



اتحاد شركات الاستثمار  
UNION OF INVESTMENT COMPANIES

## Articles of Association



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April 2017



## Chapter I

### Formation:

#### Article 1

On Wednesday, 29/12/2004 in the State of Kuwait and under law No. 38 of 1964 an organization under the name of Union of Investment Companies has been established. According to the general assembly meeting's resolution dated 04/03/2014 the name has been changed to be "Union of Investment Companies" (ARABIC NAME WAS CHANGED WITHOUT AFFECTING THE ENGLISH NAME).

#### Article 2

The headquarters of the Union is located at the following address:  
The State of Kuwait, however, the Union has the right to open branch or branches throughout Kuwait. Further, the Union may shift the headquarters, as per the decision of the Board of Directors, to another place, taking into consideration to inform Ministry of Social Affairs & Labour with the new headquarters within one week of change.

#### Article 3

The Union has independent corporal entity. Further, it has the right of litigation.

#### Article 4

The membership of the Union is open to every Kuwaiti investment or financial company or those companies which are licensed from the Capital Markets Authority to practice any of the following securities activities:

1. Securities exchange.
2. Clearing agency.
3. Investment portfolio manager.
4. Collective investment scheme manager.
5. Investment advisor.
6. Subscription agent.
7. Custodian.
8. Market maker.
9. Securities broker registered in the securities exchange.
10. Securities broker not registered in the securities exchange.
11. Investment controller.
12. Credit Rating Agency.
13. Valuation of assets.
14. Any other activities which the Authority may specify.

provided that its main objectives must be employment and investment of funds for their own account or for the account of third parties and/or grant credit facilities and financial services. The active member has all powers and rights provided for under the Articles of Association of the Union.

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## Article 5

The Union is legally represented by the chairman, however, in case of absence of the chairman, he will be represented by Vice-chairman. The Board of Directors may delegate some powers of the chairman to the vice-chairman, should the interest of the Union requires that.

## Chapter II

### Objectives of the Union:

#### Article 6

To care for and organize the interests of union's members, to defend their rights and represent them in all matters pertaining to their common interests, in particular:

1. To promote and develop investment sectors using the best material capabilities and the available human expertise of the members.
2. To prepare technical and specialist studies and researches in the development and promotion of the investment sector.
3. To consult and exchange opinion with all institutions of the State to achieve the interests of the members and national economy. Further to cooperate with different government and private authorities concerned with investment sector related to the union's activities and to remove the impediments that may face the members.
4. To give opinion on the draft laws, proposals, rules, regulations or orders pertaining to different shapes of investment or economics, either directly or indirectly as well as those relating to regulation of the investment or the licensed companies, supervision and control of the same.
5. To organize and participate in the local and international conferences, seminars and courses relating to the investment or economical business, to circulate the conclusions, recommendations and researches presented therein among members of the Union.
6. To promote the professional and cultural level of the members, and to setup and organize the social activities of the members of the Union.
7. To publish advertising literature to promote investment and commercial culture in the society and among members of the Union.
8. To hold specialized training courses in financial and investment fields and in the activities of the companies' members of the Union and the economical and other related entities. For the purpose of developing and rehabilitation of its employees.
9. The right of filling a case for the defense of the union members' public interests and rights without prejudice to the right of litigation of each member.

#### Article 7

The Union is prohibited:

1. To engage itself in political, religious or partial issues.



2. To employ its funds in financial or real estate speculations or other types of speculations.
3. To accept gifts and wills except with the consent of the Ministry of Social Affairs & Labor.

## Chapter III

### Conditions of acceptance, withdrawal and dismiss of members:

#### Article 8

Applications for membership of the Union should be submitted in the name of the chairman supported by the following documents:

1. The member must be Kuwaiti National.
2. Official extract from the competent entities relating to the data of the company already registered with the Ministry, particularly indicating the objectives of the company.
3. Statement of the directors signed by the authorized signatory of the applicant company.
4. Paying the joining and annual membership fees.

#### Article 9

Interested applicants should apply to the board of directors, however, the board has the right to accept or reject their application. However, rejection will be adopted by two thirds of members and the reasons will be highlighted.

Whoever his application is rejected may file a petition to the general assembly in its first meeting. The general assembly will have the right to finally accept or reject the application.

#### Article 10

Each member may withdraw from the Union at any time he selects. In this respect the Union will not claim him for any dues except the due subscription fees for the year during which withdrawal was made.

#### Article 11

The member will be dismissed from the Union should he commits any of the following:

1. Suspends payment of the annual subscription fees for two consecutive years without acceptable excuse and after one month prior written notice.
2. Disrepute or defame the Union or obliges other members to withdraw themselves from the Union.
3. Should he embezzle the funds of the Union, waste his custody or should he commits any crime against public order or morals.

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## Article 12

No member will be dismissed from the Union without the investigation of a committee constituted by the board of the directors. Should the member absent himself despite being summoned twice in writing; this will be considered as waiver from the member of his right to defend himself, however dismissal will not take effect except with the consent of two thirds of the members. The dismissed member may file petition to the general assembly at its first meeting and general assembly will have the right to finally decide acceptance or rejection of the petition.

## Article 13

The dismissed member may apply anew to membership once the reasons of dismissal elapse.

## Article 14

The members of the Union should be committed to the following duties:

1. Achievement of the objectives of the Union and to support its activities and resources.
2. Adherence to the Articles of Association of the Union, its bylaws and the resolutions of the general assembly.
3. Payment of the annual subscription fees on time.
4. Advising the Union of any change to their legal representatives or membership of the board of directors.
5. Submitting any proposals that may achieve the interests of the Union to the board of directors for consideration and adopting a resolution in this respect or to refer the same to the general assembly.

## Chapter IV

### Subscriptions and fees

#### Article 15

The annual subscription fees of membership is KD 5000 (Five thousands Kuwaiti Dinars).

#### Article 16

Joining fees to the Union is KD 1000 (One thousand Kuwaiti Dinars).

#### Article 17

The Board of Directors may propose other fees, at its description, provided that it is approved by the general assembly to be effective against the member.

## Chapter V

### Funds of the Union

#### Article 18

The funds of the Union are raised from:

1. Subscription application fees in accordance with the articles of association of the Union.



2. Annual subscriptions in the Union.
3. The fees that may be prescribed by the general assembly pursuant to the proposal of the board of directors.
4. The profits that may be realized by the Union from investing its funds within the limits of the law.
5. Donations, gifts, and aids provided to the Union and accepted by the board of directors and informing the Ministry of Social Affairs & Labor.
6. Revenues earned by the union from the courses which held on its training centers.

### Article 19

The Union will invest its funds in guaranteed projects and aspects of investments that have guaranteed profits without contradicting Article 104 of the Law No. 6 of the year 2010 of the Private Sector Labor Law.

### Article 20

The funds of the Union will be deposited with the Kuwaiti Banks in the name of the Union. Withdrawal from these funds will be made in accordance with the provisions and conditions set forth in these articles of association.

### Article 21

The fiscal year of the Union will commence on the first day of January and expires on 31st of December of every year, except the first financial year when it starts at the date of registration and expires on the 31st of December of the next year.

## CHAPTER VI

### The General Assembly

#### Article 22

The general assembly is the supreme authority to dispose the affairs of the Union. It comprises all Kuwaiti members who have already paid their annual subscription fees till the date of the general assembly meeting.

#### Article 23

The ordinary general assembly of the Union will be convened once a year according to the board of directors' invitation during the first three months following the end of the fiscal year.

#### Article 24

The extraordinary general assembly meeting will be convened upon the request of the majority of the board of directors' members; however, it may be convened upon the request of 20% from the members. And the board of directors will invite the general assembly for convention within a maximum of two weeks. Further, it will determine the issues and subjects for which it will be convened. Should the

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board of directors did not invite the general assembly within this period, it will be automatically convened and in this case it will be presided by the eldest member.

## Article 25

The convention of the ordinary general assembly will be considered valid should it is attended by one half of the members. Should the quorum is not realized, the meeting will be adjourned for one hour, then the meeting will be considered valid should it is attended by one fourth of the members at least, otherwise the meeting will be adjourned for two weeks and the meeting will be considered valid regardless of the number of attending members.

## Article 26

The convention of the extraordinary general assembly will be considered valid should it is attended by one half of the members at least. Should the quorum is not realized, the meeting will be adjourned for one hour and the meeting will be considered valid with the attending of the quarter, otherwise the meeting will be adjourned for two weeks and the meeting will be considered valid regardless of the number of the attending members.

## Article 27

The resolutions adopted by the general assembly of the Union will be considered final so long as it is not contradicting the provisions of law and the relevant resolutions. The resolutions of the general assembly will be adopted by the majority of the attending members except under the cases that require unanimous votes.

## Article 28

The Union should advise the Ministry of Social Affairs & Labor (represented by Syndicate Organizations Management) at least one week before convening the general assembly (ordinary or extra-ordinary) to delegate their representative who will attend the meeting in the capacity of observer.

## Article 29

The ordinary general assembly will consider the following issues:

1. The report of the board of directors relating to the business of the expired year.
2. Adoption of the auditor's report, balance sheet and closing account of the financial year as well as approval of the draft budget of the next year.
3. Election of the directors by secret ballot.
4. Considering the proposals made by the board of directors or any member.
5. Considering the petitions made by the members or applicants whose applications for joining the Union were rejected by the board of directors.
5. Selection of the Union's auditor and authorizing the board of directors to fix his remuneration.



### Article 30

The extraordinary general assembly will consider the following issues in particular.

1. Important and essential issues that the board of directors deems appropriate to be considered by the extra-ordinary general assembly.
2. Amendment of the Unions' articles of associations with the consent of two third of the members. Amendment, however, should be deposited with the concerned official authority after adoption.
3. Dissolution of the board of directors or termination of the membership of any member.
4. Voluntary dissolution of the Union with the majority of at least two third of the members.
5. Deciding the resignation of any director, should applicants for resignation are more than one half of the directors.
6. Carrying out the supplementary elections.

### Article 31

The meeting of the general assembly will be presided over by the chairman or his deputy or whoever that may be delegated by the board of directors. In case they are absent during the valid convention of the general assembly, it will be presided over by the eldest member attending the general assembly.

## CHAPTER VII

### Board of directors

#### Article 32

The union's management will undertake a board of directors consists of 9 members elected by the ordinary general assembly meeting for 3 years as well as by the secret ballot, should the board of directors invites the general assembly to be convened once the period is ended to elect a new board of directors. In case of the impossibility of electing a new board in the determined date the current board of directors should proceed in managing the union's work till the dismiss of such reasons and electing a new board.

#### Article 33

Candidature for membership of the board of directors will be accepted from the members who have paid subscription fees three weeks before the general assembly meeting. Candidature will be stopped two weeks before the meeting and the board of directors should publish these dates in one local newspaper at least.

#### Article 34

It is a condition for whoever candidates himself to the membership of the board of directors that he should be engaged in one of the positions "which mentioned in article (35)" in the member companies who have been a member for one full calendar year upon call for candidature.

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## Article 35

It is a condition for whoever candidates himself for the membership of the board of directors that he must be chairman, vice chairman or executive chief or general manager of any of the companies that are subject to these articles of association. Further he must have paid the annual subscription fees and his membership must remain valid throughout the validity period of his membership in the board of directors of the Union. Once he is no longer applying with the terms of candidacy which mentioned in article (35), he will be no longer a director in the Union and he will be replaced by the next standby member.

## Article 36

The board of directors is the executive authority for the legitimate resolutions passed by the general assembly of the Union. It is entrusted:

1. Undertaking internal and external relations as well as disposing the issues of the Union.
2. Developing the systems of the Union and administering its projects.
3. Preparing the annual report on the Union's business. This report will include general presentation of the circumstances of the Union, promotion of membership and its achievements in different fields.
4. Considering applications for membership and deciding the appropriate measures.
5. Considering the complaints of the members and investigating the same.
6. Concluding contracts and agreements in the name of the Union.
7. Calling for the convention of the general assembly and preparing the closing statement.
8. It has also the right to provide necessary finance to administer the projects of the Union in the manner that does not contradict the provisions of article (104) of labor law in the private sector No (6) for the year of 2010.
9. Suggestion to appoint an auditor for the union.

## Article 37

During the first meeting following the elections the directors will elect from among themselves a body comprising the chairman, vice-chairman, secretary and cashier.

## Article 38

The chairman is the legal representative of the Union before all authorities. Further he will preside over the meetings of the board and general assembly. Moreover, he will countersign the checks with the cashier after obtaining the consent of the board. Furthermore, he has the right to sign contracts and agreements concluded with third parties in the name of the Union. In the event the Chairman is absent, the Vice Chairman or any officially delegated person by the board of directors will represent him in the whole or in part of his functions.

The secretary of the Union will implement all regulations of the Union and the resolutions of the board. Further, he will supervise all acts of the technical



and administrative committees. Moreover, he is entrusted to keep literature, correspondence, and records of the Union. Further he will countersign the minutes of the board and general assembly meetings with the chairman and he will dispatch the minutes of the meetings to the directors and provide annual report on the business progress of the Union. Moreover, he will receive applications for candidature to the membership of the board and will send invitation to all members of the Union in case of convening the general assembly.

### Article 39

The secretary General will supervise the execution of the Board of Directors' decisions and all the business of the technical committees. Further, he can invite the members for Board of Directors' meetings along with the Agenda determined by the Chairman in the ordinary dates or as required.

### Article 40

The cashier is specialized to follow on the financial status of the Union and to sign on the Bank cheques with the Chairman and in the event the Chairman is absent, the Vice Chairman or any officially delegated person will represent him.

### Article 41

The board of directors will appoint secretary general for the Union from among those who have excellent expertise in the investment, financial or administrative affairs. The board will determine the financial provisions and they will have the technical, administrative, and financial systems that are necessary to conduct the business. The secretary general will undertake his functions and powers determined by the bylaws and under the supervision of the chairman.

### Article 42

The secretary general will be appointed for a period of two years, renewable as per the resolution of the board of directors.

### Article 43

The secretary general of the Union will be entrusted the following:

1. Implementation of all regulations and resolutions that may be passed by the board and the supervision on the collection of the membership contributions and/or any other monies for the Union.
2. Supervising the administrative business of the Union, maintaining all its files, resolutions, literature, all correspondence, records, and contracts of the Union.
3. He will send invitations for attending the sessions of the board of directors on ordinary dates along with the agenda that will be determined by the chairman. Further he will send invitations to general assembly, propose the agenda of these general assemblies, and present the same to the board. Furthermore, he will countersign the minutes of the board of directors and general assembly meetings with the chairman.

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4. He will administratively supervise the staff of the Union.
5. He will prepare annual report on the business progress of the Union and present the same to the board during the last meeting before the annual general assembly of Union.
6. He will keep an advance amount of /K.D. 1000/ (Only One Thousand Kuwaiti Dinars) to be used in emergency cases.

## Article 44

The board of directors will be convened at least 4 times per year. It will be validly convened once it is attended by more than one half of the members. Should this quorum is not available, the meeting will be adjourned for one week and the members will be advised of the date of the second session which will be valid should it is attended by at least one half of the directors.

## Article 45

The resolutions of the board of directors will be passed by absolute majority of votes. In case of equal votes, the side of the chairman will be prevailing.

## Article 46

The board of directors may be called for extraordinary meeting should the same is requested by the majority of members or upon the request of the chairman.

## Article 47

Every director who absent himself from the meetings of the board for three consecutive meetings without acceptable excuse will be considered resigned.

## Article 48

The standby member who has won the last election of the membership of the board of directors will replace the resigned or dismissed member and he will complete the term of membership of his predecessor. However, if the standby member isn't existing; a complementary member will be elected.

## Article 49

The board of directors will be dissolved should five directors resigned at one time. In this respect the extraordinary general assembly will convene within one month to elect new board that will complete the term of the predecessor board., The resigned board, however, will administer the issues of the Union till the election of the new board.

## Article 50

The directors will not have any remuneration or salaries for the works entrusted to them.



### Article 51

The Union will keep the following accounting books:

1. Cash, revenue, and expenses book.
2. Bank account book wherein deposited or withdrawn amounts will be entered date wise.
3. Permanent deposit account book.
4. Serial receipt book sealed with the seal of the Union.
5. Subscription book wherein the names of subscribers are entered according to their order already registered in the member entry register indicating the amounts paid by every member.
6. A book for entry of properties, movables, or permanent deposits.
7. Members' entry register indicating their names and place of residence.

### Article 52

All members of the Union, without exemption, have the right to file whatever complaints they may have except judicial disputes against any member. Complaints should be filed to the chairman who, in turn, will present the same to the board of directors in the first meeting that will be convened after submission of the complaint, provided that the same should be made within one month from submitting the complaint.

### Article 53

The board of directors should examine the complaint or refer the same to any of its committees for examination. The board or the committee to whom the complaint was referred should hear both parties and recommend whatever they deem appropriate to solve the dispute, however, the recommendation will not be binding to both parties unless they have accepted such recommendation in advance. Acting contrary to the recommendation by either party will not be grounds for suspending, terminating, or canceling the membership of any member of the board.

## CHAPTER VIII

### Dissolution and liquidation of the Union

#### Article 54

The extraordinary general assembly may adopt a resolution of voluntary dissolution of the Union and appoint liquidators upon the funds of the Union. Further it will determine their remuneration, powers, and the term during which they must complete liquidation. Furthermore, the concerned official authorities will be advised of the dissolution resolution within seven days from the date thereof as per letter signed by the chairman or vice chairman in accordance with article 30 or the articles of association taking into consideration article (108) from the labor law in the private sector No. (6) For the year of 2010.

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## Article 55

Following the dissolution, the funds of the Union, after liquidation will be handed over the Ministry of Social Affairs and Labor in accordance with the law.

## CHAPTER IX

### General provisions:

## Article 56

The Union may accede to any Arab or International association that he deems having relevant or associated interests. In this respect the chairman must advise the concerned administrative authority of the acceptance of the Union's accession within a maximum of seven days from advising the Union of acceptance of his membership.

## Article 57

All matters that have not been herein mentioned will be subject to the provisions of law No. (6) of 2010 of the Private Sector Labor Law and the implementing ministerial resolutions thereto.

### Issuing UIC Articles:

- *(The articles of association have been approved, and Union of Investment Companies has been registered as per the resolution of the Minister of Social Affairs and Labor No. 184 of 2004 dated 17 Zulqeda 1425 AH corresponding to 29/12/2004 already published in the issue No. 699 of official gazette dated 09/01/2005).*
- *Issued by the board of Union of Investment Companies on 02/04/2006.*

### Amendments made on UIC Articles:

*A number of amendments have been made on some Articles of Union of Investment Companies, as well as the amendment of the Union's name in Arabic, by the General Assembly of the Union at its extraordinary meetings, as follows:*

- *The second meeting*                      21/01/2007.
  - *The third meeting*                      30/01/2008.
  - *The fourth meeting*                      07/02/2010.
  - *The fifth meeting*                      15/02/2012.
  - *The sixth meeting*                      04/03/2014.
- (The Arabic name of the Union was changed)*
- *The seventh meeting*                      31/03/2016.
  - *The eighth meeting*                      30/03/2017.



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