

United Real Estate Company
Kuwaiti Public Shareholding Company
Articles & Memorandum of Association
2016

IN THE NAME OF ALLAH THE MOST GRACIOUS THE MOST MERCIFUL

DECREE

Licensing the Establishment of a Kuwaiti Shareholding Company
NAMED: UNITED REAL ESTATE COMPANY ((URC)

WE SABAH AL SALEM AL SABAH, AMIR OF KUWAIT

Pursuant to:

- Law No. 15 of 1960 regarding commercial companies, and the laws amending it;
- the Memorandum of Association; and
- Articles of Association of the United Real Estate Company (a Kuwaiti Shareholding Company KSC).

And based upon the submission of the Minister of Commerce and Industry,

And after the approval of the Council of Ministers,

Have Decreed the following:

Article (1)

It is Licensed for: Sheikh Naser Sabah Al-Ahmad Al-Sabah, Musaed Al-Saleh Real Estate Company, Abdul Aziz and Ali Yousif Al-Muzaini Company, Abdul Jalil Syed Hassan Ahmed Behbehani, Khaled Issa Al-Saleh, Mubarak Abdul Aziz Al-Hasawi, Abdul Rahman Al-Mansour Al-Zamil, Saleh Abdul Rahman Al-Abdali, Ahmed Abdullah Al-Mahri, and Mohammed Abdullah Al-Rabiaa, to establish, in Kuwait and at their responsibility, a Kuwaiti Shareholding Company named "United Real Estate Company" with a capital of K.D. 3,000,000 (Three Million Kuwaiti Dinars).

Article (2)

The aforementioned Founders are committed to the Memorandum of Association for establishing the Company and its Articles of Association (Statute). Attached to this Decree is an official copy of each of these two documents signed by the Founders, in which they will abide by the Commercial Companies Law and the other laws.

Article (3)

This license does not grant the mentioned Company any monopoly or privilege and does not result in any liability on the government of State of Kuwait.

Article (4)

The Minister of Commerce and Industry shall implement this Decree, and it shall be published in the Official Gazette.

Amir of Kuwait

Sabah Al-Salem Al-Sabah

Prime Minister

Jaber Al-Ahmad Al-Jaber Al Sabah

Minister of Trade and Industry

Khaled Suleiman Al-Adsani

United Real Estate Company
Kuwaiti Public Shareholding Company
Articles of Association

United Real Estate **Articles of Association**

Article (1)

The Signatories hereunder have formed a group whose purpose is the establishment of a Kuwaiti Shareholding Company licensed by the Kuwaiti government in accordance with the provisions of the Commercial Companies Law and the Articles of Association (Statute) attached to this Memorandum.

Article (2)

The name of this Company is United Real Estate Company, a Kuwaiti Shareholding Company.

Article (3)

The Company's head office and legal domicile is in Kuwait City. The Board of Directors may establish branches or agencies, whether in the State of Kuwait or abroad.

Article (4)

The duration of this Company is not limited.

Article (5)¹

The objectives for which the Company was established are the following:

Without prejudice to the provisions of the Decree of the Companies and the Executive Bylaws thereof, the purposes for which the Company was established are the following:

1. Owning, selling, purchasing and developing real estate properties and lands, for the Company's account in the State of Kuwait and abroad, as well as the management of the properties of others; all of which shall not be contrary to the provisions of existing laws which ban the trading in private housing lots as provided for therein.
2. Owning, buying and selling shares and bonds of real estate companies for the Company's account in the State of Kuwait and abroad.
3. Preparing studies and providing consultancy services for all types of real estate, provided that the person who shall provide such services meets all required conditions.

¹ Article (5) was amended at the EGAM convened on April 16, 2014

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4. Carrying out maintenance work pertinent to buildings and properties owned by the Company and by others (third parties), including such maintenance work, the execution of civil, mechanical, electrical, elevator, and air conditioning works and other tasks related to maintenance to ensure the preservation and safety of the buildings.
 5. Owning, managing, operating, investing, renting and leasing of hotels, health clubs, motels, guest and rest houses, parks, gardens, galleries, restaurants, cafeterias, residential complexes and facilities, tourist and health resorts, recreation and sport-related projects and shops of various grades standard and levels, including all the original and supporting services and facilities thereto as well as other necessary services within the State of Kuwait and abroad.
 6. Organizing private real estate exhibitions pertinent to the Company's real estate projects.
 7. Conducting real estate auctions, in accordance with to the applicable regulations of the Ministry.
 8. Owning commercial malls and residential complexes.
 9. Utilising cash surpluses available in the Company by investing the same in investment portfolios managed by specialized companies and parties in the State of Kuwait and abroad.
 10. Establishing, managing or participating with others in real estate funds, whether in the State of Kuwait or abroad.
 11. Direct contribution in the development of infrastructure for residential, commercial and industrial areas and projects according to "Build-Operate-Transfer" (BOT) model and managing real estate facilities under the BOT model.

The Company may conduct such tasks in the State of Kuwait and abroad directly or through agents.

The Company may also carry out in similar, complementary or necessary works or other tasks related to its mentioned objectives.

Article (6)²

The Company's capital is at K.D. 118,797,442 (One Hundred and Eighteen Million, Seven Hundred and Ninety-Seven Thousand, Four Hundred and Forty-Two Kuwaiti Dinars), divided into 1,187,974,420 shares (One Billion, One Hundred and Eighty-Seven Million, Nine Hundred and Seventy-Four Thousand, Four Hundred and Twenty Shares); at value of 100 (One Hundred) fils per share.

Article (7)

The signatory Founders subscribed to the Company's capital with shares amounting to 150,000 (One Hundred and Fifty Thousand) shares, are according to the following:

FOUNDER NAME	SHARES IN-KIND CONTRIBUTION	SHARES FOR CASH	TOTAL	AMOUNT IN K.D.
1. Naser Sabah Al-Ahmad Al-Sabah	25,330	21,170	46,500	465,000
2. Musaed Al-Saleh Real Estate Company	26,860	19,640	46,500	465,000
3. Abdul Aziz & Ali Yusif Al-Mozaini Company		30,000	30,000	300,000
4. Abdul Jalil Syed Hassan Ahmed Behbehani		12,000	12,000	120,000
5. Khaled Issa Al-Saleh		3,000	3,000	30,000
6. Mubarak Abdul Aziz Al-Hasawi		3,000	3,000	30,000
7. Abdul Rahman Al-Man-sour Al-Zamil		1,500	1,500	15,000
8. Saleh Abdul Rahman Al-Abdali		1,500	1,500	15,000
9. Ahmed Abdullah Al-Mahri		3,000	3,000	30,000
10. Mohammed Abdullah Al-Rabiah		3,000	3,000	30,000
TOTAL	52,190	97,810	150,000	1,500,000

² Article (6) was amended at the EGAM convened on May 20, 2010

The two founders, who subscribed in-kind contributions, have undertaken to deposit the official Title Deeds that are in their names at the disposal of this Company, prior to the Shareholders' General Assembly Meeting (to elect members of the Board of Directors) and before the Company commences its business.

The Founders also undertake that, upon receipt of the Title Deeds, they will transfer ownership of the assets in kind to the name of the Company in accordance with the law and shall pay the entire value of the cash shares to "Gulf Bank" (a Kuwaiti Shareholding Company). The value of the cash shares has already been paid in full amounting to K.D. 978,100 (Nine Hundred and Seventy-Eight Thousand, One Hundred Kuwaiti Dinars), under the Bank Statement dated 19/03/1973, attached to the origin of this Memorandum of Association. The remainder of the shares totaling 150,000 (One Hundred and Fifty Thousand) shares shall be put up for public subscription in accordance with the provisions of the Articles of Association.

Note: The value of the in-kind shares are rounded to the nearest number 10 (Ten) to permit the distribution of shares, due to the inadmissibility of dividing the share.

Article (8)

The in-kind shares, which were incorporated in the Company's capital formation are:

- A. The property granted by Sheikh Nasser Sabah Al-Ahmad Al-Sabah, located in Al-Daiya area on the Arabian Gulf Street (at the seaside), with a space area of 11487 /70 square meters under the Survey Plan No. m / 47330 as described in deed No. 704 Volume /2/ dated 28/2/1953.
- B. The property granted by Musaed Al-Saleh Real Estate Company, located in Bneid Al-Qar (at the seaside) adjacent to the Kuwait Hilton Hotel, with a space area of 13653 square meters under the Survey Plan No. m / 26569 as described in deed No. /341/ dated 13/2/1971.

These two contributions were valued in accordance with the procedures set out in Article /105/ of the Commercial Companies Law and by decision of the President of the Kuwait Chamber Court No. m.k.a /246/586 dated 26/02/1973, by virtue of which experts Abdul Aziz Al-Madooh, Salem Al-Qattan and Ahmed Al-Mawash were appointed to estimate the value of the two aforementioned real estate properties.

The experts presented their report dated March 1, 1973, in which they estimated the value of the property provided by Sheikh Nasser Sabah Al-Ahmad Al-Sabah at K.D. 253,395/550 (Two Hundred and Fifty-Three Thousand, Three Hundred Ninety-Five Kuwaiti Dinars Five Hundred and Fifty fils). They also estimated the value of the property provided by the Musaed Al-Saleh Real Estate Company at K.D. 268,623 /- (Two Hundred and Sixty-Eight Thousand, Six Hundred and Twenty-Three Kuwaiti Dinars).

Attached to the origin of this Memorandum of Association, a copy of the mentioned Report.

Article (9)

The expenditures and expenses that the Company is committed to settle for its foundation are approximately 15,000 (Fifteen Thousand Kuwaiti Dinars) to be deducted from general expenditure account.

Article (10)

The Founders shall seek the issuance of the incorporation decree and to carry out all the necessary measures to complete the establishment of this Company.

For this purpose they have appointed the following committee to act on their behalf:

1. Sheikh Naser Sabah Al-Ahmad Al-Sabah
2. Fawzi Musaed Al-Saleh

To take legal action and to extract the necessary documents and amendments which the government might deem necessary to introduce to this Memorandum of Association or the accompanying Company's Articles of Association.

United Real Estate Company
Kuwaiti Public Shareholding Company
Memorandum of Association

First Chapter

Company Incorporation

United Real Estate Co. Memorandum of Association

Article (1)

The Company is established in accordance with the provisions of the Commercial Companies Law and this Statute between the owners of shares, the provisions of which are set forth hereinafter, a Kuwaiti shareholding company under the name of "United Real Estate Company".

Article (2)

The Company's head office and legal domicile is in Kuwait City and the Board of Directors may establish branches or agencies, whether in the State of Kuwait or abroad.

Article (3)

The duration of this Company is not limited.

Article (4)³

The objectives for which the Company was established are the following:

Without prejudice to the provisions of the Decree of the Companies Law, and the Executive Bylaws thereof, the purposes for which the Company was established are the following:

1. Owning, selling, purchasing and developing real estate properties and lands, for the Company's account in the State of Kuwait and abroad, as well as the management of the properties of others; all of which may not be contrary to the provisions of existing laws which ban the trading of private housing lots as provided for therein.
2. Owning, buying and selling shares and bonds of real estate companies for the Company's account in the State of Kuwait and abroad.
3. Preparing studies and providing consultancy services for any and all types within the real estate field, provided that the person who shall provide such services meets all required conditions.

³ Article (4) was amended at the EGAM convened on April 16, 2014

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4. Carrying out maintenance works pertinent to buildings and properties owned by the Company and by others (third parties), including such maintenance works, as the execution of civil, mechanical, electrical, elevator, and air conditioning works and all tasks related to maintenance works to ensure the preservation and safety of the buildings.
 5. Owning, managing, operating, investing, renting and leasing hotels, health clubs, motels, guest and rest houses, parks, gardens, galleries, restaurants, cafeterias, residential complexes and facilities, tourist and health resorts, recreation and sport-related projects and shops of various grades and levels, including all the original and auxiliary supporting services and facilities thereto as well as other necessary services within the State of Kuwait and abroad.
 6. Organizing private real estate exhibitions pertinent to the Company's real estate projects.
 7. Conducting real estate auctions, according to the applicable regulations of the Ministry.
 8. Owning commercial malls and residential complexes.
 9. Utilizing cash surpluses available in the Company by investing the same in investment portfolios managed by specialized companies and parties in the State of Kuwait and abroad.
 10. Establishing creating, managing or participating with others in real estate funds, whether in the State of Kuwait or abroad.
 11. Direct contribution to the development of infrastructure for residential, commercial and industrial areas and projects according to "Build-Operate-Transfer" (BOT) model and managing real estate facilities under the BOT model.

The Company may conduct such works in the State of Kuwait and abroad directly or through agents.

The Company may also be engaged in similar, complementary or necessary works or other works related to its mentioned objectives.

Article (5)⁴

The Company's capital is K.D. 118,797,442 (One Hundred and Eighteen Million, Seven Hundred and Ninety-Seven Thousand, Four Hundred and Forty-Two Kuwaiti Dinars), divided into 1,187,974,420 shares (One Billion, One Hundred and Eighty-Seven Million, Nine Hundred and Seventy-Four Thousand, Four Hundred and Twenty Shares); at value of 100 (One Hundred) fils per share.

Article (6)⁵

The shares of the Company are nominative and may be owned by non-Kuwaitis, according to the provisions of law and ministerial decrees governing the same.

Article (7)

The value of the shares shall be paid in full upon subscription.

Article (8)

The Founders subscribed to the Company's capital with shares amounting to 150,000 (One Hundred and Fifty Thousand) shares, are the following:

FOUNDER NAME	SHARES IN-KIND CONTRIBUTION	SHARES FOR CASH	TOTAL	AMOUNT IN K.D.
1. Naser Sabah Al-Ahmad al-Sabah	25,330	21,170	46,500	465,000
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10. Mohammed Abdullah Al-Rabiaa		3,000	3,000	30,000
TOTAL	52,190	97,810	150,000	1,500,000

⁴Article (5) was amended at the EGAM convened on May 20, 2010

⁵Article (6) was amended at the EGAM convened on April 7, 2016

The two founders, who subscribed in-kind contributions, have undertaken to deposit the official Title Deeds that are in their names at the disposal of this Company, prior to the Shareholders' General Assembly Meeting (to elect members of the Board of Directors) and before the Company commences its business.

The Founders also undertake that, upon receipt of the Title Deeds, they will transfer ownership of the asset in kind to the name of the Company in accordance with the law and shall pay the entire value of the cash shares to "Gulf Bank" (a Kuwaiti Shareholding Company). The value of the cash shares has already been paid in full amounting to K.D. 978,100 (Nine Hundred and Seventy-Eight Thousand One Hundred Kuwaiti Dinars), under the Bank Statement dated 19/03/1973, attached to the origin of this Memorandum of Association. The remainder of the shares totaling 150,000 (One Hundred and Fifty Thousand) shares shall be put up for public subscription in accordance with the provisions of the Articles of Association.

Note: The value of the in-kind shares are rounded to the nearest number 10 (Ten) to permit the distribution of shares, due to the inadmissibility of dividing the share.

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These two contributions were evaluated in accordance with the procedures set out in Article /105/ of the Commercial Companies Law and by resolution of the President of the Kuwait Chamber Court No. m.k.a /246/586 dated 26/02/1973, by virtue of which experts Abdul Aziz Al-Madooh, Salem Al-Qattan and Ahmed Al-Mawash were appointed to estimate the value of the two aforementioned real estate properties.

The experts presented their report dated March 1, 1973, in which they estimated the value of the property provided by Sheikh Nasser Sabah Al-Ahmad Al-Sabah at K.D. 253,395/550 (Two Hundred and Fifty-Three Thousand, Three Hundred and Ninety-Five Kuwaiti Dinars and Five Hundred and Fifty fils). They also estimated the value of the property provided by the Musaed Al-Saleh Real Estate Company at K.D. 268,623 /- (Two Hundred and Sixty-Eight Thousand, Six Hundred and Twenty-Three Kuwaiti Dinars).

Attached to the origin of this Memorandum of Association, a copy of the mentioned Report.

Article (10)

The rest of the shares, amounting to 150,000 (One Hundred and Fifty Thousand) shares, shall be offered for public subscription for a period of 1 (One) month in the following Kuwaiti banks:

1. National Bank of Kuwait
2. Commercial Bank of Kuwait
3. Gulf Bank
4. Al Ahli Bank of Kuwait
5. Bank of Kuwait and the Middle East

In case it is found after the closing date of the public subscription that the number of requested shares exceeded the total shares offered for public subscription the shares shall be allotted to the subscribers proportionally to the number of subscribed shares.

The founders may close the public subscription if all shares offered for subscription are subscribed to within the first 10 (Ten) days.

Article (11)

No single person may subscribe to more than 1,000 (One Thousand) shares.

Article (12)

The Board of Directors will hand over to each Shareholder, within three months from the date of announcing the final formation (establishment) of the Company, temporary bonds in lieu of the shares owned.

The Board of Directors will hand over the share certificates within three months from the date of the payment of the last installment.

Article (13)

The ownership of a share shall inevitably result in the acceptance of the contents and provisions of the Memorandum of Association and the General Assembly resolutions.

Article (14)

Each share entitles its owner an equal right as other shares without discrimination in the ownership of the Company's assets and the profits distributed in the manner described hereinafter.

Article (15)

Profits due to each share shall be paid to the last owner whose name is registered in the Company's records.

Article (16)⁶

It shall be permissible by a resolution of the Board of Directors, to increase the issued capital within the limits of the authorized capital, provided that the issued capital is paid in full.

⁶ Article (16) was amended at the EGAM convened on April 16, 2014

Second Chapter

Company Management

Article (17)⁷

The Company shall be managed by a Board of Directors comprised of seven members elected by the General Assembly via secret ballot.

Among the Members of the Board of Directors there must be one or more independent Members, with experience and competence, to be chosen by the Ordinary General Assembly and whose remunerations shall be determined in accordance with the rules of corporate governance, provided that their number shall not be more than half of the members of the Board. The independent member is not required to be a shareholder of the Company, and each shareholder, whether natural or legal person, may appoint his representatives to the Board of Directors proportionately to his shares, the number of the Board Members selected in this manner shall be deducted from the total number of the Board Members to be elected. Shareholders who have their representatives in the Board of Directors may not participate with other shareholders in the election of the remaining members of the Board of Directors, except to the extent in excess of the proportion used in the appointment of their representatives in the Board. A group of Shareholders may unite to appoint one or more representative in the Board, at the proportion of their combined ownerships.

These representatives shall have the same rights and duties of the elected Members, and Shareholder is responsible for the acts of his/her representatives towards the Company, its Creditors and Shareholders.

Article (18)⁷

The Members of the Board of Directors are appointed for a period of three (3) years, subject to renewal, and in case of failure to elect new Board of Directors at the date specified for that, the Board of Directors shall continue to manage the Company's business until the elimination of the reasons and the election of a new Board.

⁷ Articles (17 - 18) were amended at the EGAM convened on April 16, 2014

Article (19)⁸

The candidate for membership of the Board of Directors must meet the following conditions:

1. Enjoys full legal capacity.
2. Is not convicted of a felony or sentenced to imprisonment or of bankruptcy by negligence or deception or for moral turpitude or dishonesty, or penalty of imprisonment due to violation of the provisions of the Companies Law, unless they have been rehabilitated.
3. Personally owns or represents an owner who owns 1,000 (One Thousand) shares of the Company's shares. (This requirement does not apply to independent Members).

If a Member of the Board of Directors forfeits or loses any of the foregoing conditions, his membership thereof shall be disqualified.

Article (20)⁸

It shall not be permissible for a person, even if he is representing a natural or legal person, to be a member of the Board of Directors of more than five (5) public shareholding companies situated in the State of Kuwait and to be a Chairman in more than one (1) shareholding company situated in the State of Kuwait. The violation of this condition shall result in the annulment of the membership of such person in companies exceeding the prescribed number in accordance with the most recent appointment without prejudice to the rights of third party in good faith. Whoever violates such condition shall be committed to refund the company, which nullifies his membership any remunerations or advantages obtained thereby.

Article (21)

If any position in the Board of Directors becomes vacant, this position shall be succeeded by the Shareholder who obtained the most votes but failed to win the membership of the Board of Directors in the last election. However, if the vacant positions amount to a quarter of the original positions or if none of the candidates meet the Conditions, the Board must invite the General Assembly to convene within a period of two (2) months as of the date of the vacancy of the last position in order to elect a replacement for the vacant position(s).

In all cases, the new Member will complete the term of his predecessor only.

⁸ Articles (19 - 20) were amended at the EGAM convened on April 16, 2014

Article (22)⁹

The Board of Directors shall elect by secret ballot a Chairman and a Vice Chairman. The Chairman of the Board of Directors shall represent the Company before third parties and courts of law, in addition to other responsibilities stated in these Articles of Association. The signature of the Chairman shall be construed the same as the signature of the Board of Directors with respect to the Company's dealings with third parties, furthermore the Chairman has to execute the resolutions of the Board of Directors and comply with its recommendations.

The Vice Chairman shall act on behalf of the Chairman during his absence, or in case of any hindrances, preventing the Chairman from performing his responsibilities.

Article (23)¹⁰

The Company shall have one Chief Executive Officer or more appointed by the Board of Directors from the Board Members or from others, to be entrusted with managing the Company. The Board determines his remuneration and authorities to sign on behalf of the Company shall not be permissible to combine the positions of the Chairman with Chief Executive Officer.

Article (24)

The Chairman or the Vice Chairman shall be authorized to severally sign on behalf of the Company, and the managing directors, and any other member of the Board of Directors delegated for this purpose.

Article (25)¹⁰

The meeting of the Board of Directors shall not be valid unless attended by half the number of its Members thereof, provided that the number of attendees is not less than three (3). An agreement maybe make greater number or ratio. A Board meeting may be convened using modern means of communication, and resolutions by circulation shall be passed by the approval of all the Members of the Board.

The Board of Directors must convene at least 6 (Six) times in 1 (One) year, and it may be agreed to have more meetings.

Article (26)¹⁰

Decisions of the Board of Directors shall be taken by majority of the Members present.

In case of a tie vote, the voting of the Chairman prevails. Minutes of meetings of the Board of Directors shall be recorded and signed by the attending Members and the Secretary of the Board. A Member who objects to a resolution taken by the Board may record his objection in the Minutes of the Meeting.

⁹ Article (22) was amended at the EGAM convened on April 7, 2016

¹⁰ Articles (23 - 25 - 26) were amended at the EGAM convened on April 16, 2014

Article (27)

If one of the Board members fails to attend three consecutive meetings without a legitimate excuse, he may be considered to have resigned by resolution of the Board of Directors.

Article (28)¹¹

It shall not be permissible to estimate the total remunerations of the Chairman and Members of the Board of Directors by more than 10% (Ten percent) of the net profit of the Company after the deduction of the depreciation and reserves and the distribution of profits of no less than 5% (Five percent) of the capital to the Shareholders (a higher percentage may be agreed upon).

It shall also be permissible to distribute an annual remuneration of no more than K.D. 6,000 (Six Thousand Kuwaiti Dinars) to the Chairman and to each member of the Board of Directors as of the date of the Company's incorporation until the realization of such profits allowing the distribution of remunerations in accordance with the preceding Paragraph. Further, it shall be permissible by a resolution issued by the General Assembly to exclude the independent member of the Board of Directors from the maximum limit of the foregoing remunerations.

The Board of Directors shall be committed to submit an Annual Report to the Ordinary General Meeting of the Company for approval. This Annual Report must accurately include a detailed statement of the amounts, benefits and privileges obtained by the Board of Directors of whatsoever nature and label.

Article (29)¹¹

The Board of Directors has the full authority to manage the Company and to perform all the duties required for running the Company in accordance with its objectives; such power is not limited except as provided by law or by the Company's Memorandum of Association or Articles of Association or the General Assembly resolutions.

The Board of Directors may sell or mortgage the real estate property of the Company, and may borrow, give guarantees, conduct arbitration, conciliation, donate, and carry out other legal actions related to the Company's assets and properties.

Article (30)

Members of the Board of Directors may not have any personal commitment with respect to Company's undertakings due to their responsibilities within the limits of their assignment.

¹¹ Articles (28 - 29) were amended at the EGAM convened on April 16, 2014

Article (31)¹²

The Chairman and the Members of the Board shall be liable towards the Company, its Shareholders and its third parties for all acts of fraud, abuse of power, and for any violation of the Companies Law or the Company's Memorandum of Association, and for any fault of Management.

Voting of the General Assembly to release the Board of Directors shall not preclude from filing a liability claim. The members of the Board of Directors may not participate in the voting of the General Assembly on resolutions concerning the release from the liability thereof or those related to special benefits for them or for their spouses or for their first degree relatives or related to any dispute between them and the Company.

Article (32)¹²

The Annual Ordinary General Assembly Meeting shall be held upon a call by the Board of Directors within the three (3) months following the end of the financial year, at the time and place designated by the Board of Directors. The Board of Directors may also call the General Assembly to convene whenever necessary. The Board of Directors must also call the General Assembly to convene upon a substantiated request from a number of shareholders who own 10% (Ten percent) of the Company's capital, or at the request of the Auditor within 15 (fifteen) days from the date of the request. The Agenda for the meeting shall be prepared by the party that calls for the meeting.

The provisions related to the constituent assembly as stipulated by the Companies Law No. 25 of 2012, as amended, shall apply to the procedures of the General Assembly concerning the invitation and the attendance quorum and voting.

Article (33)

In cases where the General Assembly convenes at the request of the Shareholders or the Auditors, the Agenda shall be prepared by the party that called for the General Assembly and any matter not included in the agenda may not be discussed.

Article (34)¹³

Any Shareholder of whatsoever number of shares may attend the General Assembly and he shall have a number of votes equal to the number of votes prescribed for the same category of shares. It shall not be permissible for the Shareholder to vote for himself or for the Shareholder that he/she is representing in issues related to personal interest or a dispute arising between him/her and the Company. Any condition or resolution otherwise shall be null and void. Further, it shall be

¹² Articles (31 - 32) were amended at the EGAM convened on April 16, 2014

¹³ Article (34) were amended at the EGAM convened on April 16, 2014

permissible for the Shareholder to authorize another person to attend the meeting by a special proxy or authorization prepared by the Company for such purpose.

It shall be permissible for any person claiming rights over shares in contrary to what has been established by the Company's shareholder register to apply for the judge pro tempore for the issuance of an order on petition to deprive of the disputed shares from voting for a period specified by the judge or until the dispute subject is settled by the competent court in accordance with the procedures prescribed by the Civil and Commercial Procedures Law.

Article (35)

The Shareholders shall register their names in a special register prepared at the Company's head office at least 24 (twenty-four) hours prior to the date specified for the General Assembly; the special register must include the name of the Shareholder, the number of shares owned and the number of shares that are represented with the names of the respective owners and a copy of the proxy.

The Shareholder is given an invitation card to attend the meeting in which the number of eligible votes - in person or by proxy - is stated.

Article (36)

The Commercial Companies Law provisions shall apply to the quorum of the General Assembly Meeting in all respects and to the majority required for any resolution.

Article (37)

Voting in the General Assembly shall be in the manner specified by the President of the meeting, unless the General Assembly decides to vote in a specific way.

Vote casting must be made in secret ballot when electing of the members of the Board of Directors or in the impeachment of membership.

Article (38)

Within one (1) month of the closing of subscription, the founding Shareholders shall call the General Assembly to convene as a constituent assembly. They shall submit a report on all the incorporation operations with supporting documents, and the General Assembly shall verify the authenticity of the information contained therein and shall approve the Company's Memorandum and Articles of Association and elect the Members of the Board of Directors and auditors and thereafter declare the legal incorporation of the Company.

Article (39)

The Ordinary General Assembly shall convene at least once a year upon a call by the Board of Directors within the three (3) months following the end of the financial year of the Company. The Board of Directors may also call the Assembly whenever necessary. The Board of Directors must call the General Assembly to convene whenever requested by a number of Shareholders who own at least one tenth of the capital.

Article (40)

The Ordinary General Assembly shall have powers over all matters related to the Company's business except for matters reserved by law or by this Memorandum of Association for the Extraordinary General Assembly or the Constituent Assembly.

Article (41)

The Board of Directors shall submit to the Ordinary General Assembly a report that includes a full statement on the work progress of the Company, its financial and economic position, the Company's balance sheet with a profit and loss statement, a statement on the remuneration granted to Board members and the auditors, fees along with a proposal on the distribution of profits.

Article (42)

The Ordinary General Assembly discusses the Board of Directors report and decides accordingly. The Ordinary General Assembly also looks into the Auditors' report, elects Board members, appoints the Auditors for the year ahead and approves the Auditor's fees.

Article (43)¹⁴

The Extraordinary General Assembly meets upon a call by the Board of Directors, or upon a substantiated request of Shareholders representing 15 (fifteen) percent of the Company's issued capital or at the request of the Ministry of Commerce and Industry. The Board of Directors must call for the Extraordinary General Assembly to convene within 30 (thirty) days from date of the request.

If the Board fails to call the General Assembly for a meeting during the period specified in the preceding paragraph, then the Ministry of Commerce and Industry may call for the meeting within a period of 15 (fifteen) days from the date of the expiration of the period referred to in the preceding paragraph.

¹⁴ Article (43) was amended at the EGAM convened on April 16, 2014

Article (44)¹⁵

Taking into consideration the other powers stipulated by law, the Extraordinary General Assembly shall consider the following items:

1. The Amendment of the Company's Memorandum of Association.
2. The sale of the whole project for which the Company has been established or the disposal thereof by any other manner.
3. The dissolution, merger, transformation or division of the Company.
4. The increase or decrease of the Company's capital.

Article (45)¹⁵

Subject to the provisions of the Companies Law No. 25 of 2012, as amended, the Company shall have two (2) auditors appointed by the Ordinary General Assembly; the Company Founders may appoint one (1) Auditor or more until the Constituent Assembly convenes.

The Board of Directors may, in exceptional and urgent circumstances where the appointed Auditor by the General Assembly does not proceed with providing the services for any reason, appoint a replacement provided that the same is referred to the General Assembly in its first coming meeting.

Article (46)

The financial year for the Company shall start on January 1 and ends on December 31 of each year with the exception of the first financial year of the Company which shall start from the date the Company is declared as legally incorporated and shall end on December 31 of the following year.

Article (47)

The Auditor shall have the powers and obligations set forth in the Commercial Companies Law. The Auditor shall have the right to inspect all the Company's ledgers, registers and documents at any time, and request information which the Auditor deems necessary. The Auditor may also inspect the Company's assets and liabilities. In case the Auditor cannot use these powers, the same shall be documented in writing in a report and submitted to the Board of Directors and then presented to the General Assembly. The Auditor may also invite the General Assembly to convene for this purpose.

¹⁵ Articles (44 - 45) were amended at the EGAM convened on April 16, 2014

Article (48)

The Auditor shall submit to the General Assembly a report stating whether the balance sheet and the profit and loss accounts are in accordance with the actual financial situation of the Company and reflects clearly and honestly the real financial position of the Company and whether the Company maintains a proper book keeping and whether the inventory was carried out in accordance with the rules and regulations in force, and whether the disclosure contained in the report of the Board of Directors are consistent and conform with what is contained in the Company's ledgers, and whether there were violations to the provisions of the Company's statute or to the provisions of the law that had occurred during the financial year in a manner that affects the activities of the Company or its financial position. The Auditor shall also declare whether the said violations are still concurrent; according to the information that was made available to him.

The Auditor shall be responsible for the validity and veracity of the data contained in the report in his capacity as the attorney of all the Shareholders. During the General Assembly, each Shareholder may discuss matters with the Auditor and request clarifications regarding his report.

Article (49)¹⁶

A percentage, determined by the Board of Directors after consulting with the Auditor, shall be deducted from the gross profits for the depreciation of assets or compensation of the devaluing thereof. Such amounts shall be used to purchase necessary materials, machinery and facilities or for the maintenance thereof. However, said amounts may not be distributed to the Shareholders.

Article (50)

Net profits shall be distributed as follows:

1. 10% (Ten percent) shall be deducted and allocated to the statutory reserve account.
2. 10% (Ten percent) shall be deducted and allocated to the voluntary reserve account. This deduction may be suspended by resolution of the Ordinary General Assembly upon the proposal of the Board of Directors.
3. Part of the profits shall be deducted upon the proposal of the Board of Directors and approved by the Ordinary General Assembly to meet the obligations of the Company under the Labor Laws, and such amounts may not be distributed to the Shareholders.

¹⁶ Article (49) was amended at the EGAM convened on April 7, 2016

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4. An amount shall be deducted to ensure the distribution of the first stake of divided of 5% (Five percent) for the Shareholders for their paid up capital.
 5. Following the above deductions, a maximum of 10% (Ten percent) of the remaining amount shall be allocated as remuneration to the Board of Directors provided the same is approved by the Ordinary General Assembly.
 6. Afterwards, following a proposal from the Board of Directors, the remaining earnings shall be distributed to the Shareholders as an additional share in the profits or carried forward to the following year or for the establishment of extraordinary appropriated funds as a reserve or depreciation.

Article (51)

The dividends shall be paid to the Shareholders at the time and place determined by the Board of Directors.

Article (52)

Cash reserves shall be used in the best interests of the Company upon a resolution from the Board of Directors. The statutory reserve may not be distributed to the Shareholders, however, it may be used to provide for the distribution of dividends to the Shareholders of up to 5% (Five percent) for the years where the Company's profits are not sufficient for providing this limit.

Article (53)

The Company's cash funds shall be deposited with one or several banks designated by the Board of Directors and the Board of Directors shall determine the maximum limit of cash that may be kept by the cashier in the Company's fund.

Third Chapter

Expiration & Liquidation of the Company

Article (54)

The Company shall expire on the occurrence of one of the events set forth in the Commercial Companies Law.

Article (55)

The Company's assets shall be liquidated upon the expiry thereof in accordance with the provisions of the Commercial Companies Law.

Article (56)¹⁷

All matters which have not been covered in the Company's Memorandum or these Articles shall be subject to the provisions of the Companies Law No. 25 of 2012, as amended.

Article (57)¹⁸

A resolution may be passed by the Extraordinary General Assembly, to increase the authorized capital upon a substantiated proposal made by the Board of Directors and the Auditor's report regarding the same, provided that the resolution issued on the increase of the capital shall include the amount and method of such increase.

It shall not be permissible to increase the authorized capital unless the value of the original shares has been paid in full. The Extraordinary General Assembly may authorize the Board of Directors to determine the date of the execution thereof.

Article (58)¹⁸

The capital increase shall be covered by shares paid in one of the following methods:

1. Listing the increased shares for public subscription.
2. Transferring funds to share capital from the voluntary reserves, or from the earnings, or from the excess over the minimum statutory reserves, requirement.
3. Converting Company's debt, bonds, or instruments into shares.

¹⁷ Articles (56) was amended at the EGAM convened on April 16, 2014

¹⁸ Articles (57 - 58) were added at the EGAM convened on April 16, 2014

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4. Submitting in-kind contribution.
 5. Issuing new shares allocated for the introduction of a new partner or partners presented by the Board of Directors and approved by the Extraordinary General Assembly.
 6. Any other methods regulated by the Executive Bylaws.

In all cases, the nominal value of the increased shares must be equal to the nominal value of the original shares.

Article (59)¹⁹

If the increase of the capital is determined by listing shares for public offering, then the Shareholders shall have the priority right to subscribe to the new shares in proportionate to the number of shares owned by each of them within 15 (Fifteen) days of the date of being notified as such.

A Shareholder may assign his right of priority to another Shareholder or to a third party for financial consideration or for free in accordance with the agreement made between such Shareholder and the assignee.

Article (60)¹⁹

If the increased shares of capital are listed for public offering, the public shall be invited to subscribe upon a prospectus that includes the information and meets the procedures set forth in the Companies Law No. 25 of 2012, as amended.

Article (61)¹⁹

If the increased shares of capital were not covered, the party which resolved the increase, may decide to either retract the capital increase or suffice with the shares that were subscribed for.

Article (62)¹⁹

It shall not be permissible for the Chairman or a Member of the Board of Directors, even if they represent a natural or legal person, to exploit the information obtained by virtue of their position nor to obtain a benefit for themselves or others. Further, they may not dispose, by whatsoever way of the shares of the Company in which they are members of its Board of Directors for the duration of their membership, unless they obtain the approval of the Capital Market Authority.

¹⁹ Articles (59 - 60 - 61 - 62) were added at the EGAM convened on April 16, 2014

Article (63)²⁰

The Members of the Board of Directors shall not disclose to the Shareholders, other than in the General Assembly meetings, or to others, any of the Company's secrets obtained thereby due to the undertaking of the management of the Company; in the case of such violation, the Member shall be removed and held liable to compensation for the damages resulting from the violation.

Article (64)²⁰

The Chairman of the Board of Directors or any Members of the Board should not be a member of the Board of Directors of two (2) competing companies, or to participate in any work which may compete with the Company or to trade for their own account or the account of others an ancillary activity practiced by the Company; otherwise, the Company may claim for compensation or consider the transactions conducted for their own account as if they were conducted for the Company's account, unless such actions were made following the approval of the Ordinary General Assembly.

Article (65)²⁰

The Board of Directors may distribute the work among its Members, according to the nature of the Company's activities, and the Board may authorize one of its Members or a committee from among its Members or a third party to carry out certain activity or more or to supervise any aspect of the Company's activities, or to exercise certain powers or responsibilities assigned to the Board.

Article (66)²⁰

Any Shareholder, whether a natural person or legal person, may appoint representatives in the Board of Directors of the Company in proportionate to the shares owned thereby; the number of the Board Members selected by such method shall be deducted from the total Members of the Board who are elected. However, Shareholders who have representatives in the Board of Directors shall not participate with the other Shareholders in the election of the rest of the Board Members, except to the extent of what exceeds the ratio used in the appointment of the representatives thereof on the Board. Furthermore, a number of Shareholders may jointly appoint one representative thereof or more on the Board proportionate to their combined ownership.

²⁰ Articles (63 - 64 - 65 - 66) were added at the EGAM convened on April 16, 2014

These representatives shall have the same rights and obligations as the elected Members.

The Shareholder shall be liable towards the Company, its creditors and Shareholders for the acts of the representatives thereof.

Article (67)²¹

If a vacancy occurs in the Board of Directors it shall be succeeded by the Shareholder who obtained the most votes but failed to win the membership of the Board of Directors in the last election. If there is any impediment, the Shareholder shall be succeeded by the following Shareholder with the most votes. The new Member shall only complete the term of his predecessor.

However, if the vacant positions amount to a quarter of the original positions, then the Board of Directors must call the General Assembly to convene within a period of 2 (two) months from the date of the vacancy of the last position and elect whomever is suitable for filling the vacant positions.

Article (68)²¹

The Shareholder who has a representative on the Board, or for the Chairman or any of the Members of the Board of Directors or a Member of the Executive Management and their spouses or relatives until the second degree should not have a direct or indirect interest in the contracts and activities concluded with the Company or on its behalf, unless authorized by the Ordinary General Assembly.

Article (69)²¹

The Company should not lend any of its Board of Directors Members or the Chief Executive Officer or their spouses or relatives until the second degree or their private companies, unless there is an authorization from the Ordinary General Assembly of the Company. Any action in violation of such provision shall not be enforced against the Company without prejudice to the rights of others in good faith.

Article (70)²¹

The liability set forth in the preceding Article shall be either a personal liability related to a particular Member, or jointly among all the Members of the Board of Directors.

²¹ Articles (67 - 68 - 69 - 70) were added at the EGAM convened on April 16, 2014

in the latter case, all the Members shall be jointly liable to pay compensation, except for such Member who objected to the decision that resulted in the liability and provided the same is recorded in the Minutes.

Article (71)²²

The Company may file a liability claim against the Members of the Board of Directors due to the faults resulting in damages to the Company; if the Company is in liquidation, the liquidator shall undertake filing such claim.

Article (72)²²

Any Shareholder may individually take legal action on behalf of the Company if the Company fails to take such action, and in this case the Company must be made part of the claim so that a compensation may be ruled thereto if applicable. It shall be permissible for a Shareholder to claim for compensation if the fault has caused him harm. Any agreement to the contrary shall be null and void.

Article (73)²²

The meeting of the General Assembly shall be chaired by the Chairman or Vice Chairman or the members delegated by the Board of Directors for such purpose, or is elected by the General Assembly from the Shareholders or others.

Article (74)²²

It shall not be permissible for the General Assembly to discuss topics that are not included in the Agenda, except for urgent matters that occurred after the Agenda was prepared or revealed during the meeting, or if requested by any regulatory party or auditor or a number of Shareholders who own 5% (Five percent) of the Company's capital. If, during the discussions, it is observed that the information related to some of the issues presented was insufficient, the meeting must be postponed for a period not exceeding 10 (Ten) working days, if requested by a number of Shareholders representing one quarter of the issued share capital, and the deferred meeting shall be held without the need to follow the procedures to call for a new meeting.

Article (75)²²

It shall be permissible, by decision issued by the Ordinary General Assembly of the Company, to dismiss the Chairman or one or more of the Board members, or to dissolve the Company's Board of Directors and elect a new Board upon a proposal

²² Articles (71 - 72 - 73 - 74 - 75) were added at the EGAM convened on April 16, 2014

submitted by a number of Shareholders who own not less than one quarter of the Company's issued capital.

When a resolution is passed to dismiss the Board of Directors and a new Board could not be elected at the same meeting, the General Assembly may either resolve that this dissolved Board shall continue executing the Company's affairs until a new Board is elected, or may appoint a temporary Administrative Committee whose primary mission shall be to invite the General Assembly to elect a new Board within 1 (one) month of its appointment thereof.

Article (76)²³

The provisions of Articles 258 to Article 264 stipulated in the Companies Law No. 25 of 2012, as amended, and its Executive Bylaws shall apply.

Article (77)²⁴

The Board of Directors has been authorized to sell or purchase the Company's shares within the rates stipulated by law and ministerial regulations issued in this regard. The financing of the Company's purchase of its own shares shall be made from financing resources approved by the related regulatory authority, and the Company may purchase its shares in the following circumstances:

1. Maintaining the stability of the Company's Share price whilst not exceeding the percentages of the accumulated shares as determined by the CMA.
2. Reduction of the share capital.
3. Meeting a Company debt against such shares.
4. Distribution of share dividend to Shareholders without an increase in the capital or the number of shares issued.
5. Any other cases as determined by the CMA.

Treasury Shares shall not be taken into account for calculating the quorum of the general meeting and the voting on the resolutions thereof. All of this shall be subject to the related rules and instructions issued by CMA in this respect regarding the use, management and disposal thereof.

²³ Article (76) was added at the EGAM convened on April 16, 2014

²⁴ Article (77) was added at the EGAM convened on April 7, 2016

Article (78)²⁵

Without prejudice to the CMA Law No. 7 of 2010 as amended, and its Executive Bylaws and in order to source and retain competent and qualified employees at the Company and enhance their loyalty, the Board of Directors shall have the right to introduce a plan entitled (Employee Share Options Program) taking into consideration the following:

1. To meet the Company's obligations under the Employees Share Options Program, the share capital of the Company may be increased provided that the total increase in the paid share capital does not exceed 10% (Ten percent) over a maximum period of 10 (Ten) years from the date of commencing the application of the aforementioned program.
2. The Board of Directors' annual report to the shareholders shall include the levels of employment positions and the number of shares that are going to be allocated to each level.
3. The Employee Share Option Program shall be presented to the General Assembly for approval.

²⁵ Article (78) was added at the EGAM convened on April 7, 2016