

**CUSTODIAN AND CLEARING CENTER OF FINANCIAL
INSTRUMENTS FOR LEBANON AND THE MIDDLE EAST
(MIDCLEAR) S.A.L.**

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ARTICLES OF INCORPORATION

CHAPTER ONE

Establishment - Object - Name Head Office - Duration

Article 1- Establishment of the Company

By and between the owners of shares hereinafter created or such shares as shall subsequently be created, a Lebanese joint-stock company is hereby established, governed by the provisions of the Lebanese commercial code as well as all other laws and regulations in force or shall become in force in the Lebanese republic, and the provisions of the present articles.

Article 2- Object of the Company

The primary object of the company shall be to act as a central depository of stocks, bonds and all other movable assets and financial instruments entrusted to its care by subscribers, be they natural or juridical persons, Lebanese nationals or aliens engaged in any financial activity or in any occupation related to financial markets. Subscribers may also include joint-stock companies of whatever type and for whatever object, municipalities and public authorities. The company shall act as custodian of such assets and financial instruments and shall attend to all transactions pertaining thereto. It shall also act as central registrar for joint-stock companies when requested by the same and shall perform any and all post-transaction settlements, clearing house operations and transfers of title in respect of such assets and instruments to back up market efficiency and provide protection to any and all subscribers, dealers and investors. The company may, for the fulfillment of its object, perform the following activities

mentioned below by way of enumeration and not restriction:

- Receive various types of movable assets and financial instruments deposited by subscribers for safe-keeping and open current accounts in respect thereof.
- Provide clearing house operations and related services in respect of all dealings.
- Effect settlement in respect of such assets and instruments between brokers and banks.
- Facilitate dealing in such assets and instruments through inter-account transfers.
- Notify parties concerned, and in particular, brokers and stock issuing corporations of such instructions as may be appropriate for reconciliation of accounts kept by issuing corporations.
- Execute transactions on behalf of owners of securities and financial instruments within the terms of reference of their proxies, with the exception of purchases and sale ..
- Undertake the management, on behalf of joint-stock companies, of their respective share registers and perform all share transfers and assignments and the distribution of dividends and bonus shares and the



sending and publishing of calls to general meetings.

- Organize subscriptions to securities and financial instruments on behalf of third parties.
- Accept subscription of foreign corporations and participate in establishments of like corporate objectives, and enter into contractual relationships with international agencies and organizations for the realization of company objects or facilitation of their attainment
- And in general, perform any and all operations conducive to the facilitation and enhancement of its activities and the fulfillment to its objects.

The company may acquire real estate needed for the performance of its activities in the investment of its own funds, the company must exercise all prudence and ensure that such placements are secure, readily marketable and risk free. The company may not invest its funds except in securities or financial instruments issued or guaranteed by the state, municipal bodies or public authorities.

Article 3 - Name of Company

The name of the company shall be:

"CUSTODIAN AND CLEARING CENTER OF FINANCIAL INSTRUMENTS FOR LEBANON AND THE MIDDLE EAST (MIDCLEAR) S.A.L."

and in French :

" CENTRE DE CONSERVATION ET DE COMPENSATION DES INSTRUMENTS FINANCIERS POUR LE LIBAN ET LE MOYEN-ORIENT (MIDCLEAR) S.A.L."

Article 4- Head Office of the Company

The company's head office shall be in Beirut, and may be moved to any other locality in Lebanon as may be resolved by an extra-ordinary general meeting.

Branches, agencies or offices may be established in Lebanon or abroad by virtue of resolutions of the Board of Directors, and by such resolutions may be moved from one locality to another or closed down .

Article 5 - Duration of the Company

The duration of the company shall be ninety-nine years as of the date of its final establishment unless it shall have been extended or otherwise dissolved prior to that date in accordance with the provisions of the present Article.



so when outstanding amounts are called up by the company.

In the event of an assignment of a share(s) the price of which is not fully paid, all previous holders of such a share(s) during the preceding two years of the call up, shall be deemed jointly obligated with the new shareholder for the outstanding amount of such share price. A previous shareholder who may be compelled to settle the outstanding amount of the share price or any part thereof shall be legally entitled to replace the company in claiming all rights thereto pertaining in the face of any subsequent owner or owners.

Article 10 - Types of Shares

1. All Company shares are nominative and shall be divided into two classes:
 - Class "A" shares representing Banque Du Liban's subscription shall at no time stand at less than seventy-five percent of the company's share capital.
 - Class "B" shares representing all remaining subscriptions.
2. The initial payment on account of the share price shall be attested by an official receipt issued to subscribers. Such receipt may upon a decision of the Board of Directors be replaced by a provisional certificate in the name of the subscriber. Subsequent installments on the share price shall be entered on the reverse side of a such provisional certificate. The final share certificate shall be issued to shareholders when the share price shall have been fully paid. Provisional and final share certificates shall be stamped with the company seal and signed by two members of the Board of Directors specially delegated for the purpose, one of them being the Chairman of the Board.
3. Assignment of share certificates shall not be deemed valid except if executed by virtue of a deed signed by both the assignor and assignee or their legal proxies, and shall

be entered in the share register kept by the company for the purpose.

4. Claims on outstanding amounts due on shares shall be made on the last shareholder jointly and severally with all previous shareholders as well as on the original subscriber. However, any such obligation here above mentioned shall become void after the lapse of two years as of the date of the assignment in question.

Article 11- Transfer of Shares

4. With due regard to the stipulations provided by law and the present Articles of Incorporation, and with particular reference to Article 10 hereof. Banque Du Liban shall be entitled to exercise preemption in respect of any transfer of class "B" shares. Notice of any intended transfer of shares shall be communicated to Banque Du Liban by registered mail wherein shall be furnished such particulars as the quantity of shares, their serial numbers and the name, occupation, nationality and domicile of the transferor. The notice shall also specify the asking price and shall be accompanied by the share certificate, when necessary, along with all documentation attesting the transfer. Banque du Liban's decision in respect of any such transfer shall be communicated to the prospective transferor as soon as practicable and in all cases within thirty days from the date of receipt of the notice of intended transfer by the Head Office of Banque Du Liban in Beirut. In the absence of any response to said notice, the proposed share transfer shall be deemed to have been accepted. The purchase price of shares to be transferred shall be agreed between Banque Du Liban and the transferor. Failing such agreement, the price shall be determined by expertise. In such eventually, an expert valuer shall be appointed jointly by Banque Du Liban and the transferor. The valuation by the expert must of necessity be arrived at within thirty days of his appointment and shall be deemed final and binding and without recourse. Should Banque Du Liban and the transferor not agree on the person of an expert valuer,



they shall each appoint an expert valuer, both of whom shall determine the price within a period not exceeding thirty days, their decision being final and allowing no recourse.

If the two appointed expert valuers referred to in the preceding paragraph fail to reach a consensus, they shall jointly designate an arbiter, and should they not agree on the person of such arbiter, then the latter shall be appointed by the President of the Commercial Court of First Instance upon the request of the most diligent party. By the order of aforesaid court, which shall be deemed final, the court appointed arbiter shall join the two previously appointed expert valuers for them to determine the share price within thirty days at the most. Their decision shall be final and allowing no recourse.

Share transfers shall not be considered final until the transfer shall have been entered in the company's share register.

Article 12 - Rights and Obligations of Shareholders

A share entitles its owner to receive dividends and to transfer his holding within the scope of Article 11 here above mentioned. The share also entitles its owner to preferential rights of subscription upon any cash increase of capital and the right to share in company assets and all equities upon liquidation. A shareholder shall have the right to debate and vote in general meetings and the right to any benefit that may accrue from any resolution adopted by ordinary or extra-ordinary general meetings that may confer on shareholders or on the class to which they belong any concession permissible by law.

Shareholders, their heirs, proxies or creditors may not attach or affix any lien on company assets or bonds and may in no way interfere in the management of the company nor demand the division of its assets or a compulsory sale of the same. In prosecuting their rights they shall rely on company inventories and resolutions of its general meetings.

Shareholders shall not be accountable except within the limits of their share holding and

the company is not empowered to attach to them any other liability. Subscription to company shares or their subsequent ownership shall imply acceptance of the company's Articles of Incorporation as well as the various resolutions of its general meetings and ensuing amendments to said articles.

A share is indivisible and the company recognizes only one owner for each share. In the event a share shall revert to several owners as a result of an inheritance or otherwise, the heirs or successors shall be required to nominate one of their numbers to represent them before the company who shall be viewed as the sole owner.

Article 13 - Bonds

The company may issue negotiable bonds that shall be indivisible and have a fixed par value. Such bonds may be issued to subscribers in exchange for amounts advanced by them. The issue of bonds shall comply with all regulations in force and the provisions of the Lebanese Commercial Code.

Bonds may not be issued by the company unless its share capital shall have been paid in full.



CHAPTER THREE

Management

Article 14 - Board of Directors and term of Office

The company shall be managed by a Board of Directors consisting of three members at least and twelve members at the most. They shall be elected by the general meeting from amongst shareholders. The majority of the members of the Board of Directors shall of necessity be of Lebanese Nationality in conformity with the provisions of Article 144 of the Lebanese Commercial Code.

The general meeting shall have the prerogative to dismiss members of the board provided that their number shall at no time be reduced to less than three.

Corporate bodies may become members of the Board of Directors, whereupon they shall be represented by duly authorized representatives. Such representatives shall not be required to be shareholders in a personal capacity.

The term of office of the Board of Directors shall be three years at the most. In this context, a year shall mean the period between two consecutive ordinary annual general meetings. Board members are eligible for re-election to successive terms of office.

Should it occur between two annual general meetings that the number of board members is diminished to less than three due to the demise or resignation of any member or for any other reason. Then the surviving members of the board shall be called upon to convene a general meeting within at least two months of such occurrence for electing replacements to fill the seats that shall have been vacated.

The following may not be elected to the membership of the Board of Directors.

- A person who has been declared bankrupt and has not been reinstated at least ten years prior to his nomination.

A person convicted in Lebanon or abroad, within ten years at the least prior to his nomination of committing or attempting to commit a felony involving forgery, larceny, fraud or embezzlement, or any other misdemeanor subject of like punishment, including the issue with mal-intent of cheques without provision or any defamatory act against the financial status of the state within the context of Articles 319 and 320 of the Lebanese Penal Code or for the concealment of the proceeds of such offenses.

In general, the election of members of the Board of Directors shall take cognizance of Article 148 of the Lebanese Commercial Code and Article 127 of the Law of Money and Credit.

The same conditions and limitations shall apply to representatives of corporate bodies in their election to the membership of the board.

It shall not be allowed for any member of the board to sit on the boards of more than six other joint-stock companies domiciled in Lebanon including the company herein established. Any person over seventy years of age may not be a board member of more than two corporations.

Board members may not engage or otherwise participate in the management of any corporation having the same object as the one herein established without having obtained prior consent which shall be renewable annually.

Article 15 - Qualification Shares

Every member of the Board of Directors should be the owner of a minimum of ten shares of the company.

Such shares shall remain in the member's name and shall bear an annotation to the effect that they are not transferable. Said



shares shall be deposited in the company coffer or in any other depository designated by law.

Qualification shares serve as guarantee for the liability of individual board members and the collective liability of the Board of Directors for mismanagement, and will only be released after the expiry of the director's term of office and in accordance with a quittance discharging all members of the board of their liabilities given by an ordinary general meeting.

Article 16 - Convocation of Board Meetings

Board of Directors meetings shall be held at the head office of the company or in any other venue as may be designated in the convocation. The Chairman shall call for meetings whenever the conduct of company affairs so require or upon a request made by Banque Du Liban or when one third of the members of the board so demand.

Convocations along with agendas of meetings shall be sent out to board members at least three days ahead of time except in the case of emergency sessions when the matter shall be left to the discretion of the Chairman of the Board.

Article 17 - Quorum and Voting

a) Deliberations of the board shall be deemed proper and legitimate when the majority of members shall be present. Each board member may delegate a fellow member to represent him and vote on his behalf in meetings he is unable to attend, provided always that the appointed proxy shall not act on behalf of more than one member in any one meeting

b) Resolutions shall be adopted by the majority of the votes of members present or represented and in the case of a tie, the Chairman shall have a casting vote.

Article 18 - Powers and Duties of the Board of Directors

a) Powers of the Board of Directors

The Board of Directors shall have the widest powers to implement the resolutions of general meetings and to take any and all actions required by the proper conduct of company business in the usual way that are not considered day to day activities.

The Board of Directors shall in particular have the following powers, by way of enumeration and not restriction:

1. To establish branch offices for the company in Lebanon or abroad as it may deem fit.
 2. To formulate the general operations policy of the company within the scope of its corporate objectives, and to pursue and oversee the implementation of such policy.
 3. To set company manuals, by-laws and personnel regulations.
 4. To agree to any and all acquisitions, transfers and sales in respect of assets and immovable properties.
 5. To borrow funds to meet company needs.
 6. To appoint company employees and decide their emoluments, and otherwise terminate their services.
 7. To establish Lebanese or foreign corporations or otherwise participate in existing corporations or subscribe to such enterprises as shall be taking form, by committing whatever funds needed and at terms deemed fit, and to involve the company in any and all participation's.
 8. To prepare balance sheets, inventories and all other accounts for presentation to general meetings and decide the recommendations and agendas proposed for said meetings.
 9. To effect settlements and engage in arbitration with the right to deference relinquishment, absolution and waiver.
- The Board of directors may delegate part of its powers to it's Chairman and/or the General Manager for a short and specific period. Such delegation shall be subject to deposition in the Commercial Register.
- The powers of the Board of Directors are in no way limited or restricted except for what is provided for in the law or in the present Articles of Incorporation.



b) Duties of the Board of Directors

The Board of Directors shall in particular :

1. Verify the legalities of the establishment of the company (this obligation rests with the first Board of Directors only).
2. Carry out publication of formalities and depositions with the Commercial Court and Commercial Register.
3. Implement the resolutions of general meetings.
4. Prepare at the end of every six months a statement of assets and liabilities.
5. Prepare at the end of every financial year an inventory, balance sheet, profit and loss account and all other reports required.
6. Call the shareholders to general meetings.
7. Constitute statutory reserve
8. Publish the annual balance sheet along with the names of board members and auditors as prescribed by law.

c) Responsibilities of Members of the Board of Directors

Members of the Board of Directors are liable toward third parties for any fraudulent act committed by them or for any infringement of the law or violation of the company's Articles of Incorporation. They are also held responsible before the shareholders for mismanagement. Any shareholder may to the extent of his interest in the company, institute legal proceedings against such members of the board on behalf of the company should the latter fail to do so. The provisions of Article 170 of the Lebanese Commercial Code shall apply in the apportionment of liability among board members or any of their numbers.

Article 19 - Resolutions Of the Board Of Directors

Resolutions of the Board of Directors shall be recorded in minutes of meetings entered in a special register and shall be signed by the members present. Copies of such minutes of meetings or excerpts thereof to be produced before the courts or any other authority, shall be signed by the Chairman or by two board members. Such copies or excerpts of minutes of meetings shall be

deemed indisputable evidence of the number and capacity of members present or absent in such meetings.

Article 20 - Chairman of the Board - Vice Chairman - General Manager - Managing Director

The Board of Directors shall elect a Chairman from among its members for a term of office congruent with that of the board itself. The Chairman's membership of the board must be one of a personal capacity and not as a representative of a body corporate. The Chairman may be re-elected for successive terms of office.

The election of the Chairman of the Board shall only become effective after the written approval of Banque Du Liban shall have been obtained.

When found necessary, and upon the written approval of Banque Du Liban, the Board of Directors may elect a Vice-Chairman. In the absence of the Chairman and the non-existence of an elected Vice-Chairman, members of the Board may designate one of their numbers to preside over the meeting.

The Board of Directors may appoint a secretary from among its members or externally for a term that may coincide with that of the Board.

The Chairman of the Board shall himself discharge the functions of General Manager. otherwise an appointed incumbent of this post shall act as General Manager for and on behalf of the Chairman and at the latter's responsibility

A General Manager may be appointed by the Board of Directors upon nomination by the Chairman. Such appointment, however, shall be conditional on Banque Du Liban's written approval.

Where the Chairman of the Board of Directors is temporarily unable to discharge the duties of his office, he may delegate one of the Board Members to perform part or all of such duties. Such appointment shall in all cases be for a specific period of time and shall only become effective after the written approval of Banque Du Liban shall have been obtained. Should the Chairman become definitively incapacitated in performing his



duties, the Board of Directors may consider him to have resigned and elect a replacement. The election of a successor chairman shall only become effective after the written approval of Banque Du Liban shall have been obtained.

Banque Du Liban shall be absolved of any liability arising from or in connection with any of the approvals herein above mentioned.

Article 21 - Advisory Committee

The Chairman of the Board may appoint an Advisory Committee consisting of Board Members or Managerial Staff or of a combination of Board Members and Managers.

The Committee shall be charged with specific tasks referred to it by the Chairman. The conclusions of the Committee shall not be binding on the Chairman nor on the Board of Directors.

Article 22- Assumption of Administrative Positions by Members of the Board of Directors

Board members may assume administrative positions in the company for pay to be determined by the Board of Directors. However, they shall not benefit from the provisions of the Labor Law unless they shall have been in the service of the company for at least two years prior to their election to the membership of the Board of Directors.

Article 23 - Powers of the Chairman, the General Manager and the Managing Director

The Chairman of the Board of Directors, the General Manager or the Managing Director shall represent the company toward third parties, implement the decisions of the Board of Directors and conduct company affairs and day to day activities as prescribed in the present Articles of Incorporation or according to customary practice.

Each of the above named shall be vested with the following powers, by way of enumeration and not restriction, unless the Board of Directors shall rule to the contrary and in all cases in conformity with the laws in force :

- Carry out all formalities and regulatory matters required for conforming with the laws in the countries where the company shall be active.

Article 24 - Signature on behalf of the Company

The signature of the Chairman or General Manager or the Managing Director within the scope of their respective powers shall be binding on the Company.

The Chairman and General Manager may grant general or specific signing powers to managerial staff for the purpose of conducting day to day business or for their specific purposes and within specific limits.

Acts by duly authorized personnel and within the powers vested in them shall be binding on the company.

Beyond the extent of such powers as shall have been vested, the company shall only be bound by acts specially authorized or ratified by general meetings.

Article 25 - Remuneration's of Members of the Board of Directors

Members of the Board of Directors shall be entitled to receive remuneration either in the form of an annual salary or an attendance allowance or an allocation of a percentage of net profits, or as shall be decided by the general meeting in conformity with Article 145 of the Lebanese Commercial Code.

As for the remuneration's of the Chairman of the Board in his capacity as General Manager roles in the company, the Board of Directors shall fix the same in conformity with Article 153 of the Lebanese Commercial Code.



CHAPTER FOUR

Auditors

Article 26 - Appointment of Auditors

The constituent general meeting and thereafter the ordinary general meeting shall appoint one or more auditors for a period of one year and shall determine their fees. The re-appointment of auditors shall be permissible.

Above appointed auditor or auditors shall be joined by an additional public accountant accredited by the Court of First Instance, who shall have the same powers and be entitled to the same fees as his above mentioned counterparts. The appointment of the additional auditor shall be made by court order in the locality of the company's head office upon the application by the Board of Directors to said court which shall be made within the two months following the establishment of the company. Thereafter, application to the appointment of auditor shall be made within one month following the annual general meeting.

Article 27 - Terms of Reference and Duties of Auditors

Auditors shall exercise a continuous audit of company activities and shall have access to any and all documents, records, deeds and financial papers and statements. Board members shall provide them with all requested information and place at their disposal inventories, balance sheets and profit and loss accounts at least fifty days prior to the convocation of annual ordinary general meetings.

The auditors are obligated to submit to annual ordinary general meetings and within the period prescribed by law, a report on the state of the company, Its balance sheet and on accounts submitted by members of the Board of Directors and on the recommendations concerning the

distribution of dividends under pain of avoidance of the approval of accounts.

The auditors shall submit to the general meeting a detailed special report on all transactions and engagements made by board members and company management or between them and any of the company offices in conformity with Article 158 of the Lebanese Commercial Code.

The auditors shall exercise all haste in bringing to the attention of company management and any all violations revealed to them, and shall require rectification thereof and the auditors are also bound to convene whenever members of the Board of Directors fail to do so on the occasions specified by law or whenever requested by a group of shareholders representing one fifth of the capital.

The auditors shall be jointly and severally responsible even toward third parties for any and all faults in their audit, due regard given to a five year limitation.



CHAPTER FIVE

General Meetings

Article 28 - Type of General Meetings

1. General meetings are divided into three types: Constituent, Ordinary and Extra-Ordinary General Meetings.
2. General Meetings shall be held at the head office of the company or in any other venue as may be designated in the convocation.
3. Legally constituted general meetings are deemed to represent all shareholders, and resolutions duly adopted shall be binding on all of them including absentees and dissenters.
4. The Company Secretary shall draw up minutes of meetings recording the resolutions that shall be kept in a special register and signed by the office of the general meeting.

The minutes register shall be kept in the company's head office .
The Chairman and two Members of the board shall certify minutes of meetings or summaries thereof intended to be produced to the courts or to any other authority as the need may be.

Article 29 - Powers of the Constituent General Meeting

1. The founders of the company shall call shareholders to a Constituent General Meeting after all subscription formalities shall have been completed in conformity with Article 90 of the Lebanese Commercial Code.
2. The Constituent General Meeting shall adopt the resolutions pertaining to the establishment of the company after it shall have ascertained the fulfillment of the

conditions of establishment. The said constituent general meeting shall verify and attest the veracity of subscriptions and ascertain that the amount representing the call on half the value of shares has been paid up. It shall elect members of the Board of Directors and ascertain their acceptance and appoint auditors, fix their fees and ascertain their acceptance of the general appointment. Finally, the Constituent General Meeting shall approve the company's Articles of Incorporation and declare the company legally constituted.

Article 30 - Powers of the Ordinary General Meeting

1. The Ordinary General Meeting shall consider and decide upon all matters falling beyond the ambit of powers of the Board of Directors and which do not pertain to the amendment of the Articles of Incorporation. It may grant license to the Board of Directors to act on matters beyond the latter's powers provided such matters are related to the object of the company as specified in Article 2.
2. The Ordinary General Meeting shall once every year discuss the report of the Board of Directors and the report of the auditors and approve the annual accounts or call for their adjustment. It shall vote the quittance to be granted to the members of the Board of Directors, and shall determine depreciation rates and dividends to be declared. The Ordinary General Meeting shall elect members of the Board of Directors and appoint auditors and shall have absolute powers to dismiss board members at any time during the company's financial year. Moreover, it shall fix the remuneration to be paid to members of the Board of Directors and auditors fees and shall decide on the issue of bonds as well as all other recommendations submitted by the Board of directors.



3. The Ordinary General Meeting shall be convened at least once every year and can be called at any time during the year. The qualification "Ordinary" preceding the type of the general meeting serves only to specify its powers and the necessary quorum required for the validity of its resolutions.

4. Shareholders are entitled to peruse at the company's head office the inventory, the balance sheet, the profit and loss account, the list of shareholders, the report of the Board of Directors, the report of the auditors, the consolidated profit and loss account if present and the auditors report thereof, all during the fifteen days that precede the convening of the Ordinary General Meeting.

Should the shareholders be denied access to the above documents, the deliberations of the meeting shall be rendered void.

Article 31 - Powers of the Extraordinary General Meeting

1. The Extra-ordinary General Meeting may introduce any and all amendments to the company's Articles of Incorporation as may be permissible by law.

2. Amendments may not entail any increase in shareholders obligations, prejudice the rights of third parties or alter in the company's nationality.

3. Any and all amendments as may be introduced to the company's Articles of Incorporation must be notarized by a notary public in the locality of the company's head office and shall be deposited in the Commercial Register.

Article 32 - Convocation of General Meetings

1. Convocation of ordinary and extraordinary general meetings shall be within the powers of the Board of Directors. The constituent general meeting, however, will be convened by the founders.

2. The ordinary general meeting shall be convened annually within six months following the end of the lapsed financial year.

3. The Board of Directors shall be bound to convene an ordinary general meeting when this is demanded by a number of shareholders representing not less than one fifth of the capital.

Convocation of the meeting shall be made within one month from the date of such demand, and in this instance the agenda of the meeting shall comprise the topics which the aforesaid shareholders demand to be discussed.

4. Auditors appointed by the shareholders are bound to convene a general meeting each time the Board of Directors fails to do so in the instances provided by law or by the present articles or when called upon by a group of shareholders representing not less than one fifth of the company's share capital.

Auditors may call the shareholders to a general meeting whenever they deem it beneficial to do so.

5. Notice of meetings shall be sent out to shareholders by mail at least twenty days in advance of such meetings, otherwise the notice may be published in two local newspapers. It shall suffice for the validity of notices of meetings when they shall have been mailed to the addresses of shareholders appearing in the share register. Notices shall set out the agendas of the meetings.

6. The mode of communicating or publishing notices of all types of general meetings as specified in subsection 5 here above, may not be heeded when all shareholders shall have been present (an entire attendance).

Article 33 - Quorum and majority in the Constituent General Meeting

1. Deliberations of the Constituent General Meeting shall not be recognized as legal unless subscribers present or



represented correspond to at least two thirds of the capital. If quorum is not attained, notice to second or third meeting shall be made in accordance with Article 193 of the Lebanese Commercial Code.

2. Resolutions of the Constituent General Meeting shall be adequate by the majority vote of two thirds of the shareholders present or represented.

Article 34 - Quorum and Majority in Ordinary General Meetings

1. Deliberations of general meetings shall not be recognized as legal unless the shareholders present or represented correspond to half the capital at the least.

2. If quorum is not attained, notice of a second meeting shall be made wherein deliberations will be recognized as legal regardless of the number of shares represented in the meeting provided that resolutions adopted shall only concern the topics placed on the agenda of the meeting first called.

3. Resolutions of ordinary general meetings shall be adopted by an absolute majority of vote of shareholders present or represented.

Article 35 - Quorum and Majority in Extra-ordinary General Meetings

1. Deliberations of extra-ordinary general meetings involving any change in the object or form of the company shall not be recognized as legal unless the number of shareholders present or represented correspond to three quarters of the capital at the least.

2. With regard to the introduction of any amendment to the present articles, the shareholders present or represented shall correspond to two thirds of the capital at the least. If quorum is not attained, notice to a second or third meeting shall be made as may be found necessary wherein quorum in such latter meetings shall be sufficient if

shares represented corresponds to one half or one third of the capital respectively.

Notice of the second and third convocations shall be made in conformity with the procedures provided for in Articles 193 and 203 of the Lebanese Commercial Code.

3. Resolutions of Extra-ordinary general meetings shall be adopted by the majority vote of at least two thirds of the shareholders present or represented.

Article 36 - Participation and Voting in General Meetings

1. Every shareholder shall have the right to take part in the different types of general meetings and shall be entitled to take part in voting with a number of votes corresponding to the number of shares owned by him, in accordance with the provisions of article 117 of the Lebanese Commercial Code.

2. Shareholders unable to attend a general meeting may be represented thereat by other shareholders. Representatives of corporate bodies or incapacitated persons may not be shareholders themselves. All authorizations or appointments of proxies must be made in writing.

3. An attendance sheet shall be prepared showing the names of shareholders present and represented and the number of shares and votes thereto pertaining. The attendance sheet shall be signed by shareholders or their proxies and shall be kept at the head office of the company after it shall have been certified by the office of the general meeting. Access to attendance sheets shall be granted to any person who can establish his identity as a shareholder.

Article 37 - Agendas of General Meetings

1. An agenda of the topics to be discussed by the general meeting shall be drawn by the Board of Directors or by the person who is entitled to call such a general meeting in an exceptional manner.



2. Deliberations of the general meeting shall be restricted to the topics specified on the agenda, except such unforeseen or urgent issues that may crop up in the course of the meeting.

Article 38 - Shareholders General Meetings

1. The Chairman of the Board of Directors shall preside over general meetings and alternatively the Vice-Chairman if such a person exists, otherwise the meetings will be presided by a member appointed by the board for this purpose. In the case where the general meeting is called by other than members of the board, it shall be presided by the person who shall have called it.

2. The office of the general meeting shall be composed of a Chairman and a Secretary. The two shareholders present who personally own or represent by proxy the largest number of shares shall serve as scrutineers and should they decline. The shareholders following them in such capacity shall be appointed and so on until the appointments are accepted.

3. The Chairman shall appoint a secretary who may be chosen from outside the "Pool of Might" of shareholders.

4. Where a shareholder demands a secret ballot, voting in this fashion becomes compulsory in all matters of a personal character such as the dismissal or impeachment of members of the Board of Directors.

5. No shareholder may vote in his personal capacity or by proxy when the resolution tabled for discussion concerns a benefit intended for him or a dispute between him and the company.

6. Should shareholders present consider that they are insufficiently informed of the issues slated for discussion, then the meeting may be adjourned for a period of eight days provided that such adjournment shall have been demanded by a quarter of the shareholders.

7. The office of the general meeting shall draw up minutes of said meeting that shall record a summary of the deliberations and the full text of the resolutions adopted. The minutes shall be signed by the bureau of the meeting.

The Chairman or two members of the Board of Directors shall certify excerpts of the minutes to be produced to third parties.



CHAPTER SIX

Accounts

Article 39 - Financial Year

1. The financial year shall begin on the first day of January and end on the thirty first day of December of every year.
2. As an exception, the company's first financial year shall begin on the date of the establishment of the company and end on the thirty first day of December of the same year.

Article 40 - Financial Documentation

1. The Board of Directors shall prepare at the end of each six month period a statement of the company's assets and liabilities and shall place the same at the disposal of the auditors.
2. The Board of Directors shall at the end of every year prepare an inventory, a balance sheet and a profit and loss account and place all such statements at the disposal of the auditors fifty days at the least before the date of the annual general meeting.
3. The Board of Directors shall every year publish the balance sheet for the year then ended along with a listing of the Board of Directors and the names of auditors in the official gazette, a local daily newspaper and an economic journal within a period to two months at the most from the date of the annual ordinary general meeting.

Article 41 - Determination of Net Profits

Net profits shall be the company earnings less general expenses, taxes, fees, social security obligations, depreciations and all other financial burdens and costs.

Article 42 - Allocation of Net Profits

1. The following shall be deducted from the net profits:
 - a) any and all losses carried forward from previous years if such shall exist
 - b) ten percent of the net profits shall be set aside for constituting the statutory reserve until such reserve shall have amounted to at least one third of the capital.
 - c) remuneration's of the members of the Board of Directors as may be awarded by the general meeting.
 - d) Any other amount which, upon the recommendation of the Board of Directors and endorsement of the auditors, shall be allocated by the general meeting for constituting special reserves or for any other specific purpose.
2. After effecting all the above deductions, the balance of net profits shall be distributed as dividends.

Article 43 - Payment of Dividends

1. Dividends shall be paid on the dates and at the places designated by the Board of Directors.
2. Installments not claimed after the lapse of five years from dates on which they shall have been declared payable shall be forfeited and revert to the company after state dues shall have been deducted.



CHAPTER SEVEN

Dissolution and Liquidation - Litigation

Article 44 - Dissolution and Liquidation

Dissolution of the company and its liquidation shall be effected in conformity with the laws in force.

Article 45 - Litigation

Any dispute arising in the course of the company's duration or in the process of its liquidation between the shareholders or between them and the company shall be referred to the courts of competent jurisdiction in the locality of the company's head office.

Legal action fielded against the company may take any of the following two kinds :

1. An action by one individual where the injured party may institute pursuant to Article 166 of the Lebanese Commercial Code, which the shareholders may circumvent by a vote of quittance granted to members of the Board of Directors in a general meeting.

2. Litigation in respect of disputes involving the general interest of the company may not be instituted against the Board of Directors or any other member thereof except in the name and on behalf of all shareholders and in accordance with a resolution of the general meeting.

Any shareholder desirous of filing an action of this kind shall notify its subject matter to the Chairman of the Board of Directors by registered letter to be sent at least forty days prior to the convening of the general meeting. The Chairman shall place the proposed action on the agenda of said meeting.

Should the meeting decide to reject the proposition. This decision shall be deemed

final and conclusive for all shareholders and none of them may pursue the action any further without prejudice to the right of instituting litigation in an individual capacity as here above mentioned.

Where the proposition is accepted, the general meeting shall appoint one or more attorney's to handle the dispute.

Under pain of annulment, any and all notifications regarding the said dispute shall be served on the attorney's concerned and in no case may such notifications be served on the shareholders personally.

In the case where the Board of Directors refrains from placing the dispute on the agenda or where the general meeting is unable to give consideration to such dispute for lack of quorum, the shareholder may after the lapse of six weeks from the date of despatch of the registered letter, file a law suit unless the Board of Directors shall have proceeded with a call to a second general meeting.

In this eventuality the shareholder shall await the resolution of such meeting.

The shareholder can file no claim except within the limits his personal interest in the company.

In case of occurrence of disputes, litigants shall elect a domicile within the vicinity of the court where the head office of the company is located at which notices or summons may be served on them. Notification at such chosen address shall be valid irrespective of the actual place of residence of litigants.

Where no address for process serving is given, any and all notifications, judicial or otherwise shall be valid if served at the registry of the court of the company's head office.

The taking up of domicile for the purpose of process serving whether for plaintiffs or respondents or otherwise shall definitely confer jurisdiction upon the courts in the locality of the company's head office.



CHAPTER EIGHT

Final Establishment

Article 46 - Final Establishment Formalities

1. The founders shall be called upon to carry out all formalities required for the establishment of this company; which company shall not be considered legally and finally established until after the following formalities shall have been completed:

a) Deposition of these Articles of Incorporation with the notary public in Beirut.

b) Subscription to the entire share capital.

c) Calling up half the value of shares and depositing amounts received in any of the state accredited banks.

d) Convening the Constituent General Meeting which shall approve the Articles of Incorporation, ascertain the veracity of subscription to the entire share capital and payment of the first call on the shares representing half their value. Said meeting shall also elect the first Board of Directors, appoint the first auditors and fix their respective remuneration's and be assured of their acceptance, whereupon the company shall be declared legally established.

2. The Board of Directors shall within one month following the date of establishment carry out initial formalities regarding publication and filing with the court's registry and the Commercial Register. The Board of Directors shall also apply for the appointment of the additional auditors and this shall be made during the two months following the date of establishment.

3. All establishment expenses such as fees, fiscal stamps, registration dues, cost of publications and attorney's fees shall be borne by the company and posted as establishment general expenses.

Article 47 - Powers of Founders

Prior to the final establishment of the company and completion of all formalities pertaining thereof, the founders shall be constituted as a board to represent the company under establishment toward third parties such as public authorities, banks and individuals as well as toward subscribers. The Founders Board shall have all the powers needed to execute and carry out all operations and formalities required for the establishment of the company or in its interest without confinement to the same, and may delegate the execution of such operations or formalities in part or in full to any person whatsoever.



**OFFICE OF THE NOTARY PUBLIC IN BEIRUT
MOHAMAD IBRAHIM TABBARA
HAMRA –EL MAKDISSI STREET
EL JURDI BUILDING
7th Floor**

Serial Number 1308/1994

On Wednesday June 8,1994 appeared to my office I Mohamad Ibrahim Tabbara Notary Public in Beirut ,bachelor in law Mr. Assaad Fouad Sawaya /Lebanese citizen born in 1927,identity card Register Number ,bearing his photo register Number 80 El Tal – And Me Pierre Kanaan /Lebanese citizen Residing actually in Beirut Known by me personally ,signing for the Bank of Lebanon pursuant to the letter issued by the governor of the Bank of Lebanon number 195/1/2 referral Number to the Legal Affairs Department 876/1/3 dated June ,4,1994 and the demand of deposit of a copy pertaining to the contract of constituting the Custodian and Clearing Center of Financial Instruments For Lebanon and the Middle East (MIDCLEAR) S.A.L pursuant to the article 80 of the Lebanese Commercial Code upon his request an original copy of these Articles of Incorporation has been kept and a copy of it was ratified – This Statute is exempted from fees in virtue of the decree issued on January 20,1954

The Notary Public in Beirut
(Signature and Seal)

TRUE COPY OF THE ORIGINAL The Chief Clerk Riyadh Totayo
Signature and Seal Beirut June 24, 1994

True and correct translation of the Arabic attached document.
The Sworn Translator Boulos Joseph Misk Tel/Fax 01/561995

