

State of Kuwait
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Wafra International Investment Company
Articles of Association
First Chapter : Company's incorporation
Elements of Company's Incorporation

Article 1

A Kuwaiti Closed Shareholding Company called Wafra International Investment Company has been incorporated among the shareholders in accordance with the law of Commercial Companies No. 15 of 1960 and these articles of association.

Article 2

The head office and the legal seat of the company is in the State of Kuwait. The board of directors may establish branches or agencies or offices or operation Centers or to appoint Representatives for the company within the State of Kuwait or abroad.

Article 3



The duration of the company is unlimited. Starting from the date of its registration in the Commercial Register and the publication of the official announcement of its incorporation in the official gazette.

Article 4

The objectives for which the Company was incorporated are to carryout the following :

Carry out all Financial investment operations in all economical Sectors in and out of Kuwait , for the Company's account or for third party's, including:

- 1- Investment in the Real Estate , Industrial , and Agricultural Sectors and other economical Sectors through the contribution in incorporation of Specialized companies or purchase the shares of such Companies.
- 2- Negotiation of Financial Stock , selling and buying of the shares and bonds of the Companies and Government Authorities.
- 3- carry out the tasks of the Investments Trustees and managing Investment portfolios for third party's account.
- 4- Brokerage in lending and borrowing against commission or charge
- 5- Financing and mediation in International trade.
- 6- Provide researches and studies and other Technical Services related to Investmnet and employing of Funds of third party.



- 7- Creating and Managing Joint investment funds according to the Law.
- 8- Carry out the tasks of Managers for issuing of bonds to the Companies and Authorities .

further, the company may have interest in or enter in any respect with entities that carry on works similar to its works or those that may assist the company to achieve its objects in Kuwait or abroad , and it may establish , participate in or purchase such bodies or having them affiliated thereto.

B - The Capital

Article 5

The share capital of the company has been fixed at KD 15,000,000 (Kuwaiti Dinar Fifteen Million) divided into 15,000,000 shares of KD 1.000 each. All shares are in Cash .

Article 6

The shares of the company are nominal and may not be possessed by non-Kuwaitis.

Article 7

The founders who signed the Memorandum of Association subscribed in the full company's capital with 15,000,000 shares of a value of KD 15,000,000 Million nominal value distributed among them each according to his subscription as shown in the Memorandum of Association.



They paid 15% of the nominal value of the shares in which they subscribed , and the sum of KD 3,750,000 Million was depicted in the Gulf bank according to the Certificate issued by the Bank, enclosed with the original hereof.

The Founders paid 25% of the shares value upon subscription , each according to his subscription percentage according to the Certificate issued by the Gulf Bank (.K.S.C) dated .../.../1993. the balance value of the shares should be paid within 5 years from the date of the Company's Incorporation on the dates and by methods as determined by the Board of Directors provided that the payment dates shall be announced at least before 15 days . Each overdue amount shall be subject to 7% interest annually in favor of the Company.

The Board of Directors may sell the over due shares for the account of the delayed shareholder and under his liability without official notice by Auction and shall deduct from the selling price from all the Creditors the non-settled installments , interests and expenses and shall refund the balance to the Shareholder. If the selling price doesn't satisfy the due amount , the company shall recourse on the Private funds of the shareholder for the Balance.

Article 8

The board of directors shall within three months from the date of the company's Final incorporation, deliver to each shareholder, Temporary bonds to prove the value of the subscribed shares and the amount paid and the due balance, which shall be in place of the shares he possessed . The Board of Directors shall deliver the Shares Certificates each three months from the date of settlement of the last installment.



Article 9

The title to share entails acceptance of the company's Memorandum of Association and the rules of the articles of association and of the resolutions passed by its general assembly.

Article 10

Every share shall entitle its holder to an equal share of others without distinction in the possession of the company's assets and profits which were divided in the manner determined hereinafter.

Article 11

As the company's shares are nominal, the name of the last holder of the shares registered in the company's Register shall be alone entitled to the receive the amounts due for the share whether in the form of dividends or as part of the property of the Company's assets.

Article 12

The capital of the company shall not be increased unless the installments of the shares have been paid in full and it is not permitted to issue the new shares at a price less than there nominative value. In case the shares are issued at a higher value, the increased amount shall be allocated first to fulfill the expenses of the issue then to the reserve or the depreciation of the shares .Each shareholder shall have the priority to subscribe in the new shares , in a share pro-rata to the number of his shares.



In order to exercise this priority right , a period of 15 days will be granted as from the date of publishing the shareholders invitation , and the shareholders may assign , in advance their priority right or restrict such right with any restriction.

Chapter - 2

The Company's Management

a) Board of Directors

Article 13

Management of the company shall be entrusted to a board of Directors consisting of Five members , appointed by the entity or entities which are entitled to delegate a representatives on their behalf from the Board of Directors according to the percentage of the shares they own in the company according to the Provisions of article (142) of the Company's law and the remaining members shall be elected by the General Assembly by secret ballot.

Article 14

The period of the membership of the Board of Directors shall be for three years period subject to renewal.

Article 15

The member of the Board of Directors shall, be the owner in his personal capacity and the legal person who represents him , should hold shares of not less than KD 10,000 . Should such Member, at the time of his election ,



doesn't own or represent this number of the shares he shall be required to hold same within one month from the date of his election. Failing that, his membership shall become void and the legal person shall be responsible for the works of his Representatives towards the Company , its creditors and shareholders.

Article 16

The Chairman or any director shall not have any direct or indirect interest in the contracts and deals concluded with the company or its accounts unless if it is permitted by the General Assembly , nor any of them may act as such at the board of any other company carrying on competed or similar activities, also the Chairman or any of his members -even if he is representing a legal person- shall not utilize the information he received due to his position in order to have a benefit for himself or others. He shall not also sell or purchase the company's shares throughout the period of his membership in the board of Directors.

Article 17

Should the seat of a member in the Board of Directors become vacant , it shall be occupied by the member who has obtained the largest number of shareholders votes who didn't win the membership of the Board of Directors in the last election subject to the Provisions of article 13 hereof.

Should one fourth of the original seats become vacant or no qualified candidates are found to fill such seats, then the board of directors shall call for a meeting of the general assembly to be held within two months from the date of last vacancy, for election of new directors to fill the vacant positions



and in all cases a new Director shall fill the vacancy only for the remaining period of his predecessor.

Article 18

The board of directors shall by ballot elect the chairman and his deputy for a period of three years and not exceeding their membership period, and the chairman shall be the company's representative before the court and others and shall also carry out the resolutions passed by the board .The deputy Chairman shall act for the chairman in his absence or disability.

Article 19

The Board of directors may elect one or more managing directors, from among themselves and determine his or their powers and remuneration .The Board of Directors may appoint a General manager to the Company and determine his powers and remuneration.

Article 20

The chairman, his deputy or the managing directors shall be duly authorized to sign solely on behalf of the company, in accordance with the powers defined to them by the Board of Directors , or any other member delegated by the Board of Directors for this Purpose.

Article 21

The board of directors shall convene at least four times during the Financial year upon a request from the chairman, and shall also convene if not less than two directors call for a board meeting. The board meeting shall be duly

held with the attendance of the majority of the directors and no representation by proxy shall be allowed at board meeting.

Article 22

The board's resolutions shall be passed by the majority of the directors presents and in case of vote equivalence, the chairman shall have the casting vote. A special report shall be kept for this purpose in which the minutes of the Board shall be entered and which shall also be signed by the chairman, and should there be an objection by any director he may ask his opinion to be registered.

Article 23

Should a director absent for three successive meetings, without acceptable excuse , he may be deemed resigning, upon a resolution to be passed by the board.

Article 24

Without prejudice to the provisions of the commercial companies law, the ordinary General assembly shall determine the remuneration of the Members of the Board of Directors.

Article 25

The board of directors shall have the widest powers to manage the company and to exercise all such functions as may be required by the Company's Management in line with the objects thereof, and such powers shall not be limited except to the extend provided for in the law or in these articles of association or the resolutions of the general assembly. The board of



Directors is allowed to vend or mortgage the company's real estate or give guarantees or loan agreements according to the Company's interest.

Article 26

The Members of board of directors shall not be enter into personal liability for any of the company's undertakings due to carrying out their work duties within the limits of their agencies.

Article 27

The board's chairman and the members shall be responsible to the company, shareholders and others for all fraudulent acts, abuse of powers, any violation of law or of these articles of association and also for mismanagement, and an action for liability shall not be restricted , even if the general assembly vote for exoneration of the board of directors from responsibility.

B - General Assembly

Article 28

Invitation shall be extended to the Shareholders to attend the meetings of the General Assembly, of whatever capacity, by registered letters, and according to the personal signature of the shareholder on the Invitation, provided that the invitation shall be sent at least before one week from the Meeting of the General Assembly. The invitation should contain the agenda. The founders shall prepared the agenda of the Constituent general assembly whereas the board of directors shall prepare the agenda of the ordinary and extraordinary General Assembly.





Article 29

If needs arise for a meeting of the general assembly upon the request from shareholders or auditors or the ministry of Commerce and Industry, the agenda shall be prepared by whoever make such a request, and in this case no other items than those included in the agenda shall be discussed.

Article 30

Every shareholder shall have a number of votes equal to the number of his shares and he may be represented by proxy in attending the meeting whereas the minors and those interdicted shall be represented by their legal representatives. No member shall be allowed to vote for his oneself or for the person who represents him on matters connected with his personal interests or with dispute arising between himself and the company.

Article 31

Shareholders shall, at least twenty four hours before the meeting of the general assembly have their names entered in special record to be kept at the company's main office. The record shall include the name of the shareholder , the numbers of shares he owns and the number of shares he represents , and names of owners in addition to presenting the proxy Deed. Every shareholders shall be furnished with a card to attend the meeting stating the number of votes he is entitled to, either by himself as principal or by his proxy.

Article 32



In respect of whatever meetings shall be held by the general assembly and also of the majority required for the passage of resolutions, the quorum to be present shall be subject to the provisions of the commercial companies law.

Article 33

At the meetings of the general assembly votes shall be performed in the manner specified by the chairman unless the general assembly decided a certain way of voting, voting should be secret in the elections of the Board of Directors or remove from membership.

Article 34

Within thirty days from the date of registering the company in the commercial register and the official announcement in the official gazette, the Founders shall meet in the form of constituency assembly, and those who are delegated to take the procedures of the company's foundation shall provide a report about all the foundation processes with the supporting documents. The general assembly shall verify all the foundation processes and ascertain whether it is consistent with the law and in agreement with the Memorandum and Articles of Association. Also it shall consider the reports submitted by the Ministry of Commerce & Industry in this regard , elect the members of the Board of Directors , appoint the accounts Auditors and announce the final incorporation of the Company.

Article 35

Upon a request from the board of directors, the ordinary general assembly shall within three months from the end of the company's financial year, convene at least once a year. The board may also call the general assembly



whenever necessary. Though such meetings shall become compulsory if requested by holders of share not less in value than one tenth of the capital. Also the general assembly shall convene upon the request of the Ministry of Commerce and Industry.

Article 36

At an ordinary meeting the general assembly shall discuss all the company's affairs with the exception of matters reserved by the law and these articles, to be discussed at an extraordinary meeting of the general assembly or the constituent assembly.

Article 37

At an ordinary meeting the board of directors shall submit to the general assembly a report on the company's progress and its financial and economic position, the balance sheet and the profit and loss account together with statements on the directors remuneration's and the auditors fees as well as a proposal for the distribution of profits.

Article 38

At an ordinary meeting, the general assembly shall discuss the directors reports, pass resolutions in respect thereof, examine the auditors report, and the report of the Ministry of Commerce & Industry , if any, elect the directors, appoint auditors for the following year and fix their remuneration and fees.

Article 39



The general assembly shall call for an extraordinary meeting upon a request from the directors or upon application from holders of not less than one fourth of the shares, in such case the Board of Directors shall call for the meeting of the General Assembly within one month from the date of receipt of the said application.

Article 40

The following questions shall only be considered at an extraordinary meeting by the general assembly:

- 1- Amendment of the memorandum of association and the articles of association.
- 2- Sale of the entire enterprise carried out by the company or otherwise disposing thereof in any way.
- 3- Dissolution of the company or its amalgamation with another firm or corporation.
- 4- Decrease of the company's capital
- 5- Change the Company's name

Any amendment of the company's articles of association shall not be effective unless after the approval of the Central Bank of Kuwait and the Ministry of Commerce & Industry

C - Company Accounts

Article 41



The company shall have one or more statutory auditors appointed by the General Assembly, and determine his Fees , to examine the company's account for the financial year in question.

Article 42

The financial year of the company shall commence on the first day of January and end on 31st of December yearly, except the First Financial year of the Company which starts on the date of the Final incorporation of the Company and ends on 31 December of the next year.

Article 43

The Auditor shall have the powers and owe the obligations provided for in the commercial companies law.

He shall also have a specific power to inspect the companies books, records and documents at any time, to obtain whatever information he deems necessary and to verify the assets and liabilities of the company. Should he however be obstructed from the proper of exercise of the said power he shall submit a report on this fact to the board of directors and he shall have also the right to call a meeting of the general assembly for the said purpose.

Article 44

The Auditor shall submit to the general assembly a report showing whether or not the balance sheet and the profit and loss account are true and in order and reflect honestly the real financial position of the company, whether or not the company's accounts are kept regularly and stock staking has been carried out according to the usual practice, whether or not the statements

reported by the auditors are in agreement with the company's books and records, whether there were any violations of the law or the company's articles which had affected the company's activities or financial position during the financial year . And whether to the best of his knowledge such violations are still being committed or not. In his capacity as representative of all the shareholders, the Auditor shall be responsible for all statements contained in his report, and during the meeting of the general assembly every shareholder shall have the right to discuss such statements and ask for any explanations.

Article 45

A deduction of the gross profits a percentage to be fixed by the directors shall be provided for the depreciation of the company's assets or compensate the decrease of its value , such amount shall be applied in the purchase of materials, premises, plant and machinery or in the repairs thereof and shall not therefore be distributed to the shareholders.

Article 46

The net profits shall be divided as follows:

First: 10% to be deducted for the compulsory reserve account. The General Assembly may suspend such deduction if the compulsory reserve exceeds half of the company's Capital.

Second: 5% to be deducted for Kuwait Institute for Scientific Advancement according to the Decree dated 12.12.1976.



- Third: 10% to be deducted for the optional reserve, proposed by the Board of Directors and approved by the ordinary General Assembly . such deduction may be suspended by the general assembly resolution upon proposals from the board of directors.
- Fourth: A percentage of the profits shall be deducted by proposal of the board of Directors and approved by the general assembly to meet the company's commitments under the labor law and shall not therefore to be distributed to the shareholders.
- Fifth: A sum required for distribution of First dividend of 5% shall be deducted in favor of the Shareholders as fixed by the board of directors and approved by the General Assembly.
- Sixth: A percentage of not exceeding 10% of the balance of net profit approved by the General Assembly after deduction of the aforesaid provisions, shall then be provided for remunerating the board of Directors .
- Seventh: The balance of the net profit then shall be distributed as additional share in the dividend or carried forward to the next year upon proposals from the directors or provided for raising an extraordinary general reserve Fund or sinking fund.

Article 47

Dividends shall be paid to the shareholders at the place and on the dates fixed by the board of directors.

Article 48



The reserve fund shall, upon the resolution of the board of directors be used in favor of the Company's interest , and the Statutory reserve may not be distributed among shareholders . However it may be used for securing the distribution of profits among shareholders up to 5% during the years where the profits of the Company do not allow securing of such extent and , if the Statutory reserve exceeds half the Capital of the Company , the General Assembly may decide the use of excess in the respect it deems to the best interest of the Company and its Shareholders.

Article 49

The company's cash balances shall be deposited with one ore more banks to be designated by the board of directors who shall also fix the maximum amount of the cash to be kept in hand by the cashier.

CHAPTER - 3

Termination and Liquidation of the Company

Article 50

The company shall be wound due to any of the provisions of commercial companies law .

Article 51

On winding up the company's funds shall be liquidated in accordance with the provisions of the commercial companies law.

Article 52

The provisions of commercial companies law No. 15 of 1960 and the amendment thereto shall be applied in respect of all matters not have been provided for herein.

Article 53

Declaration

The founders declare :

First : That all provisions of the memorandum of association and articles of association are incompliance with the form set forth in article 69 of Commercial Companies Law.

Second: That they have subscribed in all the shares and deposited 25% of its value in the Company's name and Account at the Gulf Bank.

Third: That they have appointed the necessary administration staff for the company, the first administration staff member of the company shall be elected in the first meeting of the shareholder in their capacity as constituent assembly.

First Party in his Capacity (signature)

Second Party

(signature)

Third party (signature)

Fourth party-(signature)





Fifth party- (signature)

First Witness (Signature) second Witness (Signature)

This Contract has been made as stated above and was signed by the persons present after it was read to them. Made of one original and 13 copies , it consists of 11 pages , and this amount of writing, it has no deletion or addition, and the enclosures are attached to the original.

(Signature)

Authentication officer

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