



# مكتب الديرة للترجمة AL-DEERA TRANSLATION OFFICE

In The Name of Allah – The Most Gracious, The Most Merciful

Register: Authentication  
No.44/Vol.7

State of Kuwait  
Ministry of Justice  
Department of Real Estate Registration & Authentication

KIPCO Asset Management Company  
(Kuwait Closed Shareholding Company)

## ARTICLES OF ASSOCIATION

### First Chapter About Company Incorporation

#### A. Elements of Company Incorporation

##### Article (1)

It is incorporated as per the provisions of the Commercial Companies Law and this Articles of Association - agreed between the owners of the shares, provisions of which are stated hereinafter - a Kuwaiti Shared Company Closed - Named as "KIPCO Asset Management Company" (" Kuwait Closed Shareholding Company").

##### Article(2)

The Head Quarter and Legal Domicile of the Company are in Kuwait City, and the Board of Directors is permitted to establish to it branches , agencies , offices , operation centers or representatives inside and outside the Sate of Kuwait.





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### Article (3)

Period of this contract is indefinite, starting from the date of its entry in the commercial register and the publication of official deed for its incorporation in the official gazette.

### Article(4)

The objectives for which the company is incorporated - are to carry out the following:

- 1- Investment in the real estate, industrial and agricultural sectors and other economic sectors, through participation in incorporation of the specialized companies or purchase shares/stock or bonds of these companies in different sectors.
- 2- To participate in incorporation or partial ownership of the Companies in different sectors.
- 3- To manage funds of the Public and Private Firms/Establishments and to invest these funds in different economic sectors, including management of the financial and realty portfolios.
- 4- Presentation and preparation of technical, economical and appraisal studies and consultations and studying projects - connected to investment & preparation of their necessary studies for corporations and companies, provided that the necessary conditions should be fulfilled by whoever practices this activity.
- 5- Broking in operations of lending and borrowing.
- 6- To carry out the functions of the Managers of Issues of the bonds that are issued by the Companies and bodies and functions of the Investment Trustees.



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- 7- Financing and Broking in operations of international trade.
- 8- To provide loans to others, subject to observance of the rules of financial safety in granting loans, while maintaining the continuity of the safety for the financial position of the Company according to the conditions, rules and limits which are laid down by the Central Bank of Kuwait (CBK).
- 9- Dealing and trading in foreign money market and precious metals market inside and outside Kuwait.
- 10- Operations for trading in securities like purchase and sale of shares/stock and bonds of the local government and international Companies and Authorities.
- 11- Undertaking all services that help in development and buttressing stock exchange and money market's capability in Kuwait and meeting its needs, all this within limits of the law and whatever procedures and instructions issued from the Central Bank of Kuwait.
- 12- To establish and manage the investment funds of all types according to the law.

And the Company is allowed to have interest or to participate, in any manner, with the bodies which are engaged in business –similar to its business or that may assist it in realization of its objectives in Kuwait or abroad and it is permitted to establish or participate or purchase such bodies or may affiliate them to its own.

### B. Capital

#### Article (5)

The Company's capital is fixed with KD.15,000,000/= (Kuwaiti Dinar Fifteen Million only), divided into 150,000,000 (One hundred, Fifty Million shares) – each of them at par value of KD 00/100= (KD zero, Fils One hundred only), fully paid and all shares are in cash.





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### Article (6)

The company shares are nominal and the Non-Kuwaitis are not permitted to own them.

### Article (7)

The founders signatories of the Memorandum of Association (MOA) - subscribed the full capital of the Company - numbered: 150,000,000 shares (One hundred, fifty million shares), their nominal value amounting to KD 15,000,000/- (KD Fifteen Million only) and distributed among them, each of them -proportional to percentage ratio of his subscription as described in the MOA and they have paid the full nominal value of the shares which they subscribed and the amount is deposited with Burgan Bank as per the Bank's Certificate -attached with the MOA, dated 13/9/1998.

### Article (8)

The Board of Directors shall deliver, to each shareholder within a period of three (3) months from announcement of the company's incorporation finally - provisional bonds, in which the number of shares subscribed, the paid amounts and the remaining installments shall be listed and it shall act in lieu of the shares owned by it and the Board of Directors shall deliver the shares certificate during three (3) months of the payment date of the last installment..

### Article (9)

Ownership of the share inevitably resulted in the acceptance of Articles of Association of the company and decisions of its General Assembly.

### Article (10)

Every share in the capital entitles its owner to a share equal to the share of others without discrimination - in the ownership of the company's assets and in the profits divided in the manner mentioned hereinafter.





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### Article (11)

The increment of the capital is not permitted, but only after the original installments of shares have been paid in full, and issue of new shares - with less than their nominal value, shall not be permitted, and if they were issued with more than it, the difference definitely will be added to the statutory reserve after meeting the issue expenses.

Every shareholder has the right of preference in subscribing to the new shares proportional to the number of his shares and a period of fifteen (15) days shall be granted from the date of publishing the invitation to the shareholders – for exercising the right of preference.

### Article (12)

Since the shares were nominal, so their last owner, whose name is recorded in the company register, shall be alone entitled to receive the amounts entitled on the share whether it was in the profits or portion in the ownership of company assets.

### Second Chapter

#### About The Company Management

#### A- Board of Directors

### Article No.(13)

The company management shall be undertaken by the Board of Directors , comprising of five (5) members, who shall be elected by the General Assembly through secret voting, and the Board of Directors' meeting shall be valid if it is attended by at least three (3) members.

### Article No.(14)

The period of membership to the Board of Directors shall be three (3) years and it is renewable.





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### Article No. (15)

The Member of the Board of Directors is preconditioned that he must be the owner, in his personal capacity or if the body corporate which is represented by him, of a number of shares, their value should not be less than KD 7500/- (KD Seven thousand, five hundred only) or representative 1% of the capital – any of the two values lesser. And if the member at the time of his election does not own or represent this number of he shares, he must own it, within one month of his election, otherwise his membership shall be dropped, and the body corporate shall be held responsible for the acts of its representatives towards the Company and its creditors and shareholders.

### Article No. (16)

The Chairman of Board of Directors or any of members of the Board shall not be permitted to be a merchant or engaged in a trade similar or competitive to the company's business, or to have direct or indirect interest in the contracts and dealings/transactions that will be made with the company or for its account or to have interest contradictory to the company interest unless it was by special permission from the general assembly, and none of them shall be permitted to participate in the management of a company similar or competitor to their company, and the Chairman or any of the Board member – even if he was a representative of corporate body – to exploit the information obtained by him due to the nature of his post for getting the benefit for himself or others, also he shall not be permitted to sell or purchase or assign the company shares throughout the period of his membership to the Board of Directors.

### Article No. (17)

If the position of a member in Board of Directors become vacant, he will be succeeded by the one who possessed biggest number of votes among the shareholders who did not win the Board of Directors membership in the last election. But if the vacant positions reaches to one quarter of the original positions or non-availability of one who may fulfill the conditions, then





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**Board of Directors** must convene the General Assembly meeting within a period of two months from the vacancy date of the last position as to elect those who shall fill the vacant positions, and in all these cases the new member shall complete the period of his predecessor only.

### Article No. (18)

The Board of Directors shall elect, by a secret ballot, the Chairman and Vice Chairman for a period of three (3) years provided that it shall not pass over the period of their membership to the Board of Directors . The Chairman is the person who will represent the company before the judiciary and before third party, and he shall execute the decisions passed by the Board, and the Vice Chairman shall carry out the duties in his absence or existence of a restraint on his part.

### Article No. (19)

The Board of Directors shall be authorized to appoint, from among its members – one or more managing directors and the Board shall specify their powers, their remuneration, and the Board of Directors shall have the right to appoint a General Manager for the company and shall specify his powers and his remuneration.

### Article No. (20)

The right of signature on behalf of the company shall be owned – severally, by each of the Chairman , Vice Chairman or Members of the Board of Directors – delegated with the powers specified for them by the Board of Directors or any other member authorized by the Board of Directors for this purpose.

### Article No. (21)

The Board of Directors shall meet at least four times during one financial year upon invitation from its Chairman and shall also meet if it is requested by at least two of its members. The Board meeting shall be considered as valid with the attendance of majority of its members and attendance in the board meetings through proxy shall not be permitted.





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### Article No. (22)

The decisions of the Board of Directors shall be passed by the majority of votes of the attending members, and if the votes are equal, the side in which the Chairman is present shall be preponderant/overweighing and a special register shall be prepared to record the minutes of the board meetings and the same will be signed by the Chairman and the objecting member shall be permitted to demand for registering his opinion.

### Article No. (23)

If any of the board member abstains from attending three (3) consecutive meetings without an legal reason – it is permitted to treat him as resigned by a decision of the Board of Directors .

### Article No. (24)

Without prejudice to the provisions of commercial companies law, the Ordinary General Assembly shall determine the remuneration of the members of the Board of Directors .

### Article No. (25)

The Board of Directors shall have the widest powers to manage the company, and to carry out all the business that will be required by the company management according to its objectives and no limitation shall be made against this power except what has been specified by the law or this Articles of association or the decisions of General Assembly.

The Board of Directors shall be authorized to sell the company real estates or to mortgage them or to give guarantees or to enter into loans contract - according to the company interest requirements.

### Article No. (26)

The member of Board of Directors are not permitted to undertake any personal obligation with regards to the company contracts due to their practicing in their job duties within the limit of their authorizations.





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### Article No. (27)

The Chairman and Board of Directors and its members are responsible for their activities towards the company, shareholders and others for all the acts of cheating , misuse of power and for all of the violation of the provisions of the law or to this articles of association or for an mistake in the Management. Clearance of liabilities of the Board of Directors by voting of the General Assembly –shall not prevent from filing the responsibility case against them.

### B-General Assembly

### Article No. (28)

The invitation will be sent to the shareholders to attend the General Assembly whatever may be its capacity, through registered letters by the personal signature of the shareholder on the invitation paper , provided that the invitation must be given at least one week earlier to the date specified for convention of the meeting and the invitation must include the agenda and the promoters shall fix the agenda of the activities for the General Assembly held in capacity of its establishment and the Board of Directors shall place the agenda for the General Assembly held in Ordinary or Extraordinary capacity.

### Article No. (29)

In the circumstances in which the holding of General Assembly is permitted upon the request of the shareholders or the accounts auditors or the Ministry of Commerce & Industry, the agenda shall be placed by the person who requests for holding of the meeting and it shall not be permitted to discuss about any issue that are not listed in the agenda.





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### Article No. (30)

Every shareholder shall have the number of votes equivalent to the number of his shares, and it is permitted to authorize others for attending the meeting and the minors and detained/arrested shall be represented by their legal representatives, and none of member shall not be permitted to participate in the voting for himself or for whom he legally represents in the issues that related to his special benefit or in the dispute existing between him and the Company.

### Article No. (31)

The shareholders shall record their names in a special register prepared for the same kept at the company headquarters, at least 24 hours before the time specified for convention of the General Assembly and the register shall hold the name of shareholder, number of shares he owns , number of shares he represents and the names of their owners plus submission of Power of attorney deed. The shareholder shall be provided with a Card to attend the meeting - mentioned in it the number of votes he is entitled to - originally and by proxy .

### Article No. (32)

The provisions of Commercial Companies Act (law) - shall be applicable on the quorum to be fulfilled for authenticity of convention of the General Assembly in its different capacities and on the necessary majority for taking decisions.

### Article No. (33)

The voting in the General Assembly shall be through the method specified by the Head of the Session unless the General Assembly decides a specific method for voting. The voting must be in secrete in electing the members of the Board of Directors and the dismissal from the membership.

### Article No. (34)

The founder members (Promoters) shall meet within thirty (30) days from the date of entry of the company in the commercial registry and publication of the official deed for its establishment/incorporation in the official gazette in the form of Constituent Assembly. Those authorized with taking the





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actions for the company establishment - shall submit a report about all the activities of the establishment with supporting documents and the Assembly shall confirm the propriety of actions of the establishment and its conformity with the law and with the memorandum of association and with its articles of association, and shall also take into consideration those reports that may be submitted by the Ministry of Commerce and Industry in this regard and shall elect the members of the Board of Directors , appoint the accounts auditors and shall announce establishment of the company in the final form.

### Article No. (35)

The Ordinary General Assembly shall be held at least once in a year on basis of the invitation of Board of Directors - within three months from the expiration of the financial year of the company, and the Board of Directors shall have the right to invite this meeting whenever it seems it and the Board of Directors must convene the General Assembly whenever requested by a number of shareholders who owns not less than 1/10<sup>th</sup> of the capital, also the General Assembly shall be held if it is requested by the Ministry of Commerce & Industry.

### Article No. (36)

A)The General Assembly's meeting shall be presided by the Chairman or Deputy Chairman or the Persons Delegated by the Board of Directors , and the meeting shall be valid only if it is attended by number of the shareholders, owner of more than half of the shares and it is permitted to delegate for attending the meeting.

B) The Ordinary General Assembly held ordinarily shall have the jurisdiction to discuss about whatever of issues related to the company except for those reserved by the law or by this Articles of Association - for the Extra-ordinary General Assembly or in its capacity as the Constituent Assembly.





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### Article No. (37)

The Board of Directors shall submit to the General Assembly, held in its ordinary capacity, a report containing the statement on business progress of the company and its financial and economical condition and the company balance sheet, and statement for profits/losses account and a statement on the remuneration to the Board of Directors members, charges of the auditors and proposal for distribution of the profits.

### Article No. (38)

The General Assembly, convened in ordinary capacity - shall discuss the report of Board of Directors and it shall report whatever it seems about discussion of the accounts auditors report and Ministry of Commerce & Industry report, if any, and it shall elect the Board of Directors members and appoint the auditors for the next year and fix their fees.

### Article No. (39)

The Extraordinary General Assembly shall be convened on the invitation of the Board of Directors or upon the request from the shareholders who own not less than one quarter of the company shares and in this case the Board of Directors must call for convention of the Assembly within one month from the request receiving date - by it.

### Article No. (40)

The following issues shall be considered only by the Extraordinary General Assembly.

1. Amendment on the Memorandum of Association or Articles of Association of the company.
2. Sale of the whole project which was established by the company or disposal thereof in any other manner.
3. Dissolution of the company or its merging with another company or institution.





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#### 4. Increment or reduction of the capital.

Every amendment on Articles of Association of the company shall be valid and operational only after its approval by Ministry of Commerce & Industry.

#### ( C ) Company Accounts

##### Article No. (41)

The Company shall have one or more Auditor, from among the chartered accountants, appointed by the General Assembly and it shall estimate their fees, and it shall audit the accounts of the financial year for which they are appointed.

##### Article No. (42)

The Financial year of the Company shall start from the first of January and will expire at the end of December of each year except for the first year , which will start on the date of announcement of final establishment of the company and shall end on December 31 of the next year.

##### Article No. (43)

The Auditor shall have the powers and have the obligations on it that are set forth in the commercial companies act , especially he shall have the right to peruse al the company books , registers and documents at any time and to demand the statements it seems necessary to get them, also it shall have the right to investigate into the company assets and its liabilities, if it is unable to exercise these powers, it must illustrate the same in the report to be submitted to the Board of Directors and shall present to the General Assembly and it shall have the right to call for convention of General Assembly for this purpose.





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### Article No. (44)

The auditor shall submit to the General Assembly a report mentioning whether the balance sheet and the profits and losses accounts statement agree with the actual and express clearly and honestly the real financial position of the company, whether the company keeps regular accounts, whether the inventory was conducted according to the followed rules, whether the details mentioned in the report of the Board of Directors agree with those mentioned in the company books, whether there were violations of the provisions of company's articles of association or of the law provisions - occurred during the financial year in a manner affecting on the company activity or its financial position, plus stating that whether these violation are still existent - within the limits of information available to it. The auditor shall be responsible for the authenticity of the data mentioned in its report in its capacity as an attorney on behalf of all the shareholders, and each shareholder during convention of General Assembly shall have the right to discuss with the auditor and to call for clarification with regard to those mentioned in its report.

### Article No. (45)

A percentage specified by the Board of Directors shall be deducted from the gross profits - for the depreciation of company assets or for compensation for depreciation of their value, and these funds shall be used to purchase necessary materials, machinery and installations and for its repair and it shall not be permitted to distribute these funds to the shareholders.

### Article No. (46)

The net profits shall be distributed in the following manner :

1. 10% shall be retained and will be allocated for the account of statutory reserve and the General Assembly shall be authorized to stop this deduction if the statutory reserve incases above half of the company capital .
2. 1% shall be retained and shall be allocate for the account of Kuwait Foundation for Scientific Advancement.





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3. A percentage shall be retained and shall be allocated for the account of optional reserve - proposed by the Board of Directors and approved by the General Assembly. This retention shall be stopped by a decision of the ordinary General Assembly upon the proposal of the Board of Directors.
4. A portion from the profits shall be retained on proposal of Board of Directors and prescribed by the General Assembly as to meet the obligations caused on the company under Labor Laws and it is not permitted to distribute these funds to the shareholders.
5. A necessary amount shall be retained to distribute the first part of from the profits amounting to (5%) five percent to the shareholders to be specified by the Board of Directors and ratified by the General Assembly.
6. After whatever mentioned above, an amount declared by the ordinary General Assembly shall be retained, so as not to exceed over 10% from the balance amount - which will be allocated for the remuneration of the Board of Directors.
7. The rest of the profits thereafter - shall be distributed to the shareholders as additional share in the profits or shall be carried, on the proposal of the Board of Directors, to the next year or shall be allocated to creation of a general reserve fund or fund for extra ordinary depreciation.

### Article No. (47)

The shares of profits shall be paid to the shareholders at the place and timing that shall be determined by the Board of Directors.

### Article No. (48)

The (optional) reserve fund shall be used upon the decision of the Board of Directors in the best interests of the company, and the statutory reserve shall not be permitted to distribute to the shareholders, but it shall be





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permitted to use it for provision of distribution of profits to the shareholders amounting to 5% in the years in which the company profits do not allow to provide this limit, and if the statutory reserve increases above the half of the company capital, the Assembly shall be permitted to decide the use whatever exceeds this limit - in the manners it thinks it is in the interest of the company and its shareholders.

### Article No. (49)

The cash funds of the company shall be deposited with a Bank or several Banks, as specified by the Board of Directors , and the Board of Directors shall specify the maximum limit of the cash fund that shall be permitted to be kept in the Company safe.

### Third Chapter

### EXPIRY OF THE COMPANY AND ITS LIQUIDATION

### Article No. (50)

The company shall expire - by one of the reasons set forth in the commercial companies act/law and the reasons set forth in the Law No. (32/1967 about the Kuwait Center for Scientific Advancement and organization of the Banking Authority and the decisions for execution of thereof.

### Article No. (51)

The company funds shall be liquidated on its expiry according to the provisions mentioned in the commercial companies act/law.

### Article No. (52)

The provisions of Commercial Companies Act/Law No.(15/1960) and amendments – shall be applied in whatever not mentioned thereabout a specific stipulation in the Memorandum of Association and in this Articles of Association.





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### Article No. (53)

#### DECLARATION

The founders - declare that :

1. The provisions of Memorandum of Association and Articles of Associations are consistent with the specimen set forth in the Article No. 69 of the Commercial Companies Act/Law No. (15/1960)
2. That they have subscribed to all of the shares and deposited the amount of KD 15,000,000/- (KD Fifteen Million only) in the Company name and its account with Burgan Bank.
3. That they have appointed the necessary management bodies to manage the company, and the First Management body of the company shall be selected in the first meeting of the shareholders - in its capacity as Constituent Assembly.

### Article No. (54)

This Article of Association shall be deposited and published according to the law.

|                           |                           |                           |
|---------------------------|---------------------------|---------------------------|
| 1 <sup>st</sup> Party     | 2 <sup>nd</sup> Party     | 3 <sup>rd</sup> Party     |
| Sd/-<br>(in his capacity) | Sd/-<br>(in his capacity) | Sd/-<br>(in his capacity) |
| 4 <sup>th</sup> Party     | 5 <sup>th</sup> Party     |                           |
| Sd/-<br>(in his capacity) | Sd/-<br>(in his capacity) |                           |

With whatever mentioned, this articles of association is drafted and after its citation to the attendants they signed it.





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Drawn in one original and (3) copies and containing (16) pages and this quantity of writing without any deletion or addition and its attachments are with the original copy.

TRUE COPY

Seal

Ministry of Justice

REGISTER OF COMPANIES & CONTRACTS

(Signed & sealed)

(Authenticator - Abubakar Abdul-Fattah Al-Bayyoumi)

Registered with No.2422 dated 15/5/2016

Seal

Ministry of Justice

Department of Real Estate Registration and Authentication

