

General Provisions and Comments

Articles Reference Number	Justification	Old Article	New proposed Article
	<p>New Article will be added to the AOA under the number (1), about the incorporation of the Company (English)</p>	<p style="text-align: center;">ARTICLE (1) <u>COMPANY'S INCORPORATION</u></p> <p>The Company was established as a Bahraini Closed Joint Stock Company, by virtue of the resolution passed by the Board of Directors of Housing Bank, which is fully owned by the Government of the Kingdom of Bahrain, in accordance with the provisions of the Bahrain Commercial Companies Law promulgated by Legislative Decree No. (28) of 1975, as amended and the Memorandum and Articles of Association of the Company published in the supplement of the Official Gazette issue No. (2406) dated 5 January 2000 and converted to a Public Joint Stock Company, in accordance with the Memorandum and Articles of Association of the Company notarised by the Notary Public on 22 April 2007 under notarisation no. 2007015200, in compliance with the Bahrain Commercial Companies Law Decree No. (21) of 2001 and its amendments, by virtue of the resolutions of the Extraordinary General Meeting of the Shareholders convened on 11 December 2006.</p> <p>The Extraordinary General Meeting held on 30 March 2016, on the recommendations of the Board of Directors, passed several resolutions, including the resolution to amend and restate the Memorandum and the Articles of Association of the Company.</p>	<p style="text-align: center;">ARTICLE (1) <u>COMPANY'S INCORPORATION</u></p> <p>The Company was established as a Bahraini Closed Joint Stock Company, by virtue of the resolution passed by the Board of Directors of Housing Bank, which is fully owned by the Government of the Kingdom of Bahrain, in accordance with the provisions of the Bahrain Commercial Companies Law promulgated by Legislative Decree No. (28) of 1975, as amended and the Memorandum and Articles of Association of the Company published in the supplement of the Official Gazette issue No. (2406) dated 5 January 2000 and converted to a Public Joint Stock Company, in accordance with the Memorandum and Articles of Association of the Company notarised by the Notary Public on 22 April 2007 under notarisation no. 2007015200, in compliance with the Bahrain Commercial Companies Law Decree No. (21) of 2001 and its amendments, by virtue of the resolutions of the Extraordinary General Meeting of the Shareholders convened on 11 December 2006 and in accordance with the Memorandum and Articles of Association of the Company notarised by the Notary Public on 26 April 2016 under notarisation no. 2016032674.</p> <p>The Extraordinary General Meeting held on [.....] March 2021, on the recommendations of the Board of Directors, passed the following resolutions:</p> <ol style="list-style-type: none"> 1. To amend and restate the Memorandum and the Articles of Association of the Company to bring it in line with the amendments to the

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			<p>Bahrain Commercial Companies Law.No. (21) of 2001.</p> <p>2. To add the commercial activity of “Real estate activities on a fee or contract basis - Management of Real estate” to the objects of the Company.</p>
	<p>New Article added (Paragraph 2) of the new AOA in relation to the dealing in the company's shares.</p>	<p>Dealing in the Company's shares <u>Article 9</u></p> <p>The dealing of the Company's shares shall be undertaken in accordance with the provisions of Article (90) of the Central Bank of Bahrain and Financial Institutions Law and any of its regulations issued pursuant to it.</p>	<p>Dealing in the Company's shares <u>Articl</u></p> <p>Trading in shares, registering and depositing them, transfer of the title thereto, making a set-off involving them, settling them, registering mortgages thereon and distraining them, as well as the company's purchase of its own shares, shall be in pursuance of the Central Bank of Bahrain and Financial Institutions Law, promulgated by Law No. (64) of the year 2006, and its Implementing Regulations.</p> <p>The ownership of the shares is prohibited to any of the Company's subsidiaries. A company is considered to be a subsidiary company if it was controlled directly or indirectly by the parent company, and that is when the parent company owns more than half of the subsidiary's share capital or when the parent company owns rights or shares, in which it can control its subsidiary's decisions, formation of its Board of Directors or appointment its managers.</p>
	<p>Added new Article</p>	<p>Shareholder's Rights</p> <p>Each share entitles its owner to equal rights and obligations. Each shareholder will particularly enjoy the following rights:</p> <p>1. To receive his share of dividends in the event a resolution is passed to distribute the same to the shareholders.</p>	<p>Shareholder's Rights</p> <p>Each share entitles its owner to equal rights and obligations. Each shareholder will particularly enjoy the following rights:</p> <p>1. To receive his share of dividends in the event a resolution is passed to distribute the same to the shareholders.</p>

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		<p>2. To receive his share of capital that might be distributed in the event of any reduction of the capital.</p> <p>3. To receive his share of the Company's assets upon liquidation. Only the shareholder whose name is registered as last owner of a share in the Company's register may receive his share in the assets.</p> <p>4. To take part in the management of the Company's business, according to the provisions hereof.</p> <p>5. To receive a report, following each financial year, containing the balance sheet, profit and loss account and Board of Directors report.</p> <p>6. To dispose of the shares he owns and having a priority in subscribing for new shares, in the event of an increase of the issued share capital of the Company.</p> <p>7. Any other right provided for in accordance with the laws of the Kingdom of Bahrain.</p>	<p>2. To receive his share of capital that might be distributed in the event of any reduction of the capital.</p> <p>3. To receive his share of the Company's assets upon liquidation. Only the shareholder whose name is registered as last owner of a share in the Company's register may receive his share in the assets.</p> <p>4. To take part in the management of the Company's business, according to the provisions hereof.</p> <p>To receive a report, following each financial year, containing the balance sheet, profit and loss account, Board of Directors report and auditors report.</p> <p>6. To file nullification suit against any resolution passed by the General Meeting or the Board of Directors which is inconsistent with the Law, its Implementing Regulations, public order, the Company's Amended and Restated Memorandum of Association or to these Amended and Restated Articles of Association.</p> <p>7. To dispose of the shares he owns and having a priority in subscribing for new shares in the event of an increase of the issued share capital of the Company.</p> <p>8 File a claim against the Company for the judgement of the court as it deems appropriate, if the Company's operations are conducted in an unfair manner prejudicial to the interests of the shareholders in general or to the interests of one or more shareholders, including the shareholder who files the claim, or if the company did or intends to do or refrain from doing any act, which harms or is likely to cause damage as referred to, including the act of third parties or their refusal or intention to do any of the foregoing on behalf of the Company; and</p>

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			9. Other rights provided in the Law and the Company's Memorandum and Articles of Association.
	Part 4 in the old AOA is different than the new AOA	<p style="text-align: center;">Reduction of Capital Article 17</p> <p>1. An Extraordinary General Meeting of the shareholders may resolve to reduce the capital of the Company if the same is in excess of its needs or if there has been a loss and the Company resolves to reduce its paid up capital to the actual value thereof with the prior approval of the Central Bank of Bahrain and of the Ministry of Industry, Commerce and Tourism according to the provisions of Articles (132) to (137) of the Commercial Companies Law.</p> <p>2. The resolution reducing the capital shall be issued only after reading the reports of the Board of Directors and the auditor on the reasons for of the reduction, the obligations of the Company and the effect of such reduction on these obligations.</p> <p>3. Capital reduction shall be made, if the Company's capital is more than the Company needs, by reducing the nominal value of the shares, either by giving back a part of it to the shareholders equal to the decided percentage of reduction or by discharging them of the unpaid instalments of shares' value in proportion to the decided reduction. If the reduction is due to the Company's losses, a number of shares equal to the decided amount of reduction shall be cancelled. In all cases the nominal value of the shares must not be less than the value of the new issued and paid up shares.</p> <p>4. The reduction of the Company's capital shall be recorded in the Registry of Commerce and the</p>	<p style="text-align: center;">Reduction of Capital Article 17</p> <p>1. An Extraordinary General Meeting of the shareholders may resolve to reduce the capital of the Company if the same is in excess of its needs or if there has been a loss and the Company resolves to reduce its paid up capital to the actual value thereof with the prior approval of the Central Bank of Bahrain and of the Ministry of Industry, Commerce and Tourism according to the provisions of Articles (132) to (137) of the Commercial Companies Law.</p> <p>2. The resolution reducing the capital shall be issued only after reading the reports of the Board of Directors and the auditor on the reasons for of the reduction, the obligations of the Company and the effect of such reduction on these obligations.</p> <p>3. Capital reduction shall be made, if the Company's capital is more than the Company needs, by reducing the nominal value of the shares, either by giving back a part of it to the shareholders equal to the decided percentage of reduction or by discharging them of the unpaid instalments of shares' value in proportion to the decided reduction. If the reduction is due to the Company's losses, a number of shares equal to the decided amount of reduction shall be cancelled. In all cases the nominal value of the shares must not be less than the value of the new issued and paid up shares.</p> <p>4. The reduction of the Company's capital shall be recorded in the Registry of Commerce and the</p>

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		<p>reduction resolution is published in the Official Gazette and two local daily newspapers.</p> <p>5. If the capital reduction is made by way of cancelling a number of the Company's shares, a number of shares owned by each shareholder shall be cancelled in proportion to the percentage of the capital reduction, provided that the shareholder shall not be deprived of sharing in the Company.</p> <p>6. The reduction shall not be effective against creditors who expressed their objection and submitted their supporting documents within fifteen (15) days from the date of the publication in the Official Gazette, unless these creditors have been paid their due debts or have been provided with adequate guarantees for the payment of their deferred debts.</p>	<p>reduction resolution is published in the Official Gazette and English and Arabic local daily newspapers.</p> <p>5. If the capital reduction is made by way of cancelling a number of the Company's shares, a number of shares owned by each shareholder shall be cancelled in proportion to the percentage of the capital reduction, provided that the shareholder shall not be deprived of sharing in the Company.</p> <p>6. The reduction shall not be effective against creditors who expressed their objection and submitted their supporting documents within fifteen (15) working days from the date of the publication in the Official Gazette, unless these creditors have been paid their due debts or have been provided with adequate guarantees for the payment of their deferred debts.</p>
	<p>No 2 in the old AOA has a different wording than No 2 in the new AOA.</p> <p>Old AOA does not have a paragraph for the cumulative voting.</p>	<p>Board of Directors Article 24</p> <p>1. The Company shall be administered by a Board of Directors composed of no less than five (5) members and no more than thirteen (13) members.</p> <p>2. Members of the Board of Directors shall be elected for a three (3) years renewable term. A corporate person who has appointed one or more members of the Board may replace them by others whether during the said period or on its expiry by sending a written notice to the Chairman. An elected member of the Board may be re-elected upon the expiry of his term of office, and this shall be considered to be a new nomination which requires satisfaction by such member of all the terms and conditions required to be satisfied by a person nominated for the Board membership for the first time as set out in Article (25) of these Amended Articles of Association. The term of office of the</p>	<p>Board of Directors Article 24</p> <p>1. The Company shall be managed by a Board of Directors comprised of not less than five (5) directors and not more than thirteen (13) directors at all times, appointed by cumulative secret ballot by the General Assembly.</p> <p>2. The term of the Board of Directors shall be three (3) years and may be extended for a period not more than six (6) months, subject to the approval of the Minister of the Ministry of Industry Commerce and Tourism and CBB upon receiving a request from the members of the Board of Directors of the Company.</p> <p>A cumulative vote shall mean that each shareholder shall have a number of votes equal to the number of shares he owns in the Company, and shall have the right to vote for one</p>

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		<p>members of the Board of Directors may be extended for a period not exceeding six months at the request of the Board of Directors, subject to the approval of the Minister of the Ministry of Industry, Commerce and Tourism.</p>	<p>candidate or to distribute them among his chosen candidates.</p> <p>The Board of Directors shall include a number of independent and non-executive members, in accordance with the rules imposed by the Ministry of Industry, Commerce and Tourism.</p>
	<p>No's 3-5 are added in the new AOA.</p> <p>No.3 is different in both old and new AOA's</p>	<p>Conditions of membership of the Board of Directors Article 25</p> <ol style="list-style-type: none"> 1. He shall enjoy the legal capacity to act. 2. He shall not have been previously convicted for an offence of bankruptcy by default or fraud nor for any crime affecting his honour or integrity nor for an offence by reason of his breach of the provisions of the Law, unless he has been reinstated. 3. Any other condition issued by the General Assembly. 4. If a Board member forfeits any of the aforesaid conditions, he shall cease to be a member of the Board of Directors from the date of forfeiture. 	<p>Conditions of membership of the Board of Directors Article 25</p> <ol style="list-style-type: none"> 1. He shall enjoy the legal capacity to act. 2. He must not have been convicted in a crime involving negligent or fraudulent bankruptcy or a crime affecting his honour or involving a breach of trust or in a crime on account of his breach of the provisions of this law, unless he was reinstated. 3. No person shall be appointed a director unless he consents in writing thereto. The declaration shall include disclosing any business undertaken directly or indirectly which represents a competition or a conflict of interest to the Company. The declaration shall also include the names of the companies and entities in which he carries out business activities or is a member of its Board of Directors; 4. He shall not be prohibited from being a member in the Board of Directors of a joint stock company in accordance with the provisions of the Law or any other laws enforced in the Kingdom of Bahrain; 5. The Chairman of the Board of Directors or the Vice Chairman, shall not combine their positions with the highest management position in the Company; and 6. If a Board member forfeits any of the aforesaid conditions, he shall cease to be a member of the Board of Directors from the date of forfeiture.

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	<p>Point 5 was added to the new Amended and Restated AOA</p>	<p style="text-align: center;">Removal of Directors Article 30</p> <p>1. The General Assembly may terminate the membership of all Board members or any of them.</p> <p>2. Shareholders, representing at least ten percent (10%) of the paid-up capital, may request in writing to remove all or any of the members of the Board of Directors provided that the request is submitted in writing to the Board of Directors of the Company who shall submit the request to the General Assembly within no more than one month from the date it is submitted. If the Board of Directors fails to submit such request to the General Assembly as aforesaid, the Ministry of Industry, Commerce and Tourism may in this case call the General Assembly to convene for the purpose of discussing this request.</p> <p>3. The General Assembly may not debate the removal request of all or any members of the Board of Directors if it is not listed on its agenda, unless serious developments take place during the meeting requiring such removal.</p> <p>4. The member removed by the General Assembly may claim compensation from the Company, if such removal is not justified or was made at an inappropriate time.</p>	<p style="text-align: center;">Removal of Directors Article 30</p> <p>1. The General Assembly may terminate the membership of all Board members or any of them.</p> <p>2. Shareholders, representing at least ten percent (10%) of the paid-up capital, may request in writing to remove all or any of the members of the Board of Directors provided that the request is submitted in writing to the Board of Directors of the Company who shall submit the request to the General Assembly within no more than one month from the date it is submitted. If the Board of Directors fails to submit such request to the General Assembly as aforesaid, the Ministry of Industry, Commerce and Tourism may in this case call the General Assembly to convene for the purpose of discussing this request.</p> <p>3. The General Assembly may not debate the removal request of all or any members of the Board of Directors if it is not listed on its agenda, unless serious developments take place during the meeting requiring such removal.</p> <p>4. The member removed by the General Assembly may claim compensation from the Company, if such removal is not justified or was made at an inappropriate time.</p> <p>5. The board member may resign his office provided that he resigns in a convenient time otherwise he shall be liable to pay compensation.</p>

<p>Point 1 in the old AOA states 15 calendar days whereas in the new AOA it just states 15 days.</p>	<p style="text-align: center;">Attendance Quorum and Voting Quorum at Board of Directors' Meetings Article (35)</p> <p>1. The Board of Directors shall meet at the summons of its Chairman or his Deputy (in event of his absence or disability) or upon the request of at least two directors. A meeting of the Board of Directors shall be valid if attended by not less than half of the directors, provided that the number of those present is not less than three (3). Notice of the meeting shall be sent out in writing with an agenda at least fifteen (15) calendar days prior to the date fixed for such meeting.</p> <p>Meetings convened on short notice will be valid if approved by at least two-thirds of all directors. Non-attendance at Board meetings does not absolve non-attending directors of their responsibilities as directors. Issues not reflected in the agenda shall not be considered unless approved by three of the directors' present at the meeting.</p> <p>2. Resolutions of the Board of Directors shall be adopted by a simple majority vote of the directors' present. In case of a tie, the Chairman (or the Deputy Chairman, depending on the circumstances) shall have a casting vote. A dissenting member of the Board shall record his dissent in the minutes of meeting.</p> <p>3. The Board may adopt resolutions, except in relation to approval of the Company's financial statements, by correspondence, including post, electronically, fax, teleconferencing, video-conferencing or any other audio/visual communication method provided that in order for resolutions taken in this manner to be valid, they shall be approved by all members and recorded in the minutes of the following Board meeting. Any member to whom a proposed resolution is sent in his place of residence and who fails to respond within three working days following the date on which the proposed resolution is sent to him shall be considered to have approved the resolution.</p> <p>4. The Board of Directors shall meet at least four (4) times in every financial year.</p>	<p style="text-align: center;">Attendance Quorum and Voting Quorum at Board of Directors' Meetings Article (35)</p> <p>1. The Board of Directors shall meet at the summons of its Chairman or upon the request of at least two directors. A meeting of the Board of Directors shall be valid if attended by not less than half of the directors including the Chairman, provided that the number of those present is not less than three (3). Notice of the meeting shall be sent out in writing with an agenda at least fifteen (15) days prior to the date fixed for such meeting.</p> <p>Meetings convened on short notice will be valid if approved by at least two-thirds of all directors. Non-attendance at Board meetings does not absolve non-attending directors of their responsibilities as directors. Issues not reflected in the agenda shall not be considered unless approved by three (3) of the directors' present at the meeting.</p> <p>2. Resolutions of the Board of Directors shall be adopted by a simple majority vote of the directors' present. In case of a tie, the Chairman (or the Deputy Chairman, depending on the circumstances) shall have a casting vote. A dissenting member of the Board shall record his dissent in the minutes of meeting.</p> <p>3. The Board may adopt resolutions, except in relation to approval of the Company's financial statements, by correspondence, including post, electronically, fax, teleconferencing, video-conferencing or any other audio/visual communication method provided that in order for resolutions taken in this manner to be valid, they shall be approved by all members and recorded in the minutes of the following Board meeting. Any member to whom a proposed resolution is sent in his place of residence and who fails to respond within three working days following the date on which the proposed resolution is sent to him shall be considered to have approved the resolution.</p> <p>4. The Board of Directors shall meet at least four (4) times in every financial year.</p>
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		<p>5. A director is prohibited from voting on any contract, matter arrangement or any other proposal in which he has a material interest in, whether direct or indirect.</p>	<p>5. A director is prohibited from voting on any contract, matter arrangement or any other proposal in which he has a material interest in, whether direct or indirect.</p>
	<p>Sending a copy of the annual report in the old AOA was 4 months whereas new AOA its three months.</p> <p>The publishing was 15 days before the AGM whereas the new AOA states 21 days.</p>	<p style="text-align: center;">Annual Report Article 37</p> <p>The Board of Directors shall prepare within three (3) months from the end of each financial year:</p> <p>a. The Balance Sheet for the last financial year, including particulars of the Company's assets and liabilities;</p> <p>b. Profit and Loss account; and</p> <p>c. A report on the Company operations, its financial position during the preceding year and the detailed recommendations of the Board of Directors regarding distribution of net profits of the last year and the profits carried over from the year before.</p> <p>The Chairman of the Board of Directors and one of the Directors shall sign the Report, the Balance Sheet and the Profit and Loss Statement. A copy of the signed report and the documents shall be submitted to the Central Bank of Bahrain and the Ministry of Industry, Commerce and Tourism.</p> <p>The Board of Directors shall send a copy of the annual report to the Central Bank of Bahrain and the Ministry of Industry, Commerce and Tourism, within four (4) months from the end of the financial year.</p> <p>The Board of Directors shall publish the Balance Sheet, the Profit and Loss account and an adequate summary of the annual report and the full text of the auditors' report in one of the local daily Arabic language newspapers at least fifteen days before the General Assembly meeting.</p> <p>The Company must publish extracts of its audited annual financial statements within two (2) months of the end of the financial year, in accordance with Article (62) of the Central Bank of Bahrain and Financial Institutions Law and the regulations issued to its effect.</p>	<p style="text-align: center;">Annual Report Article 37</p> <p>The Board of Directors shall prepare within three (3) months from the end of each financial year:</p> <p>a. The Balance Sheet for the last financial year, including particulars of the Company's assets and liabilities;</p> <p>b. Profit and Loss account; and</p> <p>c. A report on the Company operations, its financial position during the preceding year and the detailed recommendations of the Board of Directors regarding distribution of net profits of the last year and the profits carried over from the year before.</p> <p>The Chairman of the Board of Directors and one of the Directors shall sign the Report, the Balance Sheet and the Profit and Loss Statement. A copy of the signed report and the documents shall be submitted to the Central Bank of Bahrain and the Ministry of Industry, Commerce and Tourism.</p> <p>The Board of Directors shall send a copy of the annual report to the Central Bank of Bahrain and the Ministry of Industry, Commerce and Tourism, within three (3) months from the end of the financial year.</p> <p>The Board of Directors shall publish the Balance Sheet, the Profit and Loss account and an adequate summary of the annual report and the full text of the auditors' report in one of the local daily Arabic language newspapers at least twenty One (21) days before the General Assembly meeting.</p> <p>The Company must publish extracts of its audited annual financial statements within two (2) months of the end of the financial year, in accordance with Article (62) of the Central Bank of Bahrain and Financial Institutions Law and the regulations issued to its effect.</p>

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		All the members of the Board of Directors shall be responsible for the implementation of this Article (37).	All the members of the Board of Directors shall be responsible for the implementation of this Article (37).
	Old AOA states article 218 for the OGM whereas the new AOA states article 198 of the Commercial Companies Law	<p style="text-align: center;">Ordinary General Meeting Article 46</p> <p>1- Convening</p> <p>a) The Ordinary General Meeting shall convene upon an invitation by the Chairman or Deputy Chairman of the Board of Directors at the time and place determined by the Board of Directors, subject always to the provisions of the Commercial Companies Law.</p> <p>b) The Ordinary General Meeting shall meet at least once in every financial year, within three months following the end of the financial year of the Company.</p> <p>c) The Board of Directors may summon the Ordinary General Meeting at any time, if so, requested by the auditors or a number of shareholders representing 10% of the share capital of the Company, provided that they shall have reasonable grounds justifying such request.</p> <p>d) The auditor may summon the Ordinary General Meeting in the cases provided in these Amended and Restated Articles of Association and Article (218)(b) of the Commercial Companies Law.</p>	<p style="text-align: center;">Ordinary General Meeting Article 46</p> <p>1- Convening</p> <p>a) The Ordinary General Meeting shall convene upon an invitation by the Chairman of the Board of Directors at the time and place determined by the Board of Directors, subject always to the Provisions of the Law.</p> <p>The invitation to the shareholders to convene the General Assembly shall be published in at least 2 daily Arabic newspapers; one of them at least must be local. The publication shall be made at least Twenty One (21) days before the meeting and shall include the Agenda of the Meeting.</p> <p>b) The Ordinary General Meeting shall meet at least once in every financial year, within three (3) months following the end of the financial year of the Company.</p> <p>c) The Board of Directors may summon the Ordinary General Meeting at any time, if so, requested by the auditors or a number of shareholders representing 10% of the share capital of the Company.</p> <p>d) The auditor may summon the Ordinary General Meeting in the cases provided in these Amended and Restated Articles of Association and Article (198)(b) of the Commercial Companies Law.</p> <p>e) The Ministry of Industry, Commerce and Tourism may summon the General Meeting to convene at the lapse of one (1) month following the date fixed for convening such meeting without a meeting being convened or if the number of members of the Board of Directors falls below the required quorum for holding the Board's meetings, or if the Board of</p>

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			<p>Directors did not send the invitation as mentioned in (c) above.</p> <p>f) The Minister of Industry, Commerce and Tourism may summon the General Meeting to convene whenever he deems that there are reasons justifying suchaction.</p>
	<p>Points 5 – 6 and 7 have been added to the new AOA.</p> <p>Points 5-7 have been added to the new AOA</p>	<p style="text-align: center;">Extraordinary General Meeting Article 48</p> <p>4- Competence</p> <p>a) The Extraordinary General Meeting shall have competence over the following matters:</p> <ol style="list-style-type: none"> 1. Amending the Company's Memorandum or Articles of Association and extending the Company's term. 2. Increasing or reducing the Company's capital. 3. Selling the entire project carried out by the Company or disposing of it in any other manner. 4. Winding up the Company or merging it with another company. 	<p style="text-align: center;">Extraordinary General Meeting Article 48</p> <p>4- Competence</p> <p>a) The Extraordinary General Meeting shall have competence over the following matters:</p> <ol style="list-style-type: none"> 1. Amending the Company's Memorandum or Articles of Association and extending the Company's term. 2. To decide to increase or reduce the capital of the Company, including the issuance of new shares. 3. Selling the entire project carried out by the Company or disposing of it in any other manner. 4. Winding up the Company or merging it with another company. 5. To dispose of all, or a substantial proportion, being more than one half of the Company's asset, except for the mortgage and the cases in which the disposition is for a subsidiary company. 6. Any other matters that are stated in Bahrain Commercial Companies Law. 7. The Extraordinary General Assembly shall not amend the Amended and Restated Memorandum and Articles of Association of the Company to change the nationality of the Company, transfer the head office to a foreign country or increase the liabilities of the shareholders, except for the increase of the share capital, and any provision to the contrary shall be considered null and void.

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	<p>Numbers 4-7 have been added to the new AOA.</p> <p>Numbers 12 and 13 has been added to the new AOA.</p>	<p style="text-align: center;">Common Provisions Article 49</p> <p>1. Resolutions adopted at the General Meeting in accordance with the provisions of the Commercial Companies Law and these Amended and Restated Articles of Association shall be binding upon all shareholders, whether they were present at the meeting at which the resolutions were passed, or were absent, regardless of whether they voted for or against them.</p> <p>2. The Board of Directors shall implement the resolutions of the General Meeting.</p> <p>3. Without prejudice to the rights of any bona fide third party, all resolutions adopted by the General Meeting contrary to the provisions of the Commercial Companies Law, the Implementing Regulations as amended and/or the Company's Amended and Restated Memorandum and Articles of Association shall be deemed null and void.</p> <p>4. The Court may nullify and invalidate any resolution passed in favor of a certain category of shareholders, or for the intent of causing them harm, or for the purpose securing a special benefit for the members of the Board of Directors, or others, without regard for the Company's interests. An action for nullifying and invalidating a resolution may not be filed except by the shareholders who objected to such resolution, and who recorded their objection in the minutes of the meeting, or those shareholders who were absent from the meeting for a justifiable reason.</p> <p>5. An invalidation or nullification order shall render the resolution passed invalid and non-existent towards all shareholders and the Board of Directors shall publish a summary of the Court order in one of the local daily newspapers.</p> <p>6. An action filed for the nullification and invalidation of a resolution shall not entail the suspension of its implementation, unless an order is issued by the Court to this effect.</p>	<p style="text-align: center;">Common Provisions Article 49</p> <p>1. Resolutions adopted at the General Meeting in accordance with the provisions of the Commercial Companies Law and these Amended and Restated Articles of Association shall be binding upon all shareholders, whether they were present at the meeting at which the resolutions were passed, or were absent, regardless of whether they voted for or against them.</p> <p>2. The Board of Directors shall implement the resolutions of the General Meeting.</p> <p>3. Without prejudice to the rights of any bona fide third party, all resolutions adopted by the General Meeting contrary to the provisions of the Law, the Implementing Regulations as amended and/or the Company's Amended and Restated Memorandum and Articles of Association shall be deemed null and void.</p> <p>4. A shareholder may file a claim for invalidity and claim compensation if necessary, for any resolution passed in the Ordinary or Extraordinary General Assembly in contravention of the provisions of the law, public order or the company's Memorandum or Articles of Association.</p> <p>5. Without prejudice to the rights of third party with good faith, an order of invalidity shall consider the resolution of the General Assembly as inexistent. The board of directors must publish the judgement in one of the local daily newspapers.</p> <p>6. The shareholder may, during the consideration of the claim of invalidity referred to in paragraph (1) of this article, require the defendant or third parties to submit any documentations in his possession which are related to the case.</p> <p>7. The claim of invalidity referred to in paragraph (1) of this Article shall not be heard after sixty days from the date of the shareholder's acknowledgment of the resolution of the Assembly or one year from the date of its issuance, whichever may lapse</p>

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		<p>7. Any action for the nullification and invalidation of a resolution shall be barred after the lapse of one (1) year from the date of such resolution.</p> <p>8. The names of the shareholders shall be entered in a special register to be prepared for this purpose at the Company's head office at least twenty-four (24) hours before the meeting. This register shall include the names of the shareholders, names of the proxies, the number of shares they own and the number of shares they represent, whether directly or by proxy.</p>	<p>first. The raise of claim of invalidity shall not entail the suspension of the implementation of the resolution, unless otherwise ordered by the Court.</p> <p>8. An invalidation or nullification order shall render the resolution passed invalid and non-existent towards all shareholders and the Board of Directors shall publish a summary of the Court order in one of the local daily newspapers.</p> <p>9. An action filed for the nullification and invalidation of a resolution shall not entail the suspension of its implementation, unless an order is issued by the Court to this effect.</p> <p>10. Any action for the nullification and invalidation of a resolution shall be barred after the lapse of one (1) year from the date of such resolution.</p> <p>11. The names of the shareholders shall be entered in a special register to be prepared for this purpose at the Company's head office at least twenty-four (24) hours before the meeting. This register shall include the names of the shareholders, names of the proxies, the number of shares they own and the number of shares they represent, whether directly or by proxy.</p> <p>12. Each shareholder may attend meeting of the General Assembly and shall be entitled to a number of votes equivalent to the number of shares he holds.</p> <p>13. A shareholder may delegate a person from among the shareholders or from non-shareholders to attend the general assembly on his behalf, provided that the proxy shall not be the chairman or from among the members of the board of directors or from among the Company's employees. However, this shall not prejudice the right to appoint a proxy from relatives to the first degree of relationship. This shall be by virtue of a special power of attorney evidenced in writing designated for this purpose by the company. Persons lacking capacity or under legal incapacity shall be represented by their legal representatives. The company shall</p>

Articles Reference Number	Justification	Old Article	New proposed Article
			prepare special cards for the number of shares a shareholder holds and for the shares he represents on behalf of other shareholders. Proxies and the capacity of the delegation with the company must be made before at least twenty four (24) hours before the meeting. No member may vote for himself or on behalf of whoever he represents on issues in which he has personal interest or on a dispute existing between him and the company.
		<p style="text-align: center;">Shareholders' rights Article (10)</p> <p>To dispose of the shares he owns and having a priority in subscribing for new shares.</p>	<p style="text-align: center;">Shareholders' rights Article (10)</p> <p>To dispose of the shares he owns and having a priority in subscribing for new shares in accordance with the provisions of the Law, while taking into consideration the provisions and decisions governing the rules, conditions and procedures for acquisitions and mergers issued by the Central Bank of Bahrain.</p>
		<p style="text-align: center;">Alteration of capital Increase of capital (Article 15)</p> <p>a. Issuing new shares to cover the required increase, the value of which must be fully paid in cash.</p> <p>b. Capitalisation of the reserves, which may be effected by one of the two following methods:</p>	<p style="text-align: center;">Alteration of capital Increase of capital (Article 15)</p> <p>a. Issuing new shares to cover the required increase, the value of which must be fully paid in cash.</p> <ul style="list-style-type: none"> - Converting the Company's debt into shares in favor of the creditor; - Converting the loan bonds issued by the Company into shares; - Contributing in kind shares in the Company; or <p>b. Capitalisation of the reserves or part of the distributable profits, which may be effected by one of the two following methods:</p>
		<p style="text-align: center;">Issuance of new shares (Article 16)</p> <p>a. Priority to subscribe to the new shares shall be given to existing shareholders except the cases specified in the cases in the manner specified in Articles (128) and (129) of the Law and the Company shall follow the procedures set out in the said two articles. The shareholders have the right to waive their priority right to these shares in accordance with a resolution of the extraordinary general assembly.</p>	<p style="text-align: center;">Issuance of new shares (Article 16)</p> <p>a. Priority to subscribe to the new shares shall be given to existing shareholders except the cases specified in the cases in Articles (128) and (129) of the Law and the Company shall follow the procedures set out in the said two articles. The shareholders have the right to waive their priority right to these shares in accordance with a resolution of the extraordinary general assembly.</p>

Articles Reference Number	Justification	Old Article	New proposed Article
		<p style="text-align: center;">Issuance of new shares (Article 16)</p> <p>d. The Board of Directors shall publish the resolution issued in approval of the capital increase in the Official Gazette and one local daily newspaper. Such resolution shall be registered with the Commercial Register within one (1) month from the date of increase.</p>	<p style="text-align: center;">Issuance of new shares (Article 16)</p> <p>d. The resolution of increasing the share capital shall be published on the website of the Ministry, after endorsing the increase in the Commercial Registry.</p>
		<p style="text-align: center;">Representation (Article 34)</p> <p>a. The Chairman of the Board of Directors shall be deemed the head of the Company and shall represent it before third parties. His signature shall be deemed as that of the Board of Directors in respect of the Company's relations with third parties. The Chairman shall manage the Company and undertake its operations within the objects specified herein and according to the provisions of the laws in force and the Company's Amended and Restated Articles of Association. The Chairman shall comply with and execute the resolutions and recommendations of the Board of Directors and the General Meeting. The Deputy Chairman shall act for the Chairman in his absence, or where there is a lawful or acceptable reason for the same</p>	<p style="text-align: center;">Representation (Article 34)</p> <p>a. The Chairman of the Board of Directors shall be deemed the head of the Company and shall represent it before third parties. His signature shall be deemed as that of the Board of Directors in respect of the Company's relations with third parties. The Chairman shall manage the Company and undertake its operations within the objects specified herein and according to the provisions of the laws in force and the Company's Amended and Restated Articles of Association. The Chairman shall comply with and execute the resolutions and recommendations of the Board of Directors and the General Meeting. The Deputy Chairman shall act for the Chairman in his absence, or where there is a lawful or acceptable reason for the same him and he shall have the same authorities as the Chairman of the Board.</p> <p>a. However, another member of the Board of Directors or the executive management of the Company may be delegated or involved in exercising the powers of the Chairman of the Board.</p>

Articles Reference Number	Justification	Old Article	New proposed Article
		<p>Remuneration of members of the board of directors (Article 44)</p> <p>3. Total remuneration of the Board of Directors (excluding sitting fees) shall not exceed 5% of the Company's net profits, after deducting statutory reserves and after distributing a profit of not less than 5% of the Company's paid capital, subject always to the approval of the General Meeting.</p>	<p>Remuneration of members of the board of directors (Article 44)</p> <p>3. Total remuneration of the Board of Directors (excluding sitting fees) shall not exceed 10% of the Company's net profits, after deducting statutory reserves and after distributing a profit of not less than 5% of the Company's paid capital, subject always to the approval of the General Meeting. This Provision does not oblige the Company to declare or pay any dividends.</p>
		<p>Ordinary general meeting (Article 46)</p> <p>This Provision does not oblige the Company to declare or pay any dividends. The Board of Directors' report to the General Assembly shall include a comprehensive account of all payments to the Board members during the financial year, including salaries, profit shares, representation allowances, attendance allowances and expenses and the like. The report shall also include an account of the amounts paid to the members of the Board of Directors in their capacities as employees and administrators, and what they have received for technical, administrative or consulting services or any other business, separately.</p>	<p>Ordinary general meeting (Article 46)</p> <p>Shall also include an account of the amounts paid to the members of the Board of Directors in their capacities as employees and administrators, and what they have received for technical, administrative or consulting services or any other business, separately. The aforementioned report shall also include a disclosure of the remuneration made to the members of the executive management separately, in accordance with the provisions set forth in Article (188) of the Law.</p>
		<p>The invitation to the shareholders to convene the General Assembly shall be published in at least 2 daily Arabic newspapers; one of them at least must be local. The publication shall be made at least Twenty One (21) days before the meeting and shall include the Agenda of the Meeting.</p>	<p>The invitation to the shareholders to convene the General Assembly shall be published in at least 2 local daily newspapers, one in Arabic and the other in English. The publication shall be made at least twenty-one (21) days before the meeting and shall include the agenda of the meeting and it shall detail and contain the necessary information as specified in the Implementing Regulations of the Bahrain Commercial Companies Law.</p>

Articles Reference Number	Justification	Old Article	New proposed Article
		<p style="text-align: center;">Ordinary general meeting (Article 46)</p> <p>2-Voting</p> <p>1. Voting in the General Assembly is conducted through a show of hands or any other method decided upon by the General Assembly. Voting must be conducted by secret cumulative ballot if the resolution is related to the election or dismissal of the members of the board of directors or to filing liability action against them or if the Chairman of the Board or a number of members representing at least one-tenth of the present votes at the meeting so requests.</p>	<p style="text-align: center;">Ordinary general meeting (Article 46)</p> <p>2-Voting</p> <p>1. Voting in the General Assembly is conducted through a show of hands or any other method decided upon by the General Assembly. Voting must be conducted by secret cumulative ballot if the resolution is related to the election or dismissal of the members of the board of directors or to filing liability action against them or if the Chairman of the Board or a number of members representing at least one-tenth of the present votes at the meeting so requests.</p> <p>2. The Company may adopt an electronic voting system, while taking into consideration the conditions and regulations specified by the Minister of Industry, Commerce and Tourism.</p>
		<p style="text-align: center;">Ordinary general meeting (Article 46)</p> <p>4-Competence</p> <p>Winding up the Company or merging it with another company.</p>	<p style="text-align: center;">Ordinary general meeting (Article 46)</p> <p>4-Competence</p> <p>Up the Company or merging it with another company, shall be issued by a unanimous approval by Shareholders owning not less than 75% of the Company's capital.</p>

Articles Reference Number	Justification	Old Article	New proposed Article
		<p style="text-align: center;">Publication of financial statements (Article 54)</p> <p>The Company must publish extracts from its audited annual financial statements in accordance with Article (62) of the Central Bank of Bahrain and Financial Institutions Law and the regulations issued to its effect in two local daily newspapers within three (3) months from the end of the financial year. These must include a minimum the four (4) main statements, which are the Statement of Financial Position (Balance Sheet), the Statements of Income, the Cash Flow and the Comprehensive Income.</p>	<p style="text-align: center;">Publication of financial statements (Article 54)</p> <p>The Company shall disseminate and publish their annual audited financial statements no later than sixty (60) days after the end of the financial year, prepared in accordance with the prevailing IFRS, in at least two local newspapers and shall simultaneously disseminate the same to the BSE.</p> <p>The Company must publish extracts from its audited annual financial statements in accordance with Article (62) of the Central Bank of Bahrain and Financial Institutions Law and the regulations issued to its effect in two local daily newspapers within three (3) months from the end of the financial year. These must include a minimum the four (4) main statements, which are the Statement of Financial Position (Balance Sheet), the Statements of Income, the Cash Flow and the Comprehensive Income.</p> <p>The Company shall publish, as a minimum requirement, the four primary financial statements; namely the balance sheet, income statement, cash flow statement and change in shareholders' equity statement.</p>
		<p style="text-align: center;">Distribution of net profits Article (55)</p> <p>The Statutory Reserve shall not be distributed among shareholders. However, it may be utilised as security for the distribution of dividends to the shareholders, amounting to not less than 5% of the paid-up capital, when the net profits of the Company are insufficient to permit the distribution of dividends at the said percentage.</p>	<p style="text-align: center;">Distribution of net profits Article (55)</p> <p>Taking into consideration the rules issued by the Central Bank of Bahrain, the statutory reserve can be used to increase share capital of the Company or to cover its losses that caused deficiency in its share capital. If this reserve exceeds 50% of the issued share capital, the general assembly may decide to distribute the excess amount to the shareholders in years in which the Company does not achieve any distributable profits.</p>