

AMENDED ARTICLES OF ASSOCIATION

OF

DUBAI REFRESHMENTS PUBLIC JOINT STOCK COMPANY

DATED [●] 2009

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AMENDED AND RESTATED ARTICLES OF ASSOCIATION
of
DUBAI REFRESHMENTS PUBLIC JOINT STOCK COMPANY
(THE "COMPANY")

- 1- The Company was incorporated as a public joint stock company under the name “Dubai Refreshments (P.J.S.C.)” pursuant to an Emiri Decree issued by the deceased His Highness Sheikh Rashed bin Saeed Al Maktoum (previous Ruler of Dubai);
- 2- And whereas, the Company is governed by a memorandum and articles of association (“**Original Articles**”) which was executed on 8 June 1994 and notarized and authenticated before the Dubai Notary Public under no. (9554/94) pursuant to the UAE Federal Law No. (8) of 1984 concerning the Commercial Companies (As amended);
- 3- And whereas, the Original Articles has been amended in the following manner:
 - a. Amendment of the Original Articles of the Company which was executed on 16 August 1994 and notarized and authenticated before the Dubai Notary Public under no. (14429/94);
 - b. The extra ordinary general assembly resolution convened on 21 May 2002;
 - c. The board of directors’ resolution convened on 15 March 2004;
 - d. The extra ordinary general assembly resolution convened on 20 April 2005;
 - e. The extra ordinary general assembly resolution convened on 28 June 2007 resolving the increase of the Company’s share capital from AED (40,000,000) fully paid to AED (50,000,000) which is equivalent to an increase of AED (10,000,000) as bonus shares and dividing the par value of each share from AED (100) to AED (1) per share; and
 - f. The extra ordinary general assembly resolution convened on 30 April 2008 resolving the increase of the Company’s share capital from AED (50,000,000) fully paid to AED (60,000,000) which is equivalent to an increase of AED (10,000,000) as bonus shares.

4- And whereas, it is resolved to amend the Original Articles of the Company to reflect (a) determining the contribution of the GCC nationals not to exceed 49% in the share capital of the Company and the contribution of the UAE nationals not less than 51% in the share capital of the Company, in which nationals other than UAE and GCC shall not be entitled to contribute/own any number of shares in the share capital of the Company and (b) in a form to comply with the Resolution No. (32/R) of 2007 concerning the Corporate Governance for Public Joint Stock Companies and the Institutional Discipline Criteria, issued by the Chairman of the Board of Directors of Emirates Securities (“ESCA”) and Commodities Authority dated 9 April 2007, pursuant to the extraordinary general assembly meeting dated 5 April 2009.

Now therefore, these articles of association of the Company ("**Original Articles**") shall cancel and replace the Original Articles and its addenda, and consequently, the Company shall exist pursuant to the Commercial Companies Law and in accordance with the following terms and conditions: -

Chapter 1
The Company's Incorporation

Article (1)

The Company has been incorporated as a "Public Joint Stock Company" in accordance with the provisions of Commercial Companies Law and in accordance with these Articles.

Article (2)

The name of the Company shall be: **Dubai Refreshments Public Joint Stock Company**.

Article (3)

The Company's head office and legal domicile shall be in the Emirate of Dubai. The Board may establish branches and agencies for the Company inside and outside the United Arab Emirates ("UAE").

Article (4)

The duration of the Company shall be (100) one hundred calender years, starting on the registration date in the commercial register . Thereafter, the duration of the Company shall be renewed automatically to similar consecutive terms unless a resolution is issued by extra general assembly to amend the term of the Company or to liquidate it.

Article (5)

The objects for which the Company has been established are: the manufacture of packaging (including, without limitation, plastic bottles, aluminum cans, tetra pak, and any other type of container, and coolers for preservation of ice and food products) and of carbonated and non-carbonated beverages (including, without limitation, Pepsi Cola and distilled water); the bottling, filling or packaging of any such carbonated and non-carbonated beverages, ice, and any type of food product, including, without limitation fruits, meat, fish, and others; and the storage, marketing, sale and distribution of any and all of the aforementioned products.

In furtherance of the above, the Company may also:

- a- raise financing by borrowing funds whether by way of loans or debt instruments including sukuk, debentures, notes or bonds;

- b- hold interests or participate in any form in or with other establishments or companies or persons that perform functions similar to its own or are likely to help the Company in attaining its purposes within or outside the UAE. It may also acquire these companies or become affiliated with them; and
- c- carry on any other business related to any of the aforesaid activities, or related to any other activities deemed to directly or indirectly enhance the Company's business.

This Article (5) shall be construed in an unrestricted and broad manner, and all the objects and powers mentioned therein may be carried on in the UAE, within the GCC and in other locations throughout the world (to the extent permitted by the laws of the UAE), and may be increased or amended in any manner from time to time pursuant to a resolution of an Extraordinary General Meeting in accordance with the provisions of the Commercial Companies Law and the ESCA Corporate Governance Decision.

Chapter 2 **The Company's Capital**

Article (6)

The share capital of the Company is determined to be AED 60,000,000 (sixty million dirhams) divided into 60,000,000 (sixty million) shares with a nominal value of AED 1 (one dirham) each fully paid. Shares may be subscribed for in cash or in kind.

Article (7)

All of the Company's shares are nominal. The shareholding percentage of UAE nationals at any time throughout the Company's Duration shall not be less than 51% of the capital, while the shareholding percentage of Gulf Cooperation Council ("GCC") nationals (which, for the avoidance of doubt, includes UAE nationals) shall be not less than 100% of the Company's capital. Notwithstanding the above, non-GCC national shareholders of record on the date that these Articles come into effect may retain their shareholdings, but may not transfer their shares to other non-GCC nationals except by succession.

Article (8)

The Board may, if authorized by a resolution of an Extraordinary General Meeting, issue bonus shares to be distributed among the shareholders of the Company by consolidating the nominal value of such shares out of the reserve in the share capital of the Company.

Article (9)

Upon subscription, (100%) one hundred percent of the par value of the shares was paid in full.

Article (10)

The shareholders shall not be liable for any liabilities of the Company except to the extent of the shares held by them in the Company's capital, and their liabilities may not be increased except by their unanimous consent.

Article (11)

The ownership of the share indicates the shareholder's acceptance of the Company's Articles and the resolutions of its General Meeting.

Article (12)

More than one person may not hold the same share. Notwithstanding the foregoing, if the ownership of a share devolves by inheritance to multiple heirs, or if the share is acquired by several persons, then the owners must select one from among themselves to represent them towards the Company. Such persons shall be jointly liable for any liabilities arising from ownership of the share.

Article (13)

Each share shall give its holder rights equal to other shareholders without discrimination in the ownership of the Company's assets and in the Company's profits or in attendance at the General Meetings and the voting on resolutions of the General Meetings. Bonus shares shall carry the same rights carried by non-bonus shares.

Article (14)

In the case of uncertificated shares admitted for trading on the Dubai Financial Market or other applicable market, and to the extent consistent with UAE federal law, the Company shall follow the laws, rules and regulations governing the Dubai Financial Market, or other applicable markets in which the relevant securities of the Company are listed regarding the issue, sale, assignment, mortgage, disposal and registration of the Company's shares, the trading thereof and the transfer of share ownership.

In all other cases:

- a- share certificates shall be issued from a book with coupons. They shall be given serial numbers and shall be signed by at least 2 (two) Directors and stamped with the Company's stamp. The share certificates shall include: (i) the date of the resolution approving the incorporation of the Company, (ii) the date of the publication of such resolution in the Official Gazette, (iii) the amount of the Company's capital, (iv) the number of shares into which the capital is divided, (v) the location of the Company's head office and (vi) the Company's Duration. Dividend coupons with serial numbers shall be attached to the share certificates and such coupons shall also reference the share number; and
- b- shares shall be transferred by registering the transfer in the Company's share register after submission of a declaration signed by the transferor and the transferee. The Company shall have the right to require that both parties' signatures be certified and that their capacity be proven by legal methods. The registration of the shares in the Company's share register shall be evidenced by the signature of 2 (two) Directors on the relevant certificates. The aforementioned procedures shall be followed for transfers to third parties by succession or other means.

Article (15)

In the event of a shareholder's death, the Company will only recognize his heir(s) as having rights or an interest in the shares. Upon registration of the share transfer to the heir in accordance with these Articles, the heir shall have the same rights in relation to those shares as were enjoyed by the deceased, except as otherwise provided in these Articles. The estate of the deceased shareholder shall not be relieved from any liability in relation to any share that he owned at the time of death.

Any person who becomes entitled to any shares in the Company as a result of the death or bankruptcy of a shareholder or according to an attachment order issued by any competent court, should within 30 (thirty) days: (i) submit evidence of such right with the Board and (ii) elect whether to register themselves or a nominee as owner of the relevant shares.

Heirs or creditors of a shareholder may not under any circumstances request the placement of seals on the Company books or properties, and may not request the division or selling of the same as a whole, and may not intervene in any manner in the management of the

Company. Upon exercising their rights, they shall rely upon the Company's inventory statements and the end of year accounts as well as resolutions of the General Meetings.

Article (16)

The dividends due for each share shall be paid to the shareholders of record on the date fixed by the General Meeting at which the distribution of dividends was resolved. The Board must ensure that payment of such dividends is made within 30 (thirty) days from the date of such General Meeting. So long as the Company's shares are admitted to trading in a securities market in the UAE licensed by the UAE Securities and Commodities Authority ("ESCA"), dividends must be paid at least 5 (five) business days and not more than 10 (ten) business days from the date of such General Meeting.

Article (17)

Subject to the relevant provisions of the Commercial Companies Law, the Company's capital may be increased by issuing new shares with the same nominal value of the original shares and by adding issue premium. Also, the capital may be decreased after obtaining the approval of Ministry of Economy and Commerce.

New shares may not be issued for less than their nominal value. If the shares are issued at a premium, the premium amount shall be added to the legal reserve, even if the legal reserve exceeds, as a result thereof, half of the capital.

Any capital increase or decrease shall be made pursuant to a special resolution passed by the Extraordinary General Meeting of shareholders upon a proposal of the Board. In the case of a capital decrease, the shareholders must be presented with an auditor's report and must be informed of the amount of the decrease and the method for executing the decrease. In case of a capital increase, the amount of the increase must be presented to the shareholders along with the issue price, and shareholders must be informed of their right of first refusal with respect to the newly issued shares.

Chapter 3

Debentures

Article (18)

Subject to the relevant provisions of the Commercial Companies Law, an Extraordinary General Meeting of the Company shall be entitled to resolve to issue bonds of any type

whatsoever, and such resolution shall specify the value of bonds, conditions of their issuance and their convertibility into shares.

Chapter 4
The Company's Board of Directors

Article (19)

The Company shall be managed by a Board consisting of not less than 5 (five) Directors and not more than 15 (fifteen) Directors, unless otherwise required by applicable UAE laws (the "**Board Size**"). To the extent possible and to the extent required by applicable law, at least one third of the Board must be independent and the majority of the Board must be non-executive. In all cases, the majority of the Board shall be nationals of the UAE.

Directors are to be elected by the shareholders at the Annual General Meeting. However, the Board may appoint members for the offices that become vacant during any time of the year, provided that this appointment shall be submitted to the General Meeting in its first meeting following such appointment for approval and ratification of the same or for appointment of other Board members. If the vacant offices during a year reach a quarter of the number of Directors, the Board shall call for an Ordinary General Meeting to be held within 3 (three) months at most from the date the last office falls vacant, in order to elect Directors for such vacant offices, and in all cases each new Director shall complete the period of his predecessor.

Written and signed nominations for Board membership shall be submitted at least 15 (fifteen) days prior to the relevant General Meeting. Shareholders shall be provided with an overview of the candidates before voting in order to provide the shareholders with a clear idea regarding the professional experiences and qualifications of the candidates. Votes to elect members of the Board shall be cast by secret ballot and in accordance with applicable UAE law.

The current members of the Company's Board of Directors constitute of the following:

- | | | |
|------------------------------------|-----------------------|-----|
| 1) Mr. Ahmed Abdulla Ali Al Shafar | Chairman | UAE |
| 2) Mr. Ahmad Bin Eisa Al Serkal | Vice Chairman | UAE |
| 3) Mana Mohammed S. Al Mulla | Executive Manager and | UAE |

	Director	
4) Mr. Ibrahim Abdulrazak Ustadi	Director	UAE
5) Mr. Ali Humaid Al Owais	Director	UAE

Article (20)

Unless otherwise specified in the terms of their appointment and subject to applicable law, the members of the Board shall be appointed for a 3 (three) year, renewable term. Directors shall remain in office until their term expires and is not renewed, they are succeeded, they decease, resign or are dismissed. Directors who are dismissed may not be re-nominated for Board membership before the expiry of 3 (three) years from the date of their dismissal.

Article (21)

The Board shall elect a Chairman and a Deputy Chairman from among its members, provided that they shall be nationals of the UAE.

The position of Chairman, Managing Director and General Manager shall not be held by the same person.

The Chairman shall represent the Company before the courts and shall execute all resolutions passed by the Board.

The Deputy Chairman shall act on behalf of the Chairman during his absence or in case the Chairman is unable to perform his duties.

Article (22)

The Board may appoint from among its members 1 (one) or more Managing Directors for management of the Company, and the Board shall specify such Director's duties and remuneration.

Article (23)

The Board shall have all the powers to manage the Company and shall perform all acts required by the Company's objects. Nothing limits such authority except the provisions of the Commercial Companies Law or these Articles or the resolutions of a General Meeting.

The Board shall develop rules related to the Company's administrative and financial affairs and the affairs of the Company's personnel and their financial transactions. The Board shall also develop rules regarding the Board's business, meetings, powers and responsibilities.

Article (24)

Each of the Chairman or his Deputy or the Managing Director or any other representative authorized by the Board shall have the right to sign solely on behalf of the Company.

Article (25)

The Board shall hold its meetings at the Company's head office. Board meetings shall be held at least once every 2 (two) months upon a written invitation of the Chairman, or upon a written request submitted by at least two-thirds of the Directors. The invitation shall be made at least one week before the meeting is held and shall include the meeting agenda. Each Director has the right to add any matter that he may deem necessary to the agenda.

Article (26)

A meeting of the Board shall not be valid unless attended by the majority of its members.

A Director may authorize any of the other Directors to vote on his behalf. In such case, this Director shall have 2 (two) votes. A Director may not represent more than 1 (one) Director.

Resolutions of the Board shall be passed by the majority of the attending or represented members, and in case of ties, the Chairman or the person acting on his behalf shall have the casting vote. Voting may not be made by correspondence.

A special register shall be prepared for recording the minutes of meetings of the Board and its committees, which shall include, at a minimum, details of matters considered and resolutions passed, including any reservations or controversial opinions. A copy of these minutes shall be signed by members attending the meeting and the Board Secretary. Any objecting member shall record his opinion in the minutes. Once approved, copies of the minutes shall be distributed to all Directors. Minutes of the meetings of the Board and its committees shall be kept by the Board Secretary.

Article (27)

If a major shareholder or Director has any conflict of interest in any matter to be considered by the Board, the Board shall determine if the conflict is material and once such declaration is made, the Board will vote on the matter without the participation of any Directors who have a conflict of interest on the matter or who represent a major shareholder with such conflict of interest. In exceptional cases, such matters may be dealt with by ad-hoc committees formed by the Board.

Article (28)

If a Director fails to attend more than 3 (three) consecutive meetings or 6 (six) separate meetings without an excuse acceptable to the Board, the Board shall issue a resolution considering him to have resigned.

Article (29)

The Board shall have the right to appoint a manager for the Company or several managers or authorized agents and determine their powers.

Article (30)

The Directors shall not be personally liable in relation to the performance of their duties within the scope of their authority.

Article (31)

The Chairman and the Directors shall be responsible towards the shareholders and third parties for all acts of fraud and misuse of power and for each violation of the provisions of the Commercial Companies Law or any other applicable law, the provisions of these Articles and for any mistakes in management.

Article (32)

The Chairman shall undertake tasks and responsibilities including but not limited to:

- a- ensuring the efficiency of the Board and the timely discussion and execution of all major matters;

- b- reviewing and approving the agenda of each meeting of the Board, taking into account any items that the Directors propose to include in the agenda. The Chairman may vest such responsibility in a certain Director or in the Board Secretary;
- c- encouraging all of the Directors to fully and effectively participate in the handling of the Board's affairs in order to ensure that the Board is working for the best interests of the Company and its shareholders;
- d- following the procedures necessary to ensure effective communication with the shareholders and convey their opinions to the Board; and
- e- facilitating the effective participation of non-executive Directors and constructive relationships between the executive and non-executive Directors.

Article (33)

The Company's Directors shall bear the following responsibilities, including but not limited to:

- a- once appointed, disclosing to the Company the nature and dedicated times for their positions in public companies and corporations, their other significant obligations and any variation therein immediately upon its occurrence; and
- b- applying the governance control and the institutional discipline criteria issued by the ESCA Corporate Governance Decisions and any decisions complementary or amending thereto.

The majority of the Directors shall have the right to request the opinion of an independent consultant with no conflicts of interests, at the Company's expense, in relation to any of the Company's affairs.

Article (34)

The responsibilities of the non-executive Directors shall include, but are not limited to:

- a- participating in the meetings of the Board and providing independent opinions on strategic matters, policy, performance, accountability, resources, basic appointments and decision-making criteria;

- b- ensuring that priority is given to the interests of the Company and its shareholders in case of conflicts of interest;
- c- participating in the Company's Board Committees;
- d- monitoring the Company's performance in achieving its agreed objectives and goals and monitoring the Company's performance reports;
- e- developing procedural rules for the Company's governance and supervising and monitoring their implementation; and
- f- providing the Board and its various committees with their skills, experience and qualifications through the regular attendance and effective participation in General Meetings and forming a balanced understanding of shareholder opinions.

Article (35)

All newly-appointed Directors shall be given a comprehensive introductory tour of the Company's departments and divisions and shall be provided with all of the information necessary to ensure their accurate understanding of the Company's activities and affairs and full awareness of their responsibilities, including all information required in order to enable them to perform their duties under applicable laws and regulations and the Company's policies well.

Article (36)

Management shall provide the Board and its ad-hoc committees with sufficient documented information in due time in order to enable the Board to make well informed decisions and to efficiently perform its tasks and responsibilities. The Board shall have the right to conduct additional investigations in order to further these purposes.

Management shall also implement development programs in order to allow Directors to enhance their knowledge and skills in order to ensure their efficient participation on the Board.

Article (37)

The Board shall set forth written rules in relation to the dealings of the Company's Directors and employees in securities issued by the Company or its affiliates.

Article (38)

The Board shall form committees from among its members and delegate some of its powers to such committees or vest them with the supervision of the Company's business and the execution of the Board resolutions.

For so long as the Company's shares are admitted to trading in a securities market in the UAE licensed by ESCA, committees of the Board shall be chaired by independent Directors and shall consist of not less than three non-executive Directors, at least two of whom must be independent. The criteria for "independence" shall be established by the Board, which shall take into consideration the ESCA Corporate Governance Decision. The Board shall select non-executive Directors for membership in committees with tasks that may involve conflicts of interest. The Chairman of the Board may not participate in Board committees.

The committees shall be formed in accordance with procedures laid down by the Board, which should include a determination of the committee's mission, duration and powers and the method used by the Board to monitor them.

The committees shall produce a written report to the Board regarding the committee's actions, results and recommendations with absolute transparency. The Board shall follow up on the work of the committees in order to ensure compliance of the committees with their assignments.

The Board shall form an Audit Committee and a Follow-Up and Remuneration Committee, which shall be permanent committees and shall have the powers and responsibilities set forth in their respective charters.

Article (39)

The Company shall have a strict internal control system in order to evaluate the means and procedures for risk management and the implementation of governance policies. The internal control system shall have the objectives, tasks and powers as approved by the Board from time to time.

Article (40)

Subject to provisions of applicable UAE laws, remuneration of the Board shall consist of a percentage of the Company's net profit in accordance with Article (66) of these Articles and

the attendance allowance, which shall be determined every year by the Annual General Meeting.

Chapter 5 **General Meetings**

Article (41)

A General Meeting that is properly formed shall represent all shareholders and shall be held in the UAE.

Article (42)

Each shareholder shall have the right to attend the General Meetings and shall be entitled to a number of votes equal to the number of shares he owns.

A shareholder may appoint any other person who is not a member of the Board to attend the General Meetings on his behalf, unless the shareholder is a corporation, in which case such shareholder may appoint the member of the Board who represents the corporation in attending the General Meeting, provided that the validity of such delegation should be established by a written proxy and should be duly authenticated or should bear the certified and approved signatures if the representative is a not a shareholder. In all cases, the number of shares that the representative holds in this capacity should not exceed 5% (five percent) of the Company's share capital.

Those who lack capacity shall be represented by their legal representatives.

Article (43)

The invitation to attend the General Meetings shall be sent to the shareholders by announcement in 2 (two) local daily newspapers issued in Arabic, and by letters sent by registered mail, at least 21 (twenty-one) days prior to the date specified for the meeting. The invitation shall also include the agenda.

Article (44)

The Board shall set the agenda of the General Meetings. However, when the General Meeting is to be held upon the request of the shareholders or the auditors or the Ministry of Economy and Commerce, those who request the meeting shall set the agenda.

Article (45)

The holder of a registered share on the business day preceding the General Meeting shall have the right to vote at the General Meeting. The register shall contain the name of the shareholder, the number of shares he owns, the number of shares that he represents, the names of their owners and the proxy.

The shareholder or his representative shall be provided a card for attending the meeting, which shall contain the number of votes to which he or his representative is entitled in person and proxy.

Article (46)

For so long as the Company's shares are admitted to trading in a securities market in the UAE licensed by ESCA, share transfers shall be prohibited at such times as set forth in the ESCA Regulations as to Trading, Clearing, Settlement, Transfer of Ownership and Custody of Securities, as amended, and the rules of the relevant market.

Article (47)

The quorum required for General Meetings in their various capacities and the majority necessary for making decisions at such meetings, shall be subject to the provisions of the Commercial Companies Law.

Article (48)

The Chairman shall preside over the General Meetings. In his absence, his Deputy or a member of the Board appointed by the Board for this purpose shall preside. The Chairman shall appoint a reporter for the meeting and 2 (two) auditors for sorting the votes, and such appointments shall be approved by the General Meeting.

Article (49)

Voting at the General Meeting shall be in the manner determined by the chairman of meeting, unless the General Meeting determines a specific method for voting. Voting shall be in secret in case of election, dismissal or accountability of the members of the Board.

Article (50)

Whoever has the right to attend a General Meeting may not vote, either on his behalf or on behalf of the shareholder he represents, on matters that involve his private interests or a disagreement between him and the Company. Directors attending a General Meeting, in addition to the aforementioned restrictions, shall not participate in voting on matters involving whether to absolve them from liability related to the performance of their duties.

Article (51)

The minutes of the General Meetings shall be regularly recorded after each meeting in a special book to be prepared and kept in accordance with applicable laws and regulations. All minutes recorded in such book shall be signed by the meeting chairman, the reporter of the General Meeting, vote collectors and auditors. The signatories of the minutes of meetings shall be responsible for the accuracy of the particulars appearing therein.

Article (52)

The Annual General Meeting shall be held once a year upon the invitation of the Board within the 4 (four) months following the end of the financial year, to be at the place and time determined in the notice for the meeting.

Article (53)

The Board shall hold an Annual General Meeting particularly to review and consider the Board's report on the Company's activity, the Company's financial position during the year or the auditor's report, approval of the financial year balance sheet and profit and loss account, approval of the rules for dividend distribution, election of the members of the Board, when necessary, and to appoint auditors, determine their remuneration, discharge the liability of the members of Board and the auditor or to decide to file of a case against them, as the case may be.

Article (54)

The Board shall call an Ordinary General Meeting when it is requested to do so by the auditor or 10 (ten) shareholders who own at least 30% (thirty percent) of the Company's capital. The invitation for a meeting, in both cases, shall be sent within 15 (fifteen) days from the date the request is submitted. The Board may call additional Ordinary General Meetings whenever it deems necessary.

Article (55)

The Board shall call an Extraordinary General Meeting if it is so requested by shareholders who own not less than 40% (forty percent) of the Company's capital. In this case, the Board shall send the invitation for meeting within 15 (fifteen) days from the date of the request is submitted.

If the Board does not send the invitation within 15 (fifteen) days from the date of this request, the requesters may request the Ministry of Economy and Commerce to send the invitation.

The Extraordinary General Meeting shall not be duly convened unless attended by shareholders representing at least three quarters of the Company's capital. If this quorum is not present, then shareholders must be invited to a second meeting to be convened within the 30 (thirty) days following the first meeting. The second meeting shall be considered duly convened if attended by shareholders representing half of the Company's capita. If such quorum is not present at the second meeting, the invitation shall be sent for a third meeting to be held after the expiry of 30 (thirty) days from the date of the second meeting. The third meeting shall be valid regardless of the number of shareholders present. In this latter case, the resolutions of the Extraordinary General Assembly shall not be effective except after being approved by the competent authority.

The resolutions of the Extraordinary General Meeting shall be passed by the majority of shares represented in the meeting unless the resolution is related to the increase or decrease of the Company's capital or to prolonging the Company's term or dissolving it before the date specified in these Articles or to merging the Company into another company or to converting it. In each of these cases, the resolution shall not be valid unless adopted by three quarters of the shares represented in the meeting.

Article (56)

Subject to the provisions of Commercial Companies Law, and with the exception for the increase of shareholder liability for which the approval of all shareholders is required, or amendment of the main objects of the Company or transfer of the Company's head office to a foreign country, a resolution of the Extraordinary General Meeting may amend any provisions the Company's Articles, including the increase or decrease of capital, extending or shortening the Company's Duration, merging the Company into another company, dissolving the Company or selling the business for which the Company was established or

disposing such business in any other aspect, provided that the subject of amendment has been detailed in the invitation notice.

Article (57)

Subject to the relevant provisions of the Commercial Companies Law, the General Meeting may not deliberate on issues not included in the agenda attached to the invitation notice.

Article (58)

The resolutions of the General Meeting passed in accordance with the provisions of Commercial Companies Law and in accordance with these Articles shall be binding upon all shareholders, including the absent ones and those who have different opinion.

Chapter 6

Auditors

Article (59)

The Company shall have 1 (one) auditor or more to be appointed by the General Meeting for a 1 (one) year renewable term and his remuneration shall also be determined by the General Meeting. The auditor shall audit the accounts of the financial year for which he is appointed.

Article (60)

The auditor shall be independent from the Company and its Board and shall not have, directly or indirectly, any relation whatsoever with the Company or any of its Directors.

Article (61)

The auditor may not, during the assigned revision/audit period, undertake any additional or consultancy works related to his activity that may affect his decisions or independence.

Article (62)

The auditor shall have the powers and shall have the obligations provided for in the Commercial Companies Law, and it shall be in particular entitled, at any time, to review all of the Company's books and records and other relevant documents. The auditor shall also be entitled to request clarifications that it may deem necessary for performing its tasks. The

auditor shall be entitled to verify the Company's assets and liabilities, and if it is unable to use such powers, it shall prove such matter in writing in a report submitted to the Board. If the Board does not allow the auditor to perform its tasks, the auditor should send a report to ESCA and present the same to the Ordinary General Meeting.

Article (63)

The auditor shall submit a report to the Ordinary General Meeting including the information provided for in the Commercial Companies Law and it shall attend the General Meeting and express its opinion about everything related to the Company's financials and in particular the Company's balance sheet.

The auditor shall be responsible for the accuracy of the data and details stated in its report in its capacity as agent for all shareholders. Each shareholder shall be entitled to discuss the auditor's report and request clarifications about what is stated therein.

Chapter 7

The Company's Finances

Article (64)

The financial year of the Company shall commence on the first of January and shall end on 31 December of each year. The Board shall prepare the balance sheet of the Company and its profit and loss account for each financial year at least 1 (one) month prior to the annual Ordinary General Meeting. Also, the Board shall prepare a report about the Company's activities during the financial year, its financial position by the end of the same year and the way in which the Board proposes to distribute the Company's net profits. A copy of the balance sheet, profit and loss account and the Board's report shall be sent to the shareholders along with the agenda of the annual Ordinary General Meeting.

Article (65)

The Board shall deduct a percentage from the Company's gross profit to take into account the depreciation or devaluation of its assets. A Board decision shall determine how best to use these amounts, which cannot be distributed to shareholders.

Article (66)

1- The annual net profits of the Company after deducting all overhead and other costs shall be distributed as follows:

a- 10% (ten percent) shall be deducted and allocated for the legal reserve account and such deduction shall cease when the total reserve reaches an amount equivalent to 50% (fifty percent) of the capital of the Company, and if this legal reserve decreases, deductions shall begin again.

b- Another 10% (ten percent) shall be deducted and allocated for the regular reserve account, and such deduction shall cease by a decision of the Ordinary General Meeting upon a proposal from the Board, or if this regular reserve reaches 5% (five percent) of the Company's paid up capital.

This reserve shall be used for the purposes decided by the Ordinary General Meeting upon a proposal from the Board.

c- An amount equivalent to 5% (five percent) of the paid up capital shall be deducted to distribute it amongst the shareholders as a first percentage of the profits, provided that if the net profits in one of the years does not allow for distribution of such proportion, it may not be claimed from the profits of the following years.

d- After the aforementioned, up to 10% (ten percent) may be allocated as remuneration for the Board.

e- Subsequently, the balance of the net profits shall be distributed as an additional proportion in the profits or shall be carried forward upon a proposal from the Board to the next year or allocated for an extraordinary reserve fund as may be decided by the Board.

2- Interim net profits of the Company after deducting all overhead and other costs may also be distributed upon a proposal from the Board and subject to compliance with the deductions or allocations, as the case may be, set forth in sections 1(a) through (d) of this Article 66.

3- The Board reserves the right to recommend that no dividends be paid in light of bank financing, working capital and capital expenditure requirements, provided that no

dividends be distributed to Directors unless the shareholders have received the full amount of dividends they are entitled to as set forth above.

Article (67)

The reserve fund shall be disposed of pursuant to a decision of the Board in accordance with the interests of the Company. The legal reserve may not be distributed amongst the shareholders. However, any amounts thereof exceeding half of the paid up capital may be used to secure distribution of profits not exceeding 10% (ten percent) of the paid up capital amongst the shareholders in the years that do not allow the distribution of such percentage. Also, the regular reserve may not be used for purposes other than those allocated thereto except by a resolution of the Ordinary General Meeting.

Article (68)

Without prejudice to the provisions of Article (194) of the Commercial Companies Law, dividends shall be paid to the shareholders at the place and dates specified by the Board.

Article (69)

The shareholders shall be provided with access to the Company's latest financial reports and statements, and (subject to approval of the Board or a General Meeting), other records and documents of the Company, as may in each case be reasonably requested at the Company's head offices during regular business hours.

Chapter 8

Disputes

Article (70)

A shareholders' resolution shall in no way release the Directors or dismiss a civil liability action against Directors that is based on the Directors' failure to perform their duties. If the civil law suit relates to a Director's implementation of a matter that was approved at a General Meeting, then such a suit may only be brought within one year from the date of such General Meeting. However, if the Director's actions constitute a criminal offense, then there shall be no such time bar on the civil lawsuit and the civil lawsuit shall not be forfeited unless the related criminal case is forfeited.

Chapter 9
Dissolution and Liquidation of the Company

Article (71)

The Company shall be dissolved for the following reasons:

- a- expiry of the Duration specified for the Company unless it is renewed in accordance with the rules stated in these Articles;
- b- achievement of the object for which the Company was incorporated;
- c- issuance of a resolution from the Extraordinary General Meeting for winding up the Company; or
- d- acquisition of the Company by another company.

Article (72)

The Company shall be dissolved before the expiry of its Duration if it loses half of its capital, unless the Extraordinary General Meeting decides otherwise.

Article (73)

Upon the expiry of the Company's Duration or if the Company is dissolved before such expiry, the Extraordinary General Meeting, upon the request of the Board, shall determine the method of liquidation and shall appoint 1 (one) liquidator or more and specify their powers. The powers of the Board shall cease upon appointment of the liquidators. The powers of the General Meeting shall remain in existence during the liquidation period until the liquidator's liability is released.

Chapter 10
Final Provisions

Article (74)

Those matters not provided for in these Articles shall be subject to the provisions of the Commercial Companies Law and the ESCA Corporate Governance Decision.

Article (75)

The expenses and fees paid for incorporating the Company shall be deducted from the overhead account.

Article (76)

These Articles shall be maintained and published pursuant to the Commercial Companies Law.

Mr. Ahmed Al Shafar
Chairman