

Gulf Equity Investment Fund



Articles of Association

Gulf Equity Investment Fund

ARTICLES OF ASSOCIATION

Amended October 2016

Preamble

In accordance with Law No. (7) of 2010 regarding the Establishment of the Capital Markets Authority and Regulating Securities Activity and the Executive By-law thereof, the Gulf Equity Investment Fund was established among the owners of the investment units whose provisions are set forth in these Articles. The Fund has been registered in the Register of Funds at the Capital Markets Authority. The Articles of Association of the Fund is subject to Law No. (7) of 2010 regarding the Establishment of the Capital Markets Authority and Regulating Securities Activity and the Executive By-law thereof and its amendments and the resolutions, and instructions issued by the Capital Markets Authority.

Article 1

The foregoing Preamble shall be considered an integral part of these Articles and complement the provisions hereof.

Article 2

Definitions

The following terms shall have the meanings set forth against each of them respectively:

The Fund:	Gulf Equity Investment Fund.
The Articles:	These Articles and any future amendments thereto.
Fund Offering Type:	Public Placement.
The Authority or the Supervision Body:	The Capital Markets Authority of the State of Kuwait.
The Fund Manager:	Watani Investment Company KSCC, whose address is at Sharq, Block 7, Building 6, Salhiah Real Estate Company, 38th Floor, Kuwait City, P. O. Box 4950 Safat 13050, Kuwait.
The Custodian:	A corporate entity licensed by the Authority to hold in custody Clients' Funds and Clients' Assets including those constituting a Collective Investment Scheme in accordance with the provisions of the Law and these Executive Bylaws.
The Investment Controller:	A corporate entity licensed to carry out the activity of controlling and supervising Collective Investment Schemes.

The Investor or the Units Owner or the Units Holder:	The owner of units in the Fund, who shall be a company or national of Kuwait or of any Gulf Cooperation Council Country, or an Arab or foreigner, or non-resident in Kuwait and who may subscribe to or participate in the Fund according to the provisions of the Articles.
The Subscription Agent (Selling Agent):	A person who offers or sells Securities for the benefit of an Issuer or Ally, or obtains Securities from an Issuer or Ally for the purpose of re-marketing the same or managing their issuance.
Fund's Currency:	The US Dollar.
The Auditor or the External Auditor:	A natural person registered with the Authority in the Auditors' Register who gives an independent technical opinion on whether the financial statements of a company present a true and fair view of the company's affairs and are prepared in accordance with the accounting rules and principles adopted and registered with the Authority.
The Investment Units:	<p>An investment unit is an indivisible Security that represents a share in a Fund's Assets directly vesting its holders with all rights resulting therefrom.</p> <p>If one unit is owned by more than one owner, they must choose one person amongst them to represent them before the Fund.</p> <p>Non-Kuwaiti citizens may subscribe in or own investment Units.</p>
Investment Unit Price:	The price determined on the basis of evaluating the Fund's assets on the relevant valuation day divided by the number of investment units.
Net Asset Value of the Fund:	The value of the Fund's investments as at the end of the financial period evaluated according to the provisions of the Fund's Articles of Association, augmented by the other asset items, namely, cash and debit and other balances, and reduced by the Fund's obligations toward others on the same day (without taking into account the proposed cash distributions, if any, to the shareholders of the Fund).
Initial Subscription:	The initial subscription period ends three months from the date of issue of the license to complete the subscription to the minimum capital of the Fund or as soon as the completion of the minimum capital of the fund, whichever is earlier. This period may be extended for a similar period.
Valuation Day:	Thursday of every Gregorian Calendar week after the expiry of the initial subscription period.

Dealing Day:	The last day to accept applications for subscription and redemption until 12:00 pm on Wednesday, the day preceding Valuation Day.
The Law:	Law No. (7) of 2010 regarding the Establishment of the Capital Markets Authority and Regulating Securities Activity and its amendments.
The Executive Bylaws or The Bylaws:	The Executive By-law of Law No. (7) of 2010 regarding the Establishment of the Capital Markets Authority and Regulating Securities Activity its amendments and subsequent amendments thereto.
Business Day:	All days of the week with the exception of public holidays in the State of Kuwait.
Unit Holder's Assembly	The assembly of the Fund's unit holders.
Benchmark:	S&P Adjusted GCC Index, which will be used to measure the performance of the Fund Manager and compute the performance fees. The S&P main GCC Index for large and medium GCC equities has been adjusted to concentrate on equities with high liquidity based on the criteria established by the issuer of the index (Standard and Poors Dow Jones) and the Fund Manager. This Index will be revised periodically.
Stock Exchange:	The stock exchange in the State of Kuwait.

Article 3

Name of the Fund

Gulf Equity Investment Fund.

Article 4

Term of the Fund

The term of the Fund is fifteen years commencing on the date of registration thereof in the Register of Funds at the Authority. It may be renewed for further terms of similar duration after obtaining the approval of the owners of more than 50% of the Fund's capital and the Supervision Body.

Article 5

Objectives of the Fund

The Fund seeks long-term capital appreciation by investing in the stocks of companies in the Gulf Cooperation Council. The Fund will follow an active management strategy of allocating its investments between the various markets in the GCC.

The Fund's objective is to achieve optimal returns over the long term by reducing the risk that comes from investing in the equity markets of the GCC. Allocation among the various markets in the GCC will contribute towards achieving this objective, along with investing in money market Instruments such as deposits or the equivalent in Islamic banks, sukuk or bonds issued or guaranteed by the governments of the GCC, either in Kuwaiti Dinars or any other foreign currency, and also with investing in other investment funds. This will be based on the investment expectations and strategy of the Fund Manager, abiding with the investment restrictions mentioned in this Article, and without these investments conflicting with the rules of law (7) of 2010 and its executive by-laws and any amendments, resolutions, and instructions, thereof.

Investment Geography

Countries of the Gulf Cooperation Council (Kuwait, Saudi Arabia, Qatar, United Arab Emirates, Oman and Bahrain).

The Fund may invest in the equity of companies whose main activity is located in the GCC but listed in other markets other than the GCC markets, such as, without limitation, companies listed in the equity markets of the United Kingdom.

Article 6

Type, Form and the Capital of the Fund

The Fund is an open-ended equity investment fund with a variable that increases with the issuance of new investment units or decreases with the redemption of any of its units during the period specified in its articles. The capital ranges from a minimum of 18 (eighteen) million US Dollars and a maximum of 500 (five hundred) million US Dollars. The minimum capital should not be less than five million Kuwaiti Dinars or its equivalent in other currencies.

The Fund Manager, in case of the fund's capital decrease from the minimum - shall notify the Authority within five working days from the date of reduction of capital, and take the necessary measures - in each case - in the interest of unit holders.

The Fund shall have a legal entity and an independent financial disclosure from unit holders or entity based on its management, the Fund acquires its legal entity from the time of Its registration in funds registered with the Authority.

Article 7

Number of Investment Units

The nominal value of the investment unit is ten US Dollars, and the number of units ranges from one million and eight hundred thousand to fifty million units. The Fund's capital is divided into units of equal value. The liability of the Unit holders in the Fund is limited to the amount of their respective participations in the capital. The value of the units shall be paid in cash upon subscription or participation thereto. The net asset value of the Fund shall be announced every week by the Fund Manager on the basis of the valuation carried out by the Investment Controller. It will be announced on the websites of the Fund Manager and the Subscription Agent (Selling Agent).

Article 8

Minimum and Maximum Subscription / Participation

No subscription / participation in the Fund may be made for less than USD 10,000 (US Dollars ten thousand), and in multiples of USD 1,000 (US Dollars one thousand). The number of units subscribed / participated by any one investor may not exceed 50% (fifty per cent) of the Fund's capital.

Article 9

Subscription / Participation in the Fund

1. Subscription / Participation to the Fund may not be made with shares in kind of any type whatsoever.
2. The Fund Manager and the Subscription Agent (Selling Agent) shall not accept any cash subscription / participation to the Fund.
3. Subscription / Participation to the Fund is open to nationals of Kuwait and other Gulf Cooperation Council countries, Arabs, foreigners, non-residents and Kuwaiti, Gulf Cooperation Council and foreign companies and establishments inside and outside the State of Kuwait.
4. The Fund Manager shall, at the end of the three months from the date of issue of the license achieve the minimum capital of the Fund or when the minimum capital of the Fund is achieved, whichever is closer, issue the ownership units. If the said period expires without such minimum level having been covered, the Fund Manager may request the Authority to allow for a similar period. The Authority shall consider the request and decide upon it within ten business days.
5. For the subscription / participation application to be accepted, the applicant for subscription

/ participation to the Fund shall have a bank account with National Bank of Kuwait S.A.K.P. in order to enable the settlement of payments through such account and in order to execute redemptions where necessary.

6. Subscription / participation shall be made through the Subscription Agents (Selling Agents) designated by the Fund Manager for this purpose. The subscriber / participant shall submit to the Subscription Agent (Selling Agent) a subscription application on the form prescribed for this purpose, accompanied by the required documents and the value of the units, in addition to the sale commission. These funds shall be delivered to the Custodian after the procedures of establishing the Fund have been completed.
7. The subscribers / participants shall receive from the Subscription Agent (Selling Agent) a confirmation notice that states the name, nationality and address of the subscriber, the date of subscription, number of units subscribed / participated to and the value thereof, the total subscription amount and the total balance after subscription.
8. The Fund Manager's participation in the Fund's units may not be less than the amount of KD 250,000. It may not dispose of these units as long as the Fund remains in existence. The maximum participation by the Fund Manager shall be 75% of the capital of the Fund.
9. The auditor, custodian and investment controller shall not subscribe to the Fund's units for its own account.
10. The documents required to be submitted by the subscribers / participants are: the civil ID and / or passport for natural individuals only; the license issued by the Ministry of Commerce and Industry for sole proprietorships and the civil ID of the owner of the proprietorship; the license issued by the Ministry of Commerce and Industry for all companies; in addition to the papers of evidence legalized by the competent authorities in the state for non-resident establishments and companies in line with the instructions of the regulatory authorities and the laws of the State of Kuwait concerning combating money laundering and terrorism financing and international resolutions issued in this regard, and any decisions and instructions issued later concerning money laundering and terrorism financing.
11. Subscription applications may be submitted on any Dealing day before 12:00 noon on the Wednesday preceding the Valuation Day. Subscription applications submitted after the said deadline will be executed on the following valuation date.
12. The Fund Manager may reject any subscription application which does not fulfill all the conditions as set forth by the Fund Manager in terms of the required documents or information that the Fund Manager deems necessary for completing the subscription / participation to the Fund. The Fund Manager may also reject the subscription application for any other reason, such as, without limitation, if the Fund Manager determines that such subscription / participation might undermine the ability of the Fund Manager to achieve the Fund's investment objectives or might affect the liquidity required for meeting the Fund's obligations.

13. In the event where the documents and conditions for subscription / participation have not been provided and fulfilled or where the subscription application has been rejected by the Fund Manager, the moneys paid by the applicants for subscription / participation shall be returned to them without any interest thereon, and after deduction of the bank commissions, if any.
14. The subscription / participation application may not be withdrawn once it has been submitted to the Subscription Agent (Selling Agent), and no subscription application to the units of the Fund may be submitted save by persons who have a banking account with National Bank of Kuwait S.A.K.P. or who open such account for the purpose of subscribing / participating to such Fund units and receiving the proceeds of redemption.
15. If there is more than one owner of the Unit, they must choose one Person amongst them to represent them before the Fund.

Article 10

Allocation

1. Before allocation, the share of the Fund Manager shall be excluded from the capital subscribed for.
2. Repeated applications submitted by the same applicant shall be set aside. Only the application that contains the highest number of investment units shall be admitted.
3. The investment units shall be allotted to the subscribers within five business days from the expiry date of the subscription period, and allotment shall be made to the fourth decimal points.
4. In the event where total subscriptions exceed the capital of the Fund, the units shall be distributed among subscribers in the ratio of their respective subscriptions after distributing the minimum amount of subscription to all subscribers.
5. The surplus amount over the amount of the shares allocated to the subscriber shall be refunded within five business days after the completion of the allotment procedure. No yields shall be due in respect of such refund.
6. The Fund Manager shall deliver to every subscriber a confirmation certificate stating the number of units allocated to him.

Article 11

The Articles of Association of the Investment Fund govern the relationship between the Fund Manager and the unit holders. The unit holders shall express their acceptance of the Fund's

Articles of Association by signing a subscription application. The Articles of Association of the Fund shall be written in Arabic and shall be provided free of charge upon request.

Article 12

Unit Holders Register

1. The Custodian shall keep a register of Unit Holders and maintain the following information in the register of unit holders in respect of every unit holder:
 - a. The name, address, identification number or commercial registration number and nationality.
 - b. The number of units owned by the unit holder.
 - c. The date of the unit holder's registration in the Register.

All changes to the data shall be recorded in this register and the investment controller shall be informed thereof.

2. This register shall be kept by the Custodian in accordance with the provisions set forth in the Module Four (Securities Exchanges and Clearing Agencies) of these Bylaws. The fees of the entity keeping such record shall be paid from the Fund's monies.
3. The register shall be kept by the Custodian. The unit holders and every interested party shall have the right to inspect the said register.
4. The Custodian shall keep a statement indicating the remaining balance of Units and the Units issued, redeemed, updated, or cancelled and provide the Investment Controller with a copy of the statement.

Article 13

Dividend Distribution Policy

The Fund Manager may distribute dividends to the Unitholders in US Dollars, equivalent to the cash distributions received from the companies that the Fund invested in throughout the financial year. Distributions to unitholders, if available, should take place during the first quarter of the year following the collection of such distributions. The Fund Manager will reinvest these distributions during the period of collecting the distributions and the payment of these distributions to unitholders. The Fund Manager will announce the date and amount of dividend distributions on the Fund Manager and the Subscription Agent (Selling Agent) websites.

The Fund Manager has the right not to distribute any dividends if it is in the best interest of unitholders.

Article 14

Method of Calculating the Net Asset Value

1. The assets of the Fund shall be evaluated on every Dealing Day, and not later than one day after the deadline for submitting subscription and redemption requests. The Net Asset Value shall be announced on the Fund Manager and the Subscription Agent (Selling Agent). The Investment Controller for the Investment Units shall calculate the Net Asset Value per unit according to the controls and accounting standards accredited by the Authority, in the following manner: Total assets of the Fund less the obligations, divided by the total number of outstanding units of the Fund on the Valuation Day.
2. In order to determine the value of the Fund's assets, the traded securities and other non-liquid assets that have not traded twenty business days since the valuation day, shall be evaluated as per the accounting standards that is applied by the Authority. For securities that are not listed and without any readily available price that represents its value, or if these securities are not traded frequently, they shall be evaluated as per its fair value which should be attained through appropriate valuation methods, and to be evaluated once a year. Assets and liabilities denominated in a currency other than the US Dollars shall be converted to US Dollars at the last available closing exchange rate of the week.

All the debts and liabilities due shall be deducted from the total assets of the Fund, as follows:

- a. The management fees and other fees and expenses that have become due and payable to the Fund Manager but have not been paid yet.
 - b. Any provision for the Fund fees estimated in respect of auditing the financial statements and for legal services.
 - c. The expenses and fees of the Custodian and the brokerage fees.
 - d. All costs related to any law suit involving the Fund.
 - e. Fees of the Investment Controller.
3. In the event a Fund's asset is appraised incorrectly or there is an error in calculating the price of a Unit, the person, who committed such error, shall indemnify the person who was harmed by such error. The Fund Manager should also enclose in the quarterly reviewed financial statements or annual audited financial statements a report that indicates the appraisal and pricing errors committed within the period thereof.

Article 15

Valuation, Subscription / Participation and Redemption

1. The Unit Holders may redeem their units, and others may subscribe / participate in the Fund by submitting a proper application to the Subscription Agent (Selling Agent) not later than end of day Wednesday before the valuation day of every week.

2. The Fund Manager must execute the subscription or redemption applications according to the valuation price (NAV) following the subscription or redemption applications. Subscription or redemption prices may include any other commissions, provided that they are stated in the Fund's Articles of Association.
3. The Fund Manager shall pay to the Unit Holder the relevant redemption amount within four business days following the Valuation Day at which the redemption price is calculated.
4. The subscriber / participant to the Fund according to this Article shall observe all the controls, conditions and provisions applicable to the subscriber in the event of an Initial Subscription. The redemption value shall not be less than USD 1,000. Partial redemption is not allowed in the event where the value of the remaining units of the Unit Holder after redemption falls below USD 10,000.
5. The Fund Manager may delay fulfillment of any redemption request until the following Dealing Day or following redemption date according to the provisions of the Fund's Articles of Association, in any of the following events:
 - a. If the total amount of all redemption requests of the Unit Holders required to be fulfilled on any Dealing Day or redemption date equals or exceeds 10% of the Fund's Net Asset Value, provided that the Fund Manager fulfills the redemption requests that are less than 10% of the Net Asset Value of the Fund and all the redemption applications shall be taken into account pro-rata. The percentage rate above the 10% of the Fund's Net Asset Value shall be postponed to the following Dealing Day or following redemption date.
 - b. If trading is suspended on the exchange or regulated financial markets, in which securities and other assets owned by the Fund, or if trading is suspended on securities that constitute a substantial value in the assets thereof.
6. Subscription and Redemption requests shall be accepted by completing the subscription forms available at the Subscription Agent (Selling Agent) for this purpose. The units shall be redeemed on the basis of the Net Asset Value of the Fund as calculated on the relevant Valuation Day.
7. No redemption fees are applicable.
8. The evaluation of the Fund's assets may be delayed for a maximum of two business days as of the Dealing day in the event of not being able to appraise a substantial part of the Fund's assets, in which the Fund Manager shall Provide the Authority with the reasons and justifications of such delay.
9. If the Valuation Day happens to fall on an official holiday, the Fund's assets shall be evaluated on the last business day of the week.

Article 16

Fees and Expenses of the Fund

1- Cost of the Offering

Upon making any communication or disclosure for promoting the Fund units, all the relevant facts and information shall be disclosed without exaggeration. In all events, promotional or marketing announcements are subject to such controls as may be determined by the Authority. No amount may be paid out of the Fund's assets for promoting or selling the units; this includes, without limitation, the expenses of producing, copying and distributing the Fund's Articles of Association, provided that the Fund Manager shall incur such expenses and the Fund shall incur the expenses of incorporation.

2- Management Fees

The Fund Manager shall receive management fees of 1.5% (one and a half per cent) per annum calculated on the weekly average of the Net Asset Value of the Fund, and payable, duly accumulated, at the end of every quarter.

In addition, the Fund Manager is entitled to a performance fee, calculated at 10% of any positive variance between the return of the Fund and the Index during the financial year, and only if the Fund performance is positive during the same period. The performance fee is to be paid at the end of the financial year of the Fund.

In all events, the total fees charged by the Fund Manager may not exceed 5% per annum of the Fund's Net Asset Value.

3- Subscription / Participation Fee

The Fund Manager shall appoint Subscription Agents (Selling Agent) and determine their powers and responsibilities, and may dismiss them, and shall notify the Custodian thereof. The Subscription Agent (Selling Agent), in return for him to perform its duties, charges a sales charge of 2% on the subscription amount on each unit subscribed.

4- Investment Controller's Fees

The Investment Controller shall, in consideration for performing its duties set forth in these Articles, receive annual fees determined as a percentage rate of the Fund's Net Asset Value, according to the following tranches:

1. 0.0625% of the Fund's Net Asset Value until USD 60 million,
2. 0.05% of the Fund's Net Asset Value for any amount above USD 60 million,
 - Provided that the yearly fee shall not be less than USD 10,500 (US Dollars ten thousand five hundred).

- These fees shall be calculated at every net asset value calculation and paid directly in a quarterly manner.

5- Fees of the Custodian

The Custodian shall, in consideration of performing its duties provided for in these Articles, receive annual fees determined as a percentage rate of the Fund's Net Asset Value, according to the following tranches:

1. 0.0625% of the Fund's Net Asset Value until USD 60 million,
2. 0.05% of the Fund's Net Asset Value for any amount above USD 60 million,
 - Provided that the yearly fee shall not be less than USD 10,500 (US Dollars ten thousand five hundred).
 - These fees shall be calculated at every net asset value calculation and paid directly in a quarterly manner.

6- Other Expenses

The Fund shall bear all costs arising from the conduct of its activities including brokerage, banking operations, selling and buying commissions, exchange charges, valuation fees in respect of unlisted securities inside and outside Kuwait, the expenses of the Fund Manager, the Custodian and the Investment Controller in addition to the government costs and charges such as the license renewal fee.

7- Table of Fees

<p>Cost of the Offering</p>	<p>Cost of promoting or selling the units. This includes, without limitation, the expenses of producing, copying and distributing the Articles of Association of the Fund.</p>	<p>To be borne by the Fund Manager</p>
<p>Management Fees</p>	<p>1.5% (one and a half per cent) per annum based on the average weekly Net Asset Value of the Fund.</p> <p>In addition, the Fund Manager is entitled to a performance fee, calculated at 10% of any positive variance between the return of the Fund and the Index during the financial year, and only if the Fund performance is positive during the same period. In all events, the total fees charged by the Fund Manager may not exceed 5% per annum of the Fund's Net Asset Value.</p>	<p>To be borne by the Fund</p>
<p>Subscription/Participation Fee</p>	<p>A sales charge of 2% on the subscription amount on each unit subscribed.</p>	<p>To be borne by the Subscriber/ Participant</p>
<p>Investment Controller's Fees</p>	<p>The Investment Controller shall, in consideration for performing its duties set forth in these Articles, receive annual fees determined as a percentage rate of the Fund's Net Asset Value, according to the following tranches:</p> <ul style="list-style-type: none"> • 0.0625% of the Fund's Net Asset Value until USD 60 million, • 0.05% of the Fund's Net Asset Value for any amount above USD 60 million, <p>Provided that the yearly fee shall not be less than USD 10,500 (US Dollars ten thousand five hundred).</p>	<p>To be borne by the Fund</p>

Custodian's Fees	<p>The Custodian shall, in consideration of performing its duties provided for in these Articles, receive annual fees determined as a percentage rate of the Fund's Net Asset Value, according to the following tranches:</p> <ul style="list-style-type: none"> • 0.0625% of the Fund's Net Asset Value until USD 60 million, • 0.05% of the Fund's Net Asset Value for any amount above USD 60 million, <p>Provided that the yearly fee shall not be less than USD 10,500 (US Dollars ten thousand five hundred).</p>	To be borne by the Fund
Other Expenses	<p>The Fund shall bear all costs arising from the conduct of its activities including brokerage, banking operations, selling and buying commissions, exchange charges, valuation fees in respect of unlisted securities inside and outside Kuwait, in addition to the expenses of the Fund Manager, the Custodian, the Investment Controller and the Auditor in addition to the government costs and charges such as license renewal fee.</p>	To be borne by the Fund
License Fee	License application fee and the license fee.	To be borne by the Fund Manager
Auditor's Fees	The Auditor shall receive such an annual fee of KD 3,000.	To be borne by the Fund
Registrar Fees	The Registrar shall receive such an annual fee of KD 1,000. The Registrar shall receive an additional amount of 20% of the annual fee, should he be distributing the cash dividends to Unit holders.	To be borne by the Fund

Article 17

The Fund's Executive Committee

The Fund shall be managed by an Executive Committee formed of two or more of the Fund Manager's employees, who must meet the requirements of the representatives of activity of Collective Investment Scheme manager, provided that one of the employees should be at an Executive Position of the Fund Manager.

Members of the Executive Committee must be Registered Persons at the Authority, and shall represent the Fund Manager with the responsibilities and powers set forth in this Module. The signature of members of the Executive Committee or whom they authorized among them thereof shall be considered as the Fund Manager's signature. The members will be jointly liable with the manager for any errors, negligence, or fraud in the management of the Fund.

Article 18

Restrictions on Positions

Without prejudice to the responsibilities of the Fund Manager set forth in the provisions of Chapter Three (Conflict of Interests) of Module Eight (Conduct of Business) of the Bylaws, the Fund Manager employees, who are not registered as representatives of a Collective Investment Scheme manager, may occupy the position of a Member of a Board of Directors at a company whose Securities thereof are a part of the Fund's Assets managed by the Fund Manager.

Employees of the Fund Manager registered as representatives of a Collective Investment Scheme manager, may not occupy the position of a Member of a Board of Directors at the companies mentioned in the preceding paragraph.

In the event where a Fund Manager appoints a Person as a representative of the collective Investment Scheme manager and from those who are subject to the restriction set out in the preceding Article, this person shall be required to resign as Member of a Board of Directors from the company at which the Securities are a part of these assets of the Fund.

Article 19

Rights of the Unit Holders

1. The shares or investment units entitle subscribers / participants to equal rights against the Fund. The Unit Holder is entitled to a share in the distributable profits and shall bear his share of the losses to the extent of the value of the units owned by him. Every Unit Holder is entitled to obtain a portion of the net assets of the Fund upon its liquidation pro-rata the shares or units he owns.

2. The same terms and provisions shall be applied to all the Unit holders of the same category in the Fund.
3. Except for the Fund Manager, the Unit Holders may not participate in the management of the Fund.
4. In the event of the death of the Unit Holder, the units pass to the inheritors, provided that the share of each inheritor may not be less than the minimum provided for in these Articles. If the share of the inheritor is less than such minimum and if the heirs do not agree among themselves, within thirty days from the date of submitting the succession certificate or the legal estate division document, to transfer ownership of the units in such manner as to ensure that the minimum holding requirement is observed, the Manager may purchase the unit at the most recent valuation price announced.
5. The Unit Holders, the value of whose units is not less than ten thousand US Dollars may transfer these units to the Fund Manager at the most recent announced valuation rate by submitting a request to this effect to the Fund Manager not later than 12:00 noon on any business day. The Fund Manager shall settle the value of these units to their holders and register them in its own name. The Fund Manager alone shall have the right to accept or reject any such requests, for any reason.

Article 20

Provisions Related to the Unit Holders Assembly

1. The Fund's Unit Holders assembly shall be held at least once annually. Each participant shall be entitled to attend the assembly and vote on its resolutions. Each Unit holder shall have one vote for each investment Unit owned thereby.
2. The Unit holder assembly shall look into and decide on the following issues:
 - a. The Fund Manager's report on the Fund's activity and its financial position.
 - b. The Auditor's report on the Fund's annual audited financial statements.
 - c. The annual audited financial statements of the Fund.
 - d. The Investment Controller's report.
 - e. Amendments of the Articles of Association related to the acquired rights of Unit holders.
 - f. Dismissal of the Fund Manager.
 - g. Appointment of a substitute Fund Manager.
 - h. Select the Fund's liquidator and supervise the works thereof.

Resolutions of the Unit Holders assembly shall not be implemented without the approval of the Authority.

3. The Unit Holders assembly shall be held upon an invitation from the Fund Manager to consider the matters assigned to the assembly. The Fund Manager shall call for holding the meeting, based on a reasoned request by the Unit holders constituting a minimum of 10% of the Fund's issued capital or at the request of the Investment Controller or the Auditor. The agenda shall be prepared by the entity calling for holding the meeting.
4. If the Fund Manager does not call to hold a Unit holders assembly, in the cases he must do, and if the Fund Manager finds difficulty to call for a meeting for any reason, the Authority may assign the Investment Controller or the Auditor to call for holding the assembly.
5. The invitation to attend the meeting of the Unit Holders assembly, should include an agenda, time and place of holding the meeting, shall be extended by one of the following methods:
 - a. Announcement in two local daily newspapers and the Exchange at least ten Business Days prior to the date of holding the meeting.
 - b. Registered mail letters to be sent to the Unit holders at least ten Business Days prior to the date of holding the meeting.
 - c. E-mails or faxes at least seven Business Days prior to the date of holding the meeting.
 - d. Hand-deliver the invitation to the Unit holders or representatives thereof at least three Business Days prior to the date of holding the meeting and a photocopy of the invitation shall be notated as received.

For the validity of announcement by the methods referred to in paragraphs (2), (3), and (4) of this Article, each participant shall have provided the Fund Manager with the data about the residence, e-mail address, or fax number thereof and shall have agreed to be notified through such methods.

Any change of a participant's information referred to in the previous paragraph shall not be approved unless the participant notifies the Fund Manager or the entity keeping the register of Unit holders of such change at least five Business Days prior to the announcement of the participant.

6. The Fund Manager shall serve notices with the agenda, time, and place of the Unit holders assembly meeting at least seven Business Days prior to the date of holding the meeting to all of the following:
 - a. The Authority.
 - b. The Investment Controller.
 - c. The entity keeping the record of Unit Holders Register (Custodian or Clearing Agency).
 - d. The Auditor, as applicable, if it is decided to present the financial statements to the Unit holders assembly.
 - e. The Exchange, for announcement of the agenda, date, and place of the assembly.

If the Authority is notified, absence of the representative thereof shall not result in the invalidity of the meeting of the Unit Holders assembly. The meeting shall be invalid in the event of absence of anybody referred to in paragraphs (2), (3), and (4) of the previous Article. The meeting shall be invalid in case of the absence of the Fund Manager, unless the call for holding the meeting is extended by anybody other than the manager.

7. The meeting of the Unit holders assembly shall be chaired by the entity calling for the meeting.
8. Holding the meeting of the Unit Holders assembly shall be invalid unless it is attended by Unit holders constituting 50% of the Fund's issued capital. If this quorum is not achieved, the assembly shall be called for another meeting of the same agenda to be held within a period not more than thirty days as of the date of the first meeting. The second meeting shall be valid whatever the percentage of the capital owned by attendants is. A new call for the second meeting may be not extended, if the date thereof is identified in the call for the first meeting.

The resolutions shall be issued by the absolute majority represented in the meeting, excluding the resolutions related to amending the Fund's Articles of Association and related to the rights acquired by Unit holders or in the event of liquidation at the request of the Fund Manager, as these resolutions shall be issued upon approval of the Unit holders owning 50% of the Fund's issued capital.

9. The Unit holder's assembly may not discuss issues not listed in the agenda, unless they are urgent, and after preparing the agenda, and are revealed during the meeting or if the Authority, the Auditor, or Unit holders owning 5% of the Fund's issued capital so request. In the event that there is insufficient information related to some presented issues, the meeting shall be postponed for a period not more than ten Business Days, if the Unit holders owning 25% of the issued Fund capital so request. The postponed meeting shall be held without the need to take new procedures of invitation.

The Fund Manager or the entity calling for the meeting, as applicable, shall provide the Authority with a copy of the minutes of the assembly meeting after it is signed by the meeting chairperson and the attending service providers within two weeks as of the date of its holding, provided that such minutes shall be enclosed with a copy of the attendees' proxies.

10. Each Unit holder registered in the Funds register shall be entitled to attend the meeting of the Unit Holders assembly in person or represented by a proxy. To be valid, the representation shall be in accordance with a special proxy or an authorization dedicated for that. Such proxy may be dedicated for attendance of one or more meeting of the Unit Holders assembly. The proxy issued for a certain meeting shall be valid for attending the next meeting if it is postponed due to lack of quorum.
11. The Fund Manager may not participate in voting on resolutions of the Unit holder's assembly which are related to his personal interests or if the interests thereof are in conflict with the Fund's interests.

Article 21

Methods and Timings of Disclosure of Information and Financial Statements

1. The Manager shall disclose to the Unit Holders any information that might affect the value of the units and the measures taken to address the situation.
2. The Fund Manager shall submit periodical reports, not more than three months apart, setting forth the following information:
 - a. The Net Asset Value of the Fund's units.
 - b. The number of the Fund's units owned by the Unit Holder and the net value thereof.
 - c. A record of the movement of the account of every Unit Holder separately, including any distributions paid after the date of the previous report presented to the Unit Holders.
 - d. A statement of the fees of the Fund Manager and service providers.
3. The reports shall be sent to the Unit Holders by mail or through modern means of communication to their address specified in the subscription application.
4. The Fund Manager shall publish monthly information about the Fund to the public through the Stock Exchange, within seven business days from the end of every month, in such form as may be specified by the Authority.
5. The Fund Manager must prepare quarterly reviewed financial statements and provide a copy to the Exchange and to the Authority within a period not more than fifteen Business Days as of the end of the term.
6. A Fund Manager shall prepare annual audited financial statements and provide a copy to the Exchange and to the Authority within a period not more than forty-five days as of the end of the Fund's financial year.
7. The financial statement shall be available free of charge, upon request, to all Unit Holders of the Fund through the Subscription Agent (Selling Agent).

Article 22

General Duties

Service providers for a Fund should comply with the following:

1. Must be a Licensed Person or Registered Persons at the Authority to provide a service. The service provider should have the adequate human resources, technical and financial abilities and capabilities to the sufficient extent to meet the commitments thereof.
2. Enter into a contract with the service provider which includes the rights and obligations of the

parties thereto, in particular, the fees of the service provider, the bases of calculating it, dates of payment, the procedures to be taken at the termination of such contract, and procedures and implications resulting from the termination of the relationship with such service provider.

3. Assume Care of a Prudent Person when undertaking the responsibilities of a service provider, and cooperate with the other service providers of the Fund, and compensate every Person harmed as a result of an error committed by the Service Provider.
4. The service provider, except for the Fund Manager, may not deal in the Fund's Units for its interest or on anyone's behalf.

Article 23

Obligations of the Fund Manager

1. To manage the assets of the Fund in such manner as to achieve the Fund's investment objectives specified in its Articles of Association.
2. To take all investment and other decisions with a view to serve interests of the Fund and the Unit Holders.
3. Apply the appropriate policies and procedures to prevent or reduce wrongful practices, which may affect the stability of the market and its integrity.
4. Ensure the use of pricing models and appraisal method that are fair, correct, and transparent for each Fund managed thereby.
5. Take appropriate measures to protect and safe keep the Fund's Assets.
6. To record the buying and selling operations carried out for the account of the Fund accurately, in their chronological order, and in a timely manner.
7. To represent the Fund in its relations with others and before the courts. The Fund Manager shall have the right to sign on behalf of the Fund.
8. Provide an accounting system to register the Fund's financial transactions.
9. To ensure the existence of an adequate reconciliation system for the transactions recorded in the accounting system with the cash and securities accounts opened in the name of the Fund with the Custodian.
10. To provide adequate liquidity for the Fund to meet any of its obligations.
11. Not expose the Fund to any unnecessary investment risks beyond the market risks with which experts are familiar in light of the Fund's Articles of Association.

12. To provide all the necessary information of the Fund to the Investment Controller to the extent that enables him to perform his duties thereof efficiently and effectively.
13. To notify the Authority immediately after the occurrence of material events that may expose the interests of Unit holders to risk.
14. If the manager manages more than one Fund, he should separate between the transactions related to these Funds.

The Fund Manager shall be responsible for managing the investment of the Fund's assets and following up its investment performance (absolute and relative performance). It shall also be responsible for setting, reviewing and amending the investment trends with a view to achieve the investment objectives and strategy. Furthermore, the Fund Manager shall monitor regional equities and economic conditions and take advance action to minimize the risks to the Fund's asset and to achieve investment returns better than the Index.

In its capacity as Fund Manager, Watani Investment Company KSCC, being licensed by the Supervision Body, will manage the Fund in accordance with the provisions and rules set forth in these Articles.

The Authority may replace the Fund Manager if it considers that he has breached a fundamental breach of its obligations set forth in the Regulations.

Article 24

Investment Methods, Polices and Risks

1- Investment Methods and Polices

The Fund's investment methods and policies are set forth here below and are conformant with the rules provided for in the Investment Controls for investment funds in equities to the extent applicable to the Fund.

1. The Fund will seek to achieve its objectives by investing in shares of companies in the Gulf Cooperation Council. The Fund will follow an active management strategy of allocating its investments between the various markets in the GCC.
2. The Fund Manager may appoint several local managers in countries where having direct ownership of equities is restricted, and for the purpose of managing the investment portfolios for such countries, without removing the Fund Manager from its responsibilities. The Fund will invest in the equities of companies in the GCC.
3. The Fund will seek a performance that is higher than that of the Index (by abiding with the investment restrictions as per articles 7,8,9,11 and 12 below) by way of:

- Increase its investment in shares of companies that are included in the Index and which the Fund Manager believes will outperform the Index.
 - Decrease its investment in shares of companies that are included in the Index which the Fund Manager believes will underperform the Index.
 - Invest in shares of companies that are not included in the Index and which the Fund Manager believes will outperform the Index.
 - Increase the Fund's allocation to cash during times of weak and declining markets and as per the discretion of the Fund Manager.
4. The Fund may not borrow or enter into transactions which may result in contractual financial commitments more than 10% of the Fund's Net Asset Value.
 5. Without prejudice to article (6) below, the Fund may invest 15% maximum of the net value of its assets in other investment funds, debt instruments and GCC money markets licensed by the Authority or licensed by a foreign regulator in accordance with the regulatory standards and terms that are at least similar to those applied by the Authority, provided that these investment Funds are not managed by the same Fund Manager. The Fund Manager may also invest, within the same percentage, in portfolio accounts established by the Fund Manager for the purpose to access markets that have direct ownership of investment funds. The Fund Manager may also invest in money market funds as part of the fund's allocation to cash and this investment will be calculated as a percentage from the investment in investment funds.
 6. The Fund may not own more than 10% of securities issued by any one issuer. The Fund Manager may sell part of the Fund's assets for various reasons, such as to book profits or to limit losses or to reallocate the assets to better opportunities.
 7. The Fund Manager may invest up to 15% of the Fund's Net Asset Value in the shares of any Listed Company, provided that it shall not exceed the ratio of the company's market value to the total market value.
 8. The Fund may also invest no more than 15% of the net asset value of the Fund in general or specific investments before the initial public offering (and abide at all times with the more stringent limits imposed by authorities or rules in any investment geography to issue an initial public offering), without violating the percentages as per article 11 below.
 9. The Fund's investments in securities issued from one issuer not to exceed 15% of the Fund's Net Asset Value.
 10. The Fund may invest up to 15% as a maximum of its Net Asset Value in any bonds or sukuk issued by the Gulf Cooperation Council (GCC) or issued under the guarantee thereof at the time of investment, provided that the Articles of Association so provides.
 11. The Investment Fund may not invest more than 10% of its Net Asset Value invested in shares of unlisted companies.

12. The Fund may not carry out any of the following:

- Grant credit.
- Buy any security issued by the Fund Manager or any of its subsidiaries unless In accordance with the following conditions:
 1. Obtaining the approval of the Investment Controller before purchasing.
 2. The total amount of securities invested by the Fund and all other Funds which are managed by the Fund Manager shall not exceed 10% of the total value of Securities issued by the Fund Manager, or any of its Subsidiary Companies.
- Buy any security issued by a party for which the Fund Manager is the subscription manager or Subscription Agent (Selling Agent), save within the limits allowed by the rules determined by the Authority in this regard.
- Investment Wakalah or other agreements that involve giving monies to third parties to use them in commercial activities thereof, shall be considered as credit prohibited to be practiced by the Fund, excluding deposits at banks and unless such agreements serve as a Debt Instrument or financial instruments set for sale at the Primary Market or the Secondary Market.

13. If the Fund Manager undertakes the role of Subscription Agent (Selling Agent) or the subscription manager of an Issuer, the Fund Manager may not buy any Securities of the Issuer while assuming such roles. Further, if the Fund Manager or any of its Subsidiary Companies commits to cover the Public Offer or Private Placement for a certain Security, the Security may not be offered for the benefit of the Fund.

14. The Fund Manager shall not keep cash or cash equivalents only when necessary in one of the following cases:

- a. To meet redemption requests of Units.
- b. Manage the Fund in a proficient manner according to the investment objectives and complementary purposes thereof.

The provision of this Article shall not be applicable during the first year of issuing the final license to the Fund.

In any case, the Fund Manager must follow a prudent strategy with the objective to achieve an appropriate return on investment, and to carefully allocate its investments in a balanced manner in order to mitigate any risk and to safeguard the Unit Holders' rights.

2- Investment Risks

1. The Fund Manager shall manage and invest the Fund's assets through a team which shall be capable and competent to perform this role. This team shall have the utmost independence in managing the Fund's investments. The Fund Manager or its employees may not conclude any transactions with the Fund for their own account or for the account of their relatives to the

fourth degrees or their in-laws, involving exploitation of the Fund. In such event the person who performs such transaction shall be liable to indemnify the Fund for any damage sustained by the Fund.

2. The Fund Manager shall follow the investment methods and policies as set forth in the Fund's Articles and in accordance with such instructions as are issued to it in this regard by the Supervision Body. The Fund Manager may not change or modify the investment methods or policies without the consent of the Supervision Body.
3. The risks of investing in the Fund arise from the fact that the relevant securities are linked to economic and market conditions. For this reason, the value of the Units and return thereon may be positively or negatively affected by economic and market changes; however, such investment will be within an acceptable level of investment risks.
4. In all events, investment in the Fund should be viewed as a long term investment, and in light of the fact that achieving the Fund's objectives cannot be guaranteed, for the Fund's investments will be exposed to the effects of ordinary market fluctuations and to the risks to which all investments are exposed. There can be no assurance or guarantee that the value of the investment will rise. The Fund follows the policy of maintaining a diversified investments portfolio with a view to minimize risks.
5. The Fund Manager is ultimately responsible for investing and re-investing all the Fund's assets. Accordingly, the Unit Holders will fully rely on the Fund Manager, but will not be able to direct the Fund's operations or investments.
6. Unit Holders bare the risks involved in their investment in the equity markets of the GCC, as these markets and listed companies go through exchange transactions. These markets are also prone to inflation risk, high interest rate risk, currency fluctuation risk and changes in the tax regime. All of these issues could have an effect on the income and value of the Fund.
7. The liquidity and marketability of these priced shares in the GCC financial markets might be limited, and the price changes could be restricted to the price of the previous day along with a low trading volume that is considered lower than the typical trading volume in a developed equity market. In addition, the Fund may invest part of its assets in non-listed securities, which may lead to illiquidity and the lack of ability to sell these securities at a fair price or during a reasonable time.
8. There can be no guarantee that the Fund will be able to invest all the amounts it receives from the investors from time to time with the required effectiveness or in such manner as may be desired. The return expected by investors may be negatively affected. If the Fund fails to invest all the amount it receives in full or in the required effectiveness the expected returns for the investors will be affected.
9. The Fund is denominated in US Dollars. It is possible that the assets of the Fund denominated in other currencies be exposed to fluctuations in the value of the units against the US Dollars.

10. The Fund may not give loans, conclude forward sales, provide security, act as lead underwriter of issues, conclude commodity trading, trade in real estates, deal in discounted cheques or financing, except in the above mentioned cases.
11. The Fund Manager shall be liable toward the investment unit holders for any damage that they may suffer as a result of violating the provisions of the Law, the Executive By-law or the Fund's Articles or as a result of abuse of the powers granted to or as a result of gross negligence by the Fund Manager.

Article 25

Financial Year of the Fund

The financial year of the Fund starts on the first of January and ends on the last day of December of every year, except for the first financial year of the Fund which shall start on the date of registration of the Fund in the Register of Funds at the Authority and end on the date specified as the last day of the following financial year.

Article 26

Registers and Books

The Fund Manager, Investment Controller and Custodian shall maintain such registers and books as may be necessary to control the accounts of the Fund in line with the provisions of the Law and Executive By-law. The Investment Controller and the Custodian shall maintain such registers and books as are necessary to exercise control over the Fund Manager. These registers and books shall be subject to control by the Capital Markets Authority which may verify any data recorded therein.

Article 27

The External Auditor of the Fund

1. The accounts of the Fund are audited by one or more auditors appointed by the Fund Manager which determines the Auditor's fees. The auditor shall be registered with the Authority, in order to review and audit the Fund's accounts, in accordance with the International Accounting Standards approved by the Authority.
2. The External Auditor of the Fund is appointed for a period of one financial year renewable on an annual basis for a period not exceeding four consecutive financial years. The external Auditor may assume the same function for the same Fund after a period not less than two consecutive years.
3. The Fund's external Auditor shall not be the same Auditor for the Fund Manager.

4. The Auditor shall be liable for any default, professional negligence or fraud committed by him in the performance of his duties.
5. The Auditor shall have the right, at any time, to inspect the registers, books, documents and papers related to the management and investment of the Fund's assets, both those that are in the possession of the Fund Manager and those in the custody of the Custodian, all in accordance with the rules that regulate this profession and in accordance with the generally recognized audit principles.
6. The Auditor shall notify the Supervision Body of any violations of the Law or of the Fund's Articles by the Fund Manager or the Custodian.
7. The Auditor may not discontinue the performance of his work during the financial year for which he has been appointed to audit the account of the Fund. In the event where there are causes that make it impossible for the Auditor to continue to perform his duties, he shall notify the Fund Manager, the Custodian and the Supervision Body thereof and shall, in such event, continue to perform his work until a substitute for him has been appointed. The Auditor shall be fully liable for all damages that may be suffered by the Fund or the subscribers / participants if he violates this prohibition. The substitute auditor shall be appointed within a period not exceeding sixty days from the date on which the Auditor requests that he discontinues the performance of his duties.

Article 28

Custodian

1. The Fund's Assets shall be kept with a licensed Custodian and appointed by the Fund Manager after obtaining the approval from the Authority. Such Custodian may appoint a sub-Custodian that is licensed or registered from a foreign Regulatory Body to safe keep the assets outside of the State of Kuwait. Contracting with a sub-Custodian shall not exempt the principal Custodian from the responsibilities thereof.
2. A Custodian shall be committed to following:
 - a. With taking into consideration the provisions of the Module Seven (Client Funds and Assets) of these Bylaws, the Custodian is required to keep the Fund's Assets in independent accounts opened and managed thereby, provided that they are independent from his or third parties accounts, and pay Care of a Prudent Person in this regard.
 - b. Collect, keep and deposit the dividends and any other distributions arising from the activities of the Fund.
 - c. Notify the Fund Manager of any obligations on the Fund's Assets and send any notifications received thereby in the period prescribed for it.
 - d. Execute the instructions of the Fund Manager, within the Custodian's scope of work.

- e. Develop and maintain a record of the Unit holders, unless it is kept with a Clearing Agency.
3. A written consent shall be obtained from the Fund Manager for all contracts concluded between the Custodian and sub-Custodian.

Article 29

Investment Controller

1. The Fund Investment Controller, which is appointed by the Fund Manager after obtaining the approval of the Authority, shall be committed to the following:
 - a. Ensure that the Fund Manager complies with the Law, these Bylaws and the Authority's decisions and instructions, Articles of Association, Prospectus, and any other documents issued by the Fund Manager.
 - b. To appraise the investment shares or Units in such methods and at such times as are specified thereof in the Fund's Articles of Association.
 - c. Ensure that the Fund Manager undertakes the responsibilities thereof, in a manner that achieves the interest of the Unit holders in accordance with the Fund's Articles of Association and the provisions set forth in these Bylaws; and ensure that the fund's monies are invested within the methods and policies set out in its Articles of Association.
 - d. Approve any transactions that involve a conflict of interest.
 - e. Meet at least twice annually with the Executive Committee of the Fund to review the Fund compliance with the Law, these Bylaws, the Authority's decisions and instructions, Articles of Association, Prospectus, and any other documents issued by the Fund Manager.
 - f. Notify the Authority of any Violations committed by the Fund Manager.

Article 30

Vacancy of the Fund's Executive Committee Members or any of the Service Providers

In the event of a vacancy in any of positions the Fund's Executive Committee members or any of the service providers; the Fund Manager should notify the Authority within a maximum of five Business Days. The fund manager should apply for the vacant position(s) within fifteen Business Days as of the day of expiry of the notice period as specified in this article.

The Fund's records shall be amended in the Fund's register with the Authority in the event of any changes that occur on the Articles of Association or to the service providers.

In any event, the Fund Manager must notify the Unit holders within a maximum of five Business Days as of the date of position vacancy or occupation of any of the positions thereof.

Article 31

Amending the Articles of Association

The Fund Manager shall obtain the Authority's approval before making any change to the Articles of Association of the Fund.

The Authority, if it sees in such change anything that might undermine the acquired rights of the Unit Holders, request the Fund Manager to obtain the consent of more than 50% of the Unit Holders to such amendments.

No amendments shall be done on the Fund's Articles of Association without the approval of the Authority or on the date it determines.

The Fund Manager must notify the Unit holders of any amendments on the Fund's Articles of Association within a period not more than ten Business Days from the date of the Authority's approval on the amendments.

Article 32

Revocation of the License:

The Authority may revoke the license of any Collective Investment Scheme in the following situations:

1. Proven failure to meet any of the requirements of granting the license.
2. Cancellation is in the interest of the participants in the Collective Investment Scheme.
3. The manager or Investment Controller or Custodian has violated any Law or and regulation, or has submitted to the Authority incorrect or misleading information.
4. The Collective Investment Scheme's manager has requested the cancellation of the license, in which case the Authority shall reject the request if it deems it necessary to investigate anything related to the Collective Investment Scheme or to secure the interests of the participants in the scheme.

The Authority may notify the manager or the Investment Controller or the Custodian of a Collective Investment Scheme about its intention to revoke the license of the Collective Investment Scheme, and such decision shall be in writing and justified. The investment manager or Investment Controller or Custodian shall submit undertakings within fifteen days from the date of notification, and the Authority shall decide whether such undertakings are satisfactory in order to avoid the cancellation of the Collective Investment Scheme's license.

If the Authority issues a decision to revoke the license of a Collective Investment Scheme, it shall assign a licensed Person to liquidate the Collective Investment Scheme or shall request the

Competent Court to do so. It shall, in such case, inform the Collective Investment Scheme manager and Custodian - immediately and in writing - of the procedures undertaken.

The Authority - where a Manager or Investment Controller or Custodian of a collective Investment Scheme has failed to comply with the provisions of the Law or these Bylaws hereof- may instruct the Collective Investment Scheme manager to temporarily suspend issuance or redemption operations in the Units of the Collective Investment Scheme, or both, from the date specified in the instructions therewith.

Article 33

Termination of the Fund

The Fund shall end in the following events:

1. End of the period specified in the Articles of Association, unless it is renewed in accordance with the rules set out in the Articles of Association.
2. End of the purpose for which the Fund is incorporated for or in the event of the impossibility of achieving its goal.
3. Damage or use of all the Fund's Assets or most of them, so that other assets can't be invested feasibly.
4. At the request of the Fund Manager and by virtue of an approval issued by the assembly of Unit holders owning more than 50% of the Fund's capital has approved the winding up of the Fund before the end of its term.
5. A resolution issued by the Authority to cancel the Fund's license.
6. A court order is issued for the winding up and liquidation of the Fund.

Article 34

Liquidation Procedures

Once upon its winding up, the Fund shall be liquidated in accordance with the provisions of Article 33. Within the liquidation term it shall retain the corporate entity to the extent necessary to complete the liquidation. The phrase (under liquidation) shall be added to the Fund's name and written legibly in the correspondences issued by the entity conducting such liquidation. The Fund's liquidation must be Officially Announced.

The provisions set forth in the following articles shall be followed upon the Fund's liquidation:

1. All terms of debts due on the Fund shall be cancelled as of the date of Officially Announcing

the Fund's dissolution and creditors shall be notified of the beginning of liquidation. The liquidator shall officially notify all creditors of such liquidation and request them to provide applications of debt payment thereto. Creditors may be notified through announcement. In any event, the announcement or notification shall include a deadline for such creditors not less than fifteen Business Days to submit the applications thereof.

2. When the Fund is terminated, the Fund Manager's power shall end. However, the manager shall manage such Fund until a liquidator is appointed and practices the powers thereof. The Fund Manager, for third parties, shall be considered as a liquidator until a liquidator is appointed. The service providers shall continue to provide the services thereof within the liquidation period, unless the liquidator decides, after the approval of the Authority, to stop the provision of the services, or replace them with other service providers, or combine some duties assigned to one service provider.
3. The Fund Manager or service providers may appoint a liquidator for the Fund. The liquidator may be appointed amongst the Licensed Persons to manage Collective Investment Schemes, or to manage an Investment Portfolio, or serves as an Investment Controller or a Custodian, or auditors registered at the Authority. In all events, the liquidator shall not be appointed without the approval by the Authority and the liquidator shall not proceed with the works thereof unless the appointment thereof is Officially Announced.
4. The liquidator shall be appointed in accordance with a resolution issued by the Unit holders assembly, except in the event in which the Authority decides to appoint such liquidator in accordance with the Bylaws. In the event of selecting the liquidator by the Unit holders Assembly, the Authority's approval must be obtained prior to the appointment. In all events, the body selecting the liquidator shall specify the fees thereof and the liquidation term, provided that the Fund shall incur these fees.
5. The liquidator may be dismissed upon a resolution issued by the entity appointing the liquidator. In all events, the Authority may, at the request of any Unit holder or a Fund's creditor or on its own, issue a resolution of dismissal of the liquidator if it finds an accepted reason for that. Any resolution of dismissal of a liquidator shall include appointment of an alternative liquidator. The new liquidator shall not proceed with works thereof unless the resolution of appointment thereof as a liquidator is Officially Announced.
6. The liquidator shall carry out all works required for the Fund's liquidation and shall be entitled to:
 - a. Represent the Fund before the courts and third parties.
 - b. Provide Care of a Prudent Person to maintain the Fund's Assets and rights.
 - c. Pay the Fund's debts.
 - d. Sell the Fund's Assets of real estate and movable assets in a public auction, tender, or any other method ensuring to have access to the highest price, unless the appointment resolution sets forth selling in a certain method.
 - e. Divide the Fund's net Assets amongst the Unit holders.

7. The liquidator may not proceed with new works unless they are necessary for completing previous works. In addition, the liquidator may not sell the Fund's Assets in one batch; reconcile concerning the rights thereof; accept arbitration in the disputes related to liquidation works; or deal with parties of relevance without the approval of the Unit Holders assembly.
8. Works conducted by the liquidator shall be valid in relation to the Fund, the Unit holders, or third parties, if they are required by liquidation works and within the limits of the powers thereof. If there are many liquidators, actions thereof shall not be binding to the Fund, unless the resolution is issued by the absolute majority and unless the resolution of appointment thereof otherwise states.
9. The Fund Manager shall provide the Fund's accounts and hand over books, documents and assets thereof to the liquidator. In addition, the service providers shall provide the liquidator with any data or information related to the Fund. The liquidator shall, within three months as of proceeding with the assignment thereof, inventory the Fund's Assets and shall identify the financial position thereof, including rights and obligations thereof. The liquidator may seek the help of service providers in this regard. The liquidator shall keep books necessary to register the liquidation and notify the Authority of the Fund's financial position report.
10. The liquidator shall complete liquidation works in the period as specified in the decision of appointment thereof; so if the period is not specified, the Authority shall specify such period at the request of the stakeholders. The period may be extended by a decision issued by the entity selecting the liquidator after reviewing the report thereof including the reasons that prevent completion of the liquidation on the specified period. Any party with a relevant interest may require the Authority to shorten such period.
11. The liquidator of the Fund shall call the Unit holders assembly meeting to be held within three months as of the end of the financial year, in order to discuss the financial data for the ended year, the Auditor's report, and the annual report of liquidation works and the approval. The liquidator may call the assembly meeting at any time to be held if the liquidation works so require.
12. The liquidator shall collect the rights payable to the Fund by third parties or by the Fund Manager and deposit the collected amounts in a bank account for the Fund in the liquidation phase. The liquidator shall pay the Fund's debts and set aside amounts necessary to pay the disputed debts. The Fund's debts shall be paid according to the following order:
 - a. The financial obligations resulting from the liquidation process.
 - b. All amounts payable to the service providers.
 - c. Priority debts according to their sequence.
 - d. Debts secured with collateral in kind within the limits of asset securing the debt.

The amounts of money remaining after payment of the said debts shall be paid to the ordinary creditors. If such remaining amounts are insufficient to pay all such debts, money shall be divided amongst them pro rata.

13. After payment of the Fund's debts, the liquidator shall divide the remaining Fund's Assets on the Unit holders. Each participant shall receive a share proportional to the number of Units thereof in the Fund's capital.
14. The liquidator shall provide the Unit holders assembly with a final account of the Fund's liquidation and the division of its assets. The liquidation works shall be completed upon the approval of the final account by the assembly. The liquidator shall apply for cancellation of the registration of the Fund in the Funds register at the Authority after the liquidation is completed. The liquidator shall Officially Announce the liquidation completion and the completion of liquidation shall not be effective against third party before the date of Official Announcement.
15. The liquidator shall provide the Authority within a maximum of thirty days from the end of the period, with a quarterly report of liquidation works in accordance with the Fund's financial year provided, provided it was reviewed by the Auditor and comprised what has been reached in terms of liquidation and payment procedures distributed to Unit holders including any assets within the Fund which have not been liquidated including the reasons pertaining to such delay. In addition, the Authority may require the liquidator to provide it with any information or reports when necessary.
16. Records and documents related to the Fund's liquidation shall be kept for five years as of the date of cancelling the registration of the Fund from the Authority register at the place specified by the body which appointed the liquidator.
17. The liquidator shall be required to indemnify for the damages incurred by the Fund, Unit holders, or third parties in case the liquidator exceeds the limits of the powers thereof or as a result of faults committed thereby during the performance of the works thereof. In case of various liquidators, they shall be jointly liable.

Article 35

Disclosure of Joint Interests

Gulf Custody Company (the Custodian and Investment Controller) owns Gulf Custody for Securities, which is the administrator and custodian and registrar of NBK Capital Equity Partners Funds which is managed by Watani Investment Company (the Fund Manager).

Article 36

Correspondence

All communications should be send to:

1. Any unit holder to such holder's latest address registered in the books of the Fund. As such, communication can be sent via modern means of communication.
2. To the Fund Manager, shall be addressed to the following address:
Watani Investment Company KSCC
P. O. Box 4950 Safat 13050 Kuwait
Email: investmentfunds@nbkcapital.com
Telephone: +965 2259 5117
Website: www.nbkcapital.com

Article 37

Complaints Procedure

Any investor may lodge a complaint by filling and signing the complaint form and sending it to the Fund Manager by any of the following means:

1. In person to the Customers Complaints Unit.
2. By electronic mail to the head of the Customers Complaints Unit at the following address: complaint-unit@nbkcapital.com
3. By mail, addressed to the head of the Customers Complaints Unit at the following address:
Watani Investment Company, Sharq, Shuhada Street, Al-Raya Tower 2, 35th Floor, P. O. Box 4950 Safat, 13050 Kuwait.

The complaint form may be obtained at the Fund Manager's web site www.nbkcapital.com or at its offices located at the above-mentioned address.

Article 38

Law and Jurisdiction

These Articles shall be governed by the provisions of the Kuwaiti Law with respect of interpretation, execution hereof and disputes arising therefrom. The Kuwaiti courts shall have exclusive jurisdiction to settle all disputes related hereto or arising therefrom.

Article 39

The provisions of the law (7) of 2010 Executive By-law thereof and its amendments and the resolutions, and instructions issued by the Authority shall apply to the matters that are not addressed in these Articles of Association.

The Arabic language is the language used to interpret and execute these Articles of Association, and in case of discrepancy or contradiction between Arabic and English versions, the Arabic version shall prevail.