

TRANSLATION

Shamal Az Zour Al Oula (Kuwaiti Joint Stock Company)

Articles of Association

Appeared:

- (1) Kuwait Investment Authority (**Kuwaiti Public Authority**) established in accordance with the law No. 47 of 1982 dated 20/06/1982.

Represented in signing by Mr. Bader Mohammed Abdullah Al Saad Kuwaiti national, holder of civil ID no. 258012300164, in his capacity as managing director of the authority pursuant to the decision of the Board of Directors No.3 of 2013.

- (2) The Public Institution for Social Security (**Kuwaiti Public Institution**) established by Amiri Decree No.61 for the year 1972 dated 29/08/1976.

Represented in signing by Mr. Abdullah Jaber Al Ahmed Al Jaber Al Sabah, Kuwaiti national, holder of civil ID no. 266070100865, in his capacity as Deputy Director General pursuant to the decision No.11 for the year 2008

- (3) Al Zour Al Shamalia Al Oula (closed share holder company) legalized under No.1224 dated 10/03/2013 Represented in signing by Mr. Zaid E J A Al Saqar, Kuwaiti national, holder of Kuwaiti civil ID no. 283031100349, in his capacity as Vice Chairman – pursuant to a "whom it may concern" certificate issued by the Ministry of Commerce and Industry dated 05/05/2013.

Article (1)

The above Preamble is considered an integral part of this Contract.

Article (2)

By this Contract each of the First the Second Party - in their capacity as the two government entities which desire to invest in the project within the specified percentage to government entities- and Party No. Three a Kuwaiti joint stock company pursuant to the provisions of Law No. (39) of 2010 (and its amendments) on Establishing Kuwaiti Joint Stock Companies Undertaking Building and Implementation of Electrical Power and Desalination Plants in Kuwait; Law No. (7) of 2008 Regulating Building, Operation, Transmission and Similar Systems and amending certain provisions of Decree by Law No. (105) of 1980 Concerning Regulation of Property of the State; and the laws amending the said Law and the provisions of the Companies Law Promulgated by Law No. 25 of 2012 and the Articles of Association attached to this Contract.

Article (3)

The name of this company is: Shamal AZ Zour Al Oula to build, execute, operate, manage and maintain Al Zour North Station first stage (Kuwaiti Joint Stock Company)

Article (4)

The principal office and the place of business of the Company shall be in the State of Kuwait. The board of directors may establish branches, agencies, offices or operation centers and may appoint representatives for the Company in Kuwait or abroad.

Article (5)

The term of this Company shall be unlimited and it shall end when the purpose for which it was established ends.

Article (6)

The objectives for which the Company has been established shall be building, implementation, operation and maintenance of Al Zour North Plant (Phase 1), and to this end shall have the power to do the following:

1. To develop, finance, design, engineer and provide services and build, implement, operate and manage an electricity and power generation plant and a water plant including water desalination plant and related facilities including performing all work directly or indirectly related to or associated with its activities.
2. To carry on all works relating to the building works necessary for the Company to carry on its activity, including construction, purchase and lease of buildings, land, equipment and warehouses necessary for realization of the objectives of the company and all the facilities relating thereto.
3. To carry on all works of generation, production, transmission, making, development and sale of electricity and water, or any product relating to any such works in and outside the State of Kuwait.
4. To carry on chemical cleaning, hot oil cleaning works and disinfection for all heat exchangers, and to carry on all electrical and civil works necessary for all electricity and water sector works (power plants – pipeline and electricity projects for desalination units and petrochemicals), To carry on all maintenance works including those relating to power generation, water, pipeline installations and installation of relay stations and installation of all insulation items.
5. To import and install equipment at electricity and water locations for monitoring and measurement of air pollutants and to use skilled labor specialized in fighting pollution of the environment surrounding water and electricity field.
6. To purchase all materials and equipment and all movable properties and instruments necessary for the Company to realize its objectives, and to maintain the same by all modern means possible, and to import primary materials, equipment and instruments necessary for the Company's objectives.
7. To supply and install security and safety equipment relating to the objectives of the Company.
8. To import all necessary equipment to implement its objects, including but not limited to, install, supply and maintain all types of power cables, electrical cables, water pumps, instruments and equipment relating to the activity of the Company.

9. To purchase ownership rights relating to manufacture directly relating to the Company's services in industrial companies.
10. To carry out technical research relating to the Company's business with the aim to improve and develop the Company's services in cooperation with specialized parties in and outside the State of Kuwait.
11. To make direct participation in placing infrastructure of zones and projects relevant to the objectives of the Company in Building, Operation and Transmission system (BOT) or in other similar systems including those referred to in Law No. 39 of 2010 (and its amendments), and to manage the facilities established thereby.
12. To invest the money of the Company within the objects and percentages that are set out by the board of directors.

The Company may carry on the activities listed above in and outside the State of Kuwait, whether as a principal or agent.

The Company is permitted to participate in study, finance or implementation of any project of the projects that have been tendered pursuant to Law No. 39 of 2010 (and its amendments) on Establishing Kuwaiti Joint Stock Companies Undertaking Building and Implementation of Electrical Power and Desalination Plants in Kuwait.

Article (7)

The capital of the Company has been specified in the amount of KD110,000,000 (Kuwaiti Dinars one hundred and ten million) divided into 1,100,000,000 (one billion one hundred million) shares in the amount of Fils 100 (one hundred) each, all being cash shares.

Article (8)

The undersigned founders subscribing all the shares designated for them representing 10% of the shares for the government and the government entities, 40% to the consortium that has been awarded the auction distributed as follows:

Ser. No.	Name	No. of Shares	Value in Dinars
Shares of the Government and Associated Entities / 10% of the shares allocated to the Government entities, distributed in the following manner:			
1	Kuwait Investment Authority	55,000,000	5,500,000
2	The Public Institution for Social Security	55,000,000	5,500,000
The investor's share / 40% of the shares allocated to the winning consortium, distributed in the following manner:			
3	Az Zour Al Shamalia Al Oula	440,000,000	44,000,000
	Total	550,000,000	55,000,000

The founders deposited the amount of (KD13,750,000) [Kuwaiti Dinars thirteen million seven hundred and fifty thousand only] representing 25% of the nominal value of these shares in proportion to their respective subscriptions with National Bank of Kuwait (the **Bank**) pursuant to the certificate issued by the said Bank dated 2013 attached to the original of this contract.

Each Party is obligated to settle the value of the shares in cash, just as each Party is obligated to settle the remaining balance the share capital being (KD 41,250,000) [Kuwaiti Dinars forty one million two hundred and fifty thousand] pursuant to Kuwaiti Companies Law No. 25 of 2012, and in all circumstances, it is required that the amount is settled within five years from the date the company is registered in the commercial register in accordance with the dates specified by the board of directors, unless the Parties agree to reduce the capital pursuant to the provisions of the Law.

50% of the total shares in the amount of (KD 55,000,000) [Kuwaiti Dinars fifty five million only] representing (550,000,000 shares) [five hundred fifty million shares] shall be offered for public subscription by Kuwaiti nationals, and that shall be subscribed to by the The Partnerships Technical Bureau (hereinafter referred to as '**Technical Authority**' [the **Bureau**]) representing the State of Kuwait and on behalf of the Kuwaiti nationals whose names are registered with the Public Authority for Civil Information as of the date of subscription and shall settle in its capacity the full value of the said shares – immediately upon publication of the Ministerial Decision approving formation of the Company. This value shall be deposited in the agreed and specially designated bank accounts – the public subscription value to cover part of the public shareholding company's capital that is allocated to citizens – which should be transferred from the above said special account to the public shareholding company's account in parallel and in accordance with what is transferred from the founders in accordance with the written agreements on this matter, in accordance with the above paragraph to the date of settling the remaining value of the capital. The Bureau, on behalf of the Government of the State of Kuwait, shall hold all shares designated for public subscription in accordance with the written agreements on this matter, and thereafter shall allocate equally among Kuwaiti nationals whose names are registered with the Public Authority for Civil Information without allocating fractions of shares, provided that the amount of such subscriptions shall be paid by the said Kuwaiti nationals to the State in accordance with the procedures and in the manner designated by the Technical Authority [the Bureau], without interest, fees or premium over the price of the share in subscription, by not later than the end of sixty days calculated from the first day of the month following the month in which the Technical Authority [the Bureau] itself made invitation for Kuwaiti nationals.

Fractions of shares not allocated to Kuwait nationals shall devolve [revert] to the State, and all shares for which no payment was made by Kuwaiti nationals to the State within the specified time for any reason whatsoever shall devolve [revert] to the State as of the day following immediately the expiry of the term designated for payment of such subscription by Kuwaiti nationals pursuant to Article Two of the aforesaid Law No. 39 of 2010 (and its amendments). The State shall, within not later than one year from the expiry of the said term transfer the said shares to the company to whom the auction has been awarded upon payment of their value by the said company pursuant to the provisions of clause (2) of Article One of Law No. 39 of 2010 referred to and its amendments, unless the government entities show interest in owning these shares within their specified percentages pursuant to the provisions of aforementioned law.

Article (9)

The costs, fees, expenses and wages for which the Company shall be liable at the account of its formation shall be KD 0 (Kuwaiti Dinars zero) and shall be deducted from the general expenses account of the Company.

Article (10)

The undersigned founders undertake to seek issuance of the Ministerial Decision forming the Company pursuant to Kuwaiti Companies Law No. 25 of 2012, and to take all the necessary procedures for

completion of formation of the Company, publication and registration and undertake to exclude and cancel false and repeated subscription applications. The undersigned founders may take the necessary procedures for realization of the foregoing and for this purpose they appointed:

Jointly and [or] severally to take the legal procedures and to submit the necessary documents and to make any amendments which may be required by the official authorities to the Contract or to the Articles of Association attached to it.

They shall also have the power to deposit the subscription amounts with approved banks in Kuwait pending formation of the first board of directors.

The founders shall, within three months from the date of expiry of the subscription period and prior to the general meeting of founders, submit to the Ministry of Commerce and Industry statement of the number of shares which have been subscribed, payments by subscribers of the value of shares payable and the names of subscribers whose subscription was nullified upon segregation of subscription applications, in accordance with the provisions of the Kuwaiti Companies Law No. 25 of 2012.

Article (11)

In the interest of implementation and management of the joint facilities to service the Al Zour North Plant Project in all its phases, it is permitted for the company to establish and own Kuwaiti companies to manage the joint facilities as defined in the Sale and Purchase of Electricity Agreement which is specific to the first phase of the Al Zour North Plant Project.

Article (12)

This Contract is made pursuant to the Ministry of Commerce & Industry letter no. 2484 dated 06/08/2013 entered in the received mail of the Ministry of justice, Contracts Legalization and Companies Office under number 1904447 dated 15/08/2013.

First Party in his capacity as Bader Mohammed Abdullah Al Saad
capacity as Abdullah Jaber Al Ahmed Al Jaber Al Sabah

Second Party in his

Third Party in his capacity as Zaid E J A Al Saqar

In witness whereof, this Contract was made and upon reading it was signed by the parties present. This Contract is made in one original and five copies and it consists of (23) pages and (12) Articles, it does not have any addition or deletion. With the original Contract attached are letter of the Ministry of Commerce and Industry, the draft Contract, letter of National Bank of Kuwait, copies of powers of attorneys, copies of civil identity cards and certificates to whom it may concern.