register. The changes to the location of the headquarters shall not be effective unless the change is recorded in the commercial register.[3]

Article 4

The duration of the Company shall be indefinite, and shall commence on the date of issuance of the decree pertaining to incorporation of the Company.

[1] Article (1) was amended on 29/9/2021
[2] The commercial name of the company was changed by virtue of Decree No.68/93 issued and published on 9/5/1993
[3] Article (3) was amended on 29/9/2021

Article 5[1]

Without prejudice to the provisions of the Companies Law No.1/2016 and its amendments, and Law No.37 of 2014 Establishing the Communication and Information Technology Regulatory Authority and their executive regulation, as well as the requirements of the regulatory bodies, the objectives for which the Company is incorporated are to undertake the following inside and outside Kuwait:

1-Services complementary to telephone communication systems.
Activity code: 619012.
2-Modern communication services.
Activity code: 619010.
3-Provision of services in the modern communication field.
Activity code: 619011.
4-Wireless communication activities
Activity code: 612000.
5-Wire line Communications Activities
Activity code: 611000.
6-Communication materials, systems and devices.
Activity code: 619006.
7-Wholesale of phone devices and communication equipment.
Activity code: 465203.
8-Retail sale of mobile phone devices.
Activity code: 474130.
9-Communication equipment and their accessories.
Activity code: 465208.
10-Wholesale of electronic equipment and communication equipment and their spare parts.
Activity code: 465200.
11-Provision of Virtual Mobile Network Operator services.
Activity code: 631202.
12-Selling and buying lands and real estate only for the Company's account.
Activity code: 691011.
13-Investment of financial surpluses in financial portfolios by investing them in financial portfolios managed by specialized companies and entities.
Activity code: 649918.
14-Selling mobile phone accessories.
Activity code: 474140.
15-Wholesale of communication equipment spare parts and electronic parts, including electronic tubes, integrated circuits and printed circuits.
Activity code: 465201
16-Retail sale of information and communications equipment in specialized stores.
Activity code: 474000.
17-Installation of communication equipment.
Activity code: 332021.
18-Maintenance of wire line and wireless communication equipment.
Activity code: 951240.
19-Extension of communication wires.
Activity code: 432112
20-Satellite communication activities.
Activity code: 613000.

[1] Article (5) was amended on 14/12/2025.

21-Communication materials, systems and equipment.
Activity code: 619006.
22-Communication centre.
Activity code: 619007.
23-Establishing, setting up, and repair of wire line and wireless communication stations, towers, and radar.
Activity code: 422070.
24-Networks extensions.
Activity code: 432113.
25-Installation and extension of computer and communication networks.
Activity code: 432122.
26-Retail sale of prepaid cards of all kinds
Activity code: 476130.
27-Wholesale of prepaid cards.
Activity code: 464963.
28-Projects management
Activity code: 821110.
29-Repair of communication equipment.
Activity code: 951200.
30-Incorporation of companies or contributing in them with others for the implementation of the Company's businesses.
Activity code: 642061.
31-Selling and buying shares and bonds for the Company's account.
Activity code: 649917.
32-Communication technology consultations.
Activity code: 7490342.

The Company may have an interest or participate in any manner with the entities practicing businesses similar to its businesses or which may assist it to achieve its objectives inside and outside Kuwait. Further, it may acquire such entities or attach them to itself. The Company may undertake businesses which are supplementary, necessary or connected with its objectives, after obtaining the approval of the authorities concerned with such businesses.

Article 6[1]

The authorized share capital of the Company is (K.D. 432,705,890.900) (Four Hundred Thirty-Two Million Seven Hundred Five Thousand Eight Hundred Ninety Kuwaiti Dinars and Nine Hundred Fils) and the issued share capital of the Company is (K.D 432,705,890.900) (Four Hundred Thirty Two Million Seven Hundred Five Thousand Eight Hundred Ninety Kuwaiti Dinars and Nine Hundred Fils). The Company's issued share capital consists of 4,327,058,909 cash shares (Four Billion Three Hundred Twenty Seven Million Fifty Eight Thousand Nine Hundred Nine shares (, whereby the par value of each share is one hundred fils and all shares are paid in cash.

Article 7

The founder who has signed this Memorandum shall subscribe to the capital of the Company in the amount of (122,500,000) One Hundred Twenty Two Million Five Hundred Thousand shares and he undertakes to pay the full nominal amount thereof amounting to (K.D. 12,250,000) Twelve Million Two Hundred Fifty Thousand Kuwaiti Dinars in one of the local Kuwaiti banks. The remaining shares, amounting to (127,498,190) One Hundred Twenty Seven Million Four Hundred Ninety Eight Thousand One Hundred Ninety shares shall be offered for public subscription in accordance with the provisions of the Articles of Association.

Article 8

The expenses, charges, fees and costs that the Company is obligated to bear by reason of its incorporation are approximately (K.D. 200,000) Two Hundred Thousand Kuwaiti Dinars and they shall be charged to the General Expenses Account.

[1]Article (6) was amended on 29/9/2021.

Article 9

The founder, who has signed this Memorandum of Association, undertakes to seek to take all measures that are necessary for the incorporation of this Company and has for this purpose deputised the following persons:

1. Mr. Yousef Shehab Al-Bahar
representing the Ministry of Commerce and Industry.

2. Mr .Bader Sulaiman Al-Jarallah
representing the Ministry of Finance.

3. Mr. Salman Yousef Al-Roumi
representing the Ministry of Communications.

Jointly to undertake legal measures, finalise documents and incorporate amendments which the Government may deem necessary to incorporate herein or in the accompanying Articles of Association of the Company, and they shall have the right to deposit the subscription funds in local accredited Kuwaiti banks (as a deposit) until such time as the first Board of Directors is constituted.

ARTICLES OF ASSOCIATION

- INCORPORATION OF THE COMPANY
- MANAGEMENT OF THE COMPANY
- TERMINATION AND LIQUIDATION OF THE COMPANY

INCORPORATION OF THE COMPANY
A-ELEMENTS OF INCORPORATION OF THE COMPANY

Article 1[1]

There has been established, pursuant to the provisions of the Law and these Articles of Association, amongst the shareholders, a Kuwaiti public shareholding company named "Mobile Telecommunications Company", a Kuwaiti Shareholding Company Public (K.S.C.P.). The provisions governing the Company are set out below.

Article 2[2]

The head office and legal domicile of the Company shall be in Kuwait City. The Board of Directors may decide to change the Company head office pursuant to a board resolution as well as establish branches, agencies, offices or operation centers in Kuwait or abroad.

Article 3

The duration of the Company shall be indefinite, and shall commence on the date of issuance of the Decree pertaining to incorporation of the Company.

Article 4[3]

Without prejudice to the provisions of the Companies Law No.1/2016 and its amendments, and Law No.37 of 2014 Establishing the Communication and Information Technology Regulatory Authority and their executive regulation, as well as the requirements of the regulatory bodies, the objectives for which the Company is incorporated are to undertake the following inside and outside Kuwait:

1-Services complementary to telephone communication systems.
Activity code: 619012.
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6-Communication materials, systems and devices.
Activity code: 619006.
7-Wholesale of phone devices and communication equipment.
Activity code: 465203.
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Activity code: 465208.
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Activity code: 465200.
11-Provision of Virtual Mobile Network Operator services.
Activity code: 631202.
12-Selling and buying lands and real estate only for the Company's account.
Activity code: 691011.
13-Investment of financial surpluses in financial portfolios by investing them in financial portfolios managed by specialized companies and entities.

[1] Article (1) was amended on 24/12/2014.
[2] Article (2) was amended on 29/9/2021.
[3] Article (4) was amended on 14/12/2025.

Activity code: 649918.
14-Selling mobile phone accessories.
Activity code: 474140.
15-Wholesale of communication equipment spare parts and electronic parts, including electronic tubes, integrated circuits and printed circuits.
Activity code: 465201
16-Retail sale of information and communications equipment in specialized stores.
Activity code: 474000.
17-Installation of communication equipment.
Activity code: 332021.
18-Maintenance of wire line and wireless communication equipment.
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The Company may have an interest or participate in any manner with the entities practicing businesses similar to its businesses or which may assist it to achieve its objectives inside and outside Kuwait. Further, it may acquire such entities or attach them to itself. The Company may undertake businesses which are supplementary, necessary or connected with its objectives, after obtaining the approval of the authorities concerned with such businesses.

B – SHARE CAPITAL OF THE COMPANY

Article 5[1]

The authorized share capital of the Company is (K.D. 432,705,890.900) (Four Hundred Thirty Two Million Seven Hundred Five Thousand Eight Hundred Ninety Kuwaiti Dinars and Nine Hundred Fils) and the issued share capital of the Company is K.D 432,705,890.900 (Four Hundred Thirty Two Million Seven Hundred Five Thousand Eight Hundred Ninety Kuwaiti Dinars and Nine Hundred Fils). The Company's issued share capital consists of 4,327,058,909 cash shares (Four Billion Three Hundred Twenty Seven Million Fifty Eight Thousand Nine Hundred Nine shares(, whereby the par value of each share is one hundred fils and all shares are paid in cash.

Article 6[2]

The shares of the Company are nominal and may be acquired in accordance with the law and the relevant Ministerial resolutions governing acquisition. The Company may issue various categories of the shares for voting, profits, liquidation result or otherwise, such as the priority of payment of the capital and profits, voting rights, accrual of profits, refunding preferred shares, transfer rights, any participation in the surplus of the assets in the event of liquidation, any participation in profits provided each of these rights is detailed in the prospectus issued by the Company upon issuing such shares. The rights, privileges, or restrictions relevant to the type of the shares may not be amended unless according to the resolution of the extraordinary general assembly, with the approval of two thirds of the holders of the type of shares relevant to the amendment. The issuance of preferred shares or their conversion into ordinary shares, as well as their redemption by the Company, are subject to the terms, rules and procedures specified by the Capital Markets Authority.

Article 7[3]

The value of the shares shall be paid in full at the time of subscription plus any percentage determined by the Board of Directors for each share on account of issuance expenses and value of the issuance premium.

Article 8

The founder who has signed these Articles shall subscribe to the share capital of the Company in (122,500,000) One Hundred Twenty Two Million Five Hundred Thousand shares and undertakes to pay the full nominal amount thereof, amounting to (K.D. 12,250,000) Twelve Million Two Hundred Fifty Thousand Kuwaiti Dinars in local Kuwaiti banks.

Article 9

The reminder of the shares amounting to (127,498,190) One Hundred Twenty Seven Million Four Hundred Ninety Eighty Thousand One Hundred Ninety shares shall be offered for public subscription for a period of one month. Subscription shall be effected through the following banks: National Bank of Kuwait, Al-Ahli Bank of Kuwait, Commercial Bank of Kuwait, Gulf Bank, Bank of Kuwait and Middle East, Bank of Bahrain and Kuwait, Burgan Bank and Kuwait Finance House.

[1] Article (5) was amended on 29/9/2021.
[2] Article (6) was amended on 29/9/2021
[3] Article (7) was amended on 29/9/2021

If upon the closing of subscription it is found that it exceeds the number of shares offered for subscription, the shares shall be distributed among the subscribers pro rata to their respective subscriptions and in accordance with the provisions of the law.

Article 10[1]

The securities issued by the Company shall be subject to the central deposit system of securities of the Clearing Agency. The securities deposit receipt with the Clearing Agency shall be considered as a title deed of the security. Each holder shall be handed over a receipt according to the number of the securities held by him .

The Company shall have a special register to be kept with the Clearing Agency. The names of shareholders, their nationalities, domicile, number of shares held by each one of them, their type, and the value paid for each share shall be recorded in the said register. The shareholders' register shall be annotated with any changes to the details recorded therein, as per the details received by the Company or Clearing Agency. Every interested party may request the Company or Clearing Agency to furnish him with details from such register.[2]

Article 11[3]

The Board of Directors shall, within three months from the date of declaring incorporation of the Company, deliver to each shareholder a certificate of the shares owned thereby. If the certificate is unavailable, the Company may issue any statement indicating the number of the shareholder's shares in the Company's capital by any available form from the concerned bodies as per the required procedures.

Article 12[4]

Ownership of shares unequivocally entails shareholder's acceptance of the content of the Memorandum of Association and the Articles of Association of the Company and the resolutions of its General Assembly.

Article 13[5]

The Company shall treat all shareholders of the same class of shares equally and without discrimination. In all cases, the rights of shareholders of any particular class of shares may not be withheld and no criteria may be adopted which would result in discriminating between different classes of shareholders in relation to the granting of such rights, provided that this does not prejudice the Company’s interests and is not in violation of the Companies Law, the Executive Regulation and any by-laws or regulatory controls issued thereunder.

Whereas the Company’s shares are registered, the last holder thereof whose name is registered in the Company’s shareholders’ register with the Clearing Agency shall enjoy the following rights:

1 .Receive dividends accruing to said shares, whether in cash or bonus shares to be distributed.

2 .Participate in the management of the Company through membership in the Board of Directors and attending General Assembly meetings and taking part in discussions

1 Article (10) and Article (10 bis) were repealed on 7/9/2009.
2 Adding a new text Article Number (10) on 29/9/2021
3 Article (11) was amended on 29/9/2021
4 Article (12) was amended on 29/9/2021
5 Article (13) was amended on 29/9/2021

thereof in accordance with the provisions of the law and these Articles. Any agreement to the contrary shall be null and void.
3 .Receive, at least (7) days prior to the General Assembly meeting, the Company’s financial statements for the last accounting period as well as the Board of Directors’ report and the auditor’s report.
4 .Deal in the shares owned thereby and hold preemption rights for subscription in new shares, bonds and Sukuks in accordance with the provisions of the Companies Law and the Company’s Articles of Association.
5 .Receive a share of the Company’s assets upon liquidation thereof following repayment of its debts.
6 .Dispose of the shares, including its title registration, transfer and/or assignment.
7 .Election of the Board of Directors members.
8 .Holding members of the Company Board of Directors or executive management accountable and filing a liability case, in the event of their failure in performing the duties mandated to them .

The Shareholder shall comply with the following, in particular:
1 .Payment of the installments due for the shares held by him upon the maturity dates and payment of compensation for the delay in payment.
2 .Payment of the costs which the Company has incurred for the settlement of the unpaid installments of the value of his shares. The Company may take legal possession of the shares to settle its dues.
3 .Execute the resolutions passed by the Company general assembly.
4. Refrain from any act which may lead to damaging the Company's financial or moral interests and the obligation to compensate the damages arising from violating the same.
5. Follow the rules and procedures in connection with the trading of the shares.

Article 14[1]

The share capital of the Company may not be increased unless the value of the original shares have been paid in full and shares may not be issued in a value that is less than their nominal value. In the event that shares are issued at a value that is higher than their nominal value, the surplus shall be allocated under a separate item titled (Issuance Premium) following settlement of issuance expenses. The General Assembly shall decide on preemption rights for subscription in new shares, transfer of such rights or placing of any resections thereon.

[1] Article (14) was amended on 19/11/2005.

Article 14 (Bis)[1]

In order to retain competent employees of the Company and enhance their loyalty, the Board of Directors shall have the right to introduce a new plan entitled (Employee Share Options) to be set up in accordance with the terms set out in Ministerial Resolution No. 337 of the year 2004:

1. To meet the Company's obligations under employee share options treasury shares may be used or the share capital of the Company may be increased provided that the total increase in the paid share capital does not exceed 10% over a maximum period of ten years from the date of commencing application of the plan.
2. The Board of Directors' annual report to the shareholders shall include the levels of employment positions and the number of shares to be allocated to each level.
3. The employee share option plan and its program shall be presented to the General Assembly for approval thereby.

Article 14 (Bis 2)[2]

The company may buy 10% of the company's shares according to law 132/1986 and the executive bylaws.

[1] New Article (14) bis was added on 22/4/2006.

[2] New Article (14) bis 2 was added on 29/8/1987.

MANAGEMENT OF THE COMPANY
A- BOARD OF DIRECTOR

Article 15[1]

The Company shall be managed by a Board of Directors consisting of ten members. Each shareholder, whether a natural person or a legal entity, may appoint representatives to the board in proportion to the shares that they own. The General Assembly shall elect the remaining members by secret ballot. The number of Board members appointed in said manner shall be deducted from the aggregate number of Board members that are elected. Shareholders having representatives on the Board of Directors may not participate with other shareholders in electing the remaining members of the Board of Directors, except in relation to those shares that exceed the percentage used for the appointment of their representatives to the Board of Directors. Subject to compliance with the provisions of the law, any number of shareholders may collaborate to jointly appoint one or more representatives to represent them on the Board of Directors in proportion to their joint shareholding. Appointed representatives shall have the same rights and duties as those of elected members, and each shareholder shall be responsible towards the Company, its creditors, and shareholders for the acts of its appointed representatives.

The term of membership of the members of the Board of Directors shall be three years and can be renewed. Independent Board Members shall be elected according to applicable laws and regulations whereas independent members must meet the requirements of the regulatory bodies and their number shall not exceed half of the total number of Board members. Independent members need not be shareholders in the Company. If it is not possible to elect a new Board of Directors by the scheduled date, the existing Board shall continue management of the Company’s affairs pending the resolution of the relevant issues and election of a new Board of Directors.
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Article 16[2]

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

1. He/she shall have the legal capacity to act.
2. He/she shall not have been convicted of a criminal offence punishable by imprisonment or convicted of crimes relating to negligent or fraudulent bankruptcy, a crime in violation of honor or trust, or a crime punishable by imprisonment in violation of the provisions of the Companies Law, unless his/her criminal record was expunged.
3. With the exception of independent members, the candidate must, either in his personal capacity or his capacity as a representative of a shareholder, hold any number of shares in the Company.

If a member of the Board of Directors no longer meets any of the above criteria or any other criteria stipulated in these Articles of Association or any law, his membership in the Board shall be disqualified as of the date of failing to meet the relevant criteria.

1 Article (15) was amended on 22/5/2024.
2 Article (16) was amended on 19/3/2018.

Article 17[1]

The chairman and members of the Board of Directors shall be prohibited from being members on the board of directors of two competing companies, from participating in any business that may compete with that of the Company or from doing business, whether for his own account or the account of others, in any type of commercial activity that is undertaken by the Company. Failure to comply, if not approved by the ordinary General Assembly, shall entitle the Company to claim compensation therefrom or to consider the activities exercised by the member for his own account to have been exercised for the account of the Company. A person, whether he be a representative of a natural or juridical person, may not be a member of the board of directors of more than five public shareholding companies that are headquartered in Kuwait or be the chairman of the board of directors of more than one shareholding company that is headquartered in Kuwait. Failing to comply with same shall disqualify his membership in the companies which exceed the stipulated limit in accordance with the chronological order of joining such companies, in addition to being subject to other consequences, as applicable. This shall be without prejudice to any rights of any bona fide parties. Any person in violation and whose membership has been disqualified as a result, must repay to the Company any remunerations or benefits he may have received.

Neither the chairman nor any member of the Board of Directors, irrespective of whether such chairman or member was a representative of a juridical person, may exploit any information received by him by virtue of his position to gain any benefit for himself or for any third party. Members of the Board of Directors, during their board tenor, may trade in the shares held by them in the share capital of the company in accordance with the regulations set forth under the capital markets authority regulations .

Members of the Board of Directors may not disclose to shareholders, other than through general assembly meetings, or to any third parties, any confidential information of the Company that they may have become privy to during the course of their membership in the Board of Directors, and failure to comply with same shall cause them to be disqualified from membership of the Board and being liable for any damage resulting from such violation .

No person who has a representative on the Board of Directors, chairman of the Board, any member of the Board of Directors, member of the executive management, nor any of their respective spouses or relatives up to the second degree shall have any direct or indirect interest in the contracts or dealings entered into with the Company or for its account, except where same has been approved by the ordinary General Assembly. In this event, the member shall disclose the interest to the Board of Directors and shall refrain from voting. The Company shall lay down a register comprising all the transactions with the related parties which have been disclosed. The shareholders are entitled to obtain a copy of the register. The Chairman shall report to the general assembly, upon convening, of the businesses and contracts in which one of the Board of Directors has a personal interest. The notification shall be enclosed with a report by the auditor..

[1] Article (17) was amended on 29/9/2021.

Article 18[1]

Where the seat of an elected member on the Board of Directors becomes vacant, the board member shall be succeeded by the shareholder who had received the next highest number of votes from the shareholders and who was unsuccessful in becoming a member of the Board of Directors in the last election. If the number of vacant seats reaches a quarter of the original number of seats and there are no persons who meet the criteria, the Board of Directors must convene a General Assembly meeting to be held within two months from the date on which the last seat become vacant in order to elect members to occupy the vacant seats. However, where the seat of a member appointed by the Minister of Finance becomes vacant, the Minister of Finance shall appoint a successor thereto and where the seat of a member appointed by a shareholder who is entitled to appoint becomes vacant, such shareholder shall appoint a successor thereto based on the percentage of ownership held by the shareholder in the share capital of the company. In all such cases, the new member shall only occupy the seat for the remainder of the term of his predecessor.

Article 19[2]

The Board of Directors shall, by secret ballot, elect the chairman and vice chairman. The Company shall have one or more chief executive officers to be appointed by the Board of Directors from amongst its members or from third parties. The chief executive officer shall be delegated with the task of managing the Company, and the Board of Directors shall determine his remuneration and the extent of his authority to sign on behalf of the Company. The positions of chairman of the Board of Directors and chief executive officer may not be occupied by the same person.

Article 20[3]

The chairman shall represent the Company in its dealings with third parties and before the courts, in addition to assuming other duties that are set out in the Company's Articles of Association and in the minutes of the Board of Directors meeting. The chairman's signature shall be deemed the signature of the Board of Directors with regards to the Company's dealings with third parties. The chairman shall execute the resolutions of the Board and is bound by its recommendations. The vice chairman shall act in the capacity of the chairman in the event of the latter's absence or where there is a reason prohibiting the chairman from executing his duties. or in the event this is necessary .

The Board of Directors may allocate its functions amongst its members in accordance with the nature of the business of the Company. The Board of Directors may delegate one of its members, a committee formed from amongst its members or third parties to perform one or more functions or assume the responsibility to oversee a certain aspect of the Company's activities or to exercise certain powers or authorities vested with the Board.

Article 21[4]

The chairman, or the vice chairman where the chairman is absent or is unable for any reason to perform his duties, shall be severally authorized to sign on behalf of the Company in line with their signing authorities as determined in the minutes of the

[1] Article (18) was amended on 19/3/2018.

[2] Article (19) was amended on 24/12/2014.

[3] Article (20) was amended on 29/9/2021.

[4] Article (21) was amended on 29/9/2021.

Company Board of Directors meeting. The Board of Directors may delegate whomever they see fit to sign on behalf of the Company in relation to a specific matter.

Article 22[1]

The Board of Directors shall meet a minimum of six times per year. The meeting shall – in all cases - be held upon the invitation of the chairman of the Board of Directors or the vice chairman in his absence, whereby the invitation may be extended via any means of communication, including modern communication methods, provided that the member has provided the Company with his contact details and notifies it in writing of any change to such details. The chairman shall call for an emergency meeting where a written request to that effect has been submitted by at least two members of the Board.

The Board of Directors meeting shall not be validly convened unless attended by half of the members. The meeting may be held through the use of modern communication devices as may be determined by the Board of Directors. Resolutions may be passed by way of circulation, subject to the approval of all members of the Board of Directors. Attendance of Board meetings by proxy is not permissible.

Article 23[2]

Resolutions of the Board of Directors shall be passed by a majority of the members present. In the event of a deadlock, the Chairman shall have a casting vote. The minutes of Board meetings shall be recorded in a special register that is signed by the members in attendance and by the secretary of the Board who shall be appointed by a resolution of the Board of Directors, and whose functions and duties shall be in compliance with the requirements of the relevant regulatory authorities. A member who dissents to a resolution taken by the Board of Directors shall be entitled to record his dissent in the minutes of the meeting.

Article 24

The Board of Directors shall, upon the proposal of its chairman, determine the method of dealing with advisory bodies, experts, consultants and individuals, whether they have a continuous or incidental relationship with the Company. The Board of Directors shall put in place as part of the internal by-laws of the Company, regulations governing this function.

[1] Article (22) was amended on 19/3/2018.
[2] Article (23) was amended on 24/12/2014.

Article 25[1]

Any member of the Board of Directors shall be disqualified from his seat in the Board upon the occurrence of any of the following:

1. If he resigns from his seat by written notice to be submitted to the chairman of the Board of Directors.
2. If he loses legal capacity to act.
3. If he is adjudicated bankrupt.
4. If he is convicted of a crime that is in violation of honor or trust.

The Company's General Assembly may, by a resolution at an ordinary meeting and based upon the recommendation of shareholders holding not less than 25% of the issued share capital, dismiss the chairman, one or more members of the Board of Directors or dismiss the entire Board of Directors and appoint a new Board.

In the event of failure to elect a new Board of Directors to succeed the Board of Directors that was dismissed by resolution of the General Assembly, the General Assembly may decide to either allow the existing Board to continue to manage the Company's business until a new Board is elected or to appoint an interim administrative committee whose main function would be to call a General Assembly meeting for the election of a new Board within one month from the date of its appointment.

Article 26[2]

The aggregate remunerations of the chairman and the members of the Board of Directors may not exceed (10%) of the net profits of the Company after deducting any depreciation and reserves and the distribution of dividends equivalent to at least (5%) of the Company's share capital to the shareholders. The Board of Directors shall prepare an annual report to be presented to the Company's ordinary General Assembly for its approval whereby the report must include an accurate detailed description of the amounts, benefits and privileges received by the Board of Directors, whatever the nature or designation thereof. The Company's General Assembly may by resolution exclude an independent Board member from the above mentioned maximum limits on remunerations.

Article 27[3]

The Board of Directors shall have the widest powers to manage the Company and perform all actions required for such management in accordance with the objectives thereof. Such powers shall only be limited as may be expressed by law, these Articles and resolutions of the General Assembly. The Board of Directors shall, in particular, be entitled to pay all the initial fees and expenses required for incorporation of the Company, such as those relating to registration, publication and implementation of the conditions set forth in the Memorandum of Association, to undertake all legal actions required in relation thereto and to specify the general expenses required for management and issuance of by-laws and regulations for organizing operation, appointment of managers, heads of departments and employees of all administrative levels, assigning job descriptions and delineating the specializations, responsibility, salaries and benefits of such persons. The Board of Directors shall carry out such duties as set forth under the internal by-laws and policies that organize and set the responsibilities of the Board of Directors, its meetings and affairs as periodically approved by the Board of Directors in

[1] Article (25) was amended on 19/3/2018.
[2] Article (26) was amended on 24/12/2014.
[3] Article (27) was amended on 29/9/2021

line with applicable laws and regulations. The Board of Directors shall approve the objectives, strategies, plans and important policies of the Company such as the policies of disclosure and transparency, dealing with related parties, protection of the rights of shareholders, etc., approval of the annual estimated budgets, approval of the interim and annual financial statements, supervision of the company's capital expenditure, setting the Company governance system, forming a system for measuring and monitoring the performance of each member of the Board of Directors and executive management, as per the key performance p indicators, the preparation of an annual report to be read to the annual general assembly of the Company, comprising the requirements and procedures for completing the corporate governance rules, and the extent of compliance with them, determining the powers delegated to the executive management. Further, the Board of Directors shall monitor and supervise the performance of executive management members and determine the remuneration segments to be paid to the employees. Further, it shall ensure periodically the efficiency and adequacy of the applicable internal control systems in the Company and its subsidiary companies.

Article 28[1]

The Board of Directors shall be entitled to purchase and sell movable and immovable assets , and shall be entitled to dispose of the assets of the Company, in whole or in part, through sale contracts or any other types of contracts in consideration for the price it deems appropriate, and in particular in consideration for stocks, shares or other financial papers that may be issued by another company. It shall also be entitled to borrow funds in any way as it deems fit, from inside or outside the country, as well as the right to rent or lease, and the right to do all that is necessary to carry out any act that falls within the Company's objectives. The Board of Directors may sell and mortgage the immovable property of the Company, as well as provide guarantees and conclude loan agreements that are secured using immovable property of the Company, and to provide loans to its affiliated companies. The Board of Directors may also authorize the institution of lawsuits and defend the interests of the Company before courts, whether the Company was the plaintiff or defendant. It may enter into any settlements, engage in arbitration, set-off any records, or waive any rights (whether the waiver was for a consideration or without consideration), determine the way in which the assets of the Company are used, including its reserves and, in general, to manage the business of the Company in a proper manner. The Board of Directors shall not be authorized to give donations using the Company's assets unless it has obtained the consent of the General Assembly in an ordinary session whereby the General Assembly shall have the competence to decide on or approve the amount of donations.
The Company may not provide loans to any of its Board members, its chief executive officer or their respective spouses, relatives up to the second degree or companies that are owned by such persons unless same was authorized by the ordinary General Assembly of the Company. Without prejudice to rights of bona fide persons, any actions taken in violation of this shall not be binding on the Company.

Article 29

Members of the Board of Directors shall not bear any personal liability with regard to acts by the Company by reason only of their performing their functions within their respective mandates.

[1] Article (28) was amended on 24/12/2014.

Article 30[1]

The chairman and the members of the Board of Directors are liable towards the Company, its shareholders and any third party in respect of commission by them of any acts of fraud, abuse of power, violation of the Laws applicable to the company, violation of the Company's Articles of Association, or management errors. Any discharge of the liability of the Board of Directors by virtue of a resolution of the General Assembly shall not preclude the institution of a claim for liability.
Members of the Board of Directors may not participate in voting on General Assembly resolutions relating to discharge of their liability regarding management of the Company or relating to benefits that are specified for them, their spouses or first-degree relatives or relating to any dispute between them and the Company.
The liability stipulated in the two preceding paragraphs may be either individual pertaining to a single Board member or joint among all members of the Board of Directors. In the latter case, the members shall be jointly liable for compensation with the exception of those who have dissented to the resolution that gave rise to the liability and who have recorded their dissent in the minutes of meeting.

B - THE GENERAL ASSEMBLY

Article 31[2]

Notices for attendance of General Assembly meetings of any kind shall be sent by the Board of Directors via registered mail, publication in local newspapers, email or facsimile provided that the shareholder shall have provided the clearing agency with the particulars of these two means of communication. The notice of meeting shall include the agenda of the meeting. The Board of Directors shall set the agenda of the ordinary and extraordinary General Assembly meetings. In circumstances where it is permissible to hold a General Assembly meeting upon the request of the shareholders holding not less than 10% of the company's capital, or upon the request of the auditors within twenty one days from the date of the request, , the agenda shall be set by the party requesting such meeting .
The procedures for the invitation of the assembly, the attendance quorum and voting, shall be subject to the provisions of the foundational assembly, particularly an invitation shall be addressed to attend the meeting by one of the following methods :
1 .Registered letters sent to all shareholders no later than twenty-one days before the date scheduled for holding the meeting.
2 .Announcement shall be done twice, provided that the second announcement is made not less than seven days after the date of publishing the first announcement and at least seven days before convening the meeting .
3 .Hand deliver the invitation to the shareholders or their legal representative at least one day before the date of convening the meeting. Copy of the invitation shall be annotated to acknowledge the receipt .
4 .Further, the invitation to the meeting may be carried out by any other modern communication means set forth in the executive regulations of the Companies Law and the amendments to the regulation and Companies Law in the future in this respect, such as the email, provided the shareholder has furnished the Clearing Agency with the details of such method. The invitation shall include the agenda.

[1] Article (30) was amended on 19/3/2018.
[2] Article (31) was amended on 29/9/2021.

The non-attendance of the Ministry representative after notifying it of the meeting in writing shall not result in the invalidity of the procedures of convening the meeting. The general assembly meeting shall be chaired by the chairman or his deputy or the designee appointed by the Board of Directors for this purpose or elected by the general assembly among shareholders or third parties .

A general assembly meeting shall not be validly convened unless attended by the shareholders entitled to vote who represent more than half the number of the issued shares. If this quorum is not present, the assembly shall be invited to a second meeting with the same agenda, which shall convene after a period not less than seven days and not exceeding thirty days after the date of the first meeting. The second meeting shall be valid regardless of the number of those present. A new invitation to a second meeting is not required if its date is stated in the invitation to the first meeting. Resolutions shall be passed with the absolute majority of the shares attending the meeting .

The ordinary general assembly may not discuss topics unless they are listed in the agenda, except urgent matters which emerged after preparing the agenda, or discovered during the meetings, or if one of the regulatory bodies or the auditor or a number of shareholders holding five percent of the Company capital request so. If it is evident during the discussion that there is insufficient information related to the matters raised, the meeting shall be adjourned for a period not exceeding ten working days if a number of shareholders representing one fourth the issued capital request so. The adjourned meeting shall be held without the need for new procedures for the invitation.

Article 32[1]

Each shareholder, regardless of the number of shares held thereby, shall have the right to attend General Assembly meetings, and shall have a number of votes equal to the number of the votes allocated for that same class of shares. A shareholder shall not be entitled to vote in respect of himself or whomever he represents on matters in which he has a personal interest or on a dispute between him and the Company. Any provision or resolution to the contrary shall be considered null and void. A shareholder may appoint another person to attend General Assembly meetings on his behalf pursuant to the rules of the Capital Markets Authority concerning the special powers of attorney for the attendance of the general assembly on behalf of the shareholder. A party claiming a right over the shares which contradicts with that set out in the Company shareholders register, shall submit an application to the “judge of provisional matters” to issue an injunction for setting aside the disputed shares from voting for the period determined by the judge or until the subject matter of the dispute is resolved by the competent court, as per the procedures determined under the Civil and Commercial Procedures Law. The Capital Markets Authority shall lay down the rules regulating the required disclosures by the agents and representatives of shareholders for attending the general assemblies .
Minors and those who lack legal capacity shall be represented by their legal representatives.

Article 33[2]

Shareholders wishing to attend the general assembly meeting shall register their names with the Clearing Agency holding the Company shareholders register prior to the date of the meeting of the General Assembly by at least 24 hours. The register shall include the

[1] Article (32) was amended on 29/9/2021.
[2] Article (33) was amended on 29/9/2021.

name of the shareholder, number of shares held thereby, number of shares represented by him and the names of the owners of the shares, in addition to submission of proxies. The shareholder shall be given an attendance card showing the number of votes to which he is represented without prejudice to the provisions of the Companies Law, its amendments and its Executive Regulations.

Article 34[1]

The provisions of the Commercial Companies Law as amended and its Executive Regulations shall apply to quorum requirements of duly convened General Assembly meetings of any kind and to the majority required to pass resolutions. The General Assembly may be attended by using modern communication means for each of the shareholders through their agents, representatives of the concerned regulatory bodies, the auditors and any party that is required to be present.

Article 35

Voting at the General Assembly meetings shall be effected in the manner determined by the chairman of the meeting unless the General Assembly has specified a specific method of voting. Voting on the election or dismissal of members of the Board of Directors shall be effected by secret ballot.

Article 36[2]

The founders shall convene the constituent assembly within thirty days after the date of the registration of the Company in the commercial register and publishing the official document of its incorporation in the Official Gazette. The authorized parties designated for the incorporation of the company shall submit a report on all the incorporation procedures with the supporting documents. The assembly shall verify the incorporation procedures and their compliance with the law, the Company's Memorandum and Articles of Association. It shall also discuss any reports that may be submitted by the Ministry of Commerce and Industry concerning this matter. The constituent General Assembly shall elect the members of the Board of Directors, appoint the auditors and announce the final incorporation of the Company.

Article 37[3]

The General Assembly shall hold an ordinary meeting at least once every year at the invitation of the Board of Directors. The meeting shall take place within three months following the end of the financial year of the Company. The invitation shall include the agenda and the place and time of the meeting. The Board of Directors may invite the General Assembly to convene whenever it deems same necessary, and it is required to invite the General Assembly to convene when a request for same is submitted by shareholders holding not less than 10%of the share capital or based upon the request of the auditor. The meeting must be held within twenty one days as of the date of the request and the party requesting the holding of the meeting shall prepare the agenda of same. The provisions of the Companies Law, as amended, pertaining to the constituent General Assembly, shall apply to procedures of inviting the General Assembly, quorum and voting .

[1] Article (34) was amended on 29/9/2021.
[2] Article (36) was amended on 29/9/2021
[3] Article (37)) was amended on 29/9/2021.

The meeting of the General Assembly shall be chaired by the chairman, the vice chairman, any other person delegated by the Board of Directors for such purpose or whomever the General Assembly may elect from amongst the shareholders..

Article 38[1]

Subject to the provisions of the law and the Company's Articles of Association, the ordinary General Assembly at its annual meeting shall be competent to decide upon matters that fall within its jurisdiction, including the following:

1. Report of the Board of Directors regarding the Company's activities and its financial position in respect of the previous financial year.
2. The auditor's report regarding the financial statements of the Company.
3. Reports on any violations recorded by supervisory authorities and in respect of which the Company was penalized.
4. The financial statements of the Company.
5. Proposals of the Board of Directors on the distribution of dividends.
6. Discharge of the liability of the members of the Board of Directors.
7. Election and dismissal of members of the Board of Directors and determination of their remunerations.
8. Appointment of the Company's auditor and determination of his remuneration or authorizing the Board of Directors to determine the same.

Report on the transactions that have been or will be entered into with related parties. The term related parties shall be interpreted in accordance with international accounting principles.

Article 39[2]

The Board of Directors shall submit to the General Assembly in its ordinary meeting a report containing a detailed statement of all the reports required by the supervisory authorities that ensure the application of transparency principles.

Article 40

The General Assembly in its ordinary meeting shall discuss the report of the Board of Directors and take the necessary resolutions in that regard thereto as it may deem appropriate. It shall also discuss the report of the auditor and the report of the Ministry of Commerce and Industry, if any, and shall elect members of the Board of Directors and appoint the auditors for the following financial year and determine their fees and benefits.

[1] Article (38) was amended on 24/12/2014.
[2] Article (39) was amended on 19/3/2018.

Article 41[1]

The General Assembly shall meet in an extraordinary meeting at the invitation of the Board of Directors or based upon a justified request that is submitted by shareholders representing (15%) of the Company's issued share capital or upon a request by the Ministry of Commerce and Industry. The Board of Directors must in such case invite the General Assembly to convene within thirty days from the date a request is submitted.
In the event that the Board of Directors fails to call the General Assembly to meet within the period specified in the previous paragraph, the Ministry of Commerce and Industry shall call the meeting within a period of fifteen days from expiration of the period referred to in the preceding paragraph.
The extraordinary General Assembly meeting shall not be duly convened unless attended by shareholders representing 75% of the Company's issued share capital. If quorum is not reached, an invitation to a second meeting shall be extended, and the second meeting shall be duly convened if attended by shareholders representing more than half of the issued share capital. Resolutions must be passed by a majority representing more than half of the aggregate issued share capital of the Company.

Article 42[2]

The following matters may only be decided upon by the General Assembly in an extraordinary meeting:

1. Amendment of the Company's Memorandum and Articles of Association.
2. Sale of the entire operations of the Company or disposing of same in any other means.
3. Dissolution, merger, conversion or division of the Company.
4. Reduction or increase of the share capital of the Company.

Any resolution issued by an extraordinary General Assembly meeting shall only take effect after undertaking publication procedures. The approval of the Ministry must be obtained if the resolution is related to the name, objectives or share capital of the Company, with the exception of increase in the share capital by way of capitalization of the profits made by the Company or capitalization of reserves where same is permissible.

[1] Article (41) was amended on 24/12/2014.
[2] Article (42) was amended on 24/12/2014.

C-ACCOUNTS OF THE COMPANY

Article 43[1]

The Company shall have one or more auditors, selected from amongst accredited accountants, to be appointed by the General Assembly, who shall determine his fees. The auditor shall audit the accounts for the fiscal year in respect of which he was appointed. The auditor may not be the chairman or a member of the Board of Directors of the Company which he is auditing, a person delegated with performing any executive duties or a person overlooking the Company's accounts, or a relative up to the second degree of a person overlooking the Company's management or its accounts. The auditor is not permitted to purchase or sell throughout the auditing term any shares in the Companies whose accounts he is auditing or to provide any consultation services for the Company. The auditor shall, throughout the term of his engagement and following termination thereof, maintain the confidentiality of the data and information received by him by virtue of his engagement, refrain from using such data and information in order to gain a benefit for himself or for third parties, and refrain from disclosing any confidential information relating to the Company. Where the auditor violates any of the duties referred to herein, he may be dismissed and claims for compensation may be brought against him where necessary. The auditor shall be responsible for the financial statements contained in his report and for any damage sustained by the Company, its shareholders or any third party resulting from errors committed by him during and as a result of his engagement. In the event that the Company has more than one auditor, they shall all be jointly liable, unless any of them is able to establish that he did not take part in the error that gave rise to the liability. The auditor shall also be held liable for any damage sustained as a result of his resignation at an improper time. The auditor shall be subject to the provisions of the Companies Law, its amendments, executive regulation and the provisions of the law regarding auditor's profession, its amendments, executive regulation and any regulatory decrees in this respect.

Article 44

The financial year of the Company shall start on January 1 and end on December 31 of every year, with the exception of the first financial year which shall start on the date of announcement of final incorporation of the Company and end on December 31 of the second year.

Article 45[2]

The auditor shall have the competence and obligations prescribed in the Commercial Companies Law and the law for exercising the auditor's profession. In particular, he shall have the right to inspect, at any time, all the books, records and documents of the Company, request such information as he may deem necessary for him to obtain, and verify the Company's assets and liabilities. If he is not enabled to do so, he shall state same in writing in a report which he shall submit to the Board of Directors and the General Assembly. The auditor may convene a meeting of the General Assembly for this purpose.

[1] Article (43) was amended on 29/9/2021.
[2] Article (45) was amended on 29/9/2021

Article 46[1]

The auditor, or his authorized accountants who participated with him in the auditing process, shall attend General Assembly meetings and shall, in accordance with generally accepted auditing principles and the provisions of the law, submit a report on the Company's financial statements and whether such statements reflect the Company's financial position at the end of the financial year, on the results of operation of the Company for said year and on whether the information contained in the report of the Board of Directors is consistent with the information included in the Company's books and documents.
If the Company has more than one auditor, they must prepare a joint report. Where there is any disagreement between the auditors regarding certain issues, this must be stated in the report with an elaboration of the opinion of each of them.
The report must in particular include the following details:

1. Whether the auditor has obtained the information he deems necessary in order to complete his work satisfactorily.
2. Whether the balance sheet and the profit and loss account conform with the facts, include all that is required to be included in accordance with the law and the Articles of Association, and truthfully and clearly reflects the actual financial position of the Company.
3. Whether the Company maintains proper accounts
4. Whether inventory was carried out in accordance with recognized practices
5. Whether the information included in the report of the Board of Directors is in conformity with what is stated in the Company's books.
6. Whether any violations of the law or provisions of the Articles of Association of the Company have been committed during the fiscal year in a manner that affects the activity or the financial position of the Company, and stating whether such violations persist, all within the limits of the information made available to him.
7. Whether the audit procedures have been undertaken in accordance with professional auditing practice and instructions issued by regulatory bodies in this regard.
8. Date of the report.
9. Name of the auditing office or professional company with which the auditor is engaged, name and signature of the auditor, his license number and classification, and his address.

Article 47[2]

There shall be deducted from gross profits a certain percentage which shall be determined by the Board of Directors to establish special provisions such as provisions for debts and provisions for exchange rate fluctuations, provisions for profit rate and provisions for investment risks in addition to such depreciation requirements and provisions as are

[1] Article (46) was amended on 24/12/2014.
[2] Article (47) was amended on 29/9/2021

prescribed by law, in practice or in respect of which an express provision is provided in these Articles of Association.

Article 48[1]

A percentage, to be determined by the Company's Articles of Association or by its Board of Directors after having consulted the auditor, shall be deducted from the Company's gross profits annually to cover for depreciation of the assets of the Company or to compensate for the drop in the value of same. Such monies shall be used to purchase or repair required materials, machines and buildings and they may not be distributed amongst the shareholders.

Article 49[2]

Net profits shall be distributed in the following manner :
1. 10% shall be deducted for the account of Statutory Reserves. This deduction shall be discontinued pursuant to the ordinary general assembly resolution based on the recommendation of the Board of Directors, if the statutory reserve exceeds half the Company's share capital. Pursuant to the recommendation of the Board of Directors, the assembly may resolve to deduct any other amount recommended by **Article 50**
Dividends shall be paid to shareholders at such place and times as may be determined by the Board of Directors. the board of directors that is lower than 10% of net profits if the statutory reserve exceeds half the Company's capital.
2 %10 .shall be deducted for the account of Voluntary Reserves. Such deduction shall be discontinued pursuant to a resolution by the General Assembly based upon the recommendation of the Board of Directors.
3 %1 .shall be deducted for the account of the Kuwait Foundation for the Advancement of Science.
4 .Deduction of the amount required for distribution of an initial dividend of 5% to shareholders in respect of the paid-up amount of their shares.
5 .Allocation of remuneration for the Board of Directors in an amount to be approved by the ordinary General Assembly, provided that it shall not exceed 10% of net profits after making the above-mentioned deductions.
6. The remainder of profits shall then be distributed as an additional dividend or shall be carried forward upon the proposal of the Board of Directors to the following year, used to create a reserve for settlement of dividends to secure appropriate distribution in the years where net profits are low, or used to create special provisions.

Article 50

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

[1] Article (48) was amended on 24/12/2014.
[2] Article (49) was amended on 29/9/2021.

Article 51

Reserve funds shall, upon a resolution of the Board of Directors, be used in such manner as to best serve the interests of the Company. Statutory Reserve funds may not be distributed among the shareholders. However, they may be used to ensure the distribution of a 5% dividend among the shareholders in the years in which the profits of the Company are not sufficient to pay such percentage. In the event where the Statutory Reserve exceeds one half of the share capital of the Company, the General Assembly may decide to discontinue further deduction to the said reserve or to use the funds exceeding the mentioned level in such a manner as to best serve the interests of the Company and its shareholders.

Article 52

The cash funds of the Company shall be deposited at such bank or banks as are designated by the Board of Directors. The Board of Directors shall determine the maximum amount of cash that may be held by the Company's cashier at the Company's safe, and shall comply with the provisions of the law relating to the deposit of funds with the Central Bank.

TERMINATION AND LIQUIDATION OF THE COMPANY

Article 53[1]

The Company shall be dissolved for any of the reasons stipulated in the Companies Law, as amended and its executive regulations and shall enter into liquidation.

Article 54[2]

The Company's assets shall, upon its dissolution, be liquidated in accordance with the provisions stated in the Companies Law as amended and its executive regulations.

Article 55[3]

The provisions of the Companies Law and its amendments and its executive regulations shall apply in respect of any matter not specifically provided for in the Memorandum of Association or these Articles.

Article 56[4]

All amounts payable to public institutions, public authorities, and fully State owned companies in respect of their representation on the Board of Directors of a company of which they are shareholders in, shall be paid directly to the same. The chairman of the Board of Directors shall pay such amounts directly to the aforementioned entities within one week of the date from which such amounts have become due. Such entities shall determine the remunerations and salaries to be paid to their appointed representatives on the Board of Directors of said company.

Article 57[5]

[1] Article (53) was amended on 19/3/2018.
[2] Article (54) was amended on 19/3/2018.
[3] Article (55) was amended on 19/3/2018.
[4] A new Article (56) was introduced on 24/12/2014.
[5] A new Article (57) was introduced on 24/12/2014.

The Board of Directors, having been elected, shall then appoint a sufficient number of its members to the main committees formed by the Board of Directors for the purposes of enhancing the effectiveness of the Board's control over the Company's major operations, provided that these committees present the Board with regular reports in accordance with the nature of the functions of each committee.

Article 58[1]

The Company shall be entitled to institute a liability lawsuit against members of the Board of Directors for any errors resulting in damage to the Company. Where the Company is undergoing liquidation procedures, the liquidator shall be responsible for filing any such lawsuits. Any shareholder shall be entitled to severally file a liability lawsuit on behalf of the Company where the Company has failed to file such a claim. In such circumstances, the Company shall be made party to the claim in order to obtain a ruling for compensation, where applicable. Furthermore, a shareholder may file a personal claim of compensation where the error has resulted in such shareholder sustaining damage, and any agreement to the contrary shall be null and void.

Article 59[2]

The Company shall comply with all laws, by-laws and ministerial resolutions as well as any rules and regulations applicable to its business that may be issued by the regulatory authorities to which the Company is subject.

Article 60[3]

Pursuant to a justified proposal by the Board of Directors, the extraordinary general assembly may decide, after approval of the Capital Markets Authority, to reduce the Company's capital in the following events :
1 .If the capital exceeds the Company's needs.
2 .If the Company incurs losses which may not be covered by the Company's profits.
3 .Other cases determined by the executive regulation of the Companies Law .

The capital shall be reduced by one of the following methods :
1 .Reduce the nominal value of the share by not less than the legally determined minimum limit .
2 .Cancel a number of shares by the value of the desired reduction of capital.
3 .The Company purchases a number of its shares for the amount of the capital reduction required by the Company.
The procedures in this respect shall be followed, in the manner set forth under the executive regulation of the Companies Law.

[1] A new Article (58) was introduced on 24/12/2014.
[2] A new Article (59) was introduced on 24/12/2014.
[3] A new Article (60) was introduced on 29/9/2021.

Article 61[1]

After obtaining the approval of the extraordinary general assembly, the Company may refund the nominal value of a number of its shares to its shareholders. This value shall be taken from the undistributed profits and voluntary reserve of the Company. The holders of the amortized shares shall be granted bonus shares which shall have all the same rights as the ordinary shares, except the redemption of the nominal value upon the liquidation of the Company.
According to a resolution passed by the extraordinary general assembly, profit shares may be established against amounts offered without interests to the Company. The holder of the profit share shall not be a partner in the Company and shall not enjoy any of the shareholders' rights during the presence of the company or upon its liquidation, except the profit share determined for him. He shall be subject to the resolutions of the ordinary general assembly of the Company in connection with the annual accounts of the profits and losses. The executive regulation of the Companies Law indicates the method of trading and cancelling these shares.

Article 62[2]

Pursuant to the Board of Directors' proposal and approval of the ordinary general assembly, the Company may distribute interim profits on semi or quarter annual periods. For the validity of this distribution, the profits should be real in accordance with the generally accepted accounting principles and provided that the distribution does not affect the paid-up capital. The ordinary general assembly may authorize the Board of Directors, in a manner which does not prejudice the Company's paid-up capital, to distribute the interim profits in the aforesaid manner

Article 63[3]

The company may file a liability case against members of the Board of Directors as a result of errors resulting in damages to the company. If the company is in the liquidation phase, the liquidator shall file the case. Every shareholder may file the case individually on behalf of the company if the company does not file the case. In this event, the company shall be litigated in order to rule for awarding it compensation, if required. The shareholder may file his personal case for compensation, if the error has caused damage to him. Every agreement otherwise shall be null and void.
Each shareholder may file a case individually on behalf of the Company in the event the Company does not file the same. In this case, the Company should be litigated in order to rule for awarding it compensation, if required. The shareholder may file his personal case for compensation if the error caused

Article 64[4]

Any shareholder or number of shareholders whose shareholding is not less than 5% and not exceeding 30% of the company capital's shares, may apply to the Capital Markets

[1] A new Article (61) was introduced on 29/9/2021.
[2] A new Article (62) was introduced on 29/9/2021
[3] A new Article (63) was introduced on 29/9/2021
[4] A new Article (64) was introduced on 29/9/2021

Authority individually or jointly for objecting the decisions of the ordinary general assembly as per the following conditions:
1. The objection takes place within fifteen days after the date of issuing the challenged decision or being informed of the same, whichever comes later.
2. The dissenting shareholders should not be among those who approved the challenged decision.
3. The challenged decision has prejudiced the rights of the minority.
The objection shall be submitted in the form of a grievance to the Authority, comprising the following details:
1. Names of the dissenting shareholders and proof of their ownership of the challenged shares of the company.
2. A statement on the challenged decision and the date of issuing it.
3. Details of the reasons of their objection of the decision and the prejudice it involved to the rights of the minority.
4. A statement confirming the agreement of the shareholders to challenge the ordinary or extraordinary general assembly decision, in the event of submitting the objection in a collective form for a number of shareholders.
This shall be without prejudice to the right of any of the shareholders to file a case for the annulment of any decision passed by the company board of directors or the general assembly of shareholders in violation of the law, the Memorandum of Association, these articles of association or if it is intended to damage the interests of the company, and claim compensation if required. Further, the ordinary and extraordinary general assembly decisions which prejudice the rights of the minority. The objection shall take place by a number of the company shareholders holding fifteen percent of the company's issued capital and should not be among those who approved such decisions.