

NBK TIER 1 FINANCING (2) LIMITED  
AS ISSUER

NATIONAL BANK OF KUWAIT S.A.K.P.  
AS GUARANTOR

CITIBANK N.A., LONDON BRANCH  
AS FISCAL AGENT, TRANSFER AGENT AND CALCULATION AGENT

AND

CITIGROUP GLOBAL MARKETS EUROPE AG  
AS REGISTRAR

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AGENCY AGREEMENT  
U.S.\$750,000,000 PERPETUAL TIER 1 CAPITAL  
SECURITIES

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**THIS AGREEMENT** is dated 27 November 2019 and made

**BETWEEN:**

- (1) **NBK TIER 1 FINANCING (2) LIMITED** (the "**Issuer**");
- (2) **NATIONAL BANK OF KUWAIT S.A.K.P.** (the "**Guarantor**");
- (3) **CITIBANK N.A., LONDON BRANCH** (the "**Fiscal Agent**", "**Transfer Agent**" and "**Calculation Agent**", which expression shall include any successor fiscal agent, transfer agent and calculation agent appointed under Clause 3); and
- (4) **CITIGROUP GLOBAL MARKETS EUROPE AG** (the "**Registrar**", which expression shall include any successor registrar appointed under Clause 3).

**WHEREAS:**

- (A) The Issuer has agreed to issue U.S.\$750,000,000 Perpetual Tier 1 Capital Securities (the "**Capital Securities**", which expression shall include, unless the context otherwise requires, any further Capital Securities issued pursuant to Condition 16 and forming a single series with the Capital Securities) with the benefit of a subordinated guarantee by the Guarantor. The Capital Securities will be offered or sold outside the United States to persons that are not U.S. persons (as defined in Regulation S ("**Regulation S**") under the United States Securities Act of 1933, as amended (the "**Securities Act**")) in reliance on Regulation S and will also be offered or sold in the United States to qualified institutional buyers ("**QIBs**") (as defined in Rule 144A under the Securities Act ("**Rule 144A**")) in reliance on Rule 144A.
- (B) The Capital Securities will be issued in registered form in the amounts of U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof.
- (C) The Capital Securities will be represented by interests in separate global certificates in registered form (the "**Unrestricted Global Certificate**" and the "**Registered Global Certificate**" and together, the "**Global Certificates**") in, or substantially in the forms set out in Schedule 1. The Restricted Global Certificate will represent Capital Securities which are offered and sold in the United States in reliance on Rule 144A and are restricted securities within the meaning of United States securities laws. Other Capital Securities will be represented by the Unrestricted Global Certificate. Interests in the Restricted Global Certificate will be exchangeable for interests in the Unrestricted Global Certificate and *vice versa*, in the circumstances specified therein. In addition, the Restricted Global Certificate and the Unrestricted Global Certificate will be exchangeable for individual certificates, in the limited circumstances specified therein (each a "**Restricted Individual Certificate**" and an "**Unrestricted Individual Certificate**" respectively, and together, the "**Individual Certificates**") which will be in or substantially in the forms set out in Schedule 2. The conditions of the Capital Securities (the "**Conditions**") will be in or substantially in the form set out in Schedule 3.
- (D) Payments in respect of the Capital Securities will be unconditionally and irrevocably guaranteed by the Guarantor as provided in a deed poll guarantee (the "**Subordinated**

**Guarantee**") entered into by the Guarantor substantially in the form set out in Schedule 4.

**NOW IT IS HEREBY AGREED** as follows:

1. **INTERPRETATION**

1.1 Terms defined in the Conditions and not otherwise defined in this Agreement shall have the same meanings in this Agreement, except where the context otherwise requires.

1.2 References in this Agreement to principal and/or interest shall include any additional amounts payable pursuant to Condition 9.

2. **DEFINITIONS**

2.1 As used in this Agreement and in the Conditions:

"**Affiliate**" (unless otherwise stated) has the meaning ascribed to it in Rule 501(b) of Regulation D under the Securities Act.

"**Applicable Law**" means any domestic or foreign law or regulation or any agreement entered into by a party to this Agreement with any Authority or between two or more Authorities.

"**Authority**" means any competent regulatory, prosecuting, Tax or governmental authority in any jurisdiction.

"**Business Day**" means a day (other than a Saturday or Sunday) on which commercial banks are open for business in London and New York City.

"**Capital Security Certificates**" means the Global Certificates and the Individual Certificates.

"**Clearstream, Luxembourg**" means Clearstream Banking S.A.

"**Code**" means the U.S. Internal Revenue Code of 1986, as amended.

"**Common Depository**" means Citibank Europe plc as common depository for and on behalf of Euroclear and Clearstream, Luxembourg.

"**DTC**" means The Depository Trust Company.

"**DTC Custodian**" means Citibank N.A., London Branch.

"**Euroclear**" means Euroclear Bank SA/NV.

"**Exchange Event**" has the meaning given to that term in the Global Certificates.

"**FATCA Withholding**" means any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder,

official interpretations thereof, or any law in any jurisdiction implementing an intergovernmental approach thereto.

**"FATCA Exempt Party"** means, in connection with any payments due on the Capital Securities, a party that is able to receive such payment free from FATCA Withholding.

**"Fiscal Agent", "Paying Agents", "Registrar", "Transfer Agent", "Calculation Agent" and "Agents"** mean and include each Fiscal Agent, Paying Agent, Registrar, Transfer Agent and Agent from time to time appointed to exercise the powers and undertake the duties conferred and imposed upon it by this Agreement and notified to the holders of the Capital Securities under Clause 25.

**"outstanding"** means in relation to the Capital Securities all the Capital Securities issued other than:

- (a) those Capital Securities which have been redeemed and cancelled pursuant to Condition 7 or otherwise pursuant to the Conditions;
- (b) those Capital Securities in respect of which the date for redemption under the Conditions has occurred and the redemption moneys wherefor (including all interest payable thereon) have been duly paid to the holders in the manner provided in Clause 5 (and, where appropriate, notice to that effect has been given to the holders of the Capital Securities under Condition 14) and remain available for payment against presentation of the relevant Capital Securities;
- (c) those Capital Securities which have been purchased and cancelled under Condition 7;
- (d) those Capital Securities which have become void under Condition 11;
- (e) those mutilated or defaced Capital Securities which have been surrendered and cancelled and in respect of which replacements have been issued pursuant to Condition 13;
- (f) (for the purpose only of ascertaining the principal amount of the Capital Securities outstanding and without prejudice to the status for any other purpose of the relevant Capital Securities) those Capital Securities which are alleged to have been lost, stolen or destroyed and in respect of which replacements have been issued pursuant to Condition 13;
- (g) any Global Certificate to the extent that it has been exchanged for Individual Certificates pursuant to its provisions; and
- (h) those Capital Securities which have been cancelled following the occurrence of a Write-down,

**provided that** for each of the following purposes, namely:

- (i) the right to attend and vote at any meeting of the holders of the Capital Securities or passing an Extraordinary Resolution (as defined in Schedule 5) in writing or an Extraordinary Resolution by way of

electronic consents given through the relevant clearing systems as envisaged by Schedule 5; and

- (ii) the determination of how many and which Capital Securities are for the time being outstanding for the purposes of paragraphs 4, 7 and 9 of Schedule 5,

those Capital Securities (if any) which are for the time being held by any person (including, but not limited to, the Issuer, the Guarantor or any of the Guarantor's other Subsidiaries) for the benefit of the Issuer, the Guarantor or any of the Guarantor's other Subsidiaries shall (unless and until ceasing to be so held) be deemed not to remain outstanding.

**"Rule 144A Legend"** means the transfer restriction legend relating to the Securities Act set out in the forms of Restricted Global Certificate and Restricted Individual Certificate.

**"specified office"** means the offices specified in Clause 27 or any other specified offices as may from time to time be duly notified pursuant to Clause 27.

## 2.2

- (a) In this Agreement, unless the contrary intention appears, a reference to:
  - (i) an **"amendment"** includes a supplement, restatement or novation and **"amended"** is to be construed accordingly;
  - (ii) a **"person"** includes any individual, company, unincorporated association, government, state agency, international organisation or other entity and, in all cases, includes its successors and assigns;
  - (iii) a provision of a law is a reference to that provision as extended, amended or re-enacted;
  - (iv) a clause or schedule is a reference to a clause of, or a Schedule to, this Agreement;
  - (v) a document or any provision of a document is a reference to that document or provision as amended, novated, supplemented, extended, replaced or restated from time to time; and
  - (vi) a time of day is a reference to London time.
- (b) The headings in this Agreement do not affect its interpretation.
- (c) All references in this Agreement to costs or charges or expenses shall include any value added tax or similar tax charged or chargeable in respect thereof.
- (d) All references in this Agreement to Capital Securities shall, unless the context otherwise requires, include the Global Certificates representing the Capital Securities.

### 3. **APPOINTMENT OF AGENTS**

- 3.1 The Issuer and the Guarantor hereby appoint, on the terms and subject to the conditions of this Agreement, Citibank N.A., London Branch as fiscal and paying agent (in such capacity, the "**Fiscal Agent**"), as transfer agent (in such capacity, the "**Transfer Agent**") and as calculation agent (in such capacity, the "**Calculation Agent**") and Citigroup Global Markets Europe AG as registrar (in such capacity the "**Registrar**"), in respect of the Capital Securities in each case acting at its specified office.
- 3.2 References herein to "**Paying Agents**" shall include the Fiscal Agent and any other paying agent appointed hereunder from time to time.
- 3.3 The Fiscal Agent, the other Paying Agents, the Transfer Agent, the Calculation Agent and the Registrar are together referred to as the "**Agents**".
- 3.4 Each Agent accepts its appointment, and agrees to act, as agent of the Issuer in relation to the Capital Securities and agrees to comply with the terms of this Agreement. Each Agent further agrees to perform the duties specified for it in the Conditions and the other Transaction Documents to which it is a party. The obligations and duties of the Agents under this Agreement shall be several and not joint.

### 4. **AUTHENTICATION AND DELIVERY OF CAPITAL SECURITIES**

- 4.1 Immediately before issue, the Issuer shall deliver to the Registrar the duly executed Global Certificates representing the Capital Securities. The Issuer authorises and instructs the Registrar to authenticate the Global Certificates and any Individual Certificates delivered pursuant to Clause 4.5.
- 4.2 The Restricted Global Certificate shall be deposited with the DTC Custodian and shall be registered in the name of Cede & Co, as nominee of DTC. Participants in DTC shall have no rights under this Agreement with respect to the Restricted Global Certificate and DTC, or its nominee, may be treated by the Issuer, the Guarantor or any agent as the absolute owner of the Restricted Global Certificate for all purposes under this Agreement. Notwithstanding the foregoing, nothing in this Agreement shall impair, as between DTC and its participants, the operation of customary practices governing the exercise of the rights of any holder of any Capital Securities.
- 4.3 The Unrestricted Global Certificate shall be deposited outside the United States with, and registered in the name of a nominee for, the Common Depositary of Euroclear and Clearstream, Luxembourg. Participants in Euroclear and Clearstream, Luxembourg shall have no rights under this Agreement with respect to the Unrestricted Global Certificate and the Common Depositary or its nominee may be treated by the Issuer, the Guarantor or any Agent as the absolute owner of the Unrestricted Global Certificate for all purposes under this Agreement. Notwithstanding the foregoing, nothing in this Agreement shall impair, as between Euroclear and Clearstream, Luxembourg and their respective participants, the operation of customary practices governing the exercise of the rights of any holder of any Capital Securities.



- 4.4 If any Global Certificate is to be exchanged in accordance with its terms for Individual Certificates, the Issuer undertakes that it will deliver to, or to the order of, the Fiscal Agent, as soon as reasonably practicable and in any event not later than 15 days before the relevant exchange is due to take place, Unrestricted Individual Certificates and/or Restricted Individual Certificates in an aggregate principal amount of U.S.\$750,000,000 or such lesser amount as is the principal amount of Capital Securities represented by the Global Certificates to be issued in exchange for the Individual Certificates. Each Individual Certificate so delivered shall be duly executed on behalf of the Issuer.
- 4.5 The Issuer authorises and instructs the Fiscal Agent to cause interests in the Global Certificates to be exchanged for Individual Certificates upon an Exchange Event (as defined in the relevant Global Certificate) and in accordance with its terms and instructs the Registrar to (a) in respect of the Unrestricted Global Certificate, subject to its having received any certificates required by the terms of the Unrestricted Global Certificate, authenticate and deliver to each person designated by Euroclear and Clearstream, Luxembourg an Unrestricted Individual Certificate in accordance with the terms of the Unrestricted Global Certificate and the provisions of this Agreement and (b) in respect of the Restricted Global Certificate, subject to its having received any certificates required by the terms of the Restricted Global Certificate, authenticate and deliver to each person designated by DTC a Restricted Individual Certificate in accordance with the terms of the Restricted Global Certificate and the provisions of this Agreement. Following the exchange of the last interest in the Unrestricted Global Certificate and/or Restricted Global Certificate, the Fiscal Agent shall cause such Global Certificate to be cancelled and delivered to the Issuer or as it may direct.
- 4.6 The Fiscal Agent and the Registrar shall cause all Capital Securities delivered to and held by them under this Agreement to be maintained in safe custody and shall ensure that Individual Certificates are issued only in accordance with the terms of the relevant Global Certificate and this Agreement.
- 4.7 If the Issuer is required to deliver Individual Certificates pursuant to the terms of the relevant Global Certificate, the Issuer shall promptly arrange for a stock of Individual Certificates (both bearing and not bearing the Rule 144A Legend and, in either case, unauthenticated and with the names of the registered holders left blank but executed on behalf of the Issuer and otherwise complete) to be made available to the Registrar.
- 4.8 Subject to Schedule 6, any Restricted Individual Certificates issued in exchange for interests in the Restricted Global Certificate shall bear the Rule 144A Legend.

## **5. PAYMENT TO THE FISCAL AGENT**

- 5.1 The Issuer or, failing the Issuer, the Guarantor shall, not later than 10.00 a.m. (London time) on the London Business Day immediately preceding the date on which any payment of principal and/or interest in respect of any of the Capital Securities becomes due under the Conditions, transfer to an account specified by the Fiscal Agent such amount of U.S. dollars as shall be sufficient for the purposes of the payment of principal and/or interest in same day funds.
- 5.2 The Issuer or, as the case may be, the Guarantor shall ensure that, not later than the second London Business Day immediately preceding the date on which any payment

is to be made to the Fiscal Agent pursuant to Clause 5.1, the Fiscal Agent shall receive a copy of an irrevocable payment instruction to the bank through which the payment is to be made. For the purposes of this Clause 5.2, "**London Business Day**" means a day on which banks are open for business in London.

- 5.3 The Guarantor shall procure that the bank through which any payment is to be made in accordance with Clause 5.2 shall irrevocably confirm to the Fiscal Agent by authenticated SWIFT message no later than 3.00 p.m. (local time in the city of the Fiscal Agent's specified office) on the second Business Day before the due date for any such payment that it will make such payment.
- 5.4 The Fiscal Agent may deal with moneys paid by it under this Agreement in the same manner as other moneys paid to it as a banker by its customers except that:
- (a) it may not exercise any lien, right of set-off or similar claim in respect of them;
  - (b) it shall not be liable to anyone for interest on any sums held by it under this Agreement; and
  - (c) money held by it need not be segregated except as may be required by law.

## 6. **NOTIFICATION OF NON-PAYMENT BY THE ISSUER OR THE GUARANTOR**

The Fiscal Agent shall notify by facsimile each of the other Paying Agents and the Registrar forthwith:

- (a) if it has not by the relevant date specified in Clause 5.1 received unconditionally the full amount in U.S. dollars required for the payment; and
- (b) if it receives unconditionally the full amount of any sum payable in respect of the Capital Securities after such date.

The Fiscal Agent shall, at the expense of the Issuer or the Guarantor, forthwith upon receipt of any amount as described in Clause 6(b), cause notice of that receipt to be published under Condition 14.

## 7. **DUTIES OF THE PAYING AGENTS**

- 7.1 Subject to the payments to the Fiscal Agent provided for by Clause 5 being duly made, the Paying Agents shall act as paying agents of the Issuer and/or the Guarantor and shall pay or cause to be paid on behalf of the Issuer and/or the Guarantor, on and (if late payment is made by the Issuer or the Guarantor, as applicable) after each date on which any payment becomes due and payable, the amounts of principal and/or interest then payable in respect of each Capital Security under and in accordance with the Conditions and the provisions of this Agreement and, in the case of a payment of principal, following receipt of the Capital Security at the specified office of the relevant Paying Agent. If any payment provided for by Clause 5 is made late but otherwise under the terms of this Agreement the Paying Agents shall nevertheless pay or cause to be paid such amounts following receipt by them of payment thereof.

- 7.2 If by the due date for any payment referred to in Clause 5, the Fiscal Agent has not received the full amount so payable on such date by the time specified for its receipt, unless and until such amount has been received by, and identified in the specified account of, the Fiscal Agent under the terms of this Agreement neither the Fiscal Agent nor any of the other Paying Agents shall be bound to make any payments under the Capital Securities.
- 7.3 Without prejudice to Clauses 7.1 and 7.2, if the Fiscal Agent pays any amounts to the holders of Capital Securities or to any other Paying Agent at a time when it has not received payment in full in respect of the Capital Securities in accordance with Clause 5.1 (the excess of the amounts so paid over the amounts so received being the "Shortfall"), the Issuer (failing which the Guarantor) will, in addition to paying amounts due under Clause 5.1, pay to the Fiscal Agent on demand interest (at a rate which represents the Fiscal Agent's cost of funding the Shortfall, as certified by the Fiscal Agent to the Issuer) on the Shortfall (or the unreimbursed portion thereof) until the receipt in full by the Fiscal Agent of the Shortfall.
- 7.4 Whilst any Capital Securities are represented by a Global Certificate, all payments due in respect of the Capital Securities shall be made to, or to the order of, the holder of such Global Certificate, subject to and in accordance with the provisions of such Global Certificate. On the occasion of each payment, the Paying Agent to which such Global Certificate was presented for the purpose of making the payment shall notify the Registrar which shall make an appropriate entry in the Register to evidence the amount and date of the relevant payment.
- 7.5 If the amount payable in respect of any Capital Security is not paid in full when due (otherwise than as a result of withholding, deduction or retention for or on account of any Taxes as permitted by the Conditions) the Registrar shall make a note of the details of such shortfall in payment in the Register.

## 8. REIMBURSEMENT OF THE PAYING AGENTS

The Fiscal Agent shall charge the account referred to in Clause 5 for all payments properly made by it under this Agreement and will credit or transfer to the respective accounts of the other Paying Agents the amount of all payments properly made by them under the Conditions as soon as reasonably practicable upon notification from them, subject in each case to any applicable laws or regulations.

## 9. NOTICE OF ANY WITHHOLDING OR DEDUCTION

- 9.1 If the Issuer or the Guarantor is, in respect of any payment in respect of the Capital Securities or the Subordinated Guarantee, as the case may be, compelled to withhold, deduct or retain any amount for or on account of any Taxes as contemplated by Condition 9, the Issuer or, as the case may be, the Guarantor shall give notice to the Fiscal Agent as soon as it becomes aware of the requirement to make the withholding, deduction or retention and shall give to the Fiscal Agent such information as the Fiscal Agent shall require to enable it to comply with the requirement.
- 9.2 If any Paying Agent is, in respect of any payment in respect of the Capital Securities or the Subordinated Guarantee, as the case may be, compelled to withhold, deduct or retain any amount for or on account of any Taxes as contemplated under the

Conditions, other than arising under Clause 9.1 or by virtue of the relevant holder failing to satisfy any certification or other requirement in respect of its Capital Securities, it shall give notice of that fact to the Issuer, the Guarantor and the Fiscal Agent as soon as it becomes aware of the compulsion to withhold, deduct or retain.

9.3 The Agents shall be entitled to make payments net of any Taxes or other sums required by any Applicable Law to be withheld or deducted. If such a withholding or deduction is so required, the Agent will not pay an additional amount in respect of that withholding or deduction.

## 10. DUTIES OF THE REGISTRAR

10.1 The Registrar shall so long as any Capital Security is outstanding:

- (a) maintain outside the United Kingdom a register (the "**Register**") of the holders of the Capital Securities which shall show (i) the principal amounts and the serial numbers of the Capital Securities, (ii) the dates of issue of all Capital Securities, (iii) all subsequent transfers and changes of ownership of Capital Securities, (iv) the names and addresses of the holders of the Capital Securities, (v) all cancellations of Capital Securities, whether because of their purchase by the Issuer, the Guarantor or any Subsidiary of the Guarantor, their replacement or otherwise, (vi) details of any Write-down upon the occurrence of a Non-Viability Event, and (vii) all replacements of Capital Securities (subject, where appropriate, in the case of (v), to the Registrar having been notified as provided in this Agreement);
- (b) register all transfers of Capital Securities;
- (c) receive any document in relation to or affecting the title to any of the Capital Securities including all forms of transfer, forms of exchange, probates, letters of administration and powers of attorney;
- (d) maintain proper records of the details of all documents received by itself or the Transfer Agent;
- (e) prepare all such lists of holders of the Capital Securities as may be required by the Issuer or the Fiscal Agent or any person authorised by either of them;
- (f) subject to applicable laws and regulations at all reasonable times during office hours make the Register available to the Issuer or any person authorised by it or the holder of any Capital Security for inspection and for the taking of copies or extracts;
- (g) notify the Fiscal Agent upon its request not less than seven days before each due date for the payment of principal and/or interest of the names and addresses of all registered holders of the Capital Securities at the close of business on the relevant record date and the amounts of their holdings in order to enable the Fiscal Agent to make or arrange for due payment to the holders of the amounts of interest and/or principal payable in respect of the Capital Securities or, as the case may be, the amounts required to redeem the Capital Securities;

- (h) comply with the proper and reasonable requests of the Issuer with respect to the maintenance of the Register and give to the Fiscal Agent and the Transfer Agent such information as may be reasonably required by them for the proper performance of their duties;
- (i) forthwith, and in any event within three business days of the relevant request (or such longer period as may be required to comply with any applicable fiscal or other regulations), issue, upon receipt by it of, or receipt by it of notification from any Transfer Agent of delivery to it of, Capital Securities for transfer, duly dated and completed Capital Securities in the name of the registered holders and deliver the Capital Securities at its specified office or at the specified office of the Transfer Agent or (at the risk of the relevant registered holders) send the Capital Securities to such address as the registered holders may request;
- (j) accept Capital Securities delivered to it with a request for transfer of all or part of the Capital Security, and shall, if appropriate, charge to the holder of a Capital Security presented for transfer the costs or expenses (if any) of delivering Capital Securities issued on such transfer other than by regular mail. Holders of the Capital Securities shall be responsible for payment of any stamp duty, tax or other governmental charge that may be imposed in relation to the transfer and, for the avoidance of doubt, none of the Agents shall have any responsibility in connection therewith; and
- (k) receive requests for the exchange of interests in the Unrestricted Global Certificate for interests in the Restricted Global Certificate and for the exchange of interests in the Restricted Global Certificate for interests in the Unrestricted Global Certificate and, subject to the Registrar having received all information and certificates required by this Agreement and the relevant Global Certificate, the Registrar shall give effect to such requests in accordance with the terms of the relevant Global Certificate by making appropriate adjustments to the records maintained by it and shall procure that appropriate entries are made in the records of the Common Depository and the DTC Custodian so as to reflect such adjustments.

10.2 The Issuer shall deliver to the Registrar for the performance of its duties under this Agreement from time to time so long as any Capital Security is outstanding, sufficient duly executed Individual Certificates as may be required for the performance of the Registrar's duties.

10.3 Capital Securities shall be dated:

- (a) in the case of the Global Certificate issued on the date of closing, with that date; or
- (b) in the case of a Capital Security issued upon transfer, with the date of registration in the Register of the transfer; or
- (c) in the case of a Capital Security issued to the transferor upon transfer in part of a Capital Security, with the same date as the date of the Capital Security transferred; or

- (d) in the case of a Capital Security issued pursuant to Clause 17, with the same date as the date of the lost, stolen, mutilated, defaced or destroyed Capital Security in replacement of which it is issued.

## **11. DUTIES OF THE TRANSFER AGENT**

11.1 The Transfer Agent shall perform the duties set out in this Agreement and the Conditions and, in performing those duties, shall comply with the Conditions and the provisions of this Agreement.

11.2 The Transfer Agent shall:

- (a) accept Capital Securities delivered to it with a request for transfer of all or part of the Capital Security, and shall, in each case, give to the Registrar all relevant details to enable it to issue Capital Securities in accordance with each request;
- (b) receive requests for the exchange of interests in the Unrestricted Global Certificate for interests in the Restricted Global Certificate and for the exchange of interests in a Restricted Global Certificate for interests in an Unrestricted Global Certificate and, upon any such request being duly made in accordance with the terms of this Agreement and the relevant Global Certificate, shall promptly notify the Registrar of the principal amount of Capital Securities to be so exchanged and send to the Registrar a copy of any certificate received by it in connection with such request for exchange; and
- (c) if appropriate, charge to the holder of a Capital Security presented for transfer the costs or expenses (if any) of the Registrar in delivering Capital Securities issued on such transfer other than by regular mail. Holders of the Capital Securities shall be responsible for payment of any stamp duty, tax or other governmental charge that may be imposed in relation to the transfer, and for the avoidance of doubt, none of the Agents shall have any responsibility in connection therewith.

## **12. REGULATIONS FOR TRANSFER OF CAPITAL SECURITIES**

Subject as provided below, the Issuer may from time to time agree with the Transfer Agent reasonable regulations to govern the transfer and registration of Capital Securities. The initial regulations, which shall apply until amended under this Clause 12, are set out in Schedule 6. The Transfer Agent agrees to comply with the regulations as amended from time to time.

## **13. DUTIES OF THE FISCAL AGENT IN CONNECTION WITH OPTIONAL REDEMPTION AND REDEMPTION UPON A TAX EVENT AND CAPITAL EVENT**

If the Issuer decides to redeem all of the Capital Securities for the time being outstanding under Conditions 7.2, 7.3 or 7.4, it shall give notice of the decision to redeem to the Fiscal Agent and the Registrar (as applicable) in accordance with the Conditions.

#### 14. **DUTIES OF THE CALCULATION AGENT**

- 14.1 The Calculation Agent shall determine the Reset Interest Rate in accordance with the Conditions in respect of each Reset Period commencing on the First Reset Date, subject to and in accordance with the Conditions.
- 14.2 The Calculation Agent shall notify the Issuer, the Guarantor, each Agent and (if required by the Irish Stock Exchange plc trading as Euronext Dublin ("**Euronext Dublin**")) Euronext Dublin of the Reset Interest Rate for each Reset Period and the corresponding Interest Payment Amount, as soon as practicable after their determination and the Issuer or the Guarantor shall arrange for such Reset Interest Rate and Interest Payment Amount to be published by the Calculation Agent in accordance with Conditions 5.4 and 14 as soon as practicable after their determination but in no event later than the second Business Day (as defined in the Conditions) thereafter.
- 14.3 If the Calculation Agent does not for any reason determine and/or publish the Reset Interest Rate and/or Interest Payment Amount in respect of any Reset Period as provided in this Clause 14, it shall forthwith notify the Issuer, the Guarantor and the Fiscal Agent of such fact.

#### 15. **RECEIPT AND PUBLICATION OF NOTICES**

- 15.1 Forthwith upon the receipt by the Fiscal Agent of a demand or notice from any holder of a Capital Security under Condition 12 the Fiscal Agent shall forward a copy of the demand or notice to the Issuer and to the Guarantor.
- 15.2 On behalf of and at the request and expense of the Issuer or the Guarantor, the Fiscal Agent shall cause to be published all notices required to be given by the Issuer and/or the Guarantor under the Conditions.
- 15.3 The Fiscal Agent shall, at the request and expense of the Issuer or the Guarantor, notify in writing the holders of the Capital Securities in respect of all notices required to be so given under the Conditions.

#### 16. **CANCELLATION OF CAPITAL SECURITIES**

- 16.1 All Capital Securities which are surrendered in connection with redemption or transfer shall be cancelled by the Agent to which they are surrendered. Each of the Agents shall give to the Fiscal Agent details of all payments made by it and shall deliver any Individual Certificates representing cancelled Capital Securities to the Fiscal Agent (or as the Fiscal Agent may specify). Where Capital Securities are purchased by or on behalf of the Issuer, the Guarantor or any of the Guarantor's Subsidiaries, the Issuer or, as the case may be, the Guarantor shall procure that the Capital Securities are promptly cancelled and any Individual Certificate or Individual Certificates representing such cancelled Capital Securities are delivered to the Fiscal Agent or its authorised agent.
- 16.2 The Fiscal Agent or its authorised agent shall (unless otherwise instructed by the Issuer in writing and save as provided in Clause 18.1) destroy all Individual Certificates representing cancelled Capital Securities and, upon request by the Issuer

or the Guarantor, furnish the Issuer and the Guarantor with a certificate of destruction containing written particulars of the serial numbers of the Individual Certificates so destroyed.

## 17. ISSUE OF REPLACEMENT CERTIFICATES

- 17.1 The Issuer shall procure that the Registrar shall only deliver replacement Global Certificates or Individual Certificates which, in the case of replacement of the Restricted Global Certificate and/or Restricted Individual Certificates, bear the Rule 144A Legend.
- 17.2 The Issuer shall cause a sufficient quantity of additional forms of Individual Certificates to be available, upon request, to the Registrar for the purpose of issuing replacement Individual Certificates as provided below.
- 17.3 The Fiscal Agent and the Registrar shall, subject to and in accordance with Condition 13 and the following provisions of this Clause 17, cause to be authenticated (in the case only of replacement Individual Certificates) and delivered any replacement Individual Certificates which the Issuer may determine to issue in place of Capital Securities which have been lost, stolen, mutilated, defaced or destroyed.
- 17.4 The Fiscal Agent or, as the case may be, the Registrar shall obtain verification, in the case of an allegedly lost, stolen or destroyed Individual Certificate in respect of which the serial number is known, that the Capital Security such Individual Certificate represents has not previously been redeemed or paid. Neither the Fiscal Agent nor the Registrar shall issue a replacement Capital Security unless and until the applicant has:
- (a) paid such expenses and costs as may be incurred in connection with the replacement;
  - (b) furnished it with such evidence and indemnity as the Issuer may reasonably require; and
  - (c) in the case of a mutilated or defaced Individual Certificate, surrendered it to the Fiscal Agent or, as the case may be, the Registrar.
- 17.5 The Fiscal Agent or, as the case may be, the Registrar shall cancel mutilated or defaced Individual Certificates in respect of which replacement Individual Certificates have been issued pursuant to this clause and all Capital Securities which are so cancelled shall be delivered by the Registrar to the Fiscal Agent (or as it may specify). The Fiscal Agent shall furnish the Issuer and the Guarantor with a certificate stating the serial numbers of the Individual Certificates received by it and cancelled pursuant to this Clause 17 and shall, unless otherwise requested by the Issuer or the Guarantor, destroy all those Individual Certificates and furnish the Issuer and the Guarantor with a destruction certificate containing the information specified in Clause 16.2.
- 17.6 The Fiscal Agent or, as the case may be, the Registrar shall, on issuing any replacement Individual Certificate, forthwith inform the Issuer, the other Paying Agents, the Registrar and the Transfer Agent of the serial number of the replacement Individual Certificate issued and (if known) of the serial number of the Individual Certificate in place of which the replacement Individual Certificate has been issued.



17.7 Whenever an Individual Certificate for which a replacement Individual Certificate has been issued and the serial number of which is known is presented to a Paying Agent for payment or to a Transfer Agent for transfer, the relevant Agent shall as soon as reasonably practicable send notice to the Issuer and (if it is not itself the Fiscal Agent) the Fiscal Agent.

## 18. **RECORDS AND INDIVIDUAL CERTIFICATES**

18.1 The Fiscal Agent shall keep a full and complete record of all Capital Securities and of their redemption, purchase by or on behalf of the Issuer, the Guarantor or any of the Guarantor's Subsidiaries, cancellation or payment (as the case may be) and of all replacement Individual Certificates issued in substitution for lost, stolen, mutilated, defaced or destroyed Capital Securities. The Fiscal Agent shall at all reasonable times make the records available to the Issuer and the Guarantor.

18.2 The Fiscal Agent shall give to the Issuer and the Guarantor upon request, a notification stating (a) the aggregate principal amount of Capital Securities which have been redeemed, (b) the serial numbers of the Individual Certificates representing those Capital Securities, (c) the aggregate amount of interest paid (and the due dates of the payments) on the Global Certificates and/or on the Individual Certificates, (d) the serial numbers of the Individual Certificates representing those Capital Securities (if any) which have been purchased by or on behalf of the Issuer, the Guarantor or any of the Guarantor's Subsidiaries and cancelled (subject to delivery of the Individual Certificates to the Fiscal Agent) and (e) the aggregate principal amounts of Individual Certificates which have been surrendered and replaced and the serial numbers of those Individual Certificates.

## 19. **COPIES OF THIS AGREEMENT AND THE SUBORDINATED GUARANTEE AVAILABLE FOR INSPECTION**

19.1 The Subordinated Guarantee shall be deposited with the Fiscal Agent and shall be held in safe custody by the Fiscal Agent on behalf of the holders of the Capital Securities.

19.2 The Fiscal Agent shall hold copies of this Agreement, the Subordinated Guarantee and any other documents expressed to be held by them in the prospectus dated 25 November 2019 issued by the Issuer and the Guarantor in relation to the Capital Securities (and the Agents shall make such documents available for inspection and/or collection and/or electronic delivery to any holders of Capital Securities that are so entitled). For this purpose, the Issuer and the Guarantor shall furnish the Fiscal Agent with sufficient copies of such documents.

## 20. **COMMISSIONS AND EXPENSES**

20.1 The Issuer or, failing the Issuer, the Guarantor shall pay to the Fiscal Agent such commissions and fees in respect of the services of the Agents under this Agreement as shall be agreed between the Issuer, the Guarantor and the Fiscal Agent. Neither the Issuer nor the Guarantor shall be concerned with the apportionment of payment among the Agents.

- 20.2 The Issuer or, failing the Issuer, the Guarantor shall also pay to the Fiscal Agent an amount equal to any value added tax which may be payable in respect of the commissions or fees together with all properly incurred expenses incurred by the Agents in connection with their services under this Agreement.
- 20.3 The Issuer or, failing the Issuer, the Guarantor shall also pay on demand all out-of-pocket expenses (including legal, advertising, telex and postage expenses) properly incurred by the Agents in connection with their services under this Agreement together with any applicable value added sales, stamp, issue, registration, documentary or other taxes or duties.
- 20.4 The fees, commissions and expenses payable to an Agent for services rendered and the performance of its obligations under this Agreement shall not be abated by any remuneration or other amounts or profits receivable by such Agent (or to its knowledge by any of its associates) in connection with any transaction effected by such Agent with or for the Issuer.

## 21. INDEMNITY AND LIABILITY

- 21.1 The Issuer and the Guarantor shall jointly and severally indemnify each Agent and its directors, officers, employees and agents against any losses, liabilities, costs, claims, actions, demands or expenses (together, "**Losses**") (including, but not limited to, all properly incurred costs, legal fees, charges and expenses (together, "**Expenses**") paid or incurred in disputing or defending any Losses) which it may incur or which may be made against it as a result of or in connection with its appointment or the exercise of its powers and duties under this Agreement except for any Losses and Expenses which may arise directly from its own gross negligence or wilful default or that of its officers, directors or employees.
- 21.2 Each Agent shall severally indemnify the Issuer and the Guarantor against all Losses (including, but not limited to, Expenses paid or incurred in disputing or defending any Losses) which the Issuer or the Guarantor may incur or which may be made against the Issuer or the Guarantor as a result of or in connection with the Agent's appointment or the exercise by the Agent of its powers or duties under this Agreement to the extent that any Losses or Expenses result directly from the Agent's own gross negligence or wilful default or that of its officers, directors or employees.
- 21.3 The indemnities set out above shall survive any termination of this Agreement or earlier resignation or removal of the Agents.
- 21.4 Each Agent will only be liable to the Issuer and the Guarantor for losses, liabilities, costs, expenses and demands arising directly from the performance of its obligations under this Agreement suffered by or occasioned to the Issuer and the Guarantor ("**Liabilities**") to the extent that the Agent has been grossly negligent, or in wilful default in respect of its obligations under this Agreement. For the avoidance of doubt the failure of any Agent to make a claim for payment on the Issuer and the Guarantor, or to inform any other Paying Agent or clearing system of a failure on the part of the Issuer and the Guarantor to meet any such claim or to make a payment by the stipulated date, shall not be deemed to constitute gross negligence or wilful default on the part of the relevant Agent.

- 21.5 No Agent shall otherwise be liable or responsible for any Liabilities or inconvenience which may result from anything done or omitted to be done by it in connection with this Agreement.
- 21.6 The Agents shall not incur any liability for not performing any act or fulfilling any duty, obligation or responsibility hereunder by reason of any occurrence beyond the control of the Agents (including but not limited to any act or provision of any present or future law or regulation or governmental authority, any act of God or war, civil unrest, local or national disturbance or disaster, any act of terrorism, or the unavailability of the U.S. Federal Reserve Bank wire or facsimile or other wire or communication facility).
- 21.7 In no event shall the relevant Agent be liable for any loss of profits, goodwill, reputation, business opportunity, anticipated saving or other indirect losses, or for special, punitive or consequential damages, whether or not the relevant Agent has been advised of the possibility of such loss or damages.

## 22. **REPAYMENT BY FISCAL AGENT**

Sums paid by or by arrangement with the Issuer or the Guarantor to the Fiscal Agent pursuant to the terms of this Agreement shall not be required to be repaid to the Issuer or the Guarantor unless and until any Capital Security becomes void under the provisions of Condition 11 but in that event the Fiscal Agent shall forthwith repay to the Issuer or, if so directed by the Issuer, to the Guarantor sums equivalent to the amounts which would otherwise have been payable in respect of the relevant Capital Security.

## 23. **CONDITIONS OF APPOINTMENT**

- 23.1 The Fiscal Agent may deal with moneys paid to it under this Agreement in the same manner as other moneys paid to it as a banker by its customers (including no requirements to segregate any funds except as required by law) except that (1) it may not exercise any lien, right of set-off or similar claim in respect of them and (2) it shall not be liable to anyone for interest on any sums held by it under this Agreement.
- 23.2 In acting under this Agreement, the Agents shall act solely as Agents of the Issuer and the Guarantor and shall have no obligation towards or relationship of agency or trust with the holder of any Capital Security or any other third party.
- 23.3 No Agent shall exercise any lien, right of set-off or similar claim against any holder of a Capital Security in respect of moneys payable by it under this Agreement.
- 23.4 Except as otherwise required by law, each Agent shall treat the holder of a Capital Security as its absolute owner as provided in the Conditions and shall not be liable for doing so.
- 23.5 Each Agent shall be obliged to perform only such duties as are specifically set out in this Agreement and the Conditions and any duties necessarily incidental to them. No implied duties or obligations of any kind (including, without limitation, duties or obligations of a fiduciary or equitable nature) shall be read into any such documents.

- 23.6 Each Agent may consult (at the expense of the Issuer (or, failing the Issuer, the Guarantor), with such expense to be approved by the Issuer and the Guarantor in advance (such approval not to be unreasonably withheld)) with any legal and other professional advisers selected by it, who may be an employee of or adviser to the Issuer, and it shall not be liable in respect of anything done, or omitted to be done, relating to that matter in good faith in accordance with that adviser's opinion.
- 23.7 No Agent shall be liable in respect of anything done or suffered by it in reliance on a Capital Security or other document, notice, certificate or information from any electronic or other source reasonably believed by it to be genuine and to have been signed or otherwise given or disseminated by the proper parties.
- 23.8 Each Agent shall be protected against liability for acting on any instruction believed by it (acting in good faith) to be genuine and from the proper party.
- 23.9 Any Agent and any other person, whether or not acting for itself, may acquire, hold or dispose of any Capital Security or other security (or any interest therein) of the Issuer or any other person, may enter into or be interested in any contract or transaction with any such person, and may act on, or as depositary, trustee or agent for, any committee or body of holders of securities of any such person, in each case with the same rights as it would have had if that Agent were not an Agent and need not account for any profit made or share of brokerage or commission or remuneration or other amount or benefit received thereby or in connection therewith.
- 23.10 No Agent shall be under any obligation to take any action under this Agreement that it expects will result in any expense to or liability of such Agent, the payment of which is not, in its opinion, assured to it.
- 23.11 Notwithstanding anything else herein contained, the Agents may refrain without liability from doing anything that would or might in the opinion of each Agent be contrary to any law of any state or jurisdiction (including but not limited to the European Union, the United States of America or any jurisdiction forming a part of it, and England and Wales) or any directive or regulation of any agency of any such state or jurisdiction and may without liability do anything which is, in the opinion of each Agent, necessary to comply with any such law, directive or regulation.
- 23.12 Nothing in this Agreement shall require an Agent to assume an obligation of the Issuer arising under any provision of the listing, prospectus, disclosure or transparency rules (or equivalent rules of any other competent authority besides the Central Bank of Ireland).
- 23.13 The Agents are authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Nothing in this Agreement shall require any Agent to carry on an activity of the kind specified by any provision of Part II (other than article 5 (accepting deposits)) of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001, or to lend money to the Issuer.
- 23.14 Each Agent undertakes to inform the Issuer and the Guarantor as soon as reasonably practicable if it is not, or ceases to be, a FATCA Exempt Party. If the Issuer or the Guarantor determine, in their sole discretion, that the Issuer will be required to

withhold or deduct any FATCA Withholding in connection with any payment due on any Capital Securities, the Issuer will be entitled to re-direct or reorganise any such payment in any way that it sees fit in order that the payment may be made free from FATCA Withholding, **provided that** any such redirection or reorganisation of any payment is made through a recognised institution of international standing and such payment is made in accordance with this Agreement.

- 23.15 The Issuer shall provide the Fiscal Agent for itself and for delivery to each other Agent with a copy of the certified list of persons authorised to take action on behalf of the Issuer in connection with this Agreement and shall notify the Fiscal Agent and each other Agent immediately in writing if any of such persons ceases to be so authorised or if any additional person becomes so authorised. Unless and until notified of any such change, each Agent may rely on the certificate(s) most recently delivered to it and all instructions given in accordance with such certificate(s) shall be binding on the Issuer.
- 23.16 Each Agent shall be entitled to take any action or to refuse to take any action which such Agent regards as necessary for such Agent to comply with any applicable law, regulation or fiscal requirement, or the rules, operating procedures or market practice of any relevant stock exchange or other market or clearing system. No Agent shall be under any obligation to take any action under this Agreement on the basis of unclear or conflicting instructions (and in the case of any such unclear or conflicting instructions, the relevant Agent shall be entitled to request clarification of such instructions and will not be liable for any Losses occasioned by any delay arising from such unclear or conflicting instructions or from such clarification).
- 23.17 The Agents shall not be responsible to anyone with respect to the validity of this Agreement or the Capital Securities.
- 23.18 The Agents shall have no duty or responsibility in the case of any default by the Issuer in the performance of its obligations under the Conditions.
- 23.19 The Agents will treat information about the Issuer and the Guarantor or any of the services provided hereunder ("**Confidential Information**") as secret and confidential and will not, without the Issuer's or the Guarantor's prior written consent or authority, disclose to any third party the Confidential Information except in the following circumstances (in which case the Confidential Information may be disclosed to third parties, including members of the Agents' corporate group):
- (a) where necessary to perform the Agents' obligations under this Agreement; or
  - (b) where an Agent is under a legal or regulatory obligation to do so, or where the law permits it in certain limited circumstances to do so, or an Agent has been requested to do so by any legal, regulatory, governmental or fiscal body in any jurisdiction.

## 24. **COMMUNICATION WITH AGENTS**

A copy of all communications relating to the subject matter of this Agreement between the Issuer or the Guarantor and any of the Agents other than the Fiscal Agent shall be sent to the Fiscal Agent.

## 25. TERMINATION OF APPOINTMENT

- 25.1 The Issuer and the Guarantor may terminate the appointment of any Agent at any time and/or appoint additional or other Agents by giving to the Agent whose appointment is concerned and, where appropriate, the Fiscal Agent, at least 45 days' prior written notice to that effect, specifying the date when the removal shall become effective.
- 25.2 Notwithstanding the provisions of Clause 25.1, if at any time an Agent becomes incapable of acting, or is adjudged bankrupt or insolvent, or files a voluntary petition in bankruptcy or makes an assignment for the benefit of its creditors or consents to the appointment of an administrator, liquidator or administrative or other receiver of all or any substantial part of its property, or if an administrator, liquidator or administrative or other receiver of it or of all or a substantial part of its property is appointed, or it admits in writing its inability to pay or meet its debts as they may mature or suspends payment of its debts, or if an order of any court is entered approving any petition filed by or against it under the provisions of any applicable bankruptcy or insolvency law or if a public officer takes charge or control of the Agent or of its property or affairs for the purpose of rehabilitation, administration or liquidation, the Issuer and the Guarantor may forthwith without notice terminate the appointment of the Agent, in which event notice shall be given to the holders of the Capital Securities under Condition 14 as soon as is practicable.
- 25.3 The termination of the appointment of an Agent under this Agreement shall not entitle the Agent to any amount by way of compensation but shall be without prejudice to any amount then accrued due.
- 25.4 Any Agent may resign its appointment at any time by giving to the Issuer, the Guarantor and, where appropriate, the Fiscal Agent, at least 60 days' notice to that effect, which notice shall expire at least 30 days before or after any due date for payment in respect of the Capital Securities. If it is stipulated in this Agreement that any resignation or removal of an Agent shall not take effect before the appointment by the Issuer or the Guarantor of a successor Agent, then each of the Issuer and the Guarantor agrees with such Agent that if, by the day falling 10 days before the expiry of any notice, the Issuer or the Guarantor has not appointed a successor Agent then such Agent shall be entitled, on behalf of each of the Issuer and the Guarantor, to appoint in its place as a successor Agent a reputable financial institution of good standing which each of the Issuer and the Guarantor shall approve (such approval to not be unnecessarily withheld or delayed). Following receipt of a notice of resignation from a Paying Agent, the Issuer or, failing the Issuer, the Guarantor shall promptly, and in any event not less than 30 days before the resignation takes effect, give notice to the holders of the Capital Securities under Condition 14.
- 25.5 Notwithstanding the provisions of Clauses 25.1, 25.2 and 25.4, so long as any of the Capital Securities is outstanding, the termination of the appointment of an Agent (whether by the Issuer and the Guarantor or by the resignation of the Agent) shall not be effective unless upon the expiry of the relevant notice there is:
- (a) a Fiscal Agent and a Registrar (in the case of the Registrar, with a specified office outside of the United Kingdom); and

- (b) with effect from the day prior to the U.S. Securities Determination Date prior to the First Reset Date, and so long as any Capital Securities remain outstanding thereafter, there will be a Calculation Agent; and
  - (c) so long as the Capital Securities are listed on any stock exchange or admitted to listing by any other relevant authority, a Paying Agent (which may be the Fiscal Agent) and a Transfer Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority; and
  - (d) there will at all times be a Paying Agent and a Transfer Agent with a specified office in Europe.
- 25.6 Any successor Agent shall execute and deliver to its predecessor, the Issuer, the Guarantor and, where appropriate, the Fiscal Agent an instrument accepting the appointment under this Agreement, and the successor Agent, without any further act, deed or conveyance, shall become vested with all the authority, rights, powers, trusts, immunities, duties and obligations of the predecessor with like effect as if originally named as an Agent.
- 25.7 If the appointment of an Agent under this Agreement is terminated (whether by the Issuer and the Guarantor or by the resignation of the relevant Agent), such Agent shall on the date on which the termination takes effect deliver to its successor Agent (or, if none, the Fiscal Agent) all Capital Securities surrendered to it but not yet destroyed and all records concerning the Capital Securities maintained by it (except such documents and records as it is obliged by law or regulation to retain or not to release) and pay to its successor Agent (or, if none, to the Fiscal Agent) the amounts (if any) held by it in respect of Capital Securities which have become due and payable but which have not been presented for payment, but shall have no other duties or responsibilities under this Agreement.
- 25.8 Notwithstanding any of the provisions in this Clause 25, each of the Issuer and the Guarantor may at any time without notice appoint additional Agents and/or terminate the appointment of any Agent with 60 days' written notice (or such shorter period as may be agreed with the relevant Agent) if the Issuer or the Guarantor determines, in its sole discretion, that it will be required to withhold or deduct any FATCA Withholding in connection with any payments due on the Capital Securities and such FATCA Withholding would not have arisen but for the Agent not being, or having ceased to be, a FATCA Exempt Party, in which case notice shall be given to the holders of the Capital Securities under Condition 14 as soon as is practicable.
- 25.9 If the Fiscal Agent or any of the other Agents shall change its specified office, it shall give to the Issuer, the Guarantor and, where appropriate, the Fiscal Agent not less than 60 days' prior written notice to that effect giving the address of the new specified office. As soon as practicable thereafter and in any event at least 30 days before the change, the Fiscal Agent shall give to the holders of the Capital Securities on behalf of and at the expense of the Issuer or, failing the Issuer, the Guarantor notice of the change and the address of the new specified office under Condition 14.
- 25.10 A corporation into which any Agent for the time being may be merged or converted or a corporation with which the Agent may be consolidated or a corporation resulting

from a merger, conversion or consolidation to which the Agent shall be a party, any corporation to which such Agent shall sell or otherwise transfer all or substantially all of its assets or any corporation to which such Agent shall sell or otherwise transfer all or substantially all of its corporate trust business, shall, to the extent permitted by applicable law, be the successor Agent under this Agreement without the execution or filing of any paper or any further act on the part of any of the parties to this Agreement. Notice of any merger, conversion or consolidation shall forthwith be given to the Issuer, the Guarantor and, where appropriate, the Fiscal Agent.

- 25.11 Each Party shall provide to the other documentation or information required to comply with Applicable Law unless such information is not reasonably available or cannot be obtained or would constitute a breach of Applicable Law, fiduciary duty or duty of confidentiality.

**26. MEETINGS OF HOLDERS OF THE CAPITAL SECURITIES**

The provisions of Schedule 5 shall apply to meetings of the holders of the Capital Securities and shall have effect in the same manner as if set out in this Agreement.

**27. NOTICES**

Any notice required to be given under this Agreement to any of the parties shall be in English and shall be delivered in person, sent by pre-paid post (first class if inland, first class airmail if overseas) or by facsimile addressed to:

The Issuer: NBK Tier 1 Financing (2) Limited  
c/o Maples Fund Services (Middle East)  
Limited  
Unit C1407, Level 14, Burj Daman  
Dubai International Financial Centre  
P. O. Box 506734  
Dubai  
United Arab Emirates

Facsimile No: +971 4511 4100  
Attention: The Directors

The Guarantor: National Bank of Kuwait S.A.K.P.  
Abdullah Al Ahmed Street  
P.O. Box 95  
Safat 13001  
Kuwait

Facsimile No: +965 2259 3056  
Attention: Ms. Flavia Cardozo



The Fiscal Agent: Citibank N.A., London Branch  
Citigroup Centre  
Canada Square  
Canary Wharf  
London E14 5LB  
United Kingdom

Facsimile No: +353 1 622 2210  
/ +353 1 622 2212  
Attention: Agency and Trust – Fiscal Agent

The Transfer Agent: Citibank N.A., London Branch  
Citigroup Centre  
Canada Square  
Canary Wharf  
London E14 5LB  
United Kingdom

Facsimile No: +353 1 247 6348  
Attention: Agency and Trust – Transfer  
Agent

The Calculation Agent: Citibank N.A., London Branch  
Citigroup Centre  
Canada Square  
Canary Wharf  
London E14 5LB  
United Kingdom

Facsimile No: +353 1 622 2210  
/ +353 1 622 2212  
Attention: Agency and Trust – Rate Fixing  
Desk

The Registrar: Citigroup Global Markets Europe AG

Reuterweg 16  
60323 Frankfurt am Main  
Germany

Facsimile No: +49 69 1366 1429  
Attention: Agency and Trust – Registrar

or such other address of which notice in writing has been given to the other parties to this Agreement under the provisions of this Clause 27.

Any such notice shall take effect, if delivered in person, at the time of delivery, if sent by post, three days in the case of inland post or seven days in the case of overseas post after despatch, and, in the case of facsimile, 24 hours after the time of despatch, **provided that** in the case of a notice given by facsimile transmission such notice shall

forthwith be confirmed by post. The failure of the addressee to receive such confirmation shall not invalidate the relevant notice given by facsimile.

## 28. **TAXES AND STAMP DUTIES**

The Issuer or, failing the Issuer, the Guarantor agrees to pay any and all stamp and other documentary taxes or duties, assessments or government charges (including any interest and penalties thereon or in connection therewith) which may be payable in connection with the execution, delivery, performance and enforcement of this Agreement by the Agents.

## 29. **CURRENCY INDEMNITY**

If, under any applicable law and whether pursuant to a judgment being made or registered against the Issuer or the Guarantor or in the liquidation, insolvency or any similar process of the Issuer or the Guarantor or for any other reason, any payment under or in connection with this Agreement is made or falls to be satisfied in a currency (the "**other currency**") other than that in which the relevant payment is expressed to be due (the "**required currency**") under this Agreement, then, to the extent that the payment (when converted into the required currency at the rate of exchange on the date of payment or, if it is not practicable for the relevant Agent to purchase the required currency with the other currency on the date of payment, at the rate of exchange as soon thereafter as it is practicable for it to do so or, in the case of a liquidation, insolvency or analogous process, at the rate of exchange on the latest date permitted by applicable law for the determination of liabilities in such liquidation, insolvency or analogous process) actually received by the relevant Agent falls short of the amount due under the terms of this Agreement, the Issuer and, failing the Issuer, the Guarantor undertakes that it shall, as a separate and independent obligation, indemnify and hold harmless the Agent against the amount of the shortfall. For the purpose of this Clause 29. "**rate of exchange**" means the rate at which the relevant Agent is able on the London foreign exchange market on the relevant date to purchase the required currency with the other currency and shall take into account any premium and other reasonable costs of exchange.

## 30. **LIMITED RECOURSE AND NON-PETITION**

- 30.1 Each of the Guarantor and the Agents acknowledges and agrees that Maples Fund Services (Middle East) Limited has been appointed as the corporate services provider in relation to the Issuer (in such capacity the "**Corporate Services Provider**"), and that the directors of the Issuer are employees, directors and/or officers of the Corporate Services Provider. Notwithstanding anything contrary contained herein or in any other Transaction Document, the Guarantor and the Agents agree that no recourse (whether under this Agreement or any other Transaction Document) shall be had against any of (i) the Corporate Services Provider or its affiliates or (ii) the directors and/or secretary of the Issuer or their assets. The Guarantor and the Agents further agree not to pursue any action or make any claim or demand or commence any proceedings against the Corporate Services Provider, its successors or assigns, directors, officers or employees present and future, or the directors and/or secretary of the Issuer as a result of the performance of the functions and services provided by the Corporate Services Provider and the directors and/or secretary of the Issuer pursuant

to the corporate services agreement dated 11 November 2019 between the Issuer and the Corporate Services Provider.

30.2 The provisions of this Clause 30 shall survive the termination of this Agreement.

### 31. **ENTIRE AGREEMENT**

This Agreement contains the whole agreement between the parties relating to the subject matter of this Agreement to the exclusion of any terms implied by law which may be excluded by contract, and each party hereto acknowledges that it has not been induced to enter into this Agreement by any representation, warranty or undertaking not expressly incorporated into it.

### 32. **GOVERNING LAW AND DISPUTE RESOLUTION**

32.1 This Agreement (including the remaining provisions of this Clause 31) and any non-contractual obligations arising out of or in connection with it shall be governed by, and shall be construed in accordance with, English law.

32.2 Any dispute, claim, difference or controversy arising out of, relating to or having any connection with this Agreement (including any dispute as to its existence, validity, interpretation, performance, breach or termination or the consequences of its nullity and any dispute relating to any non-contractual obligations arising out of or in connection with it) (a "**Dispute**") shall be referred to and finally resolved by arbitration in accordance with the Arbitration Rules (the "**Rules**") of the London Court of International Arbitration (the "**LCIA**"), which Rules (as amended from time to time) are incorporated by reference into this Clause 31. For these purposes:

- (a) the seat of arbitration shall be London, England;
- (b) there shall be three arbitrators, each of whom shall be disinterested in the arbitration, shall have no connection with any party to the Dispute and shall be an attorney experienced in international securities transactions. The parties to the Dispute shall each nominate one arbitrator and both arbitrators in turn shall appoint a further arbitrator who shall be the chairman of the tribunal. In cases where there are multiple claimants and/or multiple respondents, the class of claimants jointly, and the class of respondents jointly shall each nominate one arbitrator. If one party or both fails to nominate an arbitrator within the time limits specified by the Rules, such arbitrator(s) shall be appointed by the LCIA. If the party-nominated arbitrators fail to nominate the third arbitrator within 15 days of the appointment of the second arbitrator, such arbitrator shall be appointed by the LCIA; and
- (c) the language of the arbitration shall be English.

32.3 Each of the Issuer and the Guarantor irrevocably appoints Maples and Calder at its registered office at 11<sup>th</sup> Floor, 200 Aldersgate Street, London EC1A 4HD, United Kingdom as its authorised agent for service of process in England. If for any reason such agent shall cease to be such agent for service of process or ceases to be registered in England, the Issuer and the Guarantor shall forthwith appoint a new agent for service of process in England and shall notify the Agents of such

appointment. The Issuer and the Guarantor will procure that, so long as any of the Capital Securities remains outstanding, a person with an office in London shall be appointed to accept service. Nothing in this Clause 32.3 shall affect the right to serve process in any other manner permitted by law.

- 32.4 To the extent that the Issuer or the Guarantor may in any jurisdiction claim for itself or its assets or revenues immunity from suit, execution, attachment (whether in aid of execution, before judgment or otherwise) or other legal process and to the extent that such immunity (whether or not claimed) may be attributed in any such jurisdiction to the Issuer or the Guarantor or its assets or revenues, each of the Issuer and the Guarantor agrees not to claim and irrevocably and unconditionally waives such immunity to the fullest extent permitted by the laws or such jurisdiction. Further, each of the Issuer and the Guarantor irrevocably and unconditionally consents to the giving of any relief or the issue of any legal proceedings, including, without limitation, jurisdiction, enforcement, prejudgment proceedings and injunctions in connection with any Disputes.

### 33. **AMENDMENTS**

This Agreement may be amended by all of the parties, without the consent of any holder of a Capital Security, either where such amendment:

- (a) is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of law; or
- (b) does not concern a Reserved Matter and is not materially prejudicial to the interest of the Securityholders.

### 34. **THIRD PARTY RIGHTS**

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement, but this does not affect any right or remedy of any person which exists apart from that Act.

### 35. **GENERAL**

This Agreement may be executed in any number of counterparts, all of which, taken together, shall constitute one and the same agreement and any party may enter into this Agreement by executing a counterpart.

If any provision in or obligation under this Agreement is or becomes invalid, illegal or unenforceable in any respect under the law of any jurisdiction, that will not affect or impair (i) the validity, legality or enforceability under the law of that jurisdiction of any other provision in or obligation under this Agreement, and (ii) the validity, legality or enforceability under the law of any other jurisdiction of that or any other provision in or obligation under this Agreement.

**SIGNED** by each of the parties (or their duly authorised representatives) on the date which appears first on the face of this Agreement.

## SCHEDULE 1

### PART I FORM OF UNRESTRICTED GLOBAL CERTIFICATE

**THE CAPITAL SECURITIES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. THE HOLDER HEREOF, BY PURCHASING THE CAPITAL SECURITIES REPRESENTED HEREBY, AGREES FOR THE BENEFIT OF THE ISSUER THAT THE CAPITAL SECURITIES REPRESENTED HEREBY MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY IN COMPLIANCE WITH THE SECURITIES ACT AND OTHER APPLICABLE LAWS.**

ISIN: XS2010037922  
Common Code: 201003792

#### **NBK TIER 1 FINANCING (2) LIMITED**

*(incorporated as a special purpose company with limited liability under the laws of the Dubai International Financial Centre)*

#### **UNRESTRICTED GLOBAL CERTIFICATE**

**in respect of**

#### **U.S.\$750,000,000 PERPETUAL TIER 1 CAPITAL SECURITIES**

unconditionally and irrevocably guaranteed by

#### **NATIONAL BANK OF KUWAIT S.A.K.P.**

*(incorporated as a public shareholding company in the state of Kuwait)*

NBK Tier 1 Financing (2) Limited (the "**Issuer**") hereby certifies that Citivic Nominees Limited is, at the date hereof, entered in the Register as the holder of the aggregate principal amount of U.S.\$595,599,000 (FIVE HUNDRED AND NINETY FIVE MILLION FIVE HUNDRED AND NINETY NINE THOUSAND U.S. DOLLARS) of a duly authorised issue of Perpetual Tier 1 Capital Securities (the "**Capital Securities**") described above by the Issuer, and having the terms and conditions (the "**Conditions**") as set out in Schedule 3 to the Agency Agreement (as defined below). Words and expressions defined or set out in the Conditions shall have the same meaning when used in this Unrestricted Global Certificate. This Unrestricted Global Certificate is issued subject to, and with the benefit of, the Conditions and an agency agreement (the "**Agency Agreement**" which expression shall be construed as a reference to that agreement as the same may be amended, supplemented, novated or restated from time to time) dated 27 November 2019 and made between, *inter alios*, the Issuer, National Bank of Kuwait S.A.K.P. (the "**Guarantor**"), Citigroup Global Markets Europe AG (the "**Registrar**") and the other Agents named in it.

Subject to and in accordance with the Conditions, the registered holder of this Unrestricted Global Certificate is entitled to receive on such date(s) (if any) as all or any of the Capital Securities represented by this Unrestricted Global Certificate may become due and repayable in accordance with the Conditions, the amount payable under the Conditions in respect of the Capital Securities on each such date and interest on the principal amount of the Capital Securities from time to time represented by this Unrestricted Global Certificate calculated and payable as provided in the Conditions together with any other sums payable under the Conditions, all in accordance with the Conditions.

On any redemption or interest payment being made in respect of, or purchase and cancellation of, any of the Capital Securities represented by this Unrestricted Global Certificate, details of such redemption, interest payment or purchase and cancellation (as the case may be) shall be entered by the Registrar in the Register. Upon any such redemption or purchase and cancellation, the principal amount of the Capital Securities held by the registered holder hereof shall be reduced by the principal amount of the Capital Securities so redeemed or purchased and cancelled. The principal amount of the Capital Securities held by the registered holder hereof following any such redemption or purchase and cancellation or any transfer or exchange as referred to below shall be that amount most recently entered in the Register.

Capital Securities represented by this Unrestricted Global Certificate are transferable only in accordance with, and subject to, the provisions of this Unrestricted Global Certificate and of Condition 2 and the rules and operating procedures of Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream, Luxembourg**").

Upon the exchange of this Unrestricted Global Certificate (in whole but not in part) for unrestricted individual certificates (each, an "**Unrestricted Individual Certificate**") (only upon the occurrence of an Exchange Event (as defined below)), details of such exchange shall be entered by or on behalf of the Registrar in the Register.

Upon any such exchange, title to a Capital Security may be transferred into the names of holders notified by the registered holder of this Unrestricted Global Certificate in accordance with the Conditions, **provided that** the principal amount of the Capital Securities transferred shall be an authorised denomination and the Unrestricted Individual Certificates in respect of Capital Securities so transferred may not be available until 21 days after the request for transfer is duly made.

The Registrar will not register title to the Capital Securities represented by this Unrestricted Global Certificate in a name other than that of the registered holder of this Unrestricted Global Certificate for a period of 15 calendar days ending on the due date for any payment of principal or interest in respect of the Capital Securities.

An "**Exchange Event**" means (a) the Issuer has been notified that Euroclear or Clearstream, Luxembourg has been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or has announced an intention permanently to cease business or has in fact done so or (b) an Enforcement Event occurs.

If a holder of a beneficial interest in the Capital Securities represented by this Unrestricted Global Certificate wishes at any time to transfer such beneficial interest to a person who wishes to take delivery thereof in the form of a beneficial interest in the restricted global certificate issued in relation to the Capital Securities (the "**Restricted Global Certificate**")

such holder may transfer such beneficial interest in accordance with the rules and operating procedures of The Depository Trust Company ("**DTC**"), Euroclear and Clearstream, Luxembourg and the terms of this paragraph. Upon receipt by the Registrar of:

- (a) notification by DTC, Euroclear and/or Clearstream Luxembourg (as applicable), or their respective custodians or depositaries, that the appropriate debit and credit entries have been made in the accounts of the relevant participants of DTC, Euroclear and/or Clearstream, Luxembourg (as the case may be); and
- (b) a certificate in the form of Schedule 7 to the Agency Agreement given by the holder of such beneficial interest requesting such transfer or exchange and, in the case of transfer or exchange on or prior to the fortieth day after the date of issue of this Unrestricted Global Certificate, stating that the transfer or exchange of such interest has been made in compliance with the transfer restrictions applicable to the Capital Securities and that the person transferring such interest in this Unrestricted Global Certificate reasonably believes that the person acquiring such interest in the Restricted Global Certificate is a qualified institutional buyer (as defined in Rule 144A under the Securities Act) and is obtaining such beneficial interest in a transaction meeting the requirements of Rule 144A,

the Issuer shall procure that the Registrar decreases in the Register the aggregate principal amount of this Unrestricted Global Certificate by the principal amount of Capital Securities the subject of such transfer and increases in the Register the aggregate principal amount of the Restricted Global Certificate by such principal amount.

Save as provided above, transfers of book-entry interests in the Capital Securities represented by this Unrestricted Global Certificate will be effected through the records of Euroclear and Clearstream, Luxembourg and their respective participants in accordance with the rules and procedures of Euroclear and Clearstream, Luxembourg and their respective direct and indirect participants.

Subject as provided in the following paragraph, until the exchange of the whole of this Unrestricted Global Certificate as aforesaid, the registered holder hereof shall in all respects be entitled to the same benefits as if he were the registered holder of the Capital Securities represented by this Unrestricted Global Certificate.

For so long as all of the Capital Securities are represented by this Unrestricted Global Certificate and this Unrestricted Global Certificate is held on behalf of Euroclear and/or Clearstream, Luxembourg, as the case may be, each person (other than another clearing system) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg (as the case may be) as the holder of a particular aggregate principal amount of such Capital Securities (each an "**Accountholder**") (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg (as the case may be) as to the aggregate principal amount of such Capital Securities standing to the account by any person shall, in the absence of manifest error, be conclusive and binding for all purposes) shall be treated as the holder of such aggregate principal amount of such Capital Securities (and the expression "holders of the Capital Securities" and references to "holding of Capital Securities" and to "holder of Capital Securities" shall be construed accordingly) for all purposes other than with respect to payments on such Capital Securities, the right to which shall be vested, as against the Issuer and the Guarantor, solely in the registered holder of this Unrestricted Global Certificate in accordance with and subject to the terms of this

Unrestricted Global Certificate. Each Accountholder must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for its share of each payment made to the registered holder of this Unrestricted Global Certificate.

In the case of all payments made in respect of this Unrestricted Global Certificate, for the purposes of Condition 6 "**Business Day**" means any day which is a day on which banks are open for general business (including dealings in foreign currencies) in New York City.

In relation to any Capital Securities represented by this Unrestricted Global Certificate, any Write-down will be effected in Euroclear and Clearstream, Luxembourg subject to and in accordance with their operating procedures by way of a reduction in the pool factor.

This Unrestricted Global Certificate is not a document of title. Entitlements are determined by entry in the Register and only the duly registered holder from time to time is entitled to payment in respect of this Unrestricted Global Certificate.

In the event that this Unrestricted Global Certificate (or any part of it) has become due and repayable in accordance with the Conditions and payment in full of the amount due has not been made to the registered holder of this Unrestricted Global Certificate in accordance with the provisions set out above then holders of interests in this Unrestricted Global Certificate will become entitled to proceed directly against the Issuer on the basis of statements of account provided by Euroclear and Clearstream, Luxembourg, as the case may be, with all rights which such holder would have had if, prior to that time, it was entered in the register as the registered holder of such Capital Securities.

Payments of principal and interest in respect of Capital Securities represented by this Unrestricted Global Certificate will be made upon presentation or, if no further payment falls to be made in respect of the Capital Securities, against presentation and surrender of this Unrestricted Global Certificate to or to the order of the Registrar or such other Agent as shall have been notified to the holder of this Unrestricted Global Certificate for such purpose.

Distributions of amounts with respect to book-entry interests in this Unrestricted Global Certificate will be credited, to the extent received by the Registrar, to the cash accounts of Euroclear or Clearstream, Luxembourg participants in accordance with the relevant system's rules and procedures.

A record of each payment made will be entered by or on behalf of the Registrar in the Register and shall be *prima facie* evidence that payment has been made.

So long as all the Capital Securities are represented by this Unrestricted Global Certificate and this Unrestricted Global Certificate is registered in the name of a nominee for Euroclear and Clearstream, Luxembourg, the record date will be close of business on the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the relevant due date.

In relation to Capital Securities represented by this Unrestricted Global Certificate whilst this Unrestricted Global Certificate is held on behalf of a clearing system, notices to holders of such Capital Securities may be given by delivery of the relevant notice to that clearing system for communication by it to entitled Accountholders in substitution for notification as required by the Conditions, and in any such case, such notice shall be deemed to have been given to the relevant Securityholders in accordance with Condition 14 on the date of delivery to such



Clearing System. Notice may be given by any holder of a Capital Security to the Registrar through Euroclear and/or Clearstream, Luxembourg (as the case may be), in such manner as the Registrar, and Euroclear and/or Clearstream, Luxembourg (as the case may be) may approve for this purpose.

This Unrestricted Global Certificate shall not be valid unless authenticated by the Registrar.

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Unrestricted Global Certificate, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

If any provision in or obligation under this Unrestricted Global Certificate is or becomes invalid, illegal or unenforceable in any respect under the law of any jurisdiction, that will not affect or impair (i) the validity, legality or enforceability under the law of that jurisdiction of any other provision in or obligation under this Unrestricted Global Certificate, and (ii) the validity, legality or enforceability under the law of any other jurisdiction of that or any other provision in or obligation under this Unrestricted Global Certificate.

This Unrestricted Global Certificate and any non-contractual obligations arising out of or in connection with it shall be governed by, and shall be construed in accordance with, English law.

**IN WITNESS WHEREOF** the Issuer has caused this Unrestricted Global Certificate to be signed as a deed by a person duly authorised on its behalf.

**EXECUTED** as a **DEED** )  
by **NBK TIER 1 FINANCING (2) LIMITED** )  
acting by )  
acting on the authority )  
of that company )  
in the presence of: )

Witness:.....  
Name: .....  
Address: .....

Dated: 27 November 2019

**AUTHENTICATED** for and on behalf of  
**CITIGROUP GLOBAL MARKETS EUROPE AG**  
as Registrar without recourse, warranty or liability

By:.....  
(*duly authorised*)

Witness:.....  
Name: .....  
Address: .....

**FORM OF TRANSFER**

**FOR VALUE RECEIVED** ....., being the registered holder of this Unrestricted Global Certificate hereby transfers to:

.....  
.....  
.....

*(Please print or type name and address (including postal code) of transferee)*

U.S.\$..... in principal amount of the U.S.\$750,000,000 Perpetual Tier 1 Capital Securities (the "**Capital Securities**") of NBK Tier 1 Financing (2) Limited and irrevocably requests and authorises Citigroup Global Markets Europe AG, in its capacity as registrar in relation to the Capital Securities (or any successor to Citigroup Global Markets Europe AG, in its capacity as such) to effect the relevant transfer by means of appropriate entries in the register kept by it.

By:.....

Date:.....

**NOTE:**

1. This form of transfer must be accompanied by such documents, evidence and information as may be required pursuant to the Conditions endorsed on the Capital Security to which this form of transfer relates and must be executed under the hand of the transferor or, if the transferor is a corporation, this form of transfer must be executed either under its common seal or under the hand of its officer(s) duly authorised in writing and, in the latter case, the document so authorising the officer(s) must be delivered with this form of transfer.
2. The signature(s) on this form of transfer must correspond with the name(s) as it/they appear(s) on the face of this Capital Security in every particular, without any change whatsoever.

*(Reverse of Certificate)*

**FISCAL AGENT, TRANSFER AGENT AND CALCULATION AGENT**

**Citibank N.A., London Branch**

Citigroup Centre  
Canada Square  
Canary Wharf  
London E14 5LB  
United Kingdom

**REGISTRAR**

**Citigroup Global Markets Europe AG**

Reuterweg 16  
60323 Frankfurt  
Germany

and/or such other or further Fiscal Agent, Paying Agents, Registrar and/or Transfer Agent and/or specified offices as may from time to time be appointed by the Issuer and notice of which has been given to the holders of the Capital Securities.

**PART II**  
**FORM OF RESTRICTED GLOBAL CERTIFICATE**

**THE CAPITAL SECURITIES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF, THE HOLDER (A) REPRESENTS THAT IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QUALIFIED INSTITUTIONAL BUYERS; (B) AGREES THAT IT WILL NOT RESELL OR OTHERWISE TRANSFER THIS CAPITAL SECURITY PRIOR TO THE DATE WHICH IS ONE YEAR AFTER THE LATER OF ISSUE DATE AND THE LAST DATE ON WHICH THE ISSUER OR AN AFFILIATE OF THE ISSUER WAS THE OWNER OF SUCH CAPITAL SECURITIES, OTHER THAN (1) IN ACCORDANCE WITH RULE 144A UNDER THE SECURITIES ACT TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVE IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, (2) TO NON-U.S. PERSONS IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, (3) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BECOME OR BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (4) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE) OR ANY OTHER AVAILABLE EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES, AND WILL GIVE TO EACH PERSON TO WHOM THIS CAPITAL SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144A UNDER THE SECURITIES ACT FOR REALES OF THIS CAPITAL SECURITY.**

**BY ACCEPTANCE OF THIS CAPITAL SECURITY BEARING THE ABOVE LEGEND, WHETHER UPON ORIGINAL ISSUANCE OR SUBSEQUENT TRANSFER, EACH HOLDER OF THIS CAPITAL SECURITY ACKNOWLEDGES THE RESTRICTIONS ON THE TRANSFER OF THIS CAPITAL SECURITY SET FORTH ABOVE AND AGREES THAT IT SHALL TRANSFER THIS CAPITAL SECURITY ONLY AS PROVIDED HEREIN AND IN THE AGENCY AGREEMENT.**

**IF THIS CAPITAL SECURITY CERTIFICATE IS REGISTERED IN THE NAME OF CEDE & CO. (OR SUCH OTHER PERSON AS MAY BE NOMINATED BY THE DEPOSITORY TRUST COMPANY ("DTC") FOR THE PURPOSE)**

(COLLECTIVELY, "CEDE & CO.") AS NOMINEE FOR DTC, THEN, UNLESS THIS CAPITAL SECURITY CERTIFICATE IS PRESENTED BY AN AUTHORISED REPRESENTATIVE OF DTC TO THE ISSUER OR ITS AGENT FOR REGISTRATION OR TRANSFER, EXCHANGE OR PAYMENT AND ANY CAPITAL SECURITY CERTIFICATE ISSUED UPON REGISTRATION OF TRANSFER OR EXCHANGE OF THIS CAPITAL SECURITY CERTIFICATE IS REGISTERED IN THE NAME OF CEDE & CO. (OR SUCH OTHER NAME AS MAY BE REQUESTED BY AN AUTHORISED REPRESENTATIVE OF DTC) AND ANY PAYMENT HEREUNDER IS MADE TO CEDE & CO. (OR, AS THE CASE MAY BE, SUCH OTHER PERSON), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL, SINCE THE REGISTERED OWNER HEREOF, CEDE & CO. (OR, AS THE CASE MAY BE, SUCH OTHER PERSON), HAS AN INTEREST HEREIN.

CUSIP: 62878WAA6  
ISIN: US62878WAA62  
Common Code: 111730407

**NBK TIER 1 FINANCING (2) LIMITED**

*(incorporated as a special purpose company with limited liability under the laws of the Dubai International Financial Centre)*

**RESTRICTED GLOBAL CERTIFICATE**

**in respect of**

**U.S.\$750,000,000 PERPETUAL TIER 1 CAPITAL SECURITIES**

unconditionally and irrevocably guaranteed by

**NATIONAL BANK OF KUWAIT S.A.K.P.**

*(incorporated as a public shareholding company in the state of Kuwait)*

NBK Tier 1 Financing (2) Limited (the "**Issuer**") hereby certifies that Cede & Co. is, at the date hereof, entered in the Register as the holder of the aggregate principal amount of U.S.\$154,401,000 (ONE HUNDRED AND FIFTY FOUR MILLION FOUR HUNDRED AND ONE THOUSAND U.S. DOLLARS) of a duly authorised issue of Perpetual Tier 1 Capital Securities (the "**Capital Securities**") described above by the Issuer, and having the terms and conditions (the "**Conditions**") as set out in Schedule 3 to the Agency Agreement (as defined below). Words and expressions defined or set out in the Conditions shall have the same meaning when used in this Restricted Global Certificate. This Restricted Global Certificate is issued subject to, and with the benefit of, the Conditions and an agency agreement (the "**Agency Agreement**" which expression shall be construed as a reference to that agreement as the same may be amended, supplemented, novated or restated from time to time) dated 27 November 2019 and made between, *inter alios*, the Issuer, National Bank of Kuwait S.A.K.P. (the "**Guarantor**"), Citigroup Global Markets Europe AG (the "**Registrar**") and the other Agents named in it.

Subject to and in accordance with the Conditions, the registered holder of this Restricted Global Certificate is entitled to receive on such date(s) (if any) as all or any of the Capital Securities represented by this Restricted Global Certificate may become due and repayable in accordance with the Conditions, the amount payable under the Conditions in respect of the Capital Securities on each such date and interest on the principal amount of the Capital Securities from time to time represented by this Restricted Global Certificate calculated and payable as provided in the Conditions together with any other sums payable under the Conditions, all in accordance with the Conditions.

On any redemption or interest payment being made in respect of, or purchase and cancellation of, any of the Capital Securities represented by this Restricted Global Certificate, details of such redemption, interest payment or purchase and cancellation (as the case may be) shall be entered by the Registrar in the Register. Upon any such redemption or purchase and cancellation, the principal amount of the Capital Securities held by the registered holder hereof shall be reduced by the principal amount of the Capital Securities so redeemed or purchased and cancelled. The principal amount of the Capital Securities held by the registered holder hereof following any such redemption or purchase and cancellation or any transfer or exchange as referred to below shall be that amount most recently entered in the Register.

Capital Securities represented by this Restricted Global Certificate are transferable only in accordance with, and subject to, the provisions of this Restricted Global Certificate and of Condition 2 and the rules and operating procedures of DTC.

Upon the exchange of this Restricted Global Certificate (in whole but not in part) for restricted individual certificates (each, a "**Restricted Individual Certificate**") (only upon the occurrence of an Exchange Event (as defined below)), details of such exchange shall be entered by or on behalf of the Registrar in the Register.

Upon any such exchange, title to a Capital Security may be transferred into the names of holders notified by the registered holder of this Restricted Global Certificate in accordance with the Conditions, **provided that** the principal amount of the Capital Securities transferred shall be an authorised denomination and the Restricted Individual Certificates in respect of Capital Securities so transferred may not be available until 21 days after the request for transfer is duly made.

The Registrar will not register title to the Capital Securities represented by this Restricted Global Certificate in a name other than that of the registered holder of this Restricted Global Certificate for a period of 15 calendar days ending on the due date for any payment of principal or interest in respect of the Capital Securities.

An "**Exchange Event**" means (a) the Issuer has been notified by DTC that DTC is no longer willing or able to discharge properly its responsibilities as depository with respect to this Restricted Global Certificate or ceases to be a clearing agency (as defined in the United States Securities Exchange Act of 1934, as amended), or is at any time no longer eligible to act as such, and the Issuer is unable to locate a qualified successor within 90 days of receiving notice or becoming aware of such ineligibility on the part of DTC or (b) an Enforcement Event occurs.

If a holder of a beneficial interest in the Capital Securities represented by this Restricted Global Certificate wishes at any time to transfer such beneficial interest to a person who

wishes to take delivery thereof in the form of a beneficial interest in the unrestricted global certificate issued in relation to the Capital Securities (the "**Unrestricted Global Certificate**") such holder may transfer such beneficial interest in accordance with the rules and operating procedures of DTC, Euroclear and Clearstream, Luxembourg and the terms of this paragraph. Upon receipt by the Registrar of:

- (a) notification by DTC, Euroclear and/or Clearstream Luxembourg (as applicable), or their respective custodians or depositaries, that the appropriate debit and credit entries have been made in the accounts of the relevant participants of DTC, Euroclear and/or Clearstream, Luxembourg (as the case may be); and
- (b) a certificate in the form of Schedule 7 to the Agency Agreement given by the holder of such beneficial interest stating that the transfer or exchange of such interest has been made in compliance with the transfer restrictions applicable to the Capital Securities and that (i) such transfer or exchange has been made pursuant to and in accordance with Regulation S ("**Regulation S**") under the Securities Act or (ii) the Capital Securities are being exchanged or transferred pursuant to an exemption from registration provided by Rule 144A under the Securities Act,

the Issuer shall procure that the Registrar decreases in the Register the aggregate principal amount of this Restricted Global Certificate by the principal amount of Capital Securities the subject of such transfer and increases in the Register the aggregate principal amount of the Unrestricted Global Certificate by such principal amount.

Save as provided above, transfers of book-entry interests in the Capital Securities represented by this Restricted Global Certificate will be effected through the records of DTC and its respective participants in accordance with the rules and procedures of DTC and its respective direct and indirect participants.

Subject as provided in the following paragraph, until the exchange of the whole of this Restricted Global Certificate as aforesaid, the registered holder hereof shall in all respects be entitled to the same benefits as if he were the registered holder of the Capital Securities represented by this Restricted Global Certificate.

For so long as all of the Capital Securities are represented by this Restricted Global Certificate and this Restricted Global Certificate is held on behalf of DTC, each person (other than another clearing system) who is for the time being shown in the records of DTC as the holder of a particular aggregate principal amount of such Capital Securities (each an "**Accountholder**") (in which regard any certificate or other document issued by DTC as to the aggregate principal amount of such Capital Securities standing to the account by any person shall, in the absence of manifest error, be conclusive and binding for all purposes) shall be treated as the holder of such aggregate principal amount of such Capital Securities (and the expression "holders of the Capital Securities" and references to "holding of Capital Securities" and to "holder of Capital Securities" shall be construed accordingly) for all purposes other than with respect to payments on such Capital Securities, the right to which shall be vested, as against the Issuer and the Guarantor, solely in the registered holder of this Restricted Global Certificate in accordance with and subject to the terms of this Restricted Global Certificate. Each Accountholder must look solely to DTC for its share of each payment made to the registered holder of this Restricted Global Certificate.



In the case of all payments made in respect of this Restricted Global Certificate, for the purposes of Condition 6 "**Business Day**" means any day which is a day on which banks are open for general business (including dealings in foreign currencies) in New York City.

In relation to any Capital Securities represented by this Restricted Global Certificate, any Write-down will be effected in DTC by way of a reduction in the pool factor, subject to its operating procedures.

This Restricted Global Certificate is not a document of title. Entitlements are determined by entry in the Register and only the duly registered holder from time to time is entitled to payment in respect of this Restricted Global Certificate.

In the event that this Restricted Global Certificate (or any part of it) has become due and repayable in accordance with the Conditions and payment in full of the amount due has not been made to the registered holder of this Restricted Global Certificate in accordance with the provisions set out above then holders of interests in this Restricted Global Certificate will become entitled to proceed directly against the Issuer on the basis of statements of account provided by DTC with all rights which such holder would have had if, prior to that time, it was entered in the register as the registered holder of such Capital Securities.

Payments of principal and distributions in respect of Capital Securities represented by this Restricted Global Certificate will be made upon presentation or, if no further payment falls to be made in respect of the Capital Securities, against presentation and surrender of this Restricted Global Certificate to or to the order of the Registrar or such other Agent as shall have been notified to the holder of this Restricted Global Certificate for such purpose.

Distributions of amounts with respect to book-entry interests in this Restricted Global Certificate will be credited, to the extent received by the Registrar, to the cash accounts of DTC participants in accordance with the relevant system's rules and procedures.

A record of each payment made will be entered by or on behalf of the Registrar in the Register and shall be *prima facie* evidence that payment has been made.

So long as all the Capital Securities are represented by this Restricted Global Certificate and this Restricted Global Certificate is registered in the name of a nominee for DTC, the record date will be close of business on the business day (being for this purpose a day on which DTC is open for business) before the relevant due date.

In relation to Capital Securities represented by this Restricted Global Certificate whilst this Restricted Global Certificate is held on behalf of a clearing system, notices to holders of such Capital Securities may be given by delivery of the relevant notice to that clearing system for communication by it to entitled Accountholders in substitution for notification as required by the Conditions, and in any such case, such notice shall be deemed to have been given to the relevant Securityholders in accordance with Condition 14 on the date of delivery to such Clearing System. Notice may be given by any holder of a Capital Security to the Registrar through DTC, in such manner as the Registrar and DTC may approve for this purpose.

This Restricted Global Certificate shall not be valid unless authenticated by the Registrar.

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Restricted Global Certificate, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

If any provision in or obligation under this Restricted Global Certificate is or becomes invalid, illegal or unenforceable in any respect under the law of any jurisdiction, that will not affect or impair (i) the validity, legality or enforceability under the law of that jurisdiction of any other provision in or obligation under this Restricted Global Certificate, and (ii) the validity, legality or enforceability under the law of any other jurisdiction of that or any other provision in or obligation under this Restricted Global Certificate.

This Restricted Global Certificate and any non-contractual obligations arising out of or in connection with it shall be governed by, and shall be construed in accordance with, English law.

**IN WITNESS WHEREOF** the Issuer has caused this Restricted Global Certificate to be signed as a deed by a person duly authorised on its behalf.

**EXECUTED** as a **DEED** )  
by **NBK TIER 1 FINANCING (2) LIMITED** )  
acting by )  
acting on the authority )  
of that company )  
in the presence of: )

Witness:.....  
Name: .....  
Address: .....

Dated: 27 November 2019

**AUTHENTICATED** for and on behalf of  
**CITIGROUP GLOBAL MARKETS EUROPE AG**  
as Registrar without recourse, warranty or liability

By:.....  
(*duly authorised*)

Witness:.....  
Name: .....  
Address: .....

**FORM OF TRANSFER**

**FOR VALUE RECEIVED** ....., being the registered holder of this Restricted Global Certificate hereby transfers to:

.....  
.....  
.....

*(Please print or type name and address (including postal code) of transferee)*

U.S.\$..... in principal amount of the U.S.\$750,000,000 Perpetual Tier 1 Capital Securities (the "**Capital Securities**") of NBK Tier 1 Financing (2) Limited and irrevocably requests and authorises Citigroup Global Markets Europe AG, in its capacity as registrar in relation to the Capital Securities (or any successor to Citigroup Global Markets Europe AG, in its capacity as such) to effect the relevant transfer by means of appropriate entries in the register kept by it.

By:.....

Date:.....

**NOTE:**

1. This form of transfer must be accompanied by such documents, evidence and information as may be required pursuant to the Conditions endorsed on the Capital Security to which this form of transfer relates and must be executed under the hand of the transferor or, if the transferor is a corporation, this form of transfer must be executed either under its common seal or under the hand of its officers duly authorised in writing and, in the latter case, the document so authorising the officer(s) must be delivered with this form of transfer.
2. The signature(s) on this form of transfer must correspond with the name(s) as it/they appear(s) on the face of this Capital Security in every particular, without any change whatsoever.

*(Reverse of Certificate)*

**FISCAL AGENT, TRANSFER AGENT AND CALCULATION AGENT**

**Citibank N.A., London Branch**

Citigroup Centre  
Canada Square  
Canary Wharf  
London E14 5LB  
United Kingdom

**REGISTRAR**

**Citigroup Global Markets Europe AG**

Reuterweg 16  
60323 Frankfurt  
Germany

and/or such other or further Fiscal Agent, Paying Agents, Registrar and/or Transfer Agent and/or specified offices as may from time to time be appointed by the Issuer and notice of which has been given to the holders of the Capital Securities.

## SCHEDULE 2

### PART I FORM OF UNRESTRICTED INDIVIDUAL CERTIFICATE

THIS CAPITAL SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY OTHER APPLICABLE U.S. STATE SECURITIES LAWS AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OR PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT. THIS LEGEND SHALL CEASE TO APPLY UPON THE EXPIRY OF THE PERIOD OF 40 DAYS AFTER THE COMPLETION OF THE DISTRIBUTION OF ALL THE SECURITIES OF THE TRANCHE OF WHICH THIS CAPITAL SECURITY FORMS PART.

EACH PURCHASER AND HOLDER OF THIS CAPITAL SECURITY (OR ANY INTEREST HEREIN) SHALL BE DEEMED TO HAVE REPRESENTED AND WARRANTED BY SUCH PURCHASE AND/OR HOLDING THAT (I) IT IS NOT, AND IS NOT ACTING ON BEHALF OF (AND FOR SO LONG AS IT HOLDS THIS CAPITAL SECURITY (OR ANY INTEREST HEREIN) WILL NOT BE, AND WILL NOT BE ACTING ON BEHALF OF), A BENEFIT PLAN INVESTOR OR A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN WHICH IS SUBJECT TO FEDERAL, STATE, LOCAL OR NON-U.S. LAWS OR REGULATIONS THAT ARE SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA"), OR SECTION 4975 OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"), AND (II) IT WILL NOT TRANSFER THIS CAPITAL SECURITY (OR ANY INTEREST HEREIN) TO A TRANSFEREE UNLESS THE TRANSFEREE CAN MAKE THE SAME REPRESENTATIONS AND WARRANTIES IN CLAUSE (I) ABOVE. THE TERM "BENEFIT PLAN INVESTOR" IS DEFINED IN SECTION 3(42) OF ERISA AND INCLUDES: (I) AN "EMPLOYEE BENEFIT PLAN" AS DEFINED IN SECTION 3(3) OF ERISA, WHICH IS SUBJECT TO TITLE I OF ERISA, (II) A "PLAN" AS DEFINED IN AND SUBJECT TO SECTION 4975 OF THE CODE, OR (III) AN ENTITY WHOSE UNDERLYING ASSETS INCLUDE "PLAN ASSETS" BY REASON OF AN EMPLOYEE BENEFIT PLAN'S OR A PLAN'S INVESTMENT IN THE ENTITY UNDER U.S. DEPARTMENT OF LABOR REGULATIONS AT 29 C.F.R. § 2510.3-101, AS MODIFIED BY SECTION 3(42) OF ERISA.

Serial Number:           [•]

**NBK TIER 1 FINANCING (2) LIMITED**

*(incorporated as a special purpose company with limited liability under the laws of the Dubai International Financial Centre)*

**UNRESTRICTED INDIVIDUAL CERTIFICATE**

**in respect of**  
**U.S.\$750,000,000 PERPETUAL TIER 1 CAPITAL SECURITIES**

unconditionally and irrevocably guaranteed by

**NATIONAL BANK OF KUWAIT S.A.K.P.**

*(incorporated as a public shareholding company in the state of Kuwait)*

NBK Tier 1 Financing (2) Limited (the "**Issuer**") hereby certifies that [•] is/are, at the date of this Unrestricted Individual Certificate, entered in the Register as the holder(s) of the aggregate principal amount of U.S.\$[•] (*insert written aggregate principal amount*) U.S. DOLLARS) of a duly authorised issue of U.S.\$750,000,000 Perpetual Tier 1 Capital Securities by the Issuer (the "**Capital Securities**") unconditionally and irrevocably guaranteed by National Bank of Kuwait S.A.K.P. (the "**Guarantor**") described, and having the provisions specified, in the attached terms and conditions (the "**Conditions**").

Words and expressions defined or set out in the Conditions shall have the same meaning when used in this Unrestricted Individual Certificate.

This Unrestricted Individual Certificate is issued subject to, and with the benefit of, the Conditions and an agency agreement (the "**Agency Agreement**", which expression shall be construed as a reference to that agreement as the same may be amended, supplemented, novated or restated from time to time) dated 27 November 2019 and made between, *inter alios*, the Issuer, the Guarantor, Citigroup Global Markets Europe AG (the "**Registrar**") and the other parties named in it.

Subject to and in accordance with the Conditions, the registered holder(s) of the Capital Securities represented by this Unrestricted Individual Certificate is/are entitled to receive on such date(s) (if any) as the Capital Securities may become due and repayable in accordance with the Conditions, the amount payable under the Conditions in respect of the Capital Securities represented by this Unrestricted Individual Certificate on each such due date and interest (if any) on the Capital Securities represented by this Unrestricted Individual Certificate calculated and payable as provided in the Conditions together with any other sums payable under the Conditions, all in accordance with the Conditions.

This Unrestricted Individual Certificate is not a document of title. Entitlements are determined by entry in the Register and only the duly registered holder from time to time is entitled to payment in respect of this Unrestricted Individual Certificate.

This Unrestricted Individual Certificate shall not become valid for any purpose unless and until it has been authenticated by or on behalf of the Registrar.

**IN WITNESS WHEREOF** the Issuer has caused this Unrestricted Individual Certificate to be signed as a deed by a person duly authorised on its behalf.

**EXECUTED** as a **DEED** )  
by **NBK TIER 1 FINANCING (2) LIMITED** )  
acting by )  
acting on the authority )  
of that company )  
in the presence of: )

Witness:.....  
Name: .....  
Address: .....

Dated:

**AUTHENTICATED** for and on behalf of  
**CITIGROUP GLOBAL MARKETS EUROPE AG**  
as Registrar without recourse, warranty or liability

By:.....  
(*duly authorised*)

Witness:.....  
Name: .....  
Address: .....



**FORM OF TRANSFER**

**FOR VALUE RECEIVED** ....., being the registered holder of this Unrestricted Individual Certificate hereby transfers to:

.....  
.....  
.....

*(Please print or type name and address (including postal code) of transferee)*

U.S.\$..... in principal amount of the U.S.\$750,000,000 Perpetual Tier 1 Capital Securities (the "**Capital Securities**") of NBK Tier 1 Financing (2) Limited and irrevocably requests and authorises Citigroup Global Markets Europe AG, in its capacity as registrar in relation to the Capital Securities (or any successor to Citigroup Global Markets Europe AG, in its capacity as such) to effect the relevant transfer by means of appropriate entries in the register kept by it.

By:.....

Date:.....

**NOTE:**

1. A representative of such registered holder should state the capacity in which he signs, e.g. executor.
2. The signature of the person effecting a transfer shall conform to any list of duly authorised specimen signatures supplied by the registered holder or be certified by a recognised bank, notary public or in such other manner as the Registrar may require.
3. Any transfer of Capital Securities shall be in an amount equal to U.S.\$200,000 or any integral multiple of U.S.\$1,000 in excess thereof.

*(Reverse of Certificate)*

**CONDITIONS OF THE CAPITAL SECURITIES**

(as set out in Schedule 3 to the Agency Agreement)

**FISCAL AGENT, TRANSFER AGENT AND CALCULATION AGENT**

**Citibank N.A., London Branch**

Citigroup Centre  
Canada Square  
Canary Wharf  
London E14 5LB  
United Kingdom

**REGISTRAR**

**Citigroup Global Markets Europe AG**

Reuterweg 16  
60323 Frankfurt  
Germany

and/or such other or further Fiscal Agent, Paying Agents, Registrar and/or Transfer Agent and/or specified offices as may from time to time be appointed by the Issuer and notice of which has been given to the holders of the Capital Securities.

**PART II**  
**FORM OF RESTRICTED INDIVIDUAL CERTIFICATE**

**THIS CAPITAL SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF, THE HOLDER (A) REPRESENTS THAT IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QUALIFIED INSTITUTIONAL BUYERS; (B) AGREES THAT IT WILL NOT RESELL OR OTHERWISE TRANSFER THIS CAPITAL SECURITY PRIOR TO THE DATE WHICH IS ONE YEAR AFTER THE LATER OF ISSUE DATE AND THE LAST DATE ON WHICH THE ISSUER OR AN AFFILIATE OF THE ISSUER WAS THE OWNER OF SUCH CAPITAL SECURITIES, OTHER THAN (1) IN ACCORDANCE WITH RULE 144A UNDER THE SECURITIES ACT TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVE IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, (2) TO NON-U.S. PERSONS IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, (3) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BECOME OR BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (4) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE) OR ANY OTHER AVAILABLE EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES, AND WILL GIVE TO EACH PERSON TO WHOM THIS CAPITAL SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144A UNDER THE SECURITIES ACT FOR REALES OF THIS CAPITAL SECURITY.**

**BY ACCEPTANCE OF THIS CAPITAL SECURITY BEARING THE ABOVE LEGEND, WHETHER UPON ORIGINAL ISSUANCE OR SUBSEQUENT TRANSFER, EACH HOLDER OF THIS CAPITAL SECURITY ACKNOWLEDGES THE RESTRICTIONS ON THE TRANSFER OF THIS CAPITAL SECURITY SET FORTH ABOVE AND AGREES THAT IT SHALL TRANSFER THIS CAPITAL SECURITY ONLY AS PROVIDED HEREIN AND IN THE AGENCY AGREEMENT.**

**EACH PURCHASER AND HOLDER OF THIS CAPITAL SECURITY (OR ANY INTEREST HEREIN) SHALL BE DEEMED TO HAVE REPRESENTED AND WARRANTED BY SUCH PURCHASE AND/OR HOLDING THAT (I) IT IS NOT, AND IS NOT ACTING ON BEHALF OF (AND FOR SO LONG AS IT HOLDS THIS CAPITAL SECURITY (OR ANY INTEREST HEREIN) WILL NOT BE, AND WILL NOT BE ACTING ON BEHALF OF), A BENEFIT PLAN INVESTOR OR A**

**GOVERNMENTAL, CHURCH OR NON-U.S. PLAN WHICH IS SUBJECT TO FEDERAL, STATE, LOCAL OR NON-U.S. LAWS OR REGULATIONS THAT ARE SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA"), OR SECTION 4975 OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"), AND (II) IT WILL NOT TRANSFER THIS CAPITAL SECURITY (OR ANY INTEREST HEREIN) TO A TRANSFEREE UNLESS THE TRANSFEREE CAN MAKE THE SAME REPRESENTATIONS AND WARRANTIES IN CLAUSE (I) ABOVE. THE TERM "BENEFIT PLAN INVESTOR" IS DEFINED IN SECTION 3(42) OF ERISA AND INCLUDES: (I) AN "EMPLOYEE BENEFIT PLAN" AS DEFINED IN SECTION 3(3) OF ERISA, WHICH IS SUBJECT TO TITLE I OF ERISA, (II) A "PLAN" AS DEFINED IN AND SUBJECT TO SECTION 4975 OF THE CODE, OR (III) AN ENTITY WHOSE UNDERLYING ASSETS INCLUDE "PLAN ASSETS" BY REASON OF AN EMPLOYEE BENEFIT PLAN'S OR A PLAN'S INVESTMENT IN THE ENTITY UNDER U.S. DEPARTMENT OF LABOR REGULATIONS AT 29 C.F.R. § 2510.3-101, AS MODIFIED BY SECTION 3(42) OF ERISA.**

Serial Number: [•]

**NBK TIER 1 FINANCING (2) LIMITED**

*(incorporated as a special purpose company with limited liability under the laws of the Dubai International Financial Centre)*

**RESTRICTED INDIVIDUAL CERTIFICATE**

**in respect of**

**U.S.\$750,000,000 PERPETUAL TIER 1 CAPITAL SECURITIES**

unconditionally and irrevocably guaranteed by

**NATIONAL BANK OF KUWAIT S.A.K.P.**

*(incorporated as a public shareholding company in the state of Kuwait)*

NBK Tier 1 Financing (2) Limited (the "**Issuer**") hereby certifies that [•] is/are, at the date of this Restricted Individual Certificate, entered in the Register as the holder(s) of the aggregate principal amount of U.S.\$[•] (*insert written aggregate principal amount*) U.S. DOLLARS) of a duly authorised issue of U.S.\$750,000,000 Perpetual Tier 1 Capital Securities by the Issuer (the "**Capital Securities**") unconditionally and irrevocably guaranteed by National Bank of Kuwait S.A.K.P. (the "**Guarantor**") described, and having the provisions specified, in the attached terms and conditions (the "**Conditions**").

Words and expressions defined or set out in the Conditions shall have the same meaning when used in this Restricted Individual Certificate.

This Restricted Individual Certificate is issued subject to, and with the benefit of, the Conditions and an agency agreement (the "**Agency Agreement**", which expression shall be construed as a reference to that agreement as the same may be amended, supplemented,

novated or restated from time to time) dated 27 November 2019 and made between, *inter alios*, the Issuer, the Guarantor, Citigroup Global Markets Europe AG (the "**Registrar**") and the other parties named in it.

Subject to and in accordance with the Conditions, the registered holder(s) of the Capital Securities represented by this Restricted Individual Certificate is/are entitled to receive on such date(s) (if any) as the Capital Securities may become due and repayable in accordance with the Conditions, the amount payable under the Conditions in respect of the Capital Securities represented by this Unrestricted Individual Certificate on each such due date and interest (if any) on the Capital Securities represented by this Restricted Individual Certificate calculated and payable as provided in the Conditions together with any other sums payable under the Conditions, all in accordance with the Conditions.

This Restricted Individual Certificate is not a document of title. Entitlements are determined by entry in the Register and only the duly registered holder from time to time is entitled to payment in respect of this Unrestricted Individual Certificate.

This Restricted Individual Certificate shall not become valid for any purpose unless and until it has been authenticated by or on behalf of the Registrar.

**IN WITNESS WHEREOF** the Issuer has caused this Restricted Individual Certificate to be signed as a deed by a person duly authorised on its behalf.

**EXECUTED** as a **DEED** )  
by **NBK TIER 1 FINANCING (2) LIMITED** )  
acting by )  
acting on the authority )  
of that company )  
in the presence of: )

Witness:.....  
Name: .....  
Address: .....

Dated:

**AUTHENTICATED** for and on behalf of  
**CITIGROUP GLOBAL MARKETS EUROPE AG**  
as Registrar without recourse, warranty or liability

By:.....  
(*duly authorised*)

Witness:.....  
Name: .....  
Address: .....

**FORM OF TRANSFER**

**FOR VALUE RECEIVED** ....., being the registered holder of this Restricted Individual Certificate hereby transfers to:

.....  
.....  
.....

*(Please print or type name and address (including postal code) of transferee)*

U.S.\$..... in principal amount of the U.S.\$750,000,000 Perpetual Tier 1 Capital Securities (the "**Capital Securities**") of NBK Tier 1 Financing (2) Limited and irrevocably requests and authorises Citigroup Global Markets Europe AG, in its capacity as registrar in relation to the Capital Securities (or any successor to Citigroup Global Markets Europe AG, in its capacity as such) to effect the relevant transfer by means of appropriate entries in the register kept by it.

We, as transferor of the Capital Securities represented by this Restricted Individual Certificate, hereby certify that such Capital Securities are being transferred in accordance with the transfer restrictions set forth in the Prospectus relating to the Capital Securities dated 25 November 2019 and in accordance with the terms of any legend on this Restricted Individual Certificate and that we are transferring such Capital Securities:<sup>1</sup>

- 1.          to a person who we reasonably believe is purchasing for its own account or accounts as to which it exercises sole investment discretion; such person and each such account is a qualified institutional buyer (as defined in Rule 144A under the Securities Act); the purchaser is aware that the sale to it is being made in reliance upon Rule 144A and such transaction meets the requirements of Rule 144A and is in accordance with any applicable securities laws of any state of the United States or any other jurisdiction; or
  
- 2.          to the Issuer or any of its affiliates; or
  
- 3.          in accordance with Regulation S under the Securities Act, and, accordingly, we hereby certify that:
  - (a)     the offer of the Capital Securities was not made to a person in the United States;
  
  - <sup>2</sup>     (b)     at the time the buy order was originated, the buyer was outside the United States or we or any person acting on our behalf reasonably believed that the buyer was outside the United

<sup>1</sup> Tick one of the following boxes – 1, 2, 3 or 4.

<sup>2</sup> Tick one box for the alternative sub-paragraphs (b) as appropriate.

States; or

- (b) the transaction was executed in, on or through the facilities of a designated offshore securities market and neither we nor any person acting on our behalf know that the transaction was prearranged with a buyer in the United States;
  - (c) no directed selling efforts have been made in contravention of the requirements of Rule 903(b) or Rule 904(b) of Regulation S, as applicable;
  - (d) the transaction is not part of a plan or scheme to evade the registration requirements of the Securities Act; and
4.  pursuant to an exemption from registration provided by Rule 144 under the Securities Act, if available.

If none of the foregoing boxes is ticked, the Registrar shall not be obliged to register the transfer of the Capital Securities.

By:.....

Date:.....

The name of the person by or on whose behalf this form of transfer is signed must correspond with the name of the registered holder as it appears on the face of this Restricted Individual Certificate.

**NOTE:**

1. A representative of such registered holder should state the capacity in which he signs, e.g. executor.
2. The signature of the person effecting a transfer shall conform to any list of duly authorised specimen signatures supplied by the registered holder or be certified by a recognised bank, notary public or in such other manner as the Registrar may require.
3. Any transfer of Capital Securities shall be in an amount equal to U.S.\$200,000 or any integral multiple of U.S.\$1,000 in excess thereof.



*(Reverse of Certificate)*

**CONDITIONS OF THE CAPITAL SECURITIES**

(as set out in Schedule 3 to the Agency Agreement)

**FISCAL AGENT, TRANSFER AGENT AND CALCULATION AGENT**

**Citibank N.A., London Branch**

Citigroup Centre  
Canada Square  
Canary Wharf  
London E14 5LB  
United Kingdom

**REGISTRAR**

**Citigroup Global Markets Europe AG**

Reuterweg 16  
60323 Frankfurt  
Germany

and/or such other or further Fiscal Agent, Paying Agents, Registrar and/or Transfer Agent and/or specified offices as may from time to time be appointed by the Issuer and notice of which has been given to the holders of the Capital Securities.

**SCHEDULE 3**  
**CONDITIONS OF THE CAPITAL SECURITIES**

## TERMS AND CONDITIONS OF THE CAPITAL SECURITIES

*The following is the text of the Conditions of the Capital Securities which (subject to modification and except for the paragraphs in italics) will be endorsed on the Certificates in definitive form issued in respect of the Capital Securities. For so long as the Capital Securities are represented by a Global Certificate, these Conditions shall be modified by the terms of the relevant Global Certificate (see "Book Entry, Delivery and Form – The Global Certificates – Amendments to Conditions" in the prospectus dated 25 November 2019 relating to the Capital Securities (the "**Prospectus**")).*

The U.S.\$750,000,000 Perpetual Tier 1 Capital Securities (the "**Capital Securities**", which expression shall in these Conditions, unless the context otherwise requires, include any further securities issued pursuant to Condition 16 and forming a single series with the Capital Securities) of NBK Tier 1 Financing (2) Limited (the "**Issuer**") are issued subject to and with the benefit of an agency agreement dated the Issue Date (such agreement as amended and/or supplemented and/or restated from time to time, the "**Agency Agreement**") made between the Issuer, National Bank of Kuwait S.A.K.P. (the "**Guarantor**") as guarantor, Citigroup Global Markets Europe AG as registrar (the "**Registrar**") and Citibank N.A., London Branch as fiscal agent (the "**Fiscal Agent**" and, together with any other paying agents named in the Agency Agreement, the "**Paying Agents**"), as transfer agent (the "**Transfer Agent**") and as calculation agent (the "**Calculation Agent**") (together with the Fiscal Agent, the Registrar, the Transfer Agent and any other Paying Agents, the "**Agents**"). Copies of the Agency Agreement, the Subordinated Guarantee (as defined below) and the On-Loan Agreement (as defined below) are available for inspection and/or collection during normal business hours by the holders of the Capital Securities (the "**Securityholders**") at the specified office of the Fiscal Agent.

The Issuer has authorised the creation, issue and sale of the Capital Securities for the sole purpose of making a U.S.\$750,000,000 subordinated loan (the "**Loan**") to the Guarantor. The Issuer and the Guarantor have recorded the terms of the Loan in a loan agreement (the "**On-Loan Agreement**") dated the Issue Date between the Issuer and the Guarantor.

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of and definitions in the Agency Agreement and the Subordinated Guarantee. The Securityholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement and the Subordinated Guarantee applicable to them. References in these Conditions to any Agent shall include any successor appointed under the Agency Agreement.

*The owners shown in the records of Euroclear Bank SA/NV ("**Euroclear**"), Clearstream Banking S.A. ("**Clearstream, Luxembourg**") and the Depository Trust Company ("**DTC**") of book-entry interests in the Capital Securities are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement and the Subordinated Guarantee applicable to them.*

### 1. **Form, Denomination and Title**

#### 1.1 **Form and Denomination**

The Capital Securities are issued in registered form in amounts of U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof. A capital security certificate (each a "**Certificate**") will be issued to each Securityholder in respect of its registered holding of Capital Securities. Each Certificate will be numbered serially with an identifying number which will be recorded on the relevant Certificate and in the register of Securityholders which the Issuer will procure to be kept by the Registrar.

*The Capital Securities are not issuable in bearer form.*

#### 1.2 **Title**

Title to the Capital Securities passes only by registration in the register of Securityholders. The holder of any Capital Security will (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest or any writing on, or the theft or loss of, the Certificate issued in respect of it) and no person will be liable for so treating the holder. In these Conditions "**Securityholder**" and (in relation to a Capital Security) "**holder**" means the Person in whose name a Capital Security is registered in the register of Securityholders.

## 2. **Transfers of Capital Securities and issue of Certificates**

### 2.1 **Transfers**

A Capital Security may be transferred by depositing the Certificate issued in respect of that Capital Security, with the form of transfer on the back duly completed and signed, at the specified office of the Registrar or any of the Transfer Agents.

### 2.2 **Delivery of new Certificates**

Each new Certificate to be issued upon transfer of Capital Securities will, within five business days of receipt by the Registrar or the relevant Transfer Agent of the duly completed form of transfer endorsed on the relevant Certificate, be mailed by uninsured mail at the risk of the holder entitled to the Capital Security to the address specified in the form of transfer. For the purposes of this Condition 2.2, "**business day**" shall mean a day on which banks are open for business in the city in which the specified office of the Registrar or the relevant Transfer Agent with whom a Certificate is deposited in connection with a transfer is located.

*Except in the limited circumstances described in the Prospectus (see "Book Entry, Delivery and Form"), owners of interests in the Capital Securities will not be entitled to receive physical delivery of Certificates. Issues of Certificates upon transfer of Capital Securities are subject to compliance by the transferor and transferee with the certification procedures described above and in the Agency Agreement.*

Where some but not all of the Capital Securities in respect of which a Certificate is issued are to be transferred, a new Certificate in respect of the Capital Securities not so transferred will, within five business days of receipt by the Registrar or the relevant Transfer Agent of the original Certificate, be mailed by uninsured mail at the risk of the Securityholder not so transferred to the address of such holder appearing on the register of Securityholders or as specified in the form of transfer.

### 2.3 **Formalities free of charge**

Registration of transfer of Capital Securities will be effected without charge by or on behalf of the Issuer or the Registrar or any Transfer Agent but upon payment (or the giving of such indemnity as the Issuer or the Registrar or any Transfer Agent may reasonably require) in respect of any tax or other governmental charges which may be imposed in relation to such transfer.

### 2.4 **Closed Periods**

No Securityholder may require the transfer of a Capital Security to be registered during the period of 15 days ending on and including the due date for any payment of principal, premium or interest on that Capital Security.

### 2.5 **Regulations**

All transfers of Capital Securities and entries on the register of Securityholders will be made subject to the detailed regulations concerning transfer of Capital Securities scheduled to the Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Registrar. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Securityholder who requests one.

## 3. **Status of the Capital Securities, Subordination and Limited Recourse**

### 3.1 **Status of the Capital Securities and Subordination**

The Capital Securities constitute direct, unconditional, subordinated (as described below) and unsecured obligations of the Issuer and rank *pari passu* and without preference among themselves.

The payment obligations of the Issuer under the Capital Securities will: (a) rank junior to all Senior Obligations of the Issuer; (b) rank *pari passu* with all *Pari Passu* Obligations of the Issuer; and (c) rank senior to all Junior Obligations of the Issuer.

Each holder of a Capital Security unconditionally and irrevocably waives any right of set-off, counterclaim, abatement or other similar remedy which it might otherwise have, under the laws of any jurisdiction, in respect of such Capital Security. No collateral is or will be given for the payment obligations under the Capital Securities and any collateral that may have been or may in the future be given in connection with other indebtedness of the Issuer shall not secure the payment obligations under the Capital Securities.

### 3.2 **Limited Recourse and Agreement of Securityholders**

Save as provided in this Condition 3.2, the Capital Securities do not represent an interest in or obligation of any of the Issuer, the Guarantor, any of the Agents or any of their respective affiliates.

The payments received by the Issuer from the Guarantor (the "**Relevant Assets**") are the sole source of payments on the Capital Securities. The net proceeds of the realisation of, or enforcement with respect to, the Relevant Assets may not be sufficient to make all payments due in respect of the Capital Securities. Securityholders, by subscribing for or acquiring the Capital Securities, acknowledge and agree that Maples Fund Services (Middle East) Limited has been appointed as the corporate services provider in relation to the Issuer (in such capacity the "**Corporate Services Provider**"), and that the directors of the Issuer are employees, directors and/or officers of the Corporate Services Provider. Notwithstanding anything contrary contained in these Conditions or the Agency Agreement or any other transaction document entered into by the Issuer in relation to or in connection with the Capital Securities (together with the Agency Agreement, the "**Transaction Documents**"), the Securityholders each agree that no recourse (whether under these Conditions or under any other Transaction Document) shall be had against any of (i) the Corporate Services Provider or its affiliates or (ii) the directors and/or secretary of the Issuer or their assets. The Securityholders further agree not to pursue any action or make any claim or demand or commence any proceedings against the Corporate Services Provider, its successors or assigns, directors, officers or employees present and future, or the directors and/or secretary of the Issuer as a result of the performance of the functions and services provided by the Corporate Services Provider and the directors and/or secretary of the Issuer pursuant to the corporate services agreement dated 11 November 2019 between the Issuer and the Corporate Services Provider.

## 4. **Guarantee and Issuer Covenants**

### 4.1 **Guarantee**

The payment of the principal and interest in respect of the Capital Securities has been unconditionally and irrevocably guaranteed by the Guarantor under a subordinated guarantee (the "**Subordinated Guarantee**") dated the Issue Date and executed by the Guarantor. The original of the Subordinated Guarantee is held by the Fiscal Agent on behalf of, and copies are available for inspection by, the Securityholders at its specified office.

### 4.2 **Status of the Guarantee and Subordination**

The obligations of the Guarantor under the Subordinated Guarantee constitute direct, unconditional, subordinated and unsecured obligations of the Guarantor.

The payment obligations of the Guarantor in respect of the Subordinated Guarantee will (a) rank junior to all Senior Obligations of the Guarantor, (b) rank *pari passu* with all *Pari Passu* Obligations of the Guarantor and (c) rank senior to all Junior Obligations of the Guarantor. Each holder of a Capital Security unconditionally and irrevocably waives any right of set-off, counterclaim, abatement or other similar remedy which it might otherwise have, under the laws of any jurisdiction, in respect of the Subordinated Guarantee. No collateral is or will be given for the payment obligations under the Subordinated Guarantee and any collateral that may have been or may in the future be given in connection with other indebtedness of the Guarantor shall not secure the payment obligations under the Subordinated Guarantee.

### 4.3 **Other Issues**

The Guarantor has agreed in the Subordinated Guarantee that, so long as any of the Capital Securities remain outstanding, the Guarantor will not, and will procure that neither the Issuer nor any of its other Subsidiaries will, issue any securities (regardless of name or designation) or create any guarantee of, or provide any contractual support arrangement in respect of, the obligations of any other entity which in

each case constitutes (whether on a solo, or a solo consolidated or on a consolidated basis) issued Tier 1 Capital of the Guarantor if claims in respect of such securities, guarantee or contractual support arrangement would rank (as regards distributions on a return of assets on a winding up or in respect of distribution or payment of dividends and/or any other amounts thereunder) senior to the Capital Securities (in the case of the Issuer) and/or the Guarantor's payment obligations under the Subordinated Guarantee (in the case of the Guarantor). This prohibition will not apply if at the same time or prior thereto, these Conditions and the Subordinated Guarantee are amended to ensure that these Conditions and the Subordinated Guarantee have the benefit of such of those rights and entitlements as are contained in or attached to such securities or under such guarantee or contractual support arrangement as are required so as to ensure that claims in respect of the Capital Securities and the Subordinated Guarantee rank *pari passu* with, and contain substantially similar rights of priority as to distributions or payments on, such securities or under such guarantee or contractual support arrangement.

#### 4.4 Issuer Covenants

The Issuer covenants that, among other things, for so long as any Capital Security remains outstanding, it shall not:

- (a) incur any indebtedness in respect of borrowed money whatsoever (other than the Capital Securities) or give any guarantee or indemnity in respect of any obligation of any person or issue any shares (or rights, warrants or options in respect of shares or securities convertible into or exchangeable for shares) other than those in issue as at the Issue Date, except, in all cases, as contemplated by the Transaction Documents;
- (b) secure any of its present indebtedness for borrowed money or present or future obligations by any lien, pledge, charge, mortgage or other security interest upon any of its present or future undertakings, assets, properties or revenues (other than those arising by operation of law if any);
- (c) sell, transfer, assign, participate, exchange, or pledge, mortgage, hypothecate or otherwise encumber (by security interest, lien (statutory or otherwise), preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever or otherwise) any of its assets;
- (d) use the net proceeds of the issue of the Capital Securities for any purpose other than advancing such proceeds to the Guarantor or use the amounts paid to it by the Guarantor other than to make payments on the Capital Securities when due;
- (e) have any subsidiaries or employees (other than directors);
- (f) redeem or buy-back any of its shares or pay any dividend or make any other distribution to its shareholders (except, in all cases, as contemplated by the Transaction Documents);
- (g) put to its directors or shareholders (i) any resolution for or appoint any liquidator for its winding up or (ii) any resolution for the commencement of any other bankruptcy or insolvency proceedings with respect to it;
- (h) enter into any contract, transaction, amendment, obligation or liability other than those entered into in connection with and for the purpose of issuing the Capital Securities, advancing the proceeds of the issuance to the Guarantor or the ongoing management and administration of the Issuer; or
- (i) consolidate or merge with any other person.

## 5. **Interest**

### 5.1 **Interest Rate and Interest Payment Dates**

Subject to Conditions 5.6 and 5.7, the Capital Securities bear interest on their outstanding principal amount:

- (a) from and including the Issue Date to but excluding 27 November 2025 (the "**First Reset Date**") at the rate of 4.500 per cent. per annum (the "**Initial Interest Rate**") or, thereafter, at the relevant Reset Interest Rate;
- (b) payable semi-annually in arrear on 27 May and 27 November in each year (each an "**Interest Payment Date**"); and
- (c) the first interest payment (for the period from and including the Issue Date to but excluding 27 May 2020 (the "**First Interest Payment Date**") and amounting to U.S.\$22.50 per U.S.\$1,000 in principal amount of Capital Securities) shall be made on the First Interest Payment Date.

### 5.2 **Calculation of broken interest**

When interest is required to be calculated in respect of a period of less than a full Interest Period, it shall be calculated on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the number of days elapsed on the basis of a month of 30 days.

### 5.3 **Reset Interest Rate**

The Calculation Agent will agree in the Agency Agreement that, on each U.S. Securities Determination Date at approximately 11.00 a.m. (New York time), it will determine the Reset Interest Rate for the immediately following Reset Period.

### 5.4 **Publication of Reset Interest Rate**

The Calculation Agent shall cause notice of the relevant Reset Interest Rate to be given to the Issuer, the Guarantor and to any stock exchange or other relevant authority on which the Capital Securities are at the relevant time listed (if then required by such stock exchange or other relevant authority), by no later than the first day of each Reset Period, and to Securityholders in accordance with Condition 14 as soon as possible after the determination thereof, and in no event later than the second Business Day thereafter. The Reset Interest Rate so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) in the event of manifest error.

### 5.5 **Notifications, etc. to be final**

All communications, notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 5 by the Calculation Agent will (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Guarantor, the Calculation Agent, the Paying Agents and all Securityholders and (in the absence of wilful default or bad faith) no liability to the Issuer, the Guarantor or the Securityholders shall be attached to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions under this Condition 5.

### 5.6 **Non-Payment Event**

Notwithstanding this Condition 5, if any of the following events occurs (each, a "**Non-Payment Event**"), the Issuer shall not pay Interest Payment Amounts on any Interest Payment Date:

- (a) the Interest Payment Amount payable by the Issuer, when aggregated with any distributions payable by the Issuer and the Guarantor on any of their respective *Pari Passu* Obligations having the same date in respect of payment of such distributions (or otherwise due and payable on such date) as the date for payment of the Interest Payment Amount, exceeds, on the relevant date for payment of the relevant Interest Payment Amount, the Guarantor's Distributable Funds;

- (b) the Guarantor is, on that Interest Payment Date, in breach of (or such payment would cause a breach of) the Applicable Regulatory Capital Requirements (including any applicable capital buffers imposed on the Guarantor by the Financial Regulator); or
- (c) the Financial Regulator requires the Guarantor to procure that the Issuer does not pay the relevant Interest Payment Amount on that Interest Payment Date and/or requires the Guarantor not to meet its corresponding payment obligations under the Loan and/or the Subordinated Guarantee.

#### 5.7 **Non-Payment Election**

Notwithstanding this Condition 5, each of the Issuer and the Guarantor may in its sole discretion elect that any Interest Payment Amount will not be paid (in whole or in part) on any Interest Payment Date (a "**Non-Payment Election**"). The foregoing shall not, however, apply once the Issuer has given notice to Securityholders that the Capital Securities will be redeemed in whole in accordance with Condition 7.

#### 5.8 **Effect of Non-Payment Event or Non-Payment Election**

If either the Issuer or the Guarantor makes a Non-Payment Election or a Non-Payment Event occurs, then the Issuer (failing whom, the Guarantor) shall (a) in the case of a Non-Payment Election, 14 calendar days prior to such event, and (b) in the case of a Non-Payment Event, as soon as practicable thereafter but in any case no later than five Business Days prior to the relevant Interest Payment Date, give notice to the Agents and the Securityholders in accordance with Condition 14 in each case providing details of the Non-Payment Election (including, if relevant, details of any partial payment to be made) or Non-Payment Event. In the absence of notice of such Non-Payment Election or Non-Payment Event, as the case may be, having been given in accordance with this Condition 5.8, the fact of non-payment of the relevant Interest Payment Amount (or any part thereof) on the relevant Interest Payment Date shall be evidence of the occurrence of a Non-Payment Election or a Non-Payment Event, as the case may be. Securityholders shall have no claim in respect of any Interest Payment Amount (or any part thereof) not paid as a result of either a Non-Payment Election or a Non-Payment Event (in each case, irrespective of whether notice of such Non-Payment Election or Non-Payment Event has been given in accordance with this Condition 5.8) and any non-payment of an Interest Payment Amount (or any part thereof) in such circumstances shall not constitute an Enforcement Event. Neither the Issuer nor the Guarantor shall have any obligation to make any subsequent payment in respect of any such unpaid and cancelled Interest Payment Amount (or any part thereof).

#### 5.9 **Dividend and Redemption Restrictions**

If any Interest Payment Amount (or any part thereof) is not paid as a consequence of a Non-Payment Event or a Non-Payment Election pursuant to Conditions 5.6 or 5.7 respectively, then, from the date of such Non-Payment Event or Non-Payment Election (the "**Dividend Stopper Date**"), neither the Issuer nor the Guarantor will, so long as any of the Capital Securities are outstanding:

- (a) declare or pay any distribution or dividend or make any other payment on, and will procure that no distribution or dividend or other payment is made on, Ordinary Shares issued by the Issuer or the Guarantor (other than to the extent that any such distribution, dividend or other payment is declared before such Dividend Stopper Date); or
- (b) pay interest or any other distribution on any of its securities, ranking, as to the right of payment of dividend, distributions or similar payments, junior to, or *pari passu* with, the Capital Securities (excluding securities the terms of which do not at the relevant time enable the Issuer or the Guarantor, as the case may be, to defer or otherwise not to make such payment), only to the extent such restrictions on payment or distribution are permitted under the relevant regulatory criteria for Tier 1 Capital applicable from time to time; or
- (c) directly or indirectly redeem, purchase, cancel, reduce or otherwise acquire any Ordinary Shares issued by it; or
- (d) directly or indirectly redeem, purchase, cancel, reduce or otherwise acquire any securities issued by the Issuer or the Guarantor, as the case may be, ranking, as to the right of repayment of capital, junior to, or *pari passu* with, the Capital Securities (excluding, in respect of such



securities (i) any mandatory redemption in accordance with their terms or (ii) any mandatory conversion into, or exchange for, Ordinary Shares of the Guarantor in accordance with their terms), only to the extent such restriction on redemption, purchase, cancellation, reduction or acquisition is permitted under the relevant regulatory criteria for Tier 1 Capital applicable from time to time,

in each case unless or until two consecutive Interest Payment Amounts following the Dividend Stopper Date have been paid in full (or an amount equal to the same has been duly set aside or provided for in full for the benefit of the Securityholders).

## 6. **Payments**

### 6.1 **Payments in respect of the Capital Securities**

Payment of principal and premium (if any) and interest will be made by credit or transfer to the registered account of the Securityholder. Payments of principal and premium (if any) and payments of interest due otherwise than on an Interest Payment Date will only be made against surrender of the relevant Certificate at the specified office of any of the Agents. Interest Payment Amounts due on an Interest Payment Date will be paid to the holder shown on the register of Securityholders at the close of business on the date (the "**record date**") being the fifteenth day before the due date for the relevant Interest Payment Date.

For the purposes of this Condition 6, a Securityholder's registered account means the U.S. dollar account maintained by or on behalf of it with a bank that processes payments in U.S. dollars, details of which appear on the register of Securityholders at the close of business, in the case of principal and premium (if any), on the second Business Day (as defined below) before the due date for payment and, in the case of interest, on the relevant record date, and a Securityholder's registered address means its address appearing on the register of Securityholders at that time.

*Whilst the Capital Securities are represented by a Global Certificate and such Global Certificate is registered in the name of a nominee for Euroclear and Clearstream, Luxembourg or DTC, the record date will instead be close of business on the business day (being for this purpose a day on which each clearing system for which such Global Certificate is being held is open for business) before the relevant due date (see "Book Entry, Delivery and Form – The Global Certificates – Amendments to Conditions – Payment Record Date in the Prospectus").*

### 6.2 **Payments subject to Applicable Laws**

Payments in respect of principal, premium (if any) and interest on the Capital Securities are subject in all cases to (a) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 9 and (b) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, official interpretations thereof, or any law implementing an intergovernmental approach thereto.

### 6.3 **No Commissions**

No commissions or expenses shall be charged to the Securityholders in respect of any payments made in accordance with this Condition 6.

### 6.4 **Payment on Business Days**

Where payment is to be made by credit or transfer to a registered account, payment instructions (for value the due date or, if that is not a Business Day (as defined below), for value the first following day which is a Business Day) will be initiated on the Business Day preceding the due date for payment or, in the case of a payment of principal and premium (if any) or a payment of interest due otherwise than on an Interest Payment Date, if later, on the Business Day on which the relevant Certificate is surrendered at the specified office of an Agent.

Securityholders will not be entitled to any further interest or other payment for any delay after the due date in receiving the amount due if the due date is not a Business Day, if the Securityholder is late in surrendering or cannot surrender its Certificate (if required to do so).

In this Condition 6 "**Business Day**" means a day (other than a Saturday or Sunday) on which commercial banks are open for business in New York City and, in the case of presentation of a Certificate, in the place in which the Certificate is presented.

#### 6.5 **Partial Payments**

If the amount of principal, premium (if any) or interest which is due on the Capital Securities is not paid in full, the Registrar will annotate the register of Securityholders with a record of the amount of principal, premium (if any) or interest in fact paid.

#### 6.6 **Agents**

The names of the initial Agents and their initial specified offices are set out at the end of these Conditions. The Issuer and the Guarantor reserve the right at any time to vary or terminate the appointment of any Agent and to appoint additional or replacement Agents **provided that**:

- (a) there will at all times be a Fiscal Agent, a Registrar and a Calculation Agent; and
- (b) so long as the Capital Securities are listed on any stock exchange or admitted to listing by any other relevant authority, there will at all times be a Paying Agent and a Transfer Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority.

Notice of any such variation, termination or appointment and of any changes in specified offices will be given to the Securityholders promptly by the Issuer in accordance with Condition 14.

### 7. **Redemption and Variation**

#### 7.1 **No Fixed Redemption Date and Conditions for Redemption and Variation**

The Capital Securities are perpetual securities in respect of which there is no fixed redemption date and the Issuer (acting on the instructions of the Guarantor) shall only have the right to redeem, purchase or vary them in accordance with the following provisions of this Condition 7.

The redemption of the Capital Securities or variation of the Conditions, in each case pursuant to this Condition 7, is subject to the following conditions:

- (a) the Guarantor having obtained the prior approval of the Financial Regulator;
- (b) the requirement that at the time when the relevant notice of redemption or variation is given and immediately following any redemption or variation (as applicable), the Guarantor is or will be (as the case may be) in compliance with the Applicable Regulatory Capital Requirements (including any applicable capital buffers imposed on the Guarantor by the Financial Regulator); and
- (c) (in the case of Conditions 7.3 or 7.4 only) the requirement that the circumstance that entitles the Issuer to exercise its right of redemption or variation is a change of law, published practice or regulation (including in the case of Condition 7.3, Applicable Regulatory Capital Requirements) in the State of Kuwait or, in the case of Condition 7.4, of a Relevant Jurisdiction or a change in the interpretation or application of such law, published practice or regulation by any court or authority entitled to do so which change becomes, or would become, effective on or after the Issue Date,

(in the case of (a) and (b) above only, except to the extent that the Financial Regulator no longer so requires).

## 7.2 **Redemption at the Option of the Issuer**

Subject to Condition 7.1, the Issuer (acting on the instructions of the Guarantor) may, having given not less than 15 nor more than 30 days' notice to the Securityholders (in accordance with Condition 14) and the Fiscal Agent (which notice, subject to Condition 7.8, shall be irrevocable and shall specify the date fixed for redemption), redeem all (but not some only) of the Capital Securities on the date falling three (3) months prior to the First Reset Date and on any date thereafter up to and including the First Reset Date or on any Interest Payment Date thereafter at their outstanding principal amount together with interest accrued but unpaid to but excluding the date of redemption (unless a Non-Payment Event or, subject to Condition 5.7, a Non-Payment Election has occurred with respect to such interest).

Prior to the publication of any notice of redemption pursuant to this Condition 7.2, the Issuer shall deliver to the Fiscal Agent a certificate signed by two directors of the Issuer and an Authorised Signatory of the Guarantor stating that all conditions precedent to the redemption of the Capital Securities pursuant to Condition 7.1 and this Condition 7.2 (other than the notice described in the first paragraph of this Condition 7.2) have been satisfied, and the Fiscal Agent shall be entitled to accept the certificate without any further enquiry as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Securityholders.

## 7.3 **Redemption or Variation for Regulatory Reasons**

Subject to Condition 7.1, the Issuer (acting on the instructions of the Guarantor) may, if a Capital Event has occurred and is continuing, having given not less than 15 nor more than 30 days' notice to the Securityholders (in accordance with Condition 14) and the Fiscal Agent (which notice, subject to Condition 7.8, shall be irrevocable and shall specify the date fixed for redemption or variation (as applicable)) (i) redeem all (but not some only) of the Capital Securities at the Capital Event Early Redemption Amount; or (ii) vary the terms of the Capital Securities so that they become or, as appropriate, remain, Qualifying Tier 1 Instruments, in each case without any requirement for consent or approval of the holders of the Capital Securities.

*The Capital Regulations, as in force from time to time, may oblige the Guarantor to demonstrate to the satisfaction of the Financial Regulator that (among other things) the Capital Event was not reasonably foreseeable at the Issue Date.*

Prior to the publication of any notice of redemption or variation (as the case may be) pursuant to this Condition 7.3, the Issuer shall deliver to the Fiscal Agent a certificate signed by two directors of the Issuer and an Authorised Signatory of the Guarantor stating that: (A) a Capital Event has occurred and is continuing as at the date of the certificate; (B) all other conditions precedent to the redemption or variation of the Capital Securities pursuant to Condition 7.1 and this Condition 7.3 (other than the notice described in the first paragraph of this Condition 7.3) have been satisfied; and (C) in the case of a variation only, the Guarantor shall certify that the varied Capital Securities are Qualifying Tier 1 Instruments and that the Financial Regulator has confirmed that they satisfy limb (a) of the definition of Qualifying Tier 1 Instruments, and the Fiscal Agent shall be entitled to accept the certificate without any further enquiry as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Securityholders.

A "**Capital Event**" is deemed to have occurred if the Guarantor is notified in writing by the Financial Regulator to the effect that (i) the outstanding principal amount of the Loan is excluded (in full or in part) from the consolidated Tier 1 Capital of the Guarantor; or (ii) the outstanding principal amount of the Capital Securities is excluded (in full or in part) from the consolidated Tier 1 Capital of the Guarantor (in each case, save where such non-qualification is only as a result of any applicable limitation on the amount of such capital).

## 7.4 **Redemption or Variation for Taxation Reasons**

Subject to Condition 7.1, if a Tax Event has occurred, and that Tax Event cannot be avoided by the Issuer and/or the Guarantor, as the case may be, taking reasonable measures available to it, the Issuer (acting on the instructions of the Guarantor) may at its option, having given not less than 15 nor more than 30 days' notice to the Securityholders (in accordance with Condition 14) and the Fiscal Agent (which notice, subject to Condition 7.8, shall be irrevocable and shall specify the date fixed for redemption or variation (as applicable)) (i) redeem all (but not some only) of the Capital Securities at

their outstanding principal amount together with interest accrued but unpaid to but excluding the date of redemption (unless a Non-Payment Event or, subject to Condition 5.7, a Non-Payment Election has occurred with respect to such interest); or (ii) vary the terms of the Capital Securities provided that they become or, as appropriate, remain, Qualifying Tier 1 Instruments, in each case without any requirement for consent or approval of the holders of the Capital Securities.

*The Capital Regulations, as in force from time to time, may oblige the Guarantor to demonstrate to the satisfaction of the Financial Regulator that (among other things) the Tax Event was not reasonably foreseeable at the Issue Date.*

Prior to the publication of any notice of redemption or variation (as the case may be) pursuant to this Condition 7.4, the Issuer shall deliver to the Fiscal Agent: (A) a copy of an opinion of a recognised independent tax adviser to the effect that a Tax Event has occurred; and (B) a certificate signed by two directors of the Issuer and an Authorised Signatory of the Guarantor stating that (i) the relevant Tax Event has occurred and cannot be avoided by the Issuer and/or the Guarantor, as the case may be, taking reasonable measures available to it; (ii) that all other conditions precedent to the redemption or variation of the Capital Securities pursuant to Condition 7.1 and this Condition 7.4 (other than the notice described in the first paragraph of this Condition 7.4) have been satisfied; and (iii) in the case of a variation only, the Guarantor shall certify that the varied Capital Securities are Qualifying Tier 1 Instruments and that the Financial Regulator has confirmed that they satisfy limb (a) of the definition of Qualifying Tier 1 Instruments, and the Fiscal Agent shall be entitled to accept the opinion and certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event they shall be conclusive and binding on the Securityholders.

For this purpose, a "**Tax Event**" means that:

- (i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 9 as a result of any change in, or amendment to, the laws, published practice or regulations any Relevant Jurisdiction, or any change in the application or official interpretation of such laws, published practice or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective (or, in the case of application or official interpretation, is announced) on or after the Issue Date; or
- (ii) the Guarantor has or (if a demand was made under the Subordinated Guarantee) would become obliged to pay additional amounts as provided or referred to in Condition 9 or in the Subordinated Guarantee or the Guarantor has or will become obliged to pay additional amounts under the On-Loan Agreement as a result of any such withholding, deduction or retention as is referred to in Condition 9 from any amount paid by it to the Issuer in order to enable the Issuer to make a payment of principal or interest in respect of the Capital Securities, in either case as a result of any change in, or amendment to, the laws, published practice or regulations of any Relevant Jurisdiction, or any change in the application or official interpretation of such laws, published practice or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective (or, in the case of application or official interpretation, is announced) on or after the Issue Date,

**provided, however, that** no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer or the Guarantor would be obliged to pay such additional amounts or the Guarantor would be obliged to make such withholding, deduction or retention if a payment in respect of the Capital Securities was then due or (as the case may be) a demand under the Subordinated Guarantee was then made.

## 7.5 **Taxes upon Variation**

In the event of a variation in accordance with Conditions 7.3 or 7.4, the Issuer will not be obliged to pay and will not pay any liability of any Securityholder to corporation tax, corporate income tax or tax on profits or gains or any similar tax arising in respect of the variation of the terms of the Capital Securities **provided that** they become or, as appropriate, remain, Qualifying Tier 1 Instruments, including in respect of any stamp duty or similar other taxes arising on any subsequent transfer, disposal or deemed disposal of the Qualifying Tier 1 Instruments by such Securityholder.

7.6 **Purchases**

Subject to the Guarantor: (a) obtaining the prior approval of the Financial Regulator (except to the extent that the Financial Regulator no longer so requires); and (b) being in compliance with the Applicable Regulatory Capital Requirements, the Issuer, the Guarantor or any of the Guarantor's other Subsidiaries may at any time purchase the Capital Securities in any manner and at any price.

7.7 **Cancellations**

All Capital Securities which are (a) redeemed or (b) purchased by or on behalf of the Issuer, the Guarantor or any of the Guarantor's other Subsidiaries will forthwith be cancelled, and accordingly may not be reissued or resold.

7.8 **No redemption following delivery of a Non-Viability Notice**

If the Issuer has elected to redeem the Capital Securities in accordance with this Condition 7 and prior to the redemption of the Capital Securities a Non-Viability Event occurs, the relevant redemption notice shall be automatically rescinded and shall be of no force and effect and the Issuer shall give notice thereof to the Securityholders (in accordance with Condition 14), the Fiscal Agent and the Registrar as soon as practicable. Further, no notice of redemption shall be given in the period following the giving of a Non-Viability Notice and prior to the relevant Non-Viability Event Write-down Date.

8. **Write-down at the Point of Non-Viability**

If a Non-Viability Event occurs, on the third Business Day following the occurrence of such Non-Viability Event, the Issuer will notify the Securityholders thereof in accordance with Condition 14 (a "**Non-Viability Notice**"). Upon provision of such Non-Viability Notice, a Write-down of the Capital Securities shall take place on the Non-Viability Event Write-down Date.

Following any Write-down of the Capital Securities in accordance with this Condition 8: (a) references in these Conditions to the "**principal amount**" or "**outstanding principal amount**" of the Capital Securities shall be construed accordingly; (b) the principal amount so written down (the "**Write-down Amount**") will be cancelled and interest will continue to accrue only on the outstanding principal amount following such reduction, subject to Conditions 5.6 and 5.7, as described herein; and (c) the Write-down Amount may not be restored under any circumstances, including where the relevant Non-Viability Event is no longer continuing.

Any such Write-down shall not constitute an Enforcement Event. Securityholders acknowledge that there shall be no recourse to the Financial Regulator in respect of any determination made by it with respect to the occurrence of a Non-Viability Event.

*It is the Guarantor's current intention that a Write-down will take place: (1) after the Ordinary Shares in the Guarantor absorb losses (if and to the extent permissible under the relevant regulations applicable to the Guarantor at such time) and the Financial Regulator has not notified the Guarantor in writing that the relevant Non-Viability Event has been cured as a result of such loss absorption; and (2) simultaneously and pro rata with the write-down of any of the Guarantor's other obligations in respect of Tier 1 Capital and any other instruments related to the Guarantor's other obligations constituting Tier 1 Capital; and (3) prior to the write-down or write-off of any of the Guarantor's other obligations in respect of Tier 2 Capital and any other securities and other instruments related to the Guarantor's other obligations constituting Tier 2 Capital. However, the Guarantor may at any time depart from this policy at its sole discretion or if so required by the Applicable Regulatory Capital Requirements.*

In this Condition 8, "**Business Day**" means a day (other than a Friday or Saturday) on which commercial banks are open for business in the Dubai International Financial Centre and the State of Kuwait.

## 9. **Taxation**

### 9.1 **Payment without Withholding**

All payments in respect of the Capital Securities by or on behalf of the Issuer or the Guarantor shall be made free and clear of, and without withholding, deduction or retention for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature ("**Taxes**") imposed, levied, collected, withheld or assessed by or on behalf of any of the Relevant Jurisdictions, unless the withholding, deduction or retention of the Taxes is required by law. In that event, the Issuer or, as the case may be, the Guarantor will pay such additional amounts as shall be necessary in order that the net amounts received by the Securityholders after the withholding, deduction or retention shall equal the respective amounts which would have been receivable in respect of the Capital Securities in the absence of the withholding, deduction or retention; except that no additional amounts shall be payable in relation to any payment in respect of any Capital Security:

- (a) held by or on behalf of a holder which is liable to the Taxes in respect of the Capital Security by reason of his having some connection with any Relevant Jurisdiction other than the mere holding of the Capital Security; or
- (b) where the relevant Capital Security is presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that a holder would have been entitled to additional amounts on presenting the same for payment on the last day of the period of 30 days assuming that day to have been a Business Day.

Notwithstanding any other provision of these Conditions, any amounts to be paid on the Capital Securities by or on behalf of the Issuer will be made net of any deduction or withholding imposed or required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, (or any regulations or agreements thereunder, or official interpretations thereof.), or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any fiscal or regulatory legislation, rules or practices implementing such an intergovernmental agreement) (any such withholding or deduction, a "**FATCA Withholding**"). Neither the Issuer nor any other person will be required to pay any additional amounts in respect of FATCA Withholding.

### 9.2 **Interpretation**

In these Conditions:

- (a) "**Relevant Date**" means the date on which the payment first becomes due, except that, if the full amount of the money payable has not been duly received by the Fiscal Agent on or before the due date, it means the date on which, the full amount of the money having been so received, notice to that effect has been duly given to the Securityholders by the Issuer in accordance with Condition 14; and
- (b) "**Relevant Jurisdiction**" means the United Arab Emirates (including the Dubai International Financial Centre) or any political subdivision or any authority thereof or therein having power to tax (in the case of payments by the Issuer) or the State of Kuwait or any political subdivision or any authority thereof or therein having power to tax (in the case of payments by the Guarantor) or in either case any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which the Issuer or the Guarantor, as the case may be, becomes subject in respect of payments made by it of principal and interest on the Capital Securities.

### 9.3 **Additional Amounts**

Any reference in these Conditions to any amounts in respect of the Capital Securities shall be deemed also to refer to any additional amounts which may be payable under this Condition.

## 10. **On-Loan Agreement**

So long as any of the Capital Securities remains outstanding, the Issuer agrees, and the Guarantor has agreed under the Subordinated Guarantee, for the benefit of the Securityholders that it shall not amend,

vary, waive, rescind, replace or revoke the On-Loan Agreement, or any provision thereof, in any manner which would have the effect of entitling the Issuer to exercise the option contained in Condition 7.3 (*Redemption or Variation for Regulatory Reasons*) to redeem the Capital Securities in circumstances where it would not otherwise be permitted to do so in accordance with such Condition.

11. **Prescription**

Subject to applicable law, claims in respect of principal and interest shall be prescribed and become void unless made within 10 years from the Relevant Date, as defined in Condition 9.

12. **Enforcement Event**

12.1 **Enforcement Event**

An enforcement event (an "**Enforcement Event**") shall occur if:

- (a) default is made in the payment of any principal or interest due under the Capital Securities or any of them and, in the case of interest only, the default continues for a period of five days (save, in the case of interest where such failure occurs solely as a result of the occurrence of a Non-Payment Event or a Non-Payment Election);
- (b) default is made in any payment due under the Subordinated Guarantee and the default continues for a period of 14 days; or
- (c) any one or more of the following events shall occur and be continuing:
  - (i) any order is made by any competent court or resolution passed for the winding up or dissolution of the Issuer or the Guarantor save for the purposes of reorganisation on terms previously approved by an Extraordinary Resolution of Securityholders; or
  - (ii) any event occurs which under the laws of the Dubai International Financial Centre or the State of Kuwait or any other jurisdiction has an analogous effect to any of the events referred to in paragraph (i) above.

In the case of (a) or (b), any Securityholder may institute proceedings for the dissolution and liquidation of the Guarantor.

In the case of (c), any Securityholder may give written notice to the Issuer and the Guarantor at the specified office of the Fiscal Agent, effective upon the date of receipt thereof by the Fiscal Agent, that such Capital Security is due and payable, whereupon the same shall, subject to Condition 3, become forthwith due and payable at its outstanding principal amount, together with accrued but unpaid interest (if any) to the date of repayment without presentation, demand, protest or other notice of any kind.

A Securityholder may at its discretion institute such steps, actions or proceedings against, subject to Condition 3.2, the Issuer or the Guarantor to enforce any term or condition binding on the Issuer (including, without limitation, any breach of the provisions of Condition 4.4) or the Guarantor. However, in no event shall the Issuer or the Guarantor, by virtue of the institution of any such steps, actions or proceedings, be obliged to pay any sum or sums, in cash or otherwise, sooner than the same would otherwise have been payable by it.

12.2 **No Other Remedies**

No remedy against the Issuer or the Guarantor other than as set out in this Condition 12 and petitioning for the winding up or liquidation of the Guarantor and the proving or claiming in any dissolution and liquidation of the Issuer or the Guarantor shall be available to the Securityholders whether for the recovering of amounts owing in respect of the Capital Securities or in respect of any breach by the Issuer or the Guarantor of any other obligation, condition or provision binding on it under the Capital Securities or the Subordinated Guarantee.

13. **Replacement of Certificates**

If any Certificate is lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of the Registrar upon payment by the claimant of such costs and expenses as may be incurred in connection with the replacement and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

14. **Notices**

14.1 **Notices to the Securityholders**

All notices to the Securityholders will be valid if mailed to them at their respective addresses in the register of Securityholders maintained by the Registrar. The Issuer shall also ensure that notices are duly given or published in a manner which complies with the rules and regulations of any stock exchange or other relevant authority on which the Capital Securities are for the time being listed. Any notice shall be deemed to have been given on the fourth day after being so mailed or on the date of publication or, if so published more than once or on different dates, on the date of the first publication.

14.2 **Notices from the Securityholders**

Notices to be given by any Securityholder shall be in writing and given by lodging the same, together with the relevant Certificate, with the Fiscal Agent or, if the Certificates are held in a clearing system, may be given through the clearing system in accordance with its standard rules and procedures.

15. **Meetings of Securityholders and Modification**

15.1 **Meetings of Securityholders**

The Agency Agreement contains provisions for convening meetings of the Securityholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of these Conditions or the Subordinated Guarantee or any of the provisions of the Agency Agreement. Such a meeting may be convened by the Issuer and the Guarantor (acting together) and shall be convened by them upon the request in writing of Securityholders holding not less than one-tenth of the aggregate outstanding principal amount of the Capital Securities. The quorum at any meeting for passing an Extraordinary Resolution will be one or more persons present holding or representing more than 50 per cent. of the aggregate principal amount of the Capital Securities for the time being outstanding or, at any adjourned meeting, one or more persons present whatever the principal amount of the Capital Securities so held or represented, except that Reserved Matters may only be sanctioned by an Extraordinary Resolution passed at a meeting of Securityholders at which one or more persons holding or representing not less than two-thirds or, at any adjourned such meeting, not less than one-third of the aggregate outstanding principal amount of the Capital Securities form a quorum. An Extraordinary Resolution passed at any meeting of the Securityholders will be binding on all Securityholders, whether or not they are present at the meeting. This Condition 15.1 is without prejudice to Conditions 7.3 and 7.4.

In addition, a resolution in writing signed by or on behalf of the holders of not less than 75 per cent. of the aggregate outstanding principal amount of the Capital Securities will take effect as if it were an Extraordinary Resolution passed at a meeting of Securityholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Securityholders.

15.2 **Modification**

These Conditions, the Agency Agreement and the Subordinated Guarantee may be amended or modified without the consent of the Securityholders where such amendment or modification: (i) is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of law; or (ii) does not concern a Reserved Matter and is not materially prejudicial to the interests of the Securityholders. Any modification shall be binding on the Securityholders and, unless the Fiscal Agent agrees otherwise, shall be notified by the Issuer to the Securityholders as soon as practicable thereafter in accordance with Condition 14. This Condition 15.2 is without prejudice to Conditions 7.3 and 7.4.



16. **Further Issues**

The Issuer may from time to time without the consent of the Securityholders create and issue further securities, having terms and conditions the same as those of the Capital Securities, or the same except for the date and amount of the first payment of interest, which may be consolidated and form a single series with the outstanding Capital Securities. References in these Conditions to Capital Securities shall include (unless the context otherwise requires) any further securities issued pursuant to this Condition and forming a single series with the Capital Securities.

17. **Currency Indemnity**

If any sum due from the Issuer in respect of the Capital Securities or any order or judgment given or made in relation thereto has to be converted from the currency (the "**first currency**") in which the same is payable under these Conditions or such order or judgment into another currency (the "**second currency**") for the purpose of (a) making or filing a claim or proof against the Issuer, (b) obtaining an order or judgment in any court or other tribunal or (c) enforcing any order or judgment given or made in relation to the Capital Securities, the Issuer shall indemnify each Securityholder, on the written demand of such Securityholder addressed to the Issuer and delivered to the Issuer or to the specified office of the Fiscal Agent, against any loss suffered as a result of any discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (ii) the rate or rates of exchange at which such Securityholder may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

This indemnity constitutes a separate and independent obligation of the Issuer and shall give rise to a separate and independent cause of action.

18. **Governing Law and Dispute Resolution**

18.1 **Governing Law**

The Agency Agreement, the Subordinated Guarantee, these Conditions (including the remaining provisions of this Condition 18) and the Capital Securities and any non-contractual obligations arising out of or in connection with them are governed by, and will be construed in accordance with, English law, save that Condition 3.1 shall be governed by the laws of the Dubai International Financial Centre.

18.2 **Arbitration**

Any dispute, claim, difference or controversy arising out of, relating to, or having any connection with the Capital Securities, these Conditions, the Agency Agreement or the Subordinated Guarantee (including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of the nullity of any of them and any dispute relating to any non-contractual obligations arising out of or in connection with them) (a "**Dispute**") shall be referred to and finally resolved by arbitration in accordance with the Arbitration Rules (the "**Rules**") of the London Court of International Arbitration (the "**LCIA**"), which Rules (as amended from time to time) are incorporated by reference into this Condition 18.2. For these purposes:

- (a) the seat of arbitration shall be London, England;
- (b) there shall be three arbitrators each of whom shall be disinterested in the arbitration, shall have no connection with any party to the Dispute and shall be an attorney experienced in international securities transactions. The parties to the Dispute shall each nominate one arbitrator and both arbitrators in turn shall appoint a further arbitrator who shall be the chairman of the tribunal. In cases where there are multiple claimants and/or multiple respondents, the class of claimants jointly, and the class of respondents jointly shall each nominate one arbitrator. If one party or both fails to nominate an arbitrator within the time limits specified by the Rules, such arbitrator(s) shall be appointed by the LCIA. If the party-nominated arbitrators fail to nominate the third arbitrator within 15 days of the appointment of the second arbitrator, such arbitrator shall be appointed by the LCIA; and
- (c) the language of the arbitration shall be English.

18.3 **Appointment of Process Agent**

Each of the Issuer and the Guarantor irrevocably appoints Maples and Calder at its registered office at 11<sup>th</sup> Floor, 200 Aldersgate Street, London EC1A 4HD as its authorised agent for service of process in England. If for any reason such agent shall cease to be such agent for service of process or ceases to be registered in England, the Issuer and the Guarantor shall forthwith appoint a new agent for service of process in England and shall notify the Securityholders of such appointment. The Issuer and the Guarantor will procure that, so long as any of the Capital Securities remains outstanding, a person with an office in London shall be appointed to accept service. Nothing herein shall affect the right to serve process in any other manner permitted by law.

18.4 **Waiver of Immunity**

To the extent that the Issuer or the Guarantor may in any jurisdiction claim for itself or its assets or revenues immunity from suit, execution, attachment (whether in aid of execution, before judgment or otherwise) or other legal process and to the extent that such immunity (whether or not claimed) may be attributed in any such jurisdiction to the Issuer or the Guarantor or its assets or revenues, each of the Issuer and the Guarantor agrees not to claim and irrevocably and unconditionally waives such immunity to the fullest extent permitted by the laws or such jurisdiction. Further, each of the Issuer and the Guarantor irrevocably and unconditionally consents to the giving of any relief or the issue of any legal proceedings, including, without limitation, jurisdiction, enforcement, prejudgment proceedings and injunctions in connection with any Proceedings or Disputes.

18.5 **Other Documents**

Each of the Issuer and the Guarantor has in the Agency Agreement and the Subordinated Guarantee appointed an agent in England for service of process, on terms substantially similar to those set out above.

19. **Contracts (Rights of Third Parties) Act 1999**

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Capital Security, but this does not affect any right or remedy of any Person which exists or is available apart from that Act.

20. **Definitions**

"**Applicable Regulatory Capital Requirements**" means any requirements contained in the Capital Regulations for the maintenance of capital from time to time applicable to the Guarantor, including transitional rules and waivers granted in respect of the foregoing.

"**Authorised Signatory**" means any person who: (a) holds the office of Chairman or Vice-Chairman of the Guarantor from time to time, or (b) is duly authorised by the Guarantor to sign documents on its behalf.

"**Basel III**" means the reforms to the international regulatory capital framework issued by the Basel Committee (including, but not limited to, the Basel III Documents) as part of a package of new capital and liquidity requirements intended to reinforce capital standards and to establish minimum liquidity standards for international credit institutions (including guidance on the eligibility criteria for tier 1 capital instruments and tier 2 capital instruments).

"**Basel III Documents**" means the Basel Committee document "A global regulatory framework for more resilient banks and banking systems" released by the Basel Committee on 16 December 2010 and revised in June 2011 and the Annex contained in its document "Basel Committee issues final elements of the reforms to raise the quality of regulatory capital" on 13 January 2011.

"**Basel Committee**" means the Basel Committee on Banking Supervision.

"**Business Day**" has the meaning given to it in Condition 6 (save as otherwise specified herein).

"**Capital Event**" has the meaning given to it in Condition 7.3.

**"Capital Event Early Redemption Amount"** means (i) in the case of a redemption date which occurs prior to the First Reset Date, 101 per cent. of the outstanding principal amount of the Capital Securities or (ii) in the case of a redemption date which occurs on or after the First Reset Date, the outstanding principal amount of the Capital Securities, in each case together with interest accrued but unpaid to but excluding the date of redemption (unless a Non-Payment Event or, subject to Condition 5.7, a Non-Payment Election has occurred with respect to such interest).

**"Capital Regulations"** means, at any time, the regulations, requirements, guidelines and policies relating to capital adequacy then in effect in the State of Kuwait, including those of the Financial Regulator, including, without limitation, the Instructions, and in each case, as amended or superseded from time to time.

**"Code"** has the meaning given to it in Condition 6.2.

**"Common Equity Tier 1 Capital"** means capital of the Guarantor qualifying as (or which would qualify, but for any applicable limitation on the amount of such capital), and approved by the Financial Regulator as, common equity tier 1 capital in accordance with the Capital Regulations.

**"Distributable Funds"** means the amount of the Guarantor's consolidated retained earnings, reserves and profits (to the extent not restricted from distribution by applicable law) after the transfer of any amounts to non-distributable reserves, all as set out in the most recent audited or (as the case may be) auditor reviewed consolidated financial statements of the Group, subject as otherwise defined in the Capital Regulations from time to time.

**"Enforcement Event"** has the meaning given to it in Condition 12.

**"Extraordinary Resolution"** has the meaning given to it in the Agency Agreement.

**"Financial Regulator"** means the Central Bank of the State of Kuwait and/or any successor entity having primary bank supervisory authority with respect to the Guarantor in the State of Kuwait.

**"First Interest Payment Date"** has the meaning given to it in Condition 5.

**"First Reset Date"** has the meaning given to it in Condition 5.

**"H.15 (519)"** means the weekly statistical release designated as such, or any successor or replacement publication, published by the Board of Governors of the United States Federal Reserve System and **"most recent H.15 (519)"** means the H.15 (519) published closest in time but prior to the applicable U.S. Securities Determination Date. H.15 (519) may be currently obtained at the following website: <https://www.federalreserve.gov/releases/h15/>.

**"Initial Interest Rate"** has the meaning given to it in Condition 5.1.

**"Instructions"** means the final instructions entitled "*Implementing Capital Adequacy Standards – Basel III – for conventional banks*" issued by the Financial Regulator on 24 June 2014, as may be amended or superseded from time to time.

**"Interest Payment Amount"** means the amount of interest due on each Capital Security on an Interest Payment Date (assuming, for this purpose, that a Non-Payment Event has not occurred and a Non-Payment Election has not been made with respect to such amount of interest).

**"Interest Payment Date"** has the meaning given to it in Condition 5.1.

**"Interest Period"** means the period from and including the Issue Date to but excluding the First Interest Payment Date, and each successive period from and including an Interest Payment Date to but excluding the next Interest Payment Date.

**"Issue Date"** means 27 November 2019.

**"Junior Obligations"** means (i) in the case of the Issuer, all claims of the holders of Ordinary Shares of the Issuer and any other subordinated payment obligations of the Issuer which rank, or are expressed to rank, junior to the payment obligations of the Issuer under the Capital Securities, and (ii) in the case

of the Guarantor, all claims in respect of the Ordinary Shares of the Guarantor and all payment obligations of the Guarantor in respect of its Common Equity Tier 1 Capital and any other subordinated payment obligations of the Guarantor which rank, or are expressed to rank, junior to the obligations of the Guarantor under the Subordinated Guarantee.

"**Margin**" means 2.832 per cent. per annum.

"**Non-Payment Election**" has the meaning given to it in Condition 5.7.

"**Non-Payment Event**" has the meaning given to it in Condition 5.6.

"**Non-Viability Event**" means that the Financial Regulator has informed the Guarantor in writing that it has determined that a Trigger Event has occurred.

"**Non-Viability Event Write-down Date**" means the date on which the Write-down will take place as specified in the Non-Viability Notice, which date shall be no later than 10 Business Days (as defined in Condition 8) after the date of the Non-Viability Notice.

"**Non-Viability Notice**" has the meaning given to it in Condition 8.

"**Ordinary Shares**" means the ordinary shares of the Issuer or the Guarantor, as the case may be.

"**Pari Passu Obligations**" means (in the case of the Issuer) all subordinated payment obligations of the Issuer which rank, or are expressed to rank, *pari passu* with the Capital Securities and (in the case of the Guarantor) all subordinated payment obligations of the Guarantor which rank, or are expressed to rank, *pari passu* with the Guarantor's payment obligations under the Subordinated Guarantee.

"**Person**" means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality.

"**Qualifying Tier 1 Instruments**" means instruments (whether securities, trust certificates, interests in limited partnerships or otherwise) issued directly or indirectly by the Guarantor that:

- (a) will be eligible to constitute (or would, but for any applicable limitation on the amount of such capital, constitute) consolidated Tier 1 Capital of the Guarantor;
- (b) have terms and conditions not materially less favourable to a Securityholder than the Capital Securities (as reasonably determined by the Guarantor (**provided that** in making this determination the Guarantor is not required to take into account the tax treatment of the new instrument in the hands of all or any holders of the Capital Securities, or any transfer or similar taxes that may apply on the acquisition of the new instrument) **provided that** a certification to such effect of an Authorised Signatory of the Guarantor shall have been delivered to the Fiscal Agent prior to the variation of the terms of the instruments);
- (c) will constitute direct or indirect (whether by a guarantee or equivalent support undertaking) obligations of the Guarantor;
- (d) rank, on a winding up of the Guarantor, at least *pari passu* with the obligations of the Guarantor in respect of the Subordinated Guarantee as specified in Condition 4.2;
- (e) have at least the same outstanding principal amount and the same interest payment or distribution dates as the Capital Securities and at least equal interest or distribution rate or rate of return as the Capital Securities;
- (f) are listed on the same stock exchange as the Capital Securities (if the Capital Securities were so listed immediately prior to the variation);
- (g) have, to the extent such payment is not cancelled, the same claim to accrued but unpaid distributions;
- (h) (where the instruments are varied prior to the First Reset Date) have the same First Reset Date as the Capital Securities;

- (i) have the same optional redemption dates as the Capital Securities, save that any right to redeem the Capital Securities prior to the sixth anniversary of the Issue Date may be disappplied if such right to redeem would cause a Capital Event; and
- (j) preserve the obligations of the Issuer and the Guarantor (as applicable) as to amounts payable upon any redemption and the ranking of any claims in a winding-up or dissolution of the Issuer or the Guarantor (as applicable) under the Capital Securities, and which may include such technical changes as necessary to reflect the requirements of Tier 1 Capital under the Capital Regulations then applicable to the Guarantor (including, without limitation, such technical changes as may be required in the adoption and implementation of Basel III).

**"Relevant Six-Year Reset Rate"** means, in respect of each Reset Period: (i) a rate (expressed as a decimal) determined on the relevant U.S. Securities Determination Date to be the per annum rate equal to the weekly average yield to maturity for U.S. Treasury securities with a maturity of six years and trading in the public securities markets; or (ii) if there is no such published U.S. Treasury security with a maturity of six years and trading in the public securities markets, then the rate will be determined on the relevant U.S. Securities Determination Date by interpolation between the most recent weekly average yield to maturity for two series of U.S. Treasury securities trading in the public securities market: (A) one maturing as close as possible to, but earlier than, the immediately following Reset Date; and (B) the other maturity as close as possible to, but later than the immediately following Reset Date, in each case as published in the most recent H.15 (519). If the Issuer cannot procure the determination of the Relevant Six-Year Reset Rate on the relevant U.S. Securities Determination Date pursuant to the methods described in (i) and (ii) above, then the Relevant Six-Year Reset Rate will be: (i) equal to the rate applicable to the immediately preceding Reset Period; or (ii) in the case of the Reset Period commencing on the First Reset Date, 1.668 per cent.

**"Reserved Matter"** has the meaning given to it in the Agency Agreement.

**"Reset Date"** means the First Reset Date and every date that falls six, or a multiple of six, years after the First Reset Date.

**"Reset Interest Rate"** means, in respect of any Reset Period, the rate per annum which is determined by the Calculation Agent to be the aggregate of the Margin and the Relevant Six-Year Reset Rate.

**"Reset Period"** means the period from and including the First Reset Date to but excluding the next Reset Date, and each successive period from and including a Reset Date to but excluding the next succeeding Reset Date.

**"Senior Obligations"** means all unsubordinated payment obligations of the Issuer or the Guarantor, as the case may be (including, in the case of the Guarantor, payment obligations to its depositors), and all subordinated payment obligations (if any) of the Issuer or the Guarantor, as the case may be, except *Pari Passu* Obligations and Junior Obligations.

**"Subsidiary"** means, in relation to any Person (the **"first person"**) at any particular time, any other Person (the **"second person"**) whose affairs and policies the first Person controls or has the power to control, whether by ownership or share capital, contract, the power to appoint or remove members of the governing body of the second Person or otherwise.

**"Tax Event"** has the meaning given to it in Condition 7.4.

**"Tier 1 Capital"** means capital, other than Common Equity Tier 1 Capital, qualifying as (or which would qualify, but for any applicable limitation on the amount of such capital), and approved by the Financial Regulator as, tier 1 capital in accordance with the Capital Regulations.

**"Tier 2 Capital"** means capital qualifying as (or which would qualify, but for any applicable limitation on the amount of such capital), and approved by the Financial Regulator as, tier 2 capital in accordance with the Capital Regulations.

**"Trigger Event"** has the meaning given to it in the Instructions.

*For the definition of "Trigger Event" as set out in the Instructions, see "Banking Industry and Regulation in Kuwait – Banking Regulation – Capital Adequacy Regulations" in the Prospectus.*

**"U.S. Government Securities Business Day"** means any day except for a Saturday, Sunday or a day on which the U.S. Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

**"U.S. Securities Determination Date"** means the second U.S. Government Securities Business Day before the commencement of the Reset Period for which the rate will apply.

**"Write-down"** means:

- (a) the Capital Securities shall be cancelled (in the case of a write-down in whole) or written-down in part on a *pro rata* basis (in the case of a write-down in part) as determined by the Guarantor in accordance with the prevailing Capital Regulations; and
- (b) all rights of any Securityholder for payment of any amounts under or in respect of the Capital Securities (including, without limitation, any amounts arising as a result of, or due and payable upon the occurrence of, an Enforcement Event) shall, as the case may be, be cancelled or written-down *pro rata* among the Securityholders and, in each case, will not be restored under any circumstances, irrespective of whether such amounts have become due and payable prior to the date of the Non-Viability Notice or the Non-Viability Event Write-down Date and even if the Non-Viability Event has ceased.

**"Write-down Amount"** has the meaning given to it in Condition 8.

All references in these Conditions to **"U.S. dollars"** and **"U.S.\$"** are to the lawful currency of the United States of America.

All references in these Conditions to **"indebtedness"** shall be deemed to include any debt or other financing arrangement issued (or intended to be issued) in compliance with the principles of *Shari'a* and which is treated as debt for the purposes of applicable law, in each case whether entered into directly or indirectly by the Guarantor or the Issuer (as applicable).

**SCHEDULE 4**  
**FORM OF SUBORDINATED GUARANTEE**

DATED 27 NOVEMBER 2019

NATIONAL BANK OF KUWAIT S.A.K.P.  
AS GUARANTOR

SUBORDINATED GUARANTEE  
U.S.\$750,000,000 PERPETUAL TIER 1 CAPITAL  
SECURITIES ISSUED BY NBK TIER 1 FINANCING (2)  
LIMITED

**THIS SUBORDINATED GUARANTEE** is given on 27 November 2019 by National Bank of Kuwait S.A.K.P. (the "**Guarantor**")

**WHEREAS:**

- (A) The Guarantor has agreed to guarantee the obligations of NBK Tier 1 Financing (2) Limited (the "**Issuer**") under the U.S.\$750,000,000 Perpetual Tier 1 Capital Securities (the "**Capital Securities**") to be issued by the Issuer pursuant to an agency agreement (the "**Agency Agreement**") dated 27 November 2019 between, *inter alios*, the Issuer, the Guarantor and Citibank N.A., London Branch as fiscal agent (the "**Fiscal Agent**"); and
- (B) Terms defined in the Conditions of the Capital Securities (the "**Conditions**") and in the Agency Agreement and not otherwise defined in this Subordinated Guarantee shall have the same meaning when used in this Subordinated Guarantee.

**NOW THIS DEED WITNESSETH** as follow:

1.

- (a) The Guarantor as primary obligor unconditionally and irrevocably (a) guarantees to the holder from time to time of each Capital Security by way of continuing guarantee the due and punctual payment of all amounts payable by the Issuer on or in respect of the Capital Securities (including any additional amounts which may become payable under Condition 9 but subject to any write-down of the Capital Securities pursuant to Condition 8) as and when the same shall become due according to the Conditions and (b) agrees that, if and each time that the Issuer shall fail to make any payments as and when the same become due, the Guarantor will on demand (without requiring the relevant holder of any Capital Securities first to take steps against the Issuer or any other person) pay to the relevant holder of any Capital Securities the amounts (as to which the certificate of the relevant holder of any Capital Securities shall in the absence of manifest error be conclusive) in the currency in which the amounts are payable by the Issuer.
- (b) The Guarantor irrevocably and unconditionally agrees as a primary obligation to indemnify the holders of the Capital Securities from time to time from and against any loss incurred by such holders as a result of any of the obligations of the Issuer under or pursuant to the Conditions or the Capital Securities being or becoming void, voidable, unenforceable or ineffective for any reason whatsoever, whether or not known to such holder or any other person, the amount of such loss being the amount which such holder would otherwise have been entitled to recover from the Issuer. Any amount payable pursuant to this indemnity shall be payable in the manner and currency prescribed by the Conditions for payments by the Issuer in respect of the Capital Securities. This indemnity constitutes a separate and independent obligation from the other obligations under this Subordinated Guarantee and shall give rise to a separate and independent cause of action.



2. The Guarantor covenants in favour of the holder from time to time of each Capital Security that it will duly perform and comply with the obligations expressed to be undertaken by it in the Conditions.
3. The obligations of the Guarantor under this Subordinated Guarantee shall not be affected by any matter or thing which but for this provision might operate to affect the obligations including, without limitation:
  - (a) any time or indulgence granted to or composition with the Issuer or any other person;
  - (b) the taking, variation, renewal or release of remedies or securities against the Issuer or any other person; or
  - (c) any unenforceability, invalidity or irregularity of this Subordinated Guarantee.
4. Where any discharge (whether in respect of the obligations of the Issuer or any security for the obligations of the Issuer or otherwise) is made in whole or in part or any arrangement is made on the faith of any payment, security or other disposition which is avoided or must be repaid on bankruptcy, liquidation or otherwise without limitation, the liability of the Guarantor under this Subordinated Guarantee shall continue as if there had been no discharge or arrangement. The holder of any Capital Security, acting in good faith, shall be entitled to concede or compromise any claim that any payment, security or other disposition is liable to avoidance or repayment.
5. The Guarantor undertakes that its obligations under this Subordinated Guarantee constitute direct, unconditional, subordinated and unsecured obligations of the Guarantor and do and will (a) rank junior to all Senior Obligations of the Guarantor, (b) rank *pari passu* with all *Pari Passu* Obligations of the Guarantor and (c) rank senior to all Junior Obligations of the Guarantor.
6. The Guarantor represents and warrants that all necessary governmental consents and authorisations for the giving and implementation of this Subordinated Guarantee have been obtained.
7. Until all amounts which may be or become payable under the Capital Securities have been irrevocably paid in full, the Guarantor shall not by virtue of this Subordinated Guarantee be subrogated to any rights of any holder of any Capital Security or any registered holders of any Capital Securities or claim in competition with the holders against the Issuer.
8. In the event that payment is due under this Subordinated Guarantee and payment in full of the amount due under this Subordinated Guarantee has not been made to the registered holder(s) of the relevant Capital Securities in accordance with this Subordinated Guarantee and the Conditions, then holders of interests in the relevant Global Certificate will become entitled to proceed directly against the Guarantor on the basis of statements of account provided by Euroclear, Clearstream, Luxembourg or DTC, as the case may be, with all rights which such holder would have if, prior to that time, it was entered in the register as a registered holder of the Capital Securities.

9. The Guarantor shall pay all stamp, registration and other taxes and duties (including any interest and penalties thereon or in connection therewith) which may be payable on or in connection with the execution, performance and delivery of this Subordinated Guarantee and shall indemnify each holder of the Capital Securities against any claim, demand, action, liability, damages, cost, loss or expense (including, without limitation, legal fees and any applicable value added tax) which it incurs as a result or arising out of or in relation to any failure to pay or delay in paying any of the same.
10. This Subordinated Guarantee shall enure for the benefit of the holders of any Capital Securities and shall be deposited with and held by the Fiscal Agent.
11. If any provision in or obligation under this Subordinated Guarantee is or becomes invalid, illegal or unenforceable in any respect under the law of any jurisdiction, that will not affect or impair (i) the validity, legality or enforceability under the law of that jurisdiction of any other provision in or obligation under this Subordinated Guarantee, and (ii) the validity, legality or enforceability under the law of any other jurisdiction of that or any other provision in or obligation under this Subordinated Guarantee.
  - 11.1 This Subordinated Guarantee (including the remaining provisions of this Clause 11) and any non-contractual obligations arising out of or in connection with it shall be governed by, and shall be construed in accordance with, English law.
  - 11.2 Any dispute, claim, difference or controversy arising out of, relating to or having any connection with this Subordinated Guarantee (including any dispute as to its existence, validity, interpretation, performance, breach or termination or the consequences of its nullity and any dispute relating to any non-contractual obligations arising out of or in connection with it) (a "**Dispute**") shall be referred to and finally resolved by arbitration in accordance with the Arbitration Rules (the "**Rules**") of the London Court of International Arbitration (the "**LCIA**"), which Rules (as amended from time to time) are incorporated by reference into this paragraph 11.2. For these purposes:
    - (a) the seat of arbitration shall be London, England;
    - (b) there shall be three arbitrators, each of whom shall be disinterested in the arbitration, shall have no connection with any party to the Dispute and shall be an attorney experienced in international securities transactions. The parties to the Dispute shall each nominate one arbitrator and both arbitrators in turn shall appoint a further arbitrator who shall be the chairman of the tribunal. In cases where there are multiple claimants and/or multiple respondents, the class of claimants jointly, and the class of respondents jointly shall each nominate one arbitrator. If one party or both fails to nominate an arbitrator within the time limits specified by the Rules, such arbitrator(s) shall be appointed by the LCIA. If the party-nominated arbitrators fail to nominate the third arbitrator within 15 days of the appointment of the second arbitrator, such arbitrator shall be appointed by the LCIA; and
    - (c) the language of the arbitration shall be English.
  - 11.3 The Guarantor irrevocably appoints Maples and Calder at its registered office at 11<sup>th</sup> Floor, 200 Aldersgate Street, London EC1A 4HD, United Kingdom as its authorised

agent for service of process in England. If for any reason such agent shall cease to be such agent for service of process or ceases to be registered in England, the Guarantor shall forthwith appoint a new agent for service of process in England and shall notify the holders of any Capital Securities of such appointment. The Guarantor will procure that, so long as any of the Capital Securities remains outstanding, a person with an office in London shall be appointed to accept service. Nothing in this Subordinated Guarantee shall affect the right to serve process in any other manner permitted by law.

- 11.4 To the extent that the Guarantor may in any jurisdiction claim for itself or its assets or revenues immunity from suit, execution, attachment (whether in aid of execution, before judgment or otherwise) or other legal process and to the extent that such immunity (whether or not claimed) may be attributed in any such jurisdiction to the Guarantor or its assets or revenues, the Guarantor agrees not to claim and irrevocably and unconditionally waives such immunity to the fullest extent permitted by the laws or such jurisdiction. Further, the Guarantor irrevocably and unconditionally consents to the giving of any relief or the issue of any legal proceedings, including, without limitation, jurisdiction, enforcement, prejudgment proceedings and injunctions in connection with any Disputes.

**IN WITNESS WHEREOF** this Subordinated Guarantee has been entered into as a deed by the Guarantor.

**EXECUTED** as a **DEED** )  
by **NATIONAL BANK OF KUWAIT S.A.K.P.** )  
acting by )  
 )  
acting under the authority of that )  
company, in the presence of: )

Witness's Signature:

.....

Name:

Address:

Dated \_\_\_\_\_ 2019

**SCHEDULE 5**  
**PROVISIONS FOR MEETINGS OF HOLDERS OF CAPITAL SECURITIES**

**DEFINITIONS**

1. As used in this Schedule 5, the following expressions have the following meanings unless the context otherwise requires:

**"24 hours"** means a period of 24 hours including all or part of a day on which banks are open for business both in the place where the meeting is to be held and in each of the places where the Paying Agents have their specified offices (disregarding for this purpose the day on which the meeting is to be held) and that period shall be extended by one period or, to the extent necessary, more periods of 24 hours until there is included all or part of a day on which banks are open for business in all of the places where the Paying Agents have their specified offices;

**"48 hours"** means a period of 48 hours including all or part of two days on which banks are open for business both in the place where the meeting is to be held and in each of the places where the Paying Agents have their specified offices (disregarding for this purpose the day on which the meeting is to be held) and that period shall be extended by one period or, to the extent necessary, more periods of 24 hours until there is included all or part of two days on which banks are open for business in all of the places where the Paying Agents have their specified offices;

**"block voting instruction"** means an English language document issued by a Paying Agent and dated which:

- (a) relates to a specified principal amount of Capital Securities and a meeting (or adjourned meeting) of the holders of the Capital Securities;
- (b) states that the Paying Agent has been instructed (either by the holders of the Capital Securities or by a relevant clearing system) to attend the meeting and procure that the votes attributable to the Capital Securities are cast at the meeting in accordance with the instructions given;
- (c) identifies with regard to each resolution to be proposed at the meeting the principal amount of Capital Securities in respect of which instructions have been given that the votes attributable to them should be cast in favour of the resolution and the principal amount of Capital Securities in respect of which instructions have been given that the votes attributable to them should be cast against the resolution; and
- (d) states that one or more named persons (each a **"proxy"**) is or are authorised and instructed by the Paying Agent to cast the votes attributable to the Capital Securities identified in accordance with the instructions referred to in subparagraph (c) above as set out in the block voting instruction;

a **"relevant clearing system"** means, in respect of any Capital Securities represented by a Global Certificate, any clearing system on behalf of which such Global Certificate is held, whether alone or jointly with any other clearing system(s); and

**"voting certificate"** means an English language certificate issued by a Paying Agent and dated in which it is stated that the bearer of the voting certificate is entitled to attend and vote

at the meeting and any adjourned meeting in respect of the Capital Securities represented by the certificate.

For the purposes of calculating a period of "**clear days**", no account shall be taken of the day on which a period commences or the day on which a period ends.

## **EVIDENCE OF ENTITLEMENT TO ATTEND AND VOTE**

2. The following persons (each an "**Eligible Person**") are entitled to attend and vote at a meeting of the holders of the Capital Securities:
  - (a) a holder of an Individual Certificate;
  - (b) a bearer of any voting certificate in respect of the Capital Securities; and
  - (c) a proxy specified in any block voting instruction.

A holder of a Capital Security may require the issue by any Paying Agent of voting certificates and block voting instructions in accordance with the terms of paragraph 3 below.

For the purposes of subparagraphs 3(a) and 3(d) below, the Fiscal Agent shall be entitled to rely, without further enquiry, on any information or instructions received from a relevant clearing system and shall have no liability to any holder of a Capital Security or other person for any loss, damage, cost, claim or other liability caused by its reliance on those instructions, nor for any failure by a relevant clearing system to deliver information or instructions to the Fiscal Agent.

The holder of any voting certificate or the proxies named in any block voting instruction shall for all purposes in connection with the meeting or adjourned meeting be deemed to be the holder of the Capital Securities to which the voting certificate or block voting instruction relates and the Paying Agent with which the Capital Securities have been deposited or the person holding the Capital Securities to the order or under the control of any Paying Agent shall be deemed for those purposes not to be the holder of those Capital Securities.

3.
  - (a) *Individual Certificates - voting certificate*

A holder of an Individual Certificate may obtain a voting certificate in respect of the Capital Securities represented by the Individual Certificate from a Paying Agent (unless the Individual Certificate is the subject of a block voting instruction which has been issued and is outstanding in respect of the meeting specified in the voting certificate or any adjourned meeting) subject to the holder procuring that the Individual Certificate is deposited with the Paying Agent or (to the satisfaction of the Paying Agent) is held to its order or under its control or blocked in an account with a relevant clearing system upon terms that the Individual Certificate will not cease to be deposited or held or blocked until the first to occur of:

- (i) the conclusion of the meeting specified in the voting certificate or, if later, of any adjourned meeting; and
- (ii) the surrender of the voting certificate to the Paying Agent who issued it.

(b) *Global Certificate - voting certificate*

A holder of a Capital Security (not being a Capital Security in respect of which instructions have been given to the Fiscal Agent in accordance with subparagraph 3(d)) represented by the Global Certificate may procure the delivery of a voting certificate in respect of that Capital Security by giving notice to the relevant clearing system specifying by name a person (an "**Identified Person**") (which need not be the holder himself) to collect the voting certificate and attend and vote at the meeting. The voting certificate will be made available at or shortly before the start of the meeting by the Fiscal Agent against presentation by the Identified Person of the form of identification previously notified by the holder to the relevant clearing system. The relevant clearing system may prescribe forms of identification (including, without limitation, passports) which it considers appropriate for these purposes. Subject to receipt by the Fiscal Agent from the relevant clearing system, no later than 24 hours before the time for which the meeting is convened, of notification of the principal amount of the Capital Securities to be represented by any voting certificate and the form of identification against presentation of which the voting certificate should be released, the Paying Agent shall, without any obligation to make further enquiry, make available voting certificates against presentation of forms of identification corresponding to those notified.

(c) *Individual Certificates - block voting instruction*

A holder of an Individual Certificate may require a Paying Agent to issue a block voting instruction in respect of that Certificate (unless the Individual Certificate is the subject of a voting certificate which has been issued and is outstanding in respect of the meeting specified in the block voting instruction or any adjourned meeting) by depositing the Individual Certificate with the Paying Agent or (to the satisfaction of the Paying Agent) by:

- (i) procuring that, not less than 48 hours before the time fixed for the meeting, the Individual Certificate is held to the Paying Agent's order or under its control or is blocked in an account with a relevant clearing system, in each case on terms that the Individual Certificate will not cease to be so deposited or held or blocked until the first to occur of:
  - (A) the conclusion of the meeting specified in the block voting instruction or, if later, of any adjourned meeting; and
  - (B) the surrender to the Paying Agent, not less than 48 hours before the time for which the meeting or any adjourned meeting is convened, of the receipt issued by the Paying Agent in respect of each deposited Individual Certificate which is to be released

or (as the case may require) the Individual Certificate ceasing with the agreement of the Paying Agent to be held to its order or under its control or to be blocked and the giving of notice by the Paying Agent to the Issuer in accordance with paragraph 3(d)(ii) of the necessary amendment to the block voting instruction; and

- (ii) instructing the Paying Agent that the vote(s) attributable to each Individual Certificate so deposited or held or blocked should be cast in a particular way in relation to the resolution or resolutions to be put to the meeting or any adjourned meeting and that the instruction is, during the period commencing 48 hours before the time for which the meeting or any adjourned meeting is convened and ending at the conclusion or adjournment of the meeting, neither revocable nor capable of amendment.

(d) *Global Certificate - block voting instruction*

A holder of a Capital Security (not being a Capital Security in respect of which a voting certificate has been issued) represented by the Global Certificate may require the Fiscal Agent to issue a block voting instruction in respect of the Capital Security by first instructing the relevant clearing system to procure that the votes attributable to the holder's Capital Security should be cast at the meeting in a particular way in relation to the resolution or resolutions to be put to the meeting. Any such instruction shall be given in accordance with the rules of the relevant clearing system then in effect. Subject to receipt by the Fiscal Agent, no later than 24 hours before the time for which the meeting is convened, of instructions from the relevant clearing system, notification of the principal amount of the Capital Securities in respect of which instructions have been given and the manner in which the votes attributable to the Capital Securities should be cast, the Fiscal Agent shall, without any obligation to make further enquiry, attend the meeting and cast votes in accordance with those instructions.

- (i) Each block voting instruction shall be deposited by the relevant Paying Agent at the place specified by the Fiscal Agent for the purpose not less than 24 hours before the time appointed for holding the meeting or adjourned meeting at which the proxies named in the block voting instruction propose to vote, and in default the block voting instruction shall not be treated as valid unless the Chairman of the meeting decides otherwise before the meeting or adjourned meeting proceeds to business. A notarially certified copy of each block voting instruction shall (if so requested by the Issuer) be deposited with the Issuer before the start of the meeting or adjourned meeting but the Issuer shall not as a result be obliged to investigate or be concerned with the validity of or the authority of the proxies named in the block voting instruction.
- (ii) Any vote given in accordance with the terms of a block voting instruction shall be valid notwithstanding the previous revocation or amendment of the block voting instruction or of any of the instructions of the relevant holder of a Capital Security or the relevant clearing



system (as the case may be) pursuant to which it was executed **provided that** no indication in writing of any revocation or amendment has been received from the relevant Paying Agent by the Issuer at its registered office by the time being 24 hours before the time appointed for holding the meeting or adjourned meeting at which the block voting instruction is to be used.

## CONVENING OF MEETINGS, QUORUM, ADJOURNED MEETINGS

4. The Issuer or the Guarantor may at any time and, if required in writing by holders of the Capital Securities holding not less than ten per cent. in principal amount of the Capital Securities for the time being outstanding, shall convene a meeting of the holders of the Capital Securities and if the Issuer fails for a period of seven days to convene the meeting the meeting may be convened by the relevant holders of the Capital Securities. Whenever the Issuer is about to convene any meeting it shall immediately give notice in writing to the Fiscal Agent of the day, time and place of the meeting and of the nature of the business to be transacted at the meeting. Every meeting shall be held at a time and place approved by the Fiscal Agent.
5. At least 21 clear days' notice specifying the place, day and hour of the meeting shall be given to the holders of the Capital Securities in the manner provided in Condition 14. The notice, which shall be in the English language, shall state generally the nature of the business to be transacted at the meeting and, in the case of an Extraordinary Resolution only, shall specify the terms of the Extraordinary Resolution to be proposed. The notice shall include statements as to the manner in which holders of the Capital Securities may arrange for voting certificates or block voting instructions to be issued. A copy of the notice shall be sent by post to the Issuer (unless the meeting is convened by the Issuer) and to the Guarantor (unless the meeting is convened by the Guarantor).
6. The person (who may but need not be a holder of the Capital Securities) nominated in writing by the Issuer shall be entitled to take the chair at each meeting but if no nomination is made or if at any meeting the person nominated is not present within 15 minutes after the time appointed for holding the meeting the holders of the Capital Securities present shall choose one of their number to be Chairman failing which the Issuer may appoint a Chairman. The Chairman of an adjourned meeting need not be the same person as was Chairman of the meeting from which the adjournment took place.
7. At any meeting one or more Eligible Persons present and holding or representing in the aggregate not less than 10 per cent. in principal amount of the Capital Securities for the time being outstanding shall (except for the purpose of passing an Extraordinary Resolution) form a quorum for the transaction of business and no business (other than the choosing of a Chairman) shall be transacted at any meeting unless the required quorum is present at the commencement of business. The quorum at any meeting for passing an Extraordinary Resolution shall (subject as provided below) be one or more Eligible Persons present and holding or representing in the aggregate more than 50 per cent. in principal amount of the Capital Securities for the time being outstanding **provided that** at any meeting the business of which includes any of the following matters (each a "**Reserved Matter**") (each of which shall only be capable of being effected after having been approved by Extraordinary Resolution):

- (a) reduction or cancellation of the principal amount payable in respect of any redemption of the Capital Securities (other than in accordance with Condition 8); or
- (b) reduction or cancellation of the amount payable or modification of the payment date in respect of any interest in respect of the Capital Securities (other than in accordance with Condition 5); or
- (c) modification of the currency in which payments under the Capital Securities are to be made; or
- (d) modification of the majority required to pass an Extraordinary Resolution; or
- (e) the sanctioning of any scheme or proposal described in subparagraph 19(f); or
- (f) alteration of this proviso or the proviso to paragraph 9 below,

the quorum shall be one or more Eligible Persons present and holding or representing in the aggregate not less than two thirds in principal amount of the Capital Securities for the time being outstanding.

8. If within 15 minutes after the time appointed for any meeting a quorum is not present for the transaction of any particular business, then, subject and without prejudice to the transaction of the business (if any) for which a quorum is present, the meeting shall if convened by holders of the Capital Securities be dissolved. In any other case it shall be adjourned for a period being not less than 14 clear days nor more than 42 clear days and at a place appointed by the Chairman. If within 15 minutes after the time appointed for any adjourned meeting a quorum is not present for the transaction of any particular business, then, subject and without prejudice to the transaction of the business (if any) for which a quorum is present, the meeting shall be dissolved.
9. At any adjourned meeting one or more Eligible Persons present (whatever the principal amount of the Capital Securities so held or represented by them) shall (subject as provided below) form a quorum and shall (subject as provided below) have power to pass any Extraordinary Resolution or other resolution and to decide upon all matters which could properly have been dealt with at the meeting from which the adjournment took place had the required quorum been present **provided that** at any adjourned meeting the business of which includes a Reserved Matter the quorum shall be one or more Eligible Persons present and holding or representing in the aggregate not less than one-third in principal amount of the Capital Securities for the time being outstanding.
10. Notice of any adjourned meeting at which an Extraordinary Resolution is to be submitted shall be given in the same manner as notice of an original meeting but as if 10 were substituted for 21 in paragraph 5 and the notice shall state the relevant quorum. Subject to this it shall not be necessary to give any notice of an adjourned meeting.

## **CONDUCT OF BUSINESS AT MEETINGS**

11. Every question submitted to a meeting shall be decided in the first instance by a show of hands and in the case of an equality of votes the Chairman shall both on a show of

hands and on a poll have a casting vote in addition to the vote or votes (if any) to which he may be entitled as an Eligible Person.

12. At any meeting, unless a poll is (before or on the declaration of the result of the show of hands) demanded by the Chairman or the Issuer, the Guarantor or by any Eligible Person present (whatever the principal amount of the Capital Securities held by him), a declaration by the Chairman that a resolution has been carried or carried by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.
13. Subject to paragraph 15, if at any meeting a poll is demanded it shall be taken in the manner and, subject as provided below, either at once or after an adjournment as the Chairman may direct and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded as at the date of the taking of the poll. The demand for a poll shall not prevent the continuance of the meeting for the transaction of any business other than the motion on which the poll has been demanded.
14. The Chairman may, with the consent of (and shall if directed by) any meeting, adjourn the meeting from time to time and from place to place. No business shall be transacted at any adjourned meeting except business which might lawfully (but for lack of required quorum) have been transacted at the meeting from which the adjournment took place.
15. Any poll demanded at any meeting on the election of a Chairman or on any question of adjournment shall be taken at the meeting without adjournment.
16. Any director or officer of the Issuer or the Guarantor and their respective lawyers and financial advisers may attend and speak at any meeting. Subject to this, but without prejudice to the proviso to the definition of "**outstanding**" in Clause 2 of this Agreement, no person shall be entitled to attend and speak nor shall any person be entitled to vote at any meeting of the holders of the Capital Securities or join with others in requiring the convening of a meeting unless he is an Eligible Person. No person shall be entitled to vote at any meeting in respect of Capital Securities held by, for the benefit of, or on behalf of the Issuer, the Guarantor or any Subsidiary of the Issuer or the Guarantor. Nothing contained in this paragraph 16 shall prevent any of the proxies named in any block voting instruction from being a director, officer or representative of or otherwise connected with the Issuer or the Guarantor.
17. Subject as provided in paragraph 16, at any meeting:
  - (a) on a show of hands every Eligible Person present shall have one vote; and
  - (b) on a poll every Eligible Person present shall have one vote in respect of each U.S.\$1,000 or such other amount as the Fiscal Agent shall in its absolute discretion specify in principal amount of Capital Securities in respect of which he is an Eligible Person.

Without prejudice to the obligations of the proxies named in any block voting instruction, any person entitled to more than one vote need not use all his votes or cast all the votes to which he is entitled in the same way.

18. The proxies named in any block voting instruction need not be holders of the Capital Securities.
19. A meeting of the holders of the Capital Securities shall in addition to the powers set out above have the following powers exercisable only by Extraordinary Resolution (subject to the provisions relating to quorum contained in paragraphs 7 and 9), namely:
  - (a) power to approve any compromise or arrangement proposed to be made between the Issuer and the Guarantor and the holders of the Capital Securities or any of them;
  - (b) power to approve any abrogation, modification, compromise or arrangement in respect of the rights of the holders of the Capital Securities against the Issuer and the Guarantor or against any of their property whether these rights arise under this Agreement, the Capital Securities or otherwise;
  - (c) power to agree to any modification of the provisions contained in this Agreement or the Conditions, the Capital Securities or the Subordinated Guarantee which is proposed by the Issuer or the Guarantor;
  - (d) power to give any authority or approval which under the provisions of this Schedule 5 or the Capital Securities is required to be given by Extraordinary Resolution;
  - (e) power to appoint any persons (whether holders of the Capital Securities or not) as a committee or committees to represent the interests of the holders of the Capital Securities and to confer upon any committee or committees any powers or discretions which the holders of the Capital Securities could themselves exercise by Extraordinary Resolution;
  - (f) power to approve any scheme or proposal for the exchange or sale of the Capital Securities for, or the conversion of the Capital Securities into, or the cancellation of the Capital Securities in consideration of, shares, stock, notes, bonds, debentures, debenture stock and/or other obligations and/or securities of the Issuer or the Guarantor or any other company formed or to be formed, or for or into or in consideration of cash, or partly for or into or in consideration of shares, stock, notes, bonds, debentures, debenture stock and/or other obligations and/or securities as stated above and partly for or into or in consideration of cash; and
  - (g) power to approve the substitution of any entity in place of the Issuer (or any previous substitute) as the principal debtor in respect of the Capital Securities or the Guarantor (or any previous substitute) as guarantor under the Subordinated Guarantee.

20. Any resolution (i) passed at a meeting of the holders of the Capital Securities duly convened and held, (ii) passed as a resolution in writing or (iii) passed by way of electronic consents given by holders of the Capital Securities through the relevant clearing system(s), in accordance with the provisions of this Schedule 5 shall be binding upon all the holders of the Capital Securities whether present or not present at the meeting referred to in (i) above and whether or not voting and each of them shall be bound to give effect to the resolution accordingly and the passing of any resolution shall be conclusive evidence that the circumstances justify its passing. Notice of the result of voting on any resolution duly considered by the holders of the Capital Securities shall be published in accordance with Condition 14 by the Issuer within 14 days of the result being known **provided that** non-publication shall not invalidate the resolution.
21. The expression "**Extraordinary Resolution**" when used in this Schedule or the Conditions means (a) a resolution passed at a meeting of the holders of the Capital Securities duly convened and held in accordance with the provisions of this Schedule 5 by a majority consisting of not less than 75 per cent. of the persons voting on the resolution upon a show of hands or, if a poll was duly demanded, by a majority consisting of not less than 75 per cent. of the votes given on the poll or (b) a resolution in writing signed by or on behalf of the holders of not less than 75 per cent. in principal amount of the Capital Securities outstanding, which resolution in writing may be contained in one document or in several documents in similar form each signed by or on behalf of one or more of the holders of the Capital Securities or (c) consent given by way of electronic consents through the relevant clearing system(s) (in a form satisfactory to the Agent) by or on behalf of the holders of not less than 75 per cent. in principal amount of the Capital Securities outstanding.
22. Minutes of all resolutions and proceedings at every meeting shall be made and duly entered in books to be from time to time provided for that purpose by the Issuer and any minutes signed by the Chairman of the meeting at which any resolution was passed or proceedings had shall be conclusive evidence of the matters contained in them and, until the contrary is proved, every meeting in respect of the proceedings of which minutes have been made shall be deemed to have been duly held and convened and all resolutions passed or proceedings had at the meeting to have been duly passed or had.
23. Subject to all other provisions contained in this Schedule, the Fiscal Agent may without the consent of the Issuer, the Guarantor or the holders of the Capital Securities prescribe any other regulations regarding the calling and/or the holding of meetings of holders of the Capital Securities and attendance and voting at them as the Fiscal Agent may in its sole discretion think fit (including, without limitation, the substitution for periods of 24 hours and 48 hours referred to in this Schedule of shorter periods). Any regulations prescribed by the Fiscal Agent may but need not reflect the practices and facilities of any relevant clearing system. Notice of any other regulations may be given to holders of the Capital Securities in accordance with Condition 14 and/or at the time of service of any notice convening a meeting.

**SCHEDULE 6**  
**REGISTRATION AND TRANSFER OF CAPITAL SECURITIES**

1. Each Capital Security shall have an identifying serial number which shall be entered on the Register.
2. The Capital Securities are transferable in integral multiples of U.S.\$200,000 or in integral multiples of U.S.\$1,000 in excess thereof thereafter each by execution of the form of transfer endorsed thereon under the hand of the transferor or, where the transferor is a corporation, under its common seal or under the hand of its officer(s) duly authorised in writing. In this Schedule 6, "**transferor**" shall, where the context permits or requires, include joint transferors and be construed accordingly.
3. The Capital Securities to be transferred must be delivered for registration to the specified office of the Transfer Agent with the form of transfer endorsed on the Capital Securities duly completed and executed and must be accompanied by the documents, evidence and information required pursuant to the Conditions and such other evidence as the Issuer may reasonably require to prove the title of the transferor or his right to transfer the Capital Securities and, if the form of transfer is executed by some other person on his behalf or in the case of the execution of a form of transfer on behalf of a corporation by its officers, the authority of that person or those persons to do so.
4. The executors or administrators of a deceased holder of Capital Securities (not being one of several joint holders) and in the case of the death of one or more of several joint holders the survivor of the joint holders shall be the only person or persons recognised by the Issuer as having any title to the Capital Securities.
5. Any person becoming entitled to Capital Securities in consequence of the death or bankruptcy of the holder of such Capital Securities may upon producing such evidence that he holds the position in respect of which he proposes to act under this paragraph 5 or of his title as the Issuer shall reasonably require be registered himself as the holder of such Capital Securities or, subject to the preceding paragraphs as to transfer, may transfer such Capital Securities. The Issuer shall be at liberty to retain any amount payable upon the Capital Securities to which any person is so entitled until the person shall be registered as provided above or shall duly transfer the Capital Securities.
6. Unless otherwise requested by the holder of Capital Securities and agreed by the Issuer, the holder of Capital Securities shall be entitled to receive only one Capital Security in respect of its entire holding.
7. The joint holders of Capital Securities shall be entitled to one Capital Security only in respect of their joint holding which shall, except where they otherwise direct, be delivered to the joint holder who represents the joint holders and whose name appears first in the register of the holders of Capital Securities in respect of the joint holding.
8. Where a holder of Capital Securities has transferred part only of his holding there shall be delivered to him without charge a Capital Security in respect of the balance of the holding.

9. The Issuer shall make no charge to the holders for the registration of any holding of Capital Securities or any transfer thereof or for the issue thereof or for the delivery of Capital Securities at the specified office of the Transfer Agent or by mail to the address specified by the holder of a Capital Security. If any holder of a Capital Security entitled to receive a Capital Security wishes to have the same delivered to him otherwise than at the specified office of the Transfer Agent, the delivery shall be made, upon his written request to the Transfer Agent, at his risk and (except where sent by mail to the address specified by the holder of a Capital Security) at his expense.
10. No transfer of a Capital Security may be effected unless:
  - (a) such Capital Security is transferred in a transaction that does not require registration under the Securities Act and is not in violation of the United States Investment Company Act of 1940;
  - (b) such transfer is effected in accordance with the provisions of any restrictions on transfer specified in the legends (if any) set forth on the face of the Capital Security Certificate issued in relation to such Capital Security;
  - (c) the transferee delivers to the Registrar or the Transfer Agent a form of transfer (including any certification as to compliance with restrictions on transfer included in such form of transfer) endorsed on the Capital Security Certificate; and
  - (d) if the Issuer so requests, the Transfer Agent and the Registrar receive an opinion of counsel satisfactory to them.
11. If Capital Security Certificates are issued upon the transfer or replacement of Capital Security Certificates not bearing the Rule 144A Legend, the Capital Security Certificates so issued shall not bear the Rule 144A Legend. If Capital Security Certificates are issued upon the transfer, exchange or replacement of Capital Security Certificates bearing the Rule 144A Legend, or if a request is made to remove the Rule 144A Legend from a Capital Security Certificate, the Capital Security Certificates so issued shall bear the Rule 144A Legend, or the Rule 144A Legend shall not be removed (as the case may be) unless there is delivered to the Issuer and the Registrar such evidence (which may include an opinion of counsel reasonably satisfactory to the Issuer) as may be reasonably required by the Issuer that neither the Rule 144A Legend nor the restrictions on transfer set forth therein are required to ensure that transfers thereof comply with the provisions of Rule 144A, Rule 144 or Regulation S under the Securities Act or that the Capital Securities in relation to which such Capital Security Certificates are issued are not "restricted securities" within the meaning or Rule 144 under the Securities Act. Upon receipt of written notification from the Issuer that the evidence presented is satisfactory, the Registrar shall authenticate and deliver a Capital Security Certificate that does not bear the Rule 144A Legend. If:
  - (a) the Rule 144A Legend is removed from the face of a Capital Security Certificate and the Capital Security in respect of which such Capital Security Certificate is issued is subsequently held by the Issuer or an Affiliate of the Issuer; and

- (b) the Registrar is notified in writing by the Issuer that the Capital Security in respect of which such Capital Security Certificate is issued is so held,

then the Rule 144A Legend shall be reinstated and the Issuer or the Registrar shall, upon its acquisition of such a Capital Security or upon obtaining actual knowledge that such Capital Security is held by such Affiliate, notify the Registrar thereof in writing.

12. The registered holder of a Capital Security may (to the fullest extent permitted by all applicable laws) be treated at all times, by all persons and for all purposes as the absolute owner of such Capital Security notwithstanding any notice any person may have of the right, title, interest or claim of any other person. The Issuer shall not be bound to see to the execution of any trust to which any Capital Security may be subject and no notice of any trust shall be entered on the register. The holder of a Capital Security will be recognised by the Issuer as entitled to his Capital Security free from any equity, set-off or counterclaim on the part of the Issuer against the original or any intermediate holder of the Capital Security.



**SCHEDULE 7  
FORM OF TRANSFER CERTIFICATE**

Citigroup Global Markets Europe AG  
Reuterweg 16  
60323 Frankfurt  
Germany

as registrar

**NBK TIER 1 FINANCING (2) LIMITED**

**U.S.\$750,000,000 Perpetual Tier 1 Capital Securities (the "Capital Securities")**

**TRANSFER CERTIFICATE**

We refer to the agency agreement dated 27 November 2019 (as amended or supplemented from time to time, the "**Agency Agreement**") in relation to the Capital Securities of NBK Tier 1 Financing (2) Limited (the "**Issuer**") and made between the Issuer, Citibank N.A., London Branch as fiscal agent, transfer agent and calculation agent, and Citigroup Global Markets Europe AG as registrar (the "**Registrar**"). Capitalised terms used but not defined herein shall have the meanings given to them in Regulation S under the United States Securities Act of 1933, as amended (the "**Securities Act**").

We, as transferor (the "**Transferor**") of U.S.\$\_\_\_\_\_ in principal amount of our beneficial interest in Capital Securities represented by the [Restricted/Unrestricted] (*delete as appropriate*) Global Certificate, hereby request a transfer of (*tick one of the following boxes*):

1.  our beneficial interest in [the]/[an] Unrestricted Global Certificate (ISIN:XS2010037922) to a purchaser wanting to receive a beneficial interest in the Restricted Global Certificate (CUSIP Number: 62878WAA6); or
2.  our beneficial interest in [the]/[a] Restricted Global Certificate to a purchaser wanting to receive a beneficial interest in the Unrestricted Global Certificate.

*(tick box A or box B below, as applicable)*

In connection with such request, and in respect of such Capital Securities, we, the Transferor, hereby certify that such Capital Securities are being transferred in accordance with the transfer restrictions set forth in the Prospectus relating to the Capital Securities dated 25 November 2019 and any legend on the relevant Global Certificate and that we are transferring such Capital Securities:

*(tick one of the following boxes)*

- (A)  in accordance with Regulation S under the Securities Act, and, accordingly, we hereby certify that:

- (i) the offer of the Capital Securities was not made to a person that is, or that is acting for the account or benefit of, a U.S. person or that is in the United States;
- (ii) either: (1) at the time the buy order was originated, the buyer was not, and was not acting for the account or benefit of, a U.S. person, and was outside the United States or the Transferor or any person acting on its behalf reasonably believed that the buyer was not, and was not acting for the account or benefit of, a U.S. person, and was outside the United States; or (2) the transaction was executed in or on or through the facilities of a designed offshore securities market and neither the Transferor nor any person acting on its behalf knows that the transaction was prearranged with a buyer that is, or is acting for the account or benefit of, a U.S. person or that is in the United States;
- (iii) no directed selling efforts have been made in contravention of the requirements of Rule 903(b) or 904(b) of Regulation S, as applicable;
- (iv) the transaction is not part of a plan or scheme to evade the registration requirements of the Securities Act; and
- (v) with regard to transfers occurring within the period prior to and including the fortieth day after the issue date of the Capital Securities, any beneficial interest in the Unrestricted Global Certificate shall be held through either Euroclear or Clearstream, Luxembourg.

OR

- (B)  pursuant to an exemption from registration provided by Rule 144 under the Securities Act, if applicable.
- (C)  in accordance with Rule 144A to a transferee that we reasonably believe is purchasing the Capital Securities for its own account or any account with respect to which the transferee and any such account is a "**qualified institutional buyer**" within the meaning of Rule 144A under the Securities Act, in each case in a transaction meeting the requirements of Rule 144A under the Securities Act and in accordance with any applicable securities laws of any State of the United States or any other jurisdiction.

If none of the foregoing boxes is checked, the Registrar shall not be obliged to effect the exchange of interests in the Global Certificates to reflect the transfer of the beneficial interests in the Global Certificate contemplated by this transfer certificate.

This certificate and the statements contained herein are made for your benefit and the benefit of the Issuer.

Yours faithfully,

---

For and on behalf of

[*Transferor*]

Dated: [•]

**SIGNATORIES**

**NBK TIER I FINANCING (2) LIMITED**



.....  
By: Sedef Kufrevi

**NATIONAL BANK OF KUWAIT S.A.K.P.**

.....  
By:

**CITIBANK N.A., LONDON BRANCH as Fiscal Agent, Transfer Agent and Calculation Agent**

.....  
By:

**CITIGROUP GLOBAL MARKETS EUROPE AG, as Registrar**

.....  
By:

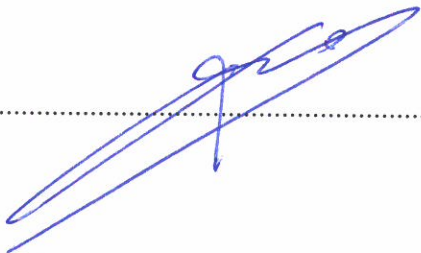
**SIGNATORIES**

**NBK TIER I FINANCING (2) LIMITED**

.....  
By:

**NATIONAL BANK OF KUWAIT S.A.K.P.**

.....  
By:

A handwritten signature in blue ink, consisting of several loops and a long horizontal stroke, positioned over the signature line for National Bank of Kuwait S.A.K.P.

**CITIBANK N.A., LONDON BRANCH as Fiscal Agent, Transfer Agent and Calculation Agent**

.....  
By:

**CITIGROUP GLOBAL MARKETS EUROPE AG, as Registrar**

.....  
By:

**SIGNATORIES**


**NBK TIER I FINANCING (2) LIMITED**

.....  
By:

**NATIONAL BANK OF KUWAIT S.A.K.P.**

.....  
By:

**CITIBANK N.A., LONDON BRANCH as Fiscal Agent, Transfer Agent and Calculation Agent**

  
.....  
By: *CAROL HARDY*

**CITIGROUP GLOBAL MARKETS EUROPE AG, as Registrar**

.....  
By:

**SIGNATORIES**

**NBK TIER I FINANCING (2) LIMITED**

.....  
By:

**NATIONAL BANK OF KUWAIT S.A.K.P.**

.....  
By:

**CITIBANK N.A., LONDON BRANCH as Fiscal Agent, Transfer Agent and Calculation Agent**

.....  
By:

**CITIGROUP GLOBAL MARKETS EUROPE AG, as Registrar**

.....  
By:  **Lothar Schäfer**  
Gabriele Fisch

