

**Translation From Arabic Into English**

**Authentication Register:  
Serial No: 6971/ Volume 3  
Authentication No:**

**State of Kuwait  
Ministry of Justice  
Real Estate Registration and Authentication Department  
Kuwait Olefins Company  
A Kuwaiti Shareholding Company (closed)**

**Memorandum of Association**

On Saturday, 3 Ramadan 1425 AH., Corresponding to 27/9/2004,

Before me, Heyam Abdullah Al Meharri, Head of Contract and Shareholding Companies Department at the authentication department

There appeared:

First: Petrochemical Industries Company /Kuwait Shareholding Company Closed / whose Memorandum of Association is authenticated under no. 426 dated 21/8/1961 represented herein by Mrs. Maha Abdulrahman Mulla Hussein of Kuwaiti nationality, holder of civil ID no. (255052000074) in her capacity as the Vice Chairman of the Company by virtue of To Whom It May Concern Certificate no. 20664 dated 24/5/2004 issued by Ministry of Commerce and Industry which attached thereto.

First Party in her Capacity

Second: Dow Europe Holding PV Company (Private Company with Limited Liability) whose Memorandum of Association is authenticated under file no. 21018156 dated 30/11/1994 which amended by means of deeds the last of which on 1/1/2002, represented herein by Mr. Kenneth Arvist Batrick in his capacity as the Manager of the Company, and Mr. Luscina Paul shall sign on his behalf by virtue of Power of Attorney authenticated on 15/9/2004 attested by Arab Swiss Chamber for Commerce and Industry dated 20/9/2004 which duly attested by all official authorities.

Second Party in her Capacity

Third: Boubyan Petrochemical Company / Kuwait Shareholding Company / whose Memorandum of Association is authenticated under no. 11 Vol. 88 dated 12/2/1995 represented herein by Mr. Dabbous Mubarak Abdullah Al Dabbous of Kuwaiti nationality, holder of civil ID no. (263051001091) in her capacity as the Vice Chairman and Managing Director of the Company by virtue of To Whom It May Concern Certificate no. 38560 dated 28/10/2003 issued by Ministry of Commerce and Industry and attached thereto.

Third Party in his Capacity

Fourth: Mohamed Abdulrahman Al Turkiet of Kuwait Nationality, holder of Civil ID no 253040601228.

Fourth Party

Fifth Party: Mohamed Yousef Al Hassawi of Kuwait Nationality, holder of Civil ID no 251061000043.

Fifth Party

The Attorney /Abdul Rahman Ahmed Al-Haroun of Kuwait Nationality, holder of civil ID no. 253070500102 shall sign for the First Party by virtue of a specified Power of Attorney authenticated under no. 5200 Vol. 11 dated 6/9/2004 and for the Fourth and Fifth Parties by virtue of Special Power of Attorney authenticated under no. 4596 Vol. 11 dated 8/8/2004, Pursuant to the details contained therein, the Attorney shall declare that his Power of Attorney is valid and legally effective and that his Principal is alive and full competent.

**Article (1)**

The aforementioned preamble shall be an integral thereof.

From the signatories hereunder, a group shall be formed with the objective to incorporate a Kuwaiti Shareholding Company licensed by the Kuwaiti Government in accordance with the provisions of the Commercial Companies Law no (15) of 1960 as amended, and the Articles of Association enclosed herewith.

**Article (2)**

Name of the company is: **Kuwait Olefins Company /Kuwaiti Shareholding Company (closed)**

**Article (3)**

The head office of the Company and its legal domicile shall be situated in the State of Kuwait. The company's Board of Directors may establish branches, agencies, offices or operation centres and appoint representatives both Kuwait or abroad.

**Article (4)**

The duration of this company shall be non-specified and commence from the date of registration in the Commercial Registry and publication of its official instrument in the Official Gazette.

### **Article (5)**

#### **The objectives of which the company was established shall be as follows:**

- 1) Manufacturing all petrochemicals and derivatives thereof;
- 2) Selling, buying, distributing, supplying and importing such materials as well as participation in all relevant activities including creation and letting the necessary services.
- 3) The Company may originally practice the above-mentioned activities in the State of Kuwait and abroad as its original capacity or under proxy.

The company shall be entitled to have interest or participate, in any way, with entities that carry out similar businesses or those that can assist the Company in achieving its objectives inside Kuwait or abroad and it may incorporate or purchase these companies or affiliate with them.

### **Article (6)**

The company's share capital is fixed at KD 27,410,000 (Only twenty seven Million four hundred thousand ten Kuwaiti Dinars) divided into 274,100,000 (two hundred seventy four Million and one hundred thousand shares) the value of each share shall be fils 100/- (One hundred fils) and all shares are in cash.

### **Article (7)**

The founders, who signed this Contract, have subscribed in the company's total share capital as follows:

<b>Sr.</b>	<b>Name</b>	<b>No. of shares</b>	<b>Value in KD</b>
1.	<b>Petrochemical Industries Company</b>	132938480	13293848
2.	<b>Dow Europe Holding PV Company</b>	116492500	11649250
3.	<b>Boubyan Petrochemical Company</b>	24669000	2466900
4.	<b>Mohamed Abdulrahman Al Turkiet</b>	10	1
5.	<b>Mohamed Yousef Al Hassawi</b>	10	1
<b>Total</b>		274,100.00	27,410.000

The Founders have deposited (20%) of the nominal value of these shares which amounting to KD 5,482,000 (five Million four hundred thousand eighty two Kuwaiti Dinars), pro rata to the percentage of its subscription in the National Bank of Kuwait, pursuant to the bank certificate issued on 21/9/2004, which is enclosed with the original of this Memorandum of Association. Each Party shall pay its remaining share from the remaining amount of the capital of (KD 21,928.000) whenever the Board decides the same.

### **Article (8)**

The expenses, expenditure, wages and costs which shall be paid by the Company for incorporation thereof are approximately KD 1,000,000 (Only one million Kuwaiti Dinars) and it shall be deducted from the general expense account.

### **Article (9)**

The founders, who signed this contract, hereby undertake to take all actions deemed necessary to complete incorporation of the company. For this purpose, they authorised:

**Mr. Saad Ali Al Shuwaib or his representative.**

To initiate, jointly or severally, the legal procedures, complete the necessary documents and enter amendments deemed necessary by the government to be entered herein or in the Articles of Association enclosed hereto.

### **Article (10)**

This Memorandum is made upon the letter of the Ministry of Commerce and Industry no. 39206 dated 25/9/2004, which is recorded in the inbound register of the Contracts and Companies Control of the Ministry of Justice under no. 6612 dated 25/9/2004.

First Party in her Capacity	Second Party in is Capacity	Third Party in his Capacity	Fourth Party	Fifth Party
signed	signed	signed	signed	signed

In witness whereof, this Contract has been drawn up and after it had been read to the attendees, they signed it.

This Memorandum of Association is made of (one) original and (3) copies, it consists of (4) pages containing (10) articles without deletion or addition. The Articles of Association, which consists of (10) pages and contains (53) Articles and declaration without deletion or additions, is enclosed with each copy of the Memorandum of Association. The draft of this Memorandum of Association, the letter of the Ministry of Commerce & Industry, photocopies of Power of Attorneys, photocopies of Civil ID cards, bank letters and all required documents are enclosed with the original thereof.

## Translation From Arabic Into English

**Authentication Register:**  
**Serial No: -----/ Volume 1**  
**Authentication No:**

**State of Kuwait**  
**Ministry of Justice**  
**Real Estate Registration and Authentication Department**  
**Kuwait Olefins Company**  
**A Kuwaiti Shareholding Company (closed)**

### **Articles of Association**

#### **Chapter One** **Incorporation of the Company**

#### **A. Fundamentals of Company's Incorporation**

##### **Article (1)**

In accordance with the provisions of the Commercial Companies Law and these Articles of Association between the shareholders, whose terms are stated hereinafter, a Kuwaiti Shareholding Closed Company is incorporated under the name “**Kuwait Olefins Company**” (Kuwaiti Shareholding Company) (Closed)

##### **Article (2)**

The Company's head office and its legal domicile shall be situated in the State of Kuwait. The company's board of directors may establish branches, agencies, offices or operation centres and appoint representatives both Kuwait or abroad.

##### **Article (3)**

The duration of this company shall be non-specified and shall commence from the date of registration in the Commercial Registry and publication of the official instrument of its incorporation in the Official Gazette.

##### **Article (4)**

#### **The objectives of the company shall be as follows:**

- 1) Manufacturing all petrochemicals and derivatives thereof;
- 2) Selling, buying, distributing, supplying and importing such materials as well as participation in all relevant activities including creation and letting the necessary services.

- 3) The Company may originally practice the above-mentioned activities in the State of Kuwait and abroad as its original capacity or under proxy.
- 4) The company shall be entitled to have interest or participate, in any way, with entities that carry out similar activities or those that can assist the Company in achieving its objectives inside Kuwait or abroad and it may incorporate or purchase these companies or affiliate with them.

## **B. THE CAPITAL**

### **Article (5)**

The company's share capital is fixed at KD 27,410,000 (Only twenty seven Million four hundred thousand ten Kuwaiti Dinars) divided into 274,100,000 (two hundred seventy four Million and one hundred thousand shares) the value of each share shall be fils 100/- (One hundred fils) and all shares are in cash.

### **Article (6)**

All shares of the Company are nominal. Non-Kuwaitis may possess them pursuant to the provisions of law and ministerial resolution regulating this.

### **Article (7)**

The founders, who signed the Articles of Association, have subscribed in the company's total share capital totaling 274,100,000 (two hundred seventy four Million and one hundred thousand shares) of a nominal value amounting KD 27,410,000 (Only twenty seven Million four hundred thousand ten Kuwaiti Dinars), distributed in pro rata to the percentage of subscription of each of them KD5,482,000 (Only Five Million Four Hundred Eighty Two Thousand Kuwaiti Dinars) of which has been subscribed to National Bank of Kuwait pursuant to the certificate issued by the aforesaid bank on 21/9/2004.

The remaining of each share value shall be paid within five years maximum as of the date of the final establishment of the company according to the date and the way determined by the Board of Directors. The maturity dates of payments shall be announced prior at least fifteen days of their maturities. The company may without the need for official notice, sell in the public auction or the stock market the shares, in the event that the founders fail to pay the value of his shares on the maturity date. Based on the priority, the unpaid instalments, interests and costs shall be fulfilled from the selling price of all debtors and return the balance to the founder if the selling price is not sufficient, the company shall proceed to take the rest from the partners' private money.

### **Article (8)**

Within three months from the date of announcing the final incorporation of the Company, the Board of Directors shall handover to each shareholder temporary instruments indicating the amount of subscribed shares, the paid amounts and the remaining instalments. The Board of Directors shall handover the shares within three months of payment of the last instalment.

### **Article (9)**

The ownership of the shares shall inevitably entail acceptance of the Memorandum of Association and the Articles of Association of the Company and the resolutions taken by its General Assembly.

### **Article (10)**

Each share shall entitle its owner to a proportionate share to that of the Memorandum of Association and the other shareholders, with no preference in the ownership of Company's assets and in the profits distributed in the manner mentioned hereinafter.

### **Article (11)**

Since all of the Company's shares are nominal, the last owner thereof, whose name is registered in the Company's registry, shall be solely entitled to receive the amounts due for each share, whether they are dividends or shares in the Company's assets.

### **Article (12)**

The Company's share capital may not be increased, unless the instalments of the shares have been fully paid, and new shares may not be issued at a price less than their nominal values. If such shares are issued at a higher price, the excess shall be credited to reserve:

1. Issuance expenses
2. Reserve
3. Consumption of shares

Each shareholder shall have the priority to subscribe in a number of the new shares pro rata to his/her holding interest. A fifteen-day period shall be given to exercise the priority right, starting from the date of publication of the invitation to the shareholders. The General Assembly may assign such priority right or limiting the same as it deems fit.

**CHAPTER TWO**  
**MANAGEMENT OF THE COMPANY**  
**A. BOARD OF DIRECTORS**

**Article (13)**

The Company shall be managed by a Board of Directors composed of (9) members and the shareholders may appoint members in the Board of Directors proportionate with the shares owned by them and the rest of the member shall be elected through secret ballot.

**Article (14)**

Membership term of the Board of directors shall be 3 years, which is renewable.

**Article (15)**

A member of the Board of Directors or his\her representative should own a number of shares not less than KD7,500 or 1 % of share capital which is less, If the member does not own that amount or represent the same, at the time of his\her election, he\she shall have to, within a month after he\she has been elected as a member of the board, own the same. Otherwise his\her membership shall be null and void. The represented shareholder will be liable for the actions taken by his\her representatives against the company, its debtors and shareholders.

**Article (16)**

The Chairman or any member of the Board of Directors may not engage in business which is a similar to or competitive with the company's business or may not have a direct or indirect interest in the contracts and deals concluded with the Company or on its account, or may have interest which conflict with the company's interest without special permission of the General Assembly. Any of the aforesaid persons may not be involved in the management of a company, which is similar to or competing with their company. The Chairman or any member of the Board of Directors, even represented by a legal person, may not utilise the information he receives by virtue of his position to obtain benefit for himself, or for a third party. He may not sell or purchase the Company's shares during his membership period in the Board of Directors.



#### **Article (17)**

In case that a position of a board member becomes vacant, he\she shall be succeeded by the member holding the majority of the votes among shareholders, who did not succeed in the last election.

In case the vacant positions reach a number equal to the quarter of the original number, or if there is no member fulfilling the conditions, the Board of Directors must call the General Assembly to meet within two months from the date on which the last position became vacant to elect members to occupy the vacant board positions. In all cases, the new member shall only complete the period of his\her predecessor.

#### **Article (18)**

The Board of directors shall elect through a secret ballot the Chairman and the Vice-Chairman of the Board of Directors for three years provided that this shall not exceed the period of their membership in the Board. The Chairman of the board shall represent the company before the court and third parties and shall be responsible for the execution of the resolutions taken by the Board of Directors. The Vice-Chairman shall act as the Chairman in case of absence of the latter or occurrence of any hindrance.

#### **Article (19)**

The Board of Directors may appoint, among of its members, one or more managing director(s) and determine their authorities and remuneration. The Board of Director may appoint a general manager for the Company and determine its powers and remuneration.

#### **Article (20)**

The Chairman, the Vice-Chairman and Managing Directors, or any other member appointed by the Board for this purpose shall be severally entitled to sign on behalf of the Company as per their determined powers.

#### **Article (21)**

The Board of Directors shall convene four times at least during the year upon an invitation from the Chairman. It shall also meet if requested by at least two members of the Board of Directors. The meeting shall be valid if attended by the majority of members. Attendance by proxy may not be permitted in the Board meetings.

#### **Article (22)**

The decisions of the Board of Directors shall be taken by the majority of attending members. In case votes are equal, the Chairman shall have the casting vote. As an exception of the foregoing, the decisions related to the following matters shall be taken by a majority of seventy five percent (75%) of the Board members:

- Approval of the estimated annual budget, amendments thereon, long-term plans, capital expenditures, expansion of factories and their subsidiary services, the balance sheet and the profit and loss account
- Decisions related to lending, borrowing, issuing bonds, guarantees and mortgages and selling or mortgaging the Company's assets or partially or completely offering the same as a collateral security
- The decisions related to calling the remaining unpaid installments of the Company's capital in the first four years
- Entering into shareholdings, participating with third parties in joint ventures or incorporating subsidiary companies
- Establishing Company's branches or agencies, other companies or initiating operations outside Kuwait
- Approving the internal statutes of the Company, the powers vested with the Company's officials including the powers of the Chairman of the Board and the CEO, their compensations and the payroll of the Company's staff
- Any decisions related to carrying forward profits to the coming years
- Electing the Chairman of the Board and his Vice Chairman, appointing the CEO and the main personnel who are liable towards those leaders and determining their compensations and salaries
- Proposing the appointment of the Company's auditors from chartered accountants and developing financial and accounting systems
- Approving donations and amicable settlements, reconciliation in disputes, arbitration or judicial and administrative procedures in case the disputed value or donations exceed one hundred thousand (100,000) Kuwaiti Dinars or the legal remunerations exceed fifty thousand (50,000) Kuwaiti Dinars
- Approving the agenda of the ordinary and extra-ordinary general meetings

A special record shall be prepared where the minutes of the meetings of the Board of Directors shall be registered after they have been signed by all members attending the meeting as well as the Secretary. The opponent member may apply for registering his / her opinion in the minutes.

#### **Article (23)**

Should any member fails to attend the meetings for three consecutive sessions without a justifiable reason; he may be considered resigned by a resolution of the Board.

#### **Article (24)**

Without prejudice to the provisions of the Commercial Companies Law, the Ordinary General Assembly shall determine the remuneration of the members of the board of directors.

#### **Article (25)**

The Board of Directors shall have the widest power to manage the Company and carry out all activities required by the Company's management in accordance with its objectives. Such authority may not be limited, except under the stipulations of the law, these Articles of Association or resolutions of the General Assembly. The Board of Directors may sell or mortgage the company's properties, or mortgage the same, or give guarantees or conclude loans provided that such loans shall exceed the half of the company's share capital only after securing General Assembly approval.

#### **Article (26)**

The Board of Directors may not assume any personal obligation with regard to the company's undertakings, by reason of their duties within the limits of their powers.

#### **Article (27)**

The Chairman and members of the Board of Directors are responsible for their actions towards the Company, the shareholders and others for all acts of fraud, abuse of authority and every violation to the provisions of the Law or these Articles of Association, and for cases of mismanagement. The voting by the General Assembly to discharge the Board of Directors from any liability shall not prevent filing of an action for liability.

### **B. THE GENERAL ASSEMBLY**

#### **Article (28)**

Shareholders are being invited to all forms of General Assembly meetings through registered letters. The shareholder shall sign the invitation paper provided that such invitation shall be made two weeks prior to General Assembly meeting. The invitation must include the minutes of the meeting(s) agenda.

The founders shall set forth the agenda of the General Assembly meeting held in constituent assembly, while the Board of Directors shall set forth the points of agenda of the General Assembly meeting held in ordinary or extra-ordinary form.

#### **Article (29)**

In cases where the General Assembly meeting may be held upon the request of the shareholders, the auditors or the Ministry of Commerce & Industry, the points of agenda shall be set forth by the party requesting this meeting. The points, which are not listed on the agenda, may not be discussed.

#### **Article (30)**

Each shareholder shall have a number of votes equal to that of his shares. The meeting may be attended by virtue of a proxy. The Minors and Incapacitated may be represented by their legal representatives. No member may participate in ballot either

for himself or for a person whom he legally represents, in matters related to a personal benefit or on disputes between him and the Company.

#### **Article (31)**

The shareholders shall register their names in special register prepared for that purpose at the Head Office of the company at least twenty four hours prior to holding of the General Assembly meeting. The register shall include the name of the shareholder, number of shares owned by him and the number of shares represented by him together with the submission of the power of attorney. The shareholder shall be given a card to attend the meeting indicating the number of votes he is entitled to in principal or by proxy.

#### **Article (32)**

The quorum necessary for the validity of holding the General Assembly meeting in its various capacities and for the majority required to pass resolutions shall be subject to the provisions of the Commercial Companies Law.

#### **Article (33)**

Voting in the General Assembly meeting shall be in the manner identified by the Chairman of the meeting, unless the General Assembly resolves a specific voting method. The election and discharging of members of the Board of Directors must be conducted through secret ballot.

#### **Article (34)**

Within thirty days from registering the Company in the Commercial Registry and publication of the official instrument of its incorporation in the Official Gazette, the founders shall call the General Assembly as the constituent assembly. They shall submit a report on all formalities of incorporation, together with the supporting documents. The verification shall be made by the General Assembly regarding the validity of information contained in the report, and their compliance with the law, the Company's Memorandum and Articles of Association. The General Assembly shall consider also the reports that may be submitted by the Ministry of Commerce & Industry in this regard. General Assembly shall elect the Board of Directors members and appoint the auditors and announce the final incorporation of the Company.

#### **Article (35)**

The Ordinary General Assembly shall meet, at least once a year, upon the invitation of the Board of Directors within three months from the expiry of the Company's financial year. The Board of Directors may call the General Assembly whenever it deems necessary to do so, and shall so convene the general assembly whenever it is so required by a number of shareholders, who own an interest not less than one tenth of

the Company's capital. The General Assembly shall also be held upon a request from the Ministry of Commerce & Industry.

#### **Article (36)**

The General Assembly held in ordinary form is competent to consider all matters related to the company, except for those matters, which the law or these Articles of Association stipulated to be discussed in a general assembly held in extra-ordinary or constituent assembly.

#### **Article (37)**

The Board of Directors shall submit to the ordinary General Assembly a full report containing a statement of the progress of the company's business, its financial and economic position, Balance Sheet, Profit & Loss Statement, a statement on the remuneration of the Board of directors, auditors' fees and proposal for dividend distribution.

#### **Article (38)**

The ordinary General Assembly shall discuss the Report of the Board of Directors and take resolutions with regard thereto. It shall consider the report of the auditors' and the Ministry of Commerce & Industry report, if any, and elect the members of the Board of Directors and appoint auditors for the subsequent year and determine their wages.

#### **Article (39)**

The Extra-ordinary General Assembly shall meet upon invitation from the Board of Directors, or upon a written request made by the shareholders owning not less than a quarter of the Company's shares. In this case, the Board of Directors must call for the General Assembly to meet within one month from the date of receiving the request.

#### **Article (40)**

**The following matters shall be discussed only in the General Assembly meeting held in an extra-ordinary form:**

1. Amendment of the Company's Memorandum or Articles of Association.
2. Sale of the entire project executed by the company or otherwise dispose thereof.
3. Dissolution of the Company or merger thereof with another company or corporation.
4. Reduction or increment of the company's capital.

Any amendment to the Company's Articles of Association shall not be valid unless is has been approved by the Ministry of Commerce & Industry.

## **C. THE COMPANY'S ACCOUNTS**

### **Article (41)**

The Company shall have one or more certified auditor(s) to be appointed and his fees determined by the General Assembly. The Auditor(s) shall audit the accounts of the financial year for which he is appointed.

### **Article (42)**

The fiscal year of the Company shall commence from **January 1<sup>st</sup>** and end on **December 31<sup>st</sup>** every year with the exception of the first fiscal year, which shall commence from the date of the Company's final incorporation and expire on **December 31<sup>st</sup>** of the following fiscal year.

### **Article (43)**

The auditor shall have the powers and obligations as stipulated in the Commercial Companies Law. He shall particularly have the right, at any time, to review all the Company books, records and documents, and to request data, which he deems necessary to obtain. He shall also be entitled to verify the company's assets and liabilities. If he has been unable to exercise these powers, he must state this in a written report to be submitted to the Board of Directors to be presented to the General Assembly and he shall have the right to invite the General Assembly for this purpose.

### **Article (44)**

The auditor shall submit a report to the General Assembly stating whether the Balance Sheet and the Profit and Loss Account present fairly and clearly the Company's actual financial position; the Company maintains proper books of accounts; the inventory has been duly made; the contents of the Board of Directors' report are in accordance with the contents of the Company's books; and whether there is any violation to the Company's Articles of Association, provisions of the law and International Accounting Standards, during the financial year in a manner that affects the Company's business or financial position and whether such violations, based on the information made available to him, still exist.

The auditor shall be responsible for the validity and accuracy of the data mentioned in the report in his capacity as attorney for all shareholders. Each shareholder is entitled to discuss and inquire during the General Assembly meeting about the contents of the report with the auditor.

#### **Article (45)**

A certain percentage from the total profits, determined by the Board of Directors, shall be deducted and allocated for depreciation of the Company's assets or compensation for impairment in their values. These funds shall be used for purchasing the necessary materials, equipment and structures or for repairs thereof. Such funds may not be distributed to the shareholders.

#### **Article (46)**

##### **The net profits shall be distributed as follows:**

1. 10% (ten percent) shall be deducted for the statutory reserve. The General Assembly may resolve to discontinue such deduction if the statutory reserve exceeds 50% of the Company's capital.
2. 1% (one Percent) shall be deducted for the account of Kuwait Foundation for the Advancement of Science.
3. A certain percentage shall be deducted for the voluntary reserve; this deduction shall commence and get discontinued by a resolution of the General Assembly based on a proposal of the Board of Directors.
4. A certain portion of profit as proposed by the Board of Directors and determined by the ordinary general assembly shall be allocated to cover the company's obligations under the labor law. These funds may not be distributed to shareholders.
5. The amount required to distribute a primary share of dividends of **5%** (five percent) to the shareholders upon BOD's proposal and the General Assembly's approval.
6. An amount not exceeding **10% (ten percent)** of the remainder, to be determined by the Ordinary General assembly shall be deducted and allocated for the remuneration of the Board of Directors.
7. The remaining amount of profits shall be then distributed to the shareholders as additional dividends or carried forward to the next year, upon a suggestion of the Board of Directors, or allocated to establish a general reserve, or a reserve for extra-ordinary depreciation

**Article (47)**

The Company shall pay the dividends to the shareholders at the place and time determined by the Board of Directors.

**Article (48)**

Reserves shall be used in accordance with the resolution of the Board of Directors for the Company's best interests. The statutory reserve may not be distributed to the shareholders. However, distribution of the statutory reserve is limited to the amount required to enable the payment of a dividend of **5% (five percent)** to be made in years when accumulated profits are not sufficient for the payment of a dividend of that amount. If the statutory reserve exceeds 50% of the Company's capital, the General Assembly may resolve to use the surplus in a manner deemed proper by the Company and its shareholders.

**Article (49)**

The Company's funds shall be deposited with a bank or several banks nominated by the Board of Directors. The Board of Directors shall also determine the highest limit of cash balance, which the treasurer may keep in the Company's safe.

**CHAPTER THREE  
DISSOLUTION AND LIQUIDATION OF THE COMPANY**

**Article (50)**

The Company shall be dissolved by any of the reasons stipulated for in the Commercial Companies Law.

**Article (51)**

The company's amounts shall be liquidated upon its dissolving pursuant to the provisions of Commercial Companies Law.

**Article (52)**

The provisions of the Commercial Companies Law no. (15) of 1960 and amendments thereof shall be applied to any matter which is not contained Memorandum of Association and Articles of Association.



### Article (53)

#### **The founders hereby declare that:**

- First:** The terms and conditions of the Memorandum and Articles of Association comply with the form stipulated for in Article (69) of the Commercial Companies Law.
- Second:** They have subscribed in all shares.
- Third:** They will appoint the administrative staff necessary for management of the Company. The first administrative staff of the company shall be elected in the first meeting of the shareholders to be held in a constituent assembly.

This Memorandum is made upon the letter of the Ministry of Commerce and Industry no. 24307 dated 16/6/2004, which is recorded in the inbound register of the Contracts and Companies Control of the Ministry of Justice under no. 4004 dated 16/6/2004.

First Party in her Capacity	Second Party in is Capacity	Third Party in his Capacity	Fourth Party	Fifth Party
signed	signed	signed	signed	signed

In witness whereof, this Contract has been drawn up and after it had been read to the attendees, they signed it.

This Memorandum of Association is made of (one) original and (4) copies, it consist of (10) pages without deletion or addition as well as its attachments.

Official seal of Ministry of Commerce and Industry  
Real Estate Registration and Authentication Department

**Ministry of Commerce and Industry  
Commercial Registration Department**

**Date of Issue: 10/10/2004**

**To Whom It May Concern**

Commercial Registration Department do hereby certify that Kuwait Olefins Company / Kuwait Shareholding Company (closed) has been recorded in the Kuwaiti Commercial Registration on 10/10/2004 under no. (103722) according to the provisions of Amiri Decree no. (1) financial of 1959 and executive bylaws thereof.

Manager of the Commercial Registration Department  
Seal of Commercial Registration Department