

Proposed changes to the constitutional documents of Bahrain Islamic Bank B.S.C.

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General Provisions and Comments

Minor changes to the text in the Memorandum and Articles of Association will be made to update the same, for example:

- Adding the phrase "and its amendments" wherever referred to the Bahrain Commercial Companies Law (the "Law").
- Adding the phrase "and Tourism" wherever referred to the Ministry of Industry and Commerce.
- The phrase "Bahrain Monetary Agency" shall be changed to "Central Bank of Bahrain".
- Any reference to the "Bahrain Monetary Agency Law for the year 1973 and its subsequent amendments and regulations" shall be referred to as "the Central Bank of Bahrain and Financial Institutions Law No. (64) of 2006".

Re-numbering of Articles due to the deletion of certain Articles in accordance with the Amendments to the BCCL.

The amendments to the articles are highlighted in yellow.

BCCL Articles Reference Number and the Amendment Year	Old provisions	New proposed provisions
Article (67) of the BCCL	<p>Article (3)</p> <p>The Extraordinary General Meeting may change the name of the Company in accordance with Article (67) of the Commercial Companies Law of 2001, after obtaining the prior written approval of the Bahrain Monetary Agency.</p>	<p>Article (3)</p> <p>This article will be amended to be read as follows:</p> <p>The Company may change its name by a resolution by the Extraordinary General Assembly and after obtaining the prior written approval of the Central Bank of Bahrain. The new name shall be registered in the Commercial Registry in accordance with the provisions of the Law and must be published in the Official Gazette and one of the local daily newspapers.</p> <p>The change in the name of the Company shall not affect its rights or obligations or legal proceedings taken by or against the Company.</p>
	<p>Article (4)</p> <p>The principal office of the Company and its legal domicile will be situated in the city of Manama, Kingdom of Bahrain. The Board of Directors may establish branches, offices or agencies in the Kingdom of Bahrain and/or abroad.</p>	<p>Article (4)</p> <p>The highlighted paragraph shall be added to this Article, as follows:</p> <p>The principal office of the Company and its legal domicile will be situated in the city of Manama, Kingdom of Bahrain. The Board of Directors may establish branches, offices or agencies in the Kingdom of Bahrain and/or abroad, subject to the prior written approval of the Central Bank of Bahrain.</p>

	<p>Article (5)</p> <p>The Company's main object is to engage in all activities legally approved for investment companies, insurance companies, commercial banks, Islamic banks and other similar banks, such as industrial, agricultural, cooperative, real estate, investment and business banks.</p>	<p>Article (5)</p> <p>The following paragraphs shall be added to this article:</p> <p>The Company shall be committed to applying the provisions of Islamic Shari'a in all matters related to its activities of contracts and transactions. The Company's Shari'a Supervisory Board shall guide, supervise and monitor the activities of the Company to ensure their compliance with the provisions and principles of Islamic Shariah, which is deemed obligatory to the Company .</p>
	<p>Article (5) – continued</p> <p>These activities shall be carried out by direct investment of the Company's funds or by financing from project owners on the basis of Shari'a-compliant contracts, including Musharaka, lending, deposits and guarantees. The Company may also establish its associates and subsidiaries and shall not hold shares in other existing bodies and companies whose objects are aligned with or complementing the objects of this Company. Also, the activities carried out by the Company shall include but not be limited to<u>etc.</u></p>	<p>Article (5) – continued</p> <p>Notwithstanding this article, the Company shall at all times comply with the Central Bank of Bahrain and Financial Institutions Law No. (64) of 2006 and the regulations issued to its effect, and any directives, orders, procedures, rules and regulations as may be issued by the Central Bank of Bahrain from time to time in particular, the Company shall observe and comply with the rules, articles, instructions, directives, procedures, regulations and codes issued by the Central Bank of Bahrain from time to time.</p> <p>The name of the commercial activity shall be added to the Articles of Association of the Company according to the records of the MOICT which is "<u>Banks- Retail Banks (Islamic Principles) – Locally incorporated</u>) along with its complete description as mentioned in the initial Articles of Association of the Company, subject to the approval of the concerned regulators.</p>
	<p>Article (6)</p> <p>The Company shall be committed to applying the provisions of Islamic Shari'a in all matters related to its activities of contracts and transactions, drawing on a Shari'a Supervisory Board to guide, supervise and monitor the activities of the Company to ensure its compliance with the provisions and principles of the Islamic Shariah.</p>	<p>This article has been merged with Article (5) above.</p>

<p>Article (119) of the BCCL replaced in accordance with Decree No. (50) for the year 2014 and Article (120) added in accordance with Decree No. (1) for the year 2018</p>	<p style="text-align: center;">Article (14) Shareholders' Nationality and Share Trading</p> <p>a. The Company's shares shall be nominal and shall be traded in accordance with the Commercial Companies Law of 2001 and Bahrain Stock Exchange Law and its regulations.</p> <p>b. The shares and the interim certificates may be traded, and the Company may purchase its shares in the cases and in accordance with the rules decreed by the Minister of Commerce.</p>	<p style="text-align: center;">Article (14) Share Trading</p> <p>This article will be amended to be read as follows:</p> <p>a. Trading in shares, registering and depositing them, transfer of the title thereto, making a set-off involving them, settling them, registering mortgages thereon and detaining 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, and the Law.</p> <p>b. The ownership of the shares of the Company is prohibited by any of its subsidiary Companies.</p>
	<p style="text-align: center;">Article (14) - continued</p> <p>c. The disposal of the shares shall be effective against the Company or third parties only upon the registration thereof in the relevant register.</p> <p>The Company may suspend the registration of the shares transfer during the period between the date of the call for a General Assembly meeting and the date of this meeting.</p> <p>The Company may refuse to register the disposal of the shares in the following cases:</p> <p>a. If the shares are mortgaged or distrained by a court order.</p> <p>b. If the shares or the interim certificates are lost and no other shares or certificates are given in lieu thereof.</p> <p>c. If dealing in the shares or the title transfer is in contravention of the provisions of law or of the rules, the conditions and the percentages decreed by the Minister of Commerce or of the Company's articles of association.</p> <p>d. If the value of the shares has not been fully paid to the Company or if the Company claims a debt thereon.</p>	<p style="text-align: center;">Article (14) - continued</p> <p>Removed the term "Nationality" from the name of the Article as the restrictions to the Nationality of the shareholders has been removed according to article (65) of the Bahraini Commercial Companies Law which replaced in accordance with Decree No. (50) for the year 2014.</p>

<p>Article (116) of the BCCL</p>	<p>Article (15)</p> <p>If a shareholder fails to pay a due installment, the Board of Directors shall be entitled to sell the share after serving a notice to the defaulting shareholder by registered mail with a delivery note. If the shareholder does not pay the amount within ten days from the date of receiving the notice, the Company may sell the share in the Bahrain Stock Exchange or in a public auction. However, the defaulting shareholder may pay the due installment until the date of the auction in addition to the expenses incurred by the Company.</p>	<p>Article (15)</p> <p>Items (1) and (3) shall be added to this article, as follows:</p> <ol style="list-style-type: none"> 1. The shareholder shall pay the value of the shares on the due dates. Late penalty charges shall apply on any outstanding payments without the need for serving a notice. The late penalty charges will be invested towards charitable causes as deemed appropriate by the Company's Sharia Supervisory Board. 2. If a shareholder fails to pay a due installment, the Board of Directors shall be entitled to sell the share after serving a notice to the defaulting shareholder by registered mail with a delivery note. If the shareholder does not pay the amount within ten days from the date of receiving the notice, the Company may sell the share in the Bahrain Stock Exchange or in a public auction. However, the defaulting shareholder may pay the due installment until the date of the auction in addition to the expenses incurred by the Company. 3. The Company shall recover from the proceeds of the sale the delayed installments and expenses and refund to the shareholder any excess amounts. If the proceeds fall short of the Company's entitlements the Company shall claim the difference by using the ordinary methods.
<p>Article (168) amended in accordance with Decree No. (1) for the year 2018</p>	<p>Article (17)</p> <p>The shares shall confer equal rights and obligations. The member shall in particular have the following rights:</p> <ol style="list-style-type: none"> a. Receiving profit dividends decided for the shareholders. b. Receiving a share of the Company's total property on liquidation. The Company shall, when distributing dividends to the shareholders, distribute such dividends to the shareholder whose name is registered as the last owner of the share in the Company's register when the General Assembly approves the financial statements and profit distribution. As regards the Company's assets, the last owner of the shares registered in the Company's register is the only one entitled to receive the money due for his share in such assets. 	<p>Article (17)</p> <p>Item (h) will be added at the end of this article, as follows:</p> <p>The shares shall confer equal rights and obligations. The member shall in particular have the following rights:</p> <ol style="list-style-type: none"> a. Receiving profit dividends decided for the shareholders. b. Receiving a share of the Company's total property on liquidation. The Company shall, when distributing dividends to the shareholders, distribute such dividends to the shareholder whose name is registered as the last owner of the share in the Company's register when the General Assembly approves the financial statements and profit distribution. As regards the Company's assets, the last owner of the shares registered in the Company's register is the only one entitled to receive the money due for his share in such assets.

	Article (17) - continued	Article (17) - continued
	<ul style="list-style-type: none"> c. Participating in the Company's management, whether through the general assemblies and as a member of the Board of Directors, according to the Company's articles of association. d. Obtaining a printed booklet comprising the Company's balance sheet for the past financial year, the profit and loss account and the reports of the Board of Directors and the auditor. e. Filing lawsuits to invalidate any resolution issued by the General Assembly or by the Board of Directors in contravention of the law, the public order or the memorandum or the articles of association. f. Disposing of the shares he owns and having a priority in subscribing for new shares in accordance with the provisions of the law. g. The right to examine the Company's records and to obtain copies thereof according to the conditions and procedures defined in the articles of association, provided that the use thereof shall not prejudice the Company's interests or financial position or third parties. 	<ul style="list-style-type: none"> c. Participating in the Company's management, whether through the general assemblies and as a member of the Board of Directors, according to the Company's articles of association. d. Obtaining a printed booklet comprising the Company's balance sheet for the past financial year, the profit and loss account and the reports of the Board of Directors and the auditor. e. Filing lawsuits to invalidate any resolution issued by the General Assembly or by the Board of Directors in contravention of the law, the public order or the memorandum or the articles of association. f. Disposing of the shares he owns and having a priority in subscribing for new shares in accordance with the provisions of the law. g. The right to examine the Company's records and to obtain copies thereof according to the conditions and procedures defined in the articles of association, provided that the use thereof shall not prejudice the Company's interests or financial position or third parties. h. Filing a claim against the Company for the judgment of the court as it deems appropriate, if the Company's operations are conducted or being 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 acts of third parties or their refusal or intention to do any of the foregoing on behalf of the Company.

Article (169) of the BCCL	<p style="text-align: center;">Article (18)</p> <p>The member shall in particular have the following obligations:</p> <ul style="list-style-type: none"> a. Payment of due installments b. Payment of expenses incurred by the Company in the process of collecting the unpaid installment and sale of shares. c. To refrain from doing any act that might harm the Company. 	<p style="text-align: center;">Article (18)</p> <p>This article shall be amended to be read as follows:</p> <p>The member shall in particular have the following obligations:</p> <ul style="list-style-type: none"> a. Payment of due installments and late penalty charges on the same following the expiration of the date thereof without the need to serve him a notice. b. Payment of expenses incurred by the Company in the process of collecting the unpaid installment and sale of shares. c. To refrain from doing any act that might harm the Company. d. Execution of any resolution adopted by the General Assembly.
Article (121) and (122) of the BCCL are deleted as per Decree no. (50) for the year 2014	<p style="text-align: center;">Article (20)</p> <ul style="list-style-type: none"> a. No heirs or creditors of a shareholder are entitled for any reason whatsoever to request for the seizure of the Company's books, documents, or property, or to demand the winding-up or the sale of the whole Company, or to interfere in any way whatsoever in the management of the Company's business. In exercising their rights, they shall rely only on the Company's records, financial accounts and the General Assembly's resolutions. b. The Company's property shall not be distrained to discharge debts owed by one of the shareholders. However, the shares of the debtor and its dividends may be distrained, and such distraint shall be entered in and deleted from the relevant register upon a notice by a competent authority. The distrainer and the mortgagee shall be subject to all the resolutions passed by the General Assembly in the same way they apply to the distrainee or the mortgagor without having membership rights in the Company. 	<p style="text-align: center;">Article (20)</p> <p>This article shall be deleted in accordance to Article (121) and (122) of the BCCL which was deleted as per Decree No. (50) for the year 2014</p>
	<p style="text-align: center;">Article (21)</p> <p>The Company shall maintain a register to record therein the shareholders' names, their nationalities and domiciles, the number and the serial numbers of the share certificates, and the dealings made thereon. A copy of these details shall be forwarded to the Ministry of Commerce and Industry and the Bahrain Stock Exchange.</p>	<p>This Article shall be moved and placed after Article (16).</p>

<p>Article (137) of the BCCL</p>	<p style="text-align: center;">Article (23)</p> <p>6. Reduction shall not be effective against the creditors who make an objection thereto and submit their documents within Sixty days from the publication date in the Official Gazette unless they are paid their due debts or have been provided with adequate guarantees for the payment of their deferred debts.</p>	<p style="text-align: center;">Article (23)</p> <p>Item (6) of this article shall be amended to be read as follows:</p> <p>6. Reduction shall not be effective against the creditors who make an objection thereto and submit their documents within fifteen working days from the publication date in the Official Gazette unless they are paid their due debts or have been provided with adequate guarantees for the payment of their deferred debts.</p>
<p>HC - 1.4.7 and HC - 1.4.8 of the CBB Rulebook Volume (2)</p> <p>Article (172) and (175) of the BCCL amended in accordance with decree No. (50) of the year 2014 and decree No. (1) of the year 2018.</p>	<p style="text-align: center;">Article (25)</p> <p>1. The Company shall be managed by a Board of Directors the formation and term of which shall be specified in the Company's articles of association. The number of the Board members shall be at least five members appointed for a period of three years renewable. Taking into consideration that the Board of Directors shall include a number independent and non-executive members, in accordance with the rules imposed by the Central Bank of Bahrain. The duration of the appointment of the members of the Board of Directors may be extended to a period not more than 6 months subject to the approval of the CBB upon receiving a request from the members of the Board of Directors of the concerned Company.</p> <p>2. The General Assembly shall elect the members of Board of Directors by cumulative secret ballot .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 candidate or to distribute them among his chosen candidates.</p>	<p style="text-align: center;">Article (25)</p> <p>This article shall be amended to be read as follows:</p> <p>1. The Company shall be managed by a Board of Directors comprising of a minimum of five (5) Directors appointed at the General Assembly of the Shareholders by cumulative secret ballot and as per the provision of the Law subject to the approval of the Central Bank of Bahrain on their appointment.</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 candidate or to distribute them among his chosen candidates.</p> <p>2. Any shareholder owning 10% or more of the capital shall be entitled to appoint a number of members in the Board of Directors equal to his ownership percentage in the capital, subject to the provisions of the Law.</p> <p>3. The Directors shall be appointed for a period of not more than three years which may be renewed. The duration of the appointment of the members of the Board of Directors may be extended to a period not more than 6 months subject to the approval of the Central Bank of Bahrain of Bahrain.</p> <p>4. The Board shall elect by secret ballot from its Directors, a Chairman and Deputy Chairman for the term of the Board which they must not be the same person as the Chief Executive Officer. The Chairman must not be an Executive Director. The Ministry and the Central Bank of Bahrain shall be provided with a copy of the resolution electing the Chairman and Deputy Chairman.</p>

		<p>Article (25) – continued</p> <p>5. The Board shall include a number of independent and non-executive members according to the rules and regulations of the Central Bank of Bahrain.</p>
	<p>Article (26)</p> <p>e. Conditions to be determined by a decree of the Minister the Ministry of Industry, Commerce and Tourism for independent, non-executive and executive members of the Board of Directors for the companies which are not licensed by the Central Bank of Bahrain of Bahrain.</p>	<p>Article (26)</p> <p>Item (e) shall be deleted from this article as it is related to the companies not licensed and regulated by the Central Bank of Bahrain of Bahrain.</p>
<p>Article (177) deleted by Decree No. (50) for the year 2014.</p>	<p>Article (27)</p> <p>The General Assembly may appoint a number of experts on the Board of Directors other than the founders or the shareholders. The Minister of Commerce and Industry shall decree the necessary conditions thereof.</p>	<p>Article (27)</p> <p>This article shall be deleted in accordance with Article (177) of the BCCL which was deleted by Decree No. (50) for the year 2014.</p>
	<p>Article (28)</p>	<p>Article (28)</p> <p>item (g) shall be added to this article, as follows:</p> <p>g. If the shareholder who appointed the Director(s) ceases to be a shareholder or loses the minimum shareholding percentage of ten percent (10%) of the share capital which is required to authorize the shareholder to appoint a board representative.</p>
<p>Article (176) of the BCCL replaced in accordance with decree No. (1) of year 2018</p>	<p>Article (29)</p> <p>a. If the office of one of the Board members becomes vacant, he shall be replaced by the member next to him in the number of votes in the latest elections of the Board. The new member shall complete the unexpired term of his predecessor. In other than this case, the Board shall elect by secret ballot a member to replace him from among the candidates nominated by two of the Board members at least until the next meeting of the General Assembly.</p>	<p>Article (29)</p> <p>The highlighted word shall be added to item (a) of this article, as follows:</p> <p>a. If the office of one of the elected Board members becomes vacant, he shall be replaced by the member next to him in the number of votes in the latest elections of the Board. The new member shall complete the unexpired term of his predecessor. In other than this case, the Board shall elect by cumulative secret ballot a member to replace him from among the candidates nominated by two of the Board members at least until the next meeting of the General Assembly.</p>

<p>Section HC -1.3.4. and HC – 1.3.6. of the CBB Rulebook volume No. (2)</p> <p>Article (180) of the BCCL</p>	<p>Article (30) Quorum</p> <p>The Board of Directors shall convene at an invitation by the chairman or by two members at least. The meeting shall be valid only if attended by half the members.</p> <p>The Board member may delegate any other person to attend on his behalf. In such case, he shall be one of the Board members or the representative of the public entity whom the original member represents. However, proxy may not also be given to more than two members, provided that the present number of members in person shall not be less than half the Board members including the chairman or vice chairman. Proxy shall be personal and in writing and shall be sent to the Board of Directors three days at least before the meeting.</p>	<p>Article (30) Meetings of the Board of Directors and Quorum</p> <p>This article shall be amended to be read as follows:</p> <ol style="list-style-type: none"> 1- The Board of Directors shall convene at an invitation by the chairman or by two members at least. The meeting shall be valid only if attended by half the members provided that they are not less than three (3) members. 2- The Board member may not delegate any other person to attend or vote on his behalf according to the regulations of the Central Bank of Bahrain.
<p>As per section HC-1.3.7. of the CBB Rulebook volume no. (2) and Article (23 – BIS) of the BCCL added In accordance with decree No. (50) for the year 2014</p>	<p>Article (30) - continued</p> <p>The Board of Directors shall meet at least four times in the financial year.</p>	<p>Article (30) – continued</p> <ol style="list-style-type: none"> 3- The Board of Directors shall meet at least four times in the financial year. 4- Any meeting of the Board of Directors can be held by any of the electronic or telephonic communication means, provided that the measures adopted shall observe the following: <ol style="list-style-type: none"> a. the Identity of the participants are verified. b. The participants' full participation to the meeting is allowed as if the participant is present at the actual meeting place. c. The knowledge of all matters discussed is ensured, and the participant is allowed to express his opinion and take part in the discussions. d. Any statement or votes declared by the Participant in the meeting are properly recorded.

	<p>Article (33)</p> <p>Resolutions of the Board of Directors shall be passed by the majority of the present members. In case of equal vote, the chairman shall have the casting vote, and any objecting member shall put his objection on the minutes of the meeting.</p>	<p>Article (33)</p> <ol style="list-style-type: none"> 1. Resolutions of the Board of Directors shall be passed by the majority of the present members. In case of equal vote, the chairman shall have the casting vote, and any objecting member shall put his objection on the minutes of the meeting. 2. Resolutions of the Board of Directors may be issued by circulation via electronic mail, ordinary mail, by hand, fax or by any other means specified by the Board of Directors, provided that such resolutions are adopted by the Board of Directors in their first meeting following the issuance of the issued resolution, otherwise it shall be considered null and void. The Board of Directors may set up a procedure and determine the required quorum for issuing resolutions by circulation.
Article (193) of the BCCL	<p>Article (36)</p> <p>No person shall be appointed or elected member of the Board of Directors unless he declares in writing his acceptance. The declaration shall also disclose any business he conducts that compete directly or indirectly with that of the Company and the names of companies and entities which he is a member of their Board of Directors.</p>	<p>Article (36)</p> <p>Item (2) shall be added to this Article, as follows:</p> <ol style="list-style-type: none"> 1. No person shall be appointed or elected member of the Board of Directors unless he declares in writing his acceptance. The declaration shall also disclose any business he conducts that compete directly or indirectly with that of the Company and the names of companies and entities wherein he works or occupies the position of a member of their Board of Directors. 2. In case the Board member has been appointed or elected in breach of the provisions of this law or has misused his membership by conducting works in competition with those of the Company thereby causing damages to the Company, the General Assembly of the Company shall convene to consider dropping his membership within forty-five days from the date of discovering the violation

<p>Article (199) of the BCCL amended in accordance with decree No. (1) of the year 2018</p>	<p>Article (41)</p> <p>a. 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 a local newspaper. The publication shall be made at least Twenty One (21) days before the meeting and shall include the Agenda of the Meeting.</p>	<p>Article (41)</p> <p>The highlighted paragraph shall be added to Item (a) of this Article, as follows:</p> <p>a. 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 a local newspaper. The publication shall be made at least Twenty One (21) days before the meeting and shall include the Agenda of the Meeting. Copies of the invitations must be sent to the Ministry of Industry, Commerce and Tourism at least ten (10) days prior to the General Assembly Meeting. Invitations to the Central Bank of Bahrain must be sent fourteen (14) days prior to the Meeting.</p>
<p>Article (203) replaced in accordance with decree no. (50) of the year 2014 and Article (205) of the BCCL</p>	<p>Article (42)</p> <ol style="list-style-type: none"> Each shareholder, regardless of the number of the shares he holds, shall have the right to attend the General Assembly, and he shall have a number of votes equal to the number of shares he holds in the Company. Any provision or resolution to the contrary shall be null and void. 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 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>Article (42)</p> <p>Item (5) will be added to this article, as follows:</p> <ol style="list-style-type: none"> Each shareholder, regardless of the number of the shares he holds, shall have the right to attend the General Assembly, and he shall have a number of votes equal to the number of shares he holds in the Company. Any provision or resolution to the contrary shall be null and void. A shareholder may appoint another shareholder or a third party to act as his proxy, provided that such proxy is not the chairman or the members of the Board of Directors. However, this shall not prejudice the right to appoint a proxy from relatives to the first degree. This shall be by virtue of a written proxy instrument to be provided by the Company evidenced in writing designated for this purpose. Persons lacking legal capacity shall be represented by their legal representatives. The Company shall provide special cards for the number of shares owned by a shareholder holds and for the shares he represents on behalf of other shareholders. Proxies and representations capacity shall be provided to before at least twenty four (24) hours before the general meeting. No member shall participate in voting whether on his behalf or those whom he represents on issues in which he has personal interest or a dispute between him and the Company.

	<p align="center">Article (42) – continued</p> <p>4. The Ministry of Commerce and Industry may appoint a representative to attend the General Assembly meetings. The representative shall not have the right to vote on the deliberations and shall submit a report thereon to the Ministry, and a decree shall be issued by the Minister of the Ministry of industry, Commerce and Tourism – after the approval of the Council of the Ministers – specifying the fees for the attendance of the Ministry's representative for such meetings. The Central Bank of Bahrain may appoint one of its employees to attend the General Assemblies of the Companies licensed by it, the representative shall not have the right to vote of the deliberation.</p>	<p align="center">Article (42) – continued</p> <p>4. The Ministry of Commerce and Industry may appoint a representative to attend the General Assembly meetings. The representative shall not have the right to vote on the deliberations and shall submit a report thereon to the Ministry, and a decree shall be issued by the Minister of Industry, Commerce and Tourism – after the approval of the Council of the Ministers – specifying the fees for the attendance of the Ministry's representative of such meetings. The Central Bank of Bahrain may appoint one of its employees to attend the General Assemblies of the licenses without having the right to vote on the deliberations.</p> <p>5. The members of the Board of Directors shall not vote on the General Assembly's resolutions relating to the determination of their salaries and remuneration and/or discharging/exempting them from liability for their management.</p>
	<p align="center">Article (50)</p> <p>Resolutions of the General Assembly shall be taken by the absolute majority of the shares represented therein. In the case of equality of votes the Chairman shall have a casting vote.</p>	<p align="center">Article (50)</p> <p>Subject to the approval of the regulators.</p>
	<p align="center">Article (51)</p> <p>c) Persons lacking capacity or under legal incapacity shall be represented by their legal representatives. The Company shall 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>	<p align="center">Article (51)</p> <p>Item (c) of this article shall be removed as it is repeated in Article (42) No. (3).</p>

	<p align="center">Article (51) - continued</p> <p>d) Except for the mortgage and the cases in which the disposition is for a subsidiary Company, it is not permissible in the ordinary course of the Company's business to dispose more than half of the Company's assets unless it is approved by the Board of Directors, and it shall be presented to the General Assembly for its approval taking into consideration the provisions of paragraph (b) of this Article. The invitation for the Extraordinary General Meeting must include sufficient details of such disposal, its terms and its conditions. For the purposes of this paragraph, the assets of the Company include the assets of any subsidiary.</p> <p>e) Without prejudice to any rights of any third party that have good faith, the Board of Directors shall not be required to complete the transaction after the approval of the Extraordinary General Assembly in accordance with the provisions of paragraph (a) of this Article, if justified. The Board of Directors shall explain the reasons for not completing the disposition to the General Assembly at its first meeting following the resolution of the Board of Director.</p>	<p align="center">Article (51) - continued</p> <p>Item (a) no. (3) of this Article already includes a reference to article (194-BIS) of the Law, which is the content of items (d) and (e). Accordingly, reference to article (194-BIS) in item (a) no. (3) above shall be removed.</p>
SG-2.4.1 of the CBB Rulebook Volume No. (2)	<p align="center">Article (54)</p> <p>a. The Ordinary General Assembly shall select and appoint a Shari'a Supervisory Board consisting of at least three members of recognized experts in Islamic jurisprudence, Shari'a Law and Islamic Economics. The members of the Shari'a Supervisory Board shall be appointed and dismissed at any time by the Ordinary General Assembly, provided that the Bahrain Monetary Agency is notified thereof.</p> <p>b. All decisions and advisory opinions of the Board shall be binding on the Company, its management and its employees.</p>	<p align="center">Article (54)</p> <p>The highlighted words shall be added to this Article, as follows:</p> <p>a. The Ordinary General Assembly shall select and appoint formally and in writing a Shari'a Supervisory Board consisting of at least three members for a minimum period of three (3) years of recognized experts in Islamic jurisprudence, Shari'a Law and Islamic Economics. The members of the Shari'a Supervisory Board shall be appointed and dismissed at any time by the Ordinary General Assembly, provided that the Central Bank of Bahrain is notified thereof.</p> <p>b. All decisions and advisory opinions of the Shari'a Advisory Board shall be binding on the Company, its management and employees.</p>

<p>SG-2.3.9, SG-2.3.29 and SG – 2.3.7. SG-2.3.8. of the CBB Rulebook volume No. (2)</p>	<p style="text-align: center;">Article (55)</p> <p>a. The Shari'a Supervisory Board shall ensure that the Company's investments and activities and activities of its subsidiaries are in accordance with the principles and provisions of the Islamic Shari'a. In particular, it may discuss with the directors and managers of the Company or any subsidiary Company under its control the extent of such conformity in their businesses and request any information they may deem appropriate. In particular, the Shari'a Supervisory Board shall take all decisive decisions on the application of Islamic Shari'a principles to ensure that the purposes of the Company for which it was established are implemented and that the directors, managers and employees carry out their duties in accordance with these decisions binding on all shareholders. The Shari'a Supervisory Board shall, within three months of the end of the financial year of the Company, submit a written report stating that it has fulfilled its obligations set out in this section to confirm that the Company's investments and activities, including its subsidiaries, are in accordance with the provisions of the Islamic Shari'a.</p> <p>b. The Company shall establish an internal Shari'a Supervisory Committee whose activities shall be regulated by the Shari'a Supervisory Board. The Board shall approve the appointment of its members upon nomination by the management.</p>	<p style="text-align: center;">Article (55)</p> <p>Items (c) and (d) and (e) shall be added to this Article, as follows:</p> <p>a. The Shari'a Supervisory Board shall ensure that the Company's investments and activities and activities of its subsidiaries are in accordance with the principles and provisions of the Islamic Shari'a. In particular, it may discuss with the directors and managers of the Company or any subsidiary Company under its control the extent of such conformity in their businesses and request any information they may deem appropriate. In particular, the Shari'a Supervisory Board shall take all decisive decisions on the application of Islamic Shari'a principles to ensure that the purposes of the Company for which it was established are implemented and that the directors, managers and employees carry out their duties in accordance with these decisions binding on all shareholders. The Shari'a Supervisory Board shall, within three months of the end of the financial year of the Company, submit a written report stating that it has fulfilled its obligations set out in this section to confirm that the Company's investments and activities, including its subsidiaries, are in accordance with the provisions of the Islamic Shari'a.</p> <p>b. The Company shall establish an internal Shari'a Supervisory structure which includes a Shari'a Coordination and Implementation Function and an Internal Audit Function whose activities shall be regulated by the Shari'a Supervisory Board and the Board of Directors of the Company. The Board shall approve the appointment of its members upon nomination by the management.</p> <p>c. At least one Shari'a Supervisory Board member must be present at the Annual General Meeting to respond to any enquiries from the shareholders and to read the annual report during the discussion of the end of year financial results.</p> <p>d. The Shari'a Supervisory Board must review and approve the annual Zakat provisions of the Company on behalf of the shareholders and ensure that the calculation of the Zakat provision is in compliance with Islamic Shari'a rules and principles.</p>
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		<p>[new article to be inserted after article 56]</p> <p>The Company is obligated to calculate the Zakat according to the decision of the Sharia Supervisory Board which is responsible for the Zakat of the shareholders and parties holding investment accounts. The Company must indicate the amount of Zakat for each share and declare it annually upon the approval of the General Assembly and the concerned authorities.</p>
Section BR-1.1.2. of the CBB Rulebook Volume No. (2)	<p align="center">Article (59)</p> <p>4. Subject to the provisions of the Central Bank of Bahrain and Financial Institutions Law promulgated by Law No. (64) of 2006, the Board of Directors shall forward to the Ministry concerned with commercial affairs, within six (6) months from the end of the financial year, a copy of the balance sheet, profit and loss account, annual report and auditor’s report, signed and sealed, in order to verify the Company’s compliance with the provisions of the Law, the soundness of its financial position and the extent of its cooperation with the concerned authorities regarding tax compliance at the national or international level. If the Company’s loss exceed half of its capital, the Board of Directors must sent to the Ministry a copy of the auditor’s signed and stamped audited financial statements.</p>	<p align="center">Article (59)</p> <p>Item (4) of this Article shall be amended as follows:</p> <p>4. Subject to the Central Bank of Bahrain Law and Regulations, the Board of Directors must forward to the Ministry concerned with commercial affairs, within three (3) months from the end of the financial year, a signed and sealed copy of the balance sheet, profit and loss account, annual report, auditor’s report, ,in accordance with the Ministry’s template, and the Shari’a Supervisory Board annual report, in order to verify the Company’s compliance with the provisions of the Law, the soundness of its financial position and the extent of its cooperation with the concerned authorities regarding tax compliance at the national or international level. The Ministry may request any financial statements, documents, reports or other information as deemed necessary.</p>