

Shamal Az Zour Al Oula

(Kuwaiti Joint Stock Company)

Memorandum of Association

Section One

In the Incorporation of the Company

(a) Elements of Incorporation of the Company

Article (1)

Pursuant to the provisions of the Kuwaiti Companies Law No. 25 of 2012, 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 and Transmission and Similar Systems, and amending certain provisions of Decree by Law No. (105) of 1980 Concerning Property of the State and these Articles of Association among the owners of the shares hereinafter a Kuwaiti joint stock company in the name Al Zour First for Energy and Water (Kuwaiti Joint Stock Company) has been established.

Article (2)

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 (3)

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

Article (4)

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 5

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.

(b) Capital

Article (6)

The capital of the Company has been specified in the amount of KD 110,000,000 (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 (7)

The shares of the Company are nominal shares and non-Kuwaiti nationals may hold the Company's shares pursuant to the provisions of the laws and ministerial resolutions regulating the same.

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% of the shares for 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 for government entities, distributed in the following manner:			
1	Kuwait Investments 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% from 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 (KD 13,750,000) [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 his remaining balance of 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 cases, it is required for the entire amount to be 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 .

If a shareholder delays in paying the installment on schedule, the company is permitted, after notification, to offer his shares for sale by public auction or at the Kuwait Stock Exchange if available. The amounts obtained from the sale shall be used in the following priority, all the creditors, the installments that have been settled and the interest and expenses, and the remaining amount shall be returned to the

shareholder. If the amount obtained from the sale is not sufficient, the company shall return the remaining amount to the shareholder in his personal funds.

Article (9)

50% of the total shares in the amount of (KD55,000,000) [Kuwaiti Dinars fifty five million only] representing (550,000,000shares) [five hundred fifty million shares] shall be offered for public subscription by Kuwaiti nationals and that shall be subscribed to by 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 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 paragraph 3 of Article 8 above 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 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 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 (10)

The Company shall issue temporary instruments pending subscription which shall show the amount of shares subscribed, the amounts paid and the balance installments. Such instruments shall substitute ordinary shares until they have been replaced by shares.

Article (11)

Ownership of a share entails acceptance of the Memorandum of Association, the provisions of the Articles of Association and the resolutions of the general meeting of the Company.

Article (12)

Every share shall entitle its holder to equal share to other shares without distinction in the ownership of the Company's assets and in the profits distributed as hereinafter set forth.

Article (13)

The Company shall maintain, pursuant to the provisions of the Kuwait Companies Law No. 25 of 2012, a register in which the names of shareholders their share numbers and count [number of shares] and the transactions carried out on them shall be entered. Any disposition of the shares shall be recognized only if it is carried out in accordance with the provisions of law. As the shares are nominal, the last holder of the share whose name is entered into the Company's register shall be the only person entitled to receive the amounts payable on the share whether as dividends or as a share in the ownership of the assets of the Company.

Article (14)

It is not permitted for the increase of share capital unless all share installments are paid in full, and it is required that the nominal value of new shares must be equivalent to the nominal value of the old shares, and a share capital increase shall occur pursuant to the provisions set out in the Kuwait Companies Law No. 25 of 2012.

No shares shall be issued for less than the nominal value of the shares. In the case that shares are issued with premium the premium shall be applied first towards payment of the costs of issuance, then to the reserve or depreciation of the shares.

Every shareholder shall have priority in subscribing to a share in the new shares in proportion to the number of its respective shares. For exercising such priority right fifteen days shall be given from the date of publication of the invitation of the shareholders. The General Meeting may resolve that shareholders waive in advance the said priority right or may impose any restrictions on such right.

Article (15)

The Company may purchase its shares for its own account in limited circumstances set out in the Commercial Companies Law No. 25 of 2012 and the related decisions, as provided in the relevant laws and resolutions provided that such purchase shall not be financed by the capital of the Company.

Section Two

In the Management of the Company

(a) Board of Directors

Article (16)

The Company shall be managed by a board consisting of (five) members. It is permitted for each shareholder whether an individual or a corporate entity including the Government and the Kuwaiti shareholding companies and foreign companies to appoint representatives for them on the board of directors in proportion to their shareholding in the capital of the Company. The general meeting shall elect the remaining members by secret poll, all in accordance with the provisions of the Kuwaiti Companies Law No. 25 of 2012.

Article (17)

The tenure of the membership of the board of directors shall be three years, which shall be renewable. A member may be re-elected.

Article (18)

A member of the board of directors shall have the required capacity to act and shall not be convicted of a prior crime or offense which could restrict his freedom, or for bankruptcy offense, fraud or a criminal offense to morals or honesty, or a related offense due to his violation of the provisions of the Kuwait Companies Law No. 25 of 2012 unless he has already been rehabilitated and shall be holder, except for the independent board members, in his personal capacity, or the corporate person represented by him shall be holder of a number of shares in the Company pursuant to the Kuwait Companies Law No. 25 of 2012 and the related decisions. And members of the first board of directors of the Company are exempt from the designated percentage of the number of shares required to be held by the member of the board of directors. The corporate person shall be responsible for the acts of his representatives towards the Company, its shareholders and creditors.

Article (19)

The chairman of the board of directors and a member of the board of directors shall not be a member to the board of directors of a similar or a competitor company and shall not be carrying on similar business or a business which is competitive to the business of the Company, and it is not permitted for the chairman of the board of directors or any of the members of the board or members of the executive management or their spouses or relatives of the second degree to have direct or indirect interest in contracts and actions entered into with or to the account of the Company and shall not have interest in conflict with the Company's interest. However, if it is by special permit from the ordinary general meeting, provided that the same shall be on the same conditions on which the Company deals with others. The chairman and a member of the board of directors – even if they were representative for a corporate person – shall not use information received by them by reason of their position in obtaining any benefit to themselves or to others and shall not dispose of any type of disposal of the shares of the Company for the term of his membership on the board of directors, until after approval of the Kuwait Capital Markets Authority.

Article (20)

In the case of vacancy of an elected position on the board of directors, such position shall be occupied by the shareholder who received the highest number of votes from among the shareholders who did not win membership on the board in the last election.

However, in the case that vacant positions reached one fourth of the original positions or in the case of absence of a person who fulfills the conditions, the board of directors shall convene a general meeting to be held within two months from the date of vacancy of the last position to elect successors for vacant positions. In all these cases, the new member shall only complete the tenure of his predecessor.

Article (21)

The board of directors shall elect by secret poll a chairman and vice chairman for three years, provided that the said term shall not exceed their membership term on the board of directors. The Chairman of the board of directors shall represent the Company before courts and before others and shall implement the resolutions issued by the board. The vice chairman shall act in place of the chairman on the latter's absence or disability to attend.

Article (22)

The Company shall have a chief operating officer appointed by the Board of Directors, who is one of the Board Members or separate from the board members, entrusted with the management of the Company and the board of directors shall designate his authority to sign on behalf of the Company and his remuneration and it is not allowed for one person to hold the positions of the chairman and CEO

Article (23)

The chairman of the board of directors, the vice chairman or the chief operating officer, according to the powers designated to them respectively by the board of directors, or any other member who may be delegated by the board of directors for this purpose, shall individually have the power to sign on behalf of the Company.

Article (24)

The board of directors shall meet not less than six times in every one financial year upon invitation of its chairman. The board of directors shall meet also upon request of two of its members at least. The meeting of the board of directors shall not be valid unless it is in the presence of half of the members and the number of members present should be at least three. Attending board meetings by proxy and issuance of resolutions by circulation shall not be permissible. It is permissible to have meetings using current telecommunications methods, and it is permitted to issue decisions by circulation with the approval of all the board members.

Article (25)

The board of directors shall specify the terms of dealing with consultancy entities, experts, consultants and individuals whether their relationship with the Company is permanent or temporary. The board of directors shall establish regulations for this purpose within the internal regulations of the Company.

Article (26)

Resolutions of the board of directors shall be passed by the majority of the members present. In the case of equality of votes the chairman shall have a casting vote. A register shall be prepared in which minutes of meetings of the board shall be entered and it shall be recorded and signed by the members present and the secretary of the board. An opposing member may request recording his opinion.

Article (27)

In the case of failure of a member of the board of directors to attend three successive hearings without lawful excuse, such member shall be considered to have resigned by resolution of the board of directors.

Article (28)

Without prejudice to the provisions of the Kuwait Companies Law, the ordinary general meeting shall specify the remunerations of the members of the board of directors.

Article (29)

The board of directors shall have the broadest powers in management of the Company and in performing all the works required by management of the Company in accordance with its objectives. Such powers shall be limited only by the provisions of the Law, these Articles or the resolutions of the board of directors. The board of directors shall not sell or mortgage real property of the Company except with the approval of the general meeting of the shareholders of the Company.

The board of directors is permitted to issue guarantees or enter into loan agreements in the name of and on behalf of the company without the consent of the general assembly of the shareholders of the company.

The board of directors is also permitted to enter into arbitration agreements in all kinds (whether in the State of Kuwait or abroad) and perform/initiate, based on its sole discretion, arbitration lawsuits and enter into settlement agreements and appoint lawyers for this purpose without the consent of the general assembly.

The board of directors may issue regulations and rules for arrangement of business, appoint of the chief operating officer, and his deputies and specify their salaries and remunerations, provided that the organizational structure and the job description and the policies and rules regulating work shall be approved by the board of directors.

The board of directors may divide the work between its members according to the company's work nature. The board is also permitted to authorize one of its members or third party to do certain work or more, or supervise on one of the company's activities, or in exercising some powers or entrusted capacities of the board.

Article (30)

The members of the board of directors shall not be under any personal obligation concerning the undertakings of the Company due to the performance of their functions within the limits of their authorizations.

Article (31)

The chairman and members of the board of directors shall be responsible for their acts to the Company, shareholders and others with respect to all acts of deceit and misuse of power and for any violation of the provisions of law or of these Articles and for errors in management. The claim for liability shall not be restricted by voting by the general meeting on the discharge of the members of the board of directors.

(b) General Meeting

Article (32)

The ordinary general meeting of the shareholders shall be held once in every year at least at the principal office of the Company or at any other place inside the State of Kuwait as may be resolved by the board of directors and approved by the Ministry of Commerce and Industry.

The board of directors may convene this meeting whenever it deems the same necessary. The board shall convene the general meeting based upon substantiated request of shareholders holding one tenth of the capital or based upon the request of the auditor and the general meeting shall also be convened upon the request of the Ministry of Commerce and Industry.

The Invitations for shareholders will be in accordance with articles 142, and 237 of the Kuwaiti Companies Law No. 25 of 2012 as amended.

The founders shall establish the agenda of the general meeting of founders and the board of directors shall establish the agenda for the ordinary and extraordinary general meetings.

Article (33)

In cases where the general meeting may be held upon request of the shareholders, the accounts controllers or the Ministry of Commerce and Industry, the agenda shall be established by the party who requested holding the general meeting. Only the matters listed in the agenda shall be deliberated.

Article (34)

Every shareholder shall have a number of votes equal to its shares. Meetings may be attended by proxy. Minors and persons under custody shall be represented by their legal representatives. A shareholder may not participate in voting for himself or for the person represented by him in matters relating to their own benefit or to dispute between him and the Company.

Article (35)

The shareholders shall enter their names in a special register to be prepared for the same at the principal office of the Company not less than twenty-four hours at least prior to the time scheduled for the general meeting. The register shall include the name of the shareholder, the number of shares held by him, the number of shares represented by him and the names of their holders, and shall submit the proxy. The shareholder shall be given a card for attending the meeting which shall show the number of votes to which such shareholder is entitled, on his own behalf and as a proxy. Every shareholder shall be entitled to attend the meeting.

Article (36)

The provisions of the Companies Law shall apply to the quorum required to be established for valid general meeting in any description and to the majority required for passing resolutions.

Article (37)

Voting in the general meeting shall be in the manner designated by the chairman of the meeting, unless the general meeting determines a specific means of voting. Voting shall be held secretly in the election and removal of directors.

Article (38)

The Founders shall invite the shareholders, within three months from the date of closing the subscription time, for holding a founders general meeting and shall submit to it a report on all the procedures of formation of the Company with the supporting documents. The general meeting shall verify the validity of the information provided in the report and its compliance with the law, Memorandum and Articles of Association of the Company, it shall also consider any reports provided by the Ministry of Commerce and Industry in this respect, shall elect the first board of directors, appoint the auditors and declare the final formation of the Company.

Article (39)

The general meeting shall be held as an ordinary general meeting once in every year at least within three months from the end of the financial year of the Company. The board of directors may convene this meeting in the circumstances set out in Article 32 of these Articles of Association.

Article (40)

The ordinary general meeting shall deliberate all matters relating to the Company except as reserved by the Law or these Articles to the extraordinary general meeting or to the founders' general meeting.

Article (41)

The board of directors shall submit to the ordinary general meeting a report on the business of the Company and its financial and economic position, the balance sheet of the Company, a statement of profit and loss, a statement of the directors' and auditors' remunerations and proposal of distribution of the profits as provided by the Commercial Companies Law.

Article (42)

The ordinary general meeting shall discuss the report of the board of directors and shall issue the resolutions it considers proper concerning it; it shall consider the auditors' report, the Ministry of Commerce and Industry's report, if any, elect the members of the board of directors and appoint auditors for the following financial year and determine their fees as provided by the Commercial Companies Law.

Article (43)

The extraordinary general meeting shall be convened upon invitation by the board of directors or upon a substantiated request of shareholders holding not less than 15% of the capital of the Company or from the Ministry. In this case the board of directors shall convene the general meeting within 30 days from the date of submitting such request.

Article (44)

The following matters shall be considered exclusively by the extraordinary general meeting:

1. Amendment of the Memorandum or Articles of Association of the Company.
2. Sale or otherwise disposition of all the business for which the Company was formed.
3. Dissolution of the Company or merger or its change in legal entity or its split.

4. Increase or reduction of the capital.

An amendment to the Articles of Association of the Company shall be enforceable only upon approval by the relevant supervisory entity and upon taking all the procedures provided in the applicable laws. An amendment relating to the name, objectives or capital of the Company, excluding increase of the capital by issuance of shares against profits realized by the Company or as a result of addition of its reserves that can be used to the capital, shall be enforceable only upon approval of the Ministry of Commerce and Industry.

(c) Accounts of the Company

Article (45)

The Company shall have one or more auditor(s) from among chartered auditors who shall be appointed and whose remuneration shall be determined by the general meeting. The auditor shall audit the financial statements for the financial year for which he is appointed.

Article (46)

The financial year of the Company shall commence from the first day of January and shall end on the 31st day of December of every year with the exception of the first financial year of the Company which shall commence from the date of declaration of final formation of the Company and shall end on 31st December of the following year.

Article (47)

The auditor shall have the powers and obligations provided for in the Kuwaiti Companies Law No. 25 of 2012 and the Decree by Law No. 5 of 1981 Concerning Practicing Auditing. He shall specifically have the power to inspect at any time all books, records and documents of the Company and to require the details he considers necessary to receive. The auditor may also verify the assets and liabilities of the Company and in the case of his disability to exercise these powers he shall note that in writing in the report submitted by him to the board of directors and referred to the general meeting. The auditor may convene a general meeting for this purpose.

Article (48)

The auditor shall submit to the general meeting a report showing whether the balance sheet and the profit and loss account are in accordance with the facts and truly and clearly reflect the true financial position of the Company, and whether the Company keeps regular accounts, whether an inventory has been carried out in accordance with the applicable rules, whether the details in the board of directors report are in accordance with the books of the Company, whether any violations of the provisions of the Articles of Association, the provisions of law or the international accounting standards have been committed during the financial year in a manner that affects the activity of the Company or its financial position, and to show whether such violations are persistent within the information available to him. The auditor shall be responsible for the validity of the details of his report in his capacity as representative for all shareholders. Every shareholder may at the general meeting discuss the report or request any clarification of the report from the auditor.

Article (49)

The net profits shall be distributed as follows:

- First: Ten percent (10%) shall be set aside for the statutory reserve. The general meeting may stop such deduction if the statutory reserve exceeds fifty percent of the capital of the Company.
- Second: One percent (1%) shall be set aside, after deduction of the statutory reserve, for the Kuwaiti Scientific Improvement Corporation account.
- Third: One percent (1%) shall be set aside as Zakat pursuant to the provisions of Law No. (46) of 2006.
- Fourth: A percentage specified by the board of directors shall be set aside for use of the assets of the Company and the compensation for reduction of its value, and this money shall be used to purchase materials, machinery and installations required or for their maintenance and it not permitted to distribute this money to the shareholders.
- Fifth: A percentage shall be set aside for any optional reserve proposed by the board of directors and approved by the general meeting. Such deduction shall be ceased by resolution of the ordinary general meeting upon proposal of the board of directors.
- Sixth: Part of the profits shall be deducted as determined by the general meeting and proposed by the board of directors for meeting the liabilities arising on the Company under the Labor Laws. These funds shall not be distributed to shareholders.
- Seventh: The amount necessary for distribution of initial dividends of (5%) five percent to shareholder shall be set aside as determined by the board of directors and approved by the general meeting.
- Eighth: 2.5% shall be set aside from the net profits of the Company for the National Labor Support Program pursuant to the provisions of Law No. (19) of 2000 and any amendments thereto.
- Ninth: After deduction of the foregoing, an amount to be determined by the ordinary general meeting, which shall not exceed ten percent (10%) of the balance profits, shall be set aside and shall be allocated for remuneration of the members of the board of directors.
- Tenth: The balance profits shall be distributed after that as bonus shares or shall be carried forward, upon recommendation of the board of directors, to the following financial year or shall be allocated for formation of extraordinary reserve or depreciation funds.

Article (50)

Dividends shall be paid to shareholders at the place and at the times determined by the board of directors.

Article (51)

UNOFFICIAL TRANSLATION

Article (49)

The net profits shall be distributed as follows:

- First:** 10% shall be deducted for the statutory reserve. The general meeting may stop such deduction if the statutory reserve exceeds 50% of the share capital of the company.
- Second:** 1% shall be deducted for *Kuwait Foundation for the Advancement of Sciences* after the deduction for the statutory reserve.
- Third:** 1% shall be deducted as Zakat pursuant to the provisions of Law no. (46) of 2006.
- Forth:** A percentage specified by the board of directors shall be deducted for company's assets depreciation or the compensation for its impaired value, and this money shall be used to purchase materials, machinery and installations required or for their maintenance and it is not permitted to distribute this money to the shareholders.
- Fifth:** A percentage shall be deducted for the voluntary reserve proposed by the board of directors and approved by the general meeting. Such deduction shall be ceased by resolution of the ordinary general meeting upon proposal of the board of directors.
- Sixth:** Part of the profits shall be deducted as determined by the general meeting and proposed by the board of directors for meeting the liabilities arising on the company under the labor laws. These funds shall not be distributed to the shareholders.
- Seventh:** The amount necessary for distribution of initial dividends of 5% to shareholder shall be deducted as determined by the board of directors and approved by the general meeting.
- Eighth:** 2.5% shall be deducted from the net profits of the company for Public Authority of Manpower (previously MGRP) pursuant to the provisions of law no. (19) of 2000 and any amendments thereto.
- Ninth:** After deduction of the foregoing, an amount to be determined by the ordinary general meeting, which shall not exceed 10% of the balance profits, shall be allocated for remuneration of the members of the board of directors.
- Tenth:** The remaining balance of the profits after the foregoing shall be then distributed as additional dividends or shall be carried forward, upon recommendation of the board of directors, to the following financial year or shall be allocated for formation of extraordinary voluntary provision or extraordinary amortization provision.

The reserve shall be applied upon resolution of the board of directors to cover the losses of the Company only or as security for distribution of up to (5%) dividends to shareholders in financial years in which the profits of the Company do not allow securing of such limit. In the case that the statutory reserve exceeds fifty percent of the capital of the Company the general meeting may resolve to stop setting aside the same or to apply the amount in excess to this percentage in the manner considered proper to the Company and its shareholders.

Article (52)

The cash funds of the Company shall be deposited with one or more bank(s) to be specified by the board of directors. The board of directors shall specify the maximum cash funds that may be kept in the Company's accounts.

Section Three

Dissolution and Liquidation of the Company

Article (53)

The Company shall be dissolved for any of the reasons provided in the Kuwait Companies Law.

Article (54)

Upon dissolution, the assets of the Company shall be liquidated in accordance with the provisions of the Kuwait Companies Law.

Section Four

Conclusive Provisions

Article (55)

These Articles of Association shall be filed and published in accordance with the law.

Article (56)

The provisions of the Kuwaiti Companies Law promulgated by Law No. (25) of 2012, and Law No. 7 of 2008 and Law No. 39 of 2010 (and its amendments) shall apply to all matters for which no provision has been designated in the Memorandum or Articles of Association.

Article (57)

The founders declare:

First: That the provisions of the Memorandum and Articles of Association are in conformity with the form provided for in the Kuwaiti Companies Law.

Second: That they subscribed to all shares designated for them representing (50%) of the total capital of the Company and that they deposited [(KD 13,750,000)] [Kuwait Dinars thirteen million seven hundred and fifty thousand only]] represented 25% of the nominal value of the said shares in proportion to their

respective subscriptions in the Company with National Bank of Kuwait (the **Bank**), pursuant to the certificate issued by the said Bank dated 2013 and attached to the original hereof.

Each Party undertakes to pay the balance amount of its share in the capital being KD (41,250,000) (Kuwaiti Dinars forty one million two hundred and fifty thousand) upon resolution of the board of directors in accordance with the Kuwaiti Companies Law No. 25 of 2012 as amended.

Third: That they appointed the necessary management bodies for management of the Company; the first management body of the Company shall be elected at the first shareholders' founders' meeting.

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 issued after reading to the parties present who signed it. This Contract is made in one original and five copies and consists of (23) pages it does not have any addition or deletion on it or on its attachments.