

Resolution No. (01) of 2022
Regarding
Amending Some Provisions of the Collective Investment Schemes

Having Perused:

- Law No. (7) of 2010 Regarding the Establishment of the Capital Markets Authority and Regulating Securities Activities and its Executive Bylaws, and their amendments; and
- CMA Board of Commissioners Resolution passed in its meeting No. (46) of 2021 held on 22/12/2021.

The Following Was Resolved

Article (1)

Module One (Glossary) of the Executive Bylaws of Law No. (7) of 2010 Regarding the Establishment of the Capital Markets Authority and Regulating Securities Activities and their amendments is hereby amended pursuant to Annex (1) attached to this Resolution.

Article (2)

Module Eight (Conduct of Business) of the Executive Bylaws of Law No. (7) of 2010 Regarding the Establishment of the Capital Markets Authority and Regulating Securities Activities and their amendments is hereby amended pursuant to Annex (1) attached to this Resolution.

Article (3)

Module Thirteen (Collective Investment Schemes) of the Executive Bylaws of Law No. (7) of 2010 Regarding the Establishment of the Capital Markets Authority and Regulating Securities Activities and their amendments is hereby amended pursuant to Annex (1) attached to this Resolution.

Article (4)

Appendix 1 (Application for Marketing the Collective Investment Scheme Units Incorporated outside the State of Kuwait) of Module Thirteen (Collective Investment Schemes) of the Executive Bylaws of Law No. (7) of 2010 Regarding the Establishment of the Capital Markets Authority and Regulating Securities Activities and their amendments is hereby amended pursuant to Annex (2) attached to this Resolution.

Article (5)

Appendix 2 (Application for Incorporation of a Local Fund) of Module Thirteen (Collective Investment Schemes) of the Executive Bylaws of Law No. (7) of 2010 Regarding the Establishment of the Capital Markets Authority and Regulating Securities Activities and their amendments is hereby amended pursuant to Annex (3) attached to this Resolution.

Article (6)

Appendix 3 (Prospectus) of Module Thirteen (Collective Investment Schemes) of the Executive Bylaws of Law No. (7) of 2010 Regarding the Establishment of the Capital Markets Authority and Regulating Securities Activities and their amendments is hereby amended pursuant to Annex (4) attached to this Resolution.

Article (7)

Appendix 4 (Investment Regulations for Each Type of Fund) of Module Thirteen (Collective Investment Schemes) of the Executive Bylaws of Law No. (7) of 2010 Regarding the Establishment of the Capital Markets Authority and Regulating Securities Activities and their amendments is hereby amended pursuant to Annex (5) attached to this Resolution.

Article (8)

Appendix 5 (Monthly Information Form) of Module Thirteen (Collective Investment Schemes) of the Executive Bylaws of Law No. (7) of 2010 Regarding the Establishment of the Capital Markets Authority and Regulating Securities Activities and their amendments is hereby amended pursuant to Annex (6) attached to this Resolution.

Article (9)

Appendix 6 (Application for the Incorporation of a Contractual Collective Investment Scheme) of Module Thirteen (Collective Investment Schemes) of the Executive Bylaws of Law No. (7) of 2010 Regarding the Establishment of the Capital Markets Authority and Regulating Securities Activities and their amendments is hereby amended pursuant to Annex (7) attached to this Resolution.

Article (10)

Appendix 9 (Application to Renew a Collective Investment Scheme) of Module Thirteen (Collective Investment Schemes) of the Executive Bylaws of Law No. (7) of 2010 Regarding the Establishment of the Capital Markets Authority and Regulating Securities Activities and their amendments is hereby added pursuant to Annex (8) attached to this Resolution.

Article (11)

Appendix 10 (Quarterly Report of the Liquidation Work) of Module Thirteen (Collective Investment Schemes) of the Executive Bylaws of Law No. (7) of 2010 Regarding the Establishment of the Capital Markets Authority and Regulating Securities Activities and their amendments is hereby added pursuant to Annex (9) attached to this Resolution.

Article (12)

The Circulars issued by the Capital Markets Authority stipulated in Annex (10) of this Resolution are hereby cancelled.

Article (13)

The Collective Investment Schemes and all other parties relevant to the provisions issued in this Resolution are hereby granted a transitional period to regularize their situations by taking the following procedures:

- a. Meet any new requirement stipulated in Annex (1) and Annex (5) of this Resolution no later than 29/09/2022.
- b. Amend the articles of associations and the contracts of the collective investment schemes in compliance with the new provisions stipulated in this Resolution no later than 31/05/2022.
- c. Annex (6) and Annex (9) shall come into force as of 15/03/2022.

Article (14)

The concerned bodies shall execute this Resolution, each within its jurisdiction. This Resolution shall come into force from the date of its issuance, and it shall be published in the Official Gazette.

Prof. Ahmad Almelhem

Issued on: 03/01/2022

Annex (1)

Sr.	Module	Chapter	Article	Amendment Type	Present Text	Proposed Text
1	One	-	-	Adding a Definition	-	Private Fund: a fund that is subject to the investment and borrowing controls stipulated in its Articles of Association in which subscription/participation is conducted by Professional Clients through Private Placement.
2	One	-	-	Adding a Definition	-	Public Fund: a fund that is subject to the investment and borrowing controls stipulated in these Bylaws in which subscription/participation is conducted by the clients through Public Placement. This subscription may target a specific category stipulated in the Prospectus.
3	One	-	-	Adding a Definition	-	Securities Fund: a fund that aims is to invest in listed Securities that are traded in several sectors of the regulating markets and the investment field related to Securities which are determined in the Articles of Association.
4	One	-	-	Adding a Definition	-	Private Equity Fund: a fund that aims to invest in private unlisted companies or projects, or companies that are expected to be listed, or in companies whose aim is to expand in various fields.
5	One	-	-	Adding a Definition	-	Hedging Fund: a special fund that follows a sophisticated investment policy whose Articles of Association aims to invest in Securities and other assets excluding real estate assets, and uses a series of high-risk advanced investment tools such as the financial derivatives, forward contracts, options, financial leverage, short selling and other tools in order to achieve overall returns higher than the average returns of the market.
6	One	-	-	Adding a Definition	-	Venture Capital Fund: a fund that aims to invest in companies or projects of relatively high risks such as new companies or projects, distressed companies, or companies whose aim is to expand or invest in new technologies, or companies with new or innovative ideas in terms of technology.

7	One	-	-	Adding a Definition	-	Record Keeper: an entity licensed by the Authority to practice the activity of Custodian or Clearing Agency who practices the tasks related to the register of the Collective Investment Schemes' Units holders.
8	One	-	-	Amending a Definition	(Professional Client by Nature) each of the following shall be deemed a Professional Client by Nature: 1. a government, public authority, central bank or international institute (such as the World Bank or the International Monetary Fund); 2. persons licensed by the Authority and other Financial Institutions that are subject to a supervisory authority inside or outside the State of Kuwait; 3. a company with a paid-up capital of at least one million Kuwaiti Dinars or its equivalent.	(Professional Client by Nature) each of the following shall be deemed a Professional Client by Nature: 1. a government, public authority, central bank or international institute (such as the World Bank or the International Monetary Fund); 2. Licensed Persons by the Authority, Investment Funds and other Financial Institutions that are subject to a supervisory authority inside or outside the State of Kuwait; 3. a company with a paid-up capital of at least one million Kuwaiti Dinars or its equivalent.
9	Eight	Two	2-6	Amending an Article	The following are considered <u>Professional Client by Nature</u> : 1. A government, public entity, central bank or an international institution (World Bank or International Monetary Fund). 2. <u>Licensed Person</u> and other financial institution that is subject to <u>Regulatory Bodies</u> inside or outside the State of Kuwait. 3. Any company whose paid capital is at least One Million Kuwaiti Dinars or its equivalent. In all cases, a <u>Licensed Person</u> may agree in writing with a <u>Professional Client by Nature</u> to be categorised as a <u>Retail Client</u> .	The following are considered <u>Professional Client by Nature</u> : 1. A government, public entity, central bank or an international institution (World Bank or International Monetary Fund). 2. <u>Licensed Persons</u> by the <u>Authority, Investment Funds</u> and other financial institutions that are subject to <u>Regulatory Bodies</u> inside or outside the State of Kuwait. 3. Any company whose paid capital is at least One Million Kuwaiti Dinars or its equivalent. In all cases, a <u>Licensed Person</u> may agree in writing with a <u>Professional Client by Nature</u> to be categorised as a <u>Retail Client</u> .

10	Thirteen	One	1-1	Amending the number of an Article	1-1	1-1-1
11	Thirteen	One	1-1-2	Adding an Article	-	<p>The following shall not be included in the <u>Collective Investment Schemes</u>:</p> <ol style="list-style-type: none"> 1. The insurance contracts and the relevant investment tools thereof, as well as the investments managed as part of Takaful insurance contracts. 2. The investment accounts opened with the Islamic banks, that are subject to the supervision of the <u>Central Bank</u>. 3. <u>Investment Portfolios</u>. 4. The contracts executed between companies that belong to one group. 5. Schemes of saving, pensions, retirement or benefits created for the benefit of the companies' employees. 6. Other cases that the <u>Authority</u> decides to be excluded from the scope of the <u>Collective Investment Schemes</u>.
12	Thirteen	One	1-7	Amending an Article	<p>A <u>Collective Investment Scheme</u> is prohibited from carrying out the following:</p> <ol style="list-style-type: none"> 1. Grant credit 2. Purchase any <u>Securities</u> issued by the company managing the <u>Collective Investment Scheme</u> or any of its <u>Subsidiaries</u>, except to the extent of the rules established by the <u>Law</u> and the <u>Bylaws</u> in this regard. 3. Purchase any <u>Securities</u> of the entity, where the <u>Collective Investment Scheme's Manager</u> is acting as the subscription manager or sales agent, except to the extent of the rules established by the <u>Law</u> and the <u>Bylaws</u> in this regard. 	<p>A <u>Collective Investment Scheme</u> is prohibited from carrying out the following:</p> <ol style="list-style-type: none"> 1. Grant credit and finance other parties under different names through concluding contracts that involve giving monies to third parties. 2. Purchase any <u>Securities</u> issued by the company managing the <u>Collective Investment Scheme</u> or any of its <u>Subsidiaries</u>, except to the extent of the rules established by the <u>Law</u> and these <u>Bylaws</u> in this regard. 3. Purchase any <u>Securities</u> of the entity, where the <u>Collective Investment Scheme's Manager</u> is acting as the subscription manager or sales agent, except to the extent of the rules established by the <u>Law</u> and these <u>Bylaws</u> in this regard. <p>Deposits at banks in accordance with their deposit systems, <u>Debt Instruments</u>, or any financial</p>

					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 <u>Collective Investment Schemes</u> , excluding deposits at banks and unless such agreements serve as a <u>Debt Instrument</u> or financial instruments set for sale at the <u>Primary Market</u> or the <u>Secondary Market</u> .	instruments set for sale at the <u>Primary Market</u> or the <u>Secondary Market</u> are not considered credit prohibited to be practiced by <u>Collective Investment Schemes</u> .
13	Thirteen	One	1-9	Amending an Article	Amendment of the Contract or Articles of Association A manager of a <u>Collective Investment Scheme</u> shall not make any amendments to the Contract or Articles of Association of the scheme unless approved by the <u>Authority</u> . The <u>Authority</u> - if it finds that the proposed amendments shall affect the acquired rights of <u>Unit</u> holders - may request the <u>Collective Investment Scheme</u> manager to acquire the approval of more than 50% of the capital on those amendments.	Amendment of the Contract or Articles of Association A manager of a <u>Collective Investment Scheme</u> shall not make any amendments to the Contract or Articles of Association of the scheme unless approved by the <u>Authority</u> . The <u>Authority</u> - if it finds that the proposed amendments shall affect the acquired rights of <u>Unit</u> holders - may request the <u>Collective Investment Scheme</u> manager to acquire the approval of more than 50% of the capital on those amendments.
14	Thirteen	One	1-10	Amending an Article	Cancellation of Licenses The <u>Authority</u> may revoke the license of any <u>Collective Investment Scheme</u> 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 <u>Collective Investment Scheme</u> .	Cancellation of Licenses The <u>Authority</u> may revoke the license of any <u>Collective Investment Scheme</u> 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 <u>Collective Investment Scheme</u> .

					<p>3. The manager or <u>Investment Controller</u> or <u>Custodian</u> has violated any <u>Law</u> or and regulation, or has submitted to the <u>Authority</u> incorrect or misleading information.</p> <p>4. The <u>Collective Investment Scheme</u>'s manager has requested the cancellation of the license, in which case the <u>Authority</u> shall reject the request if it deems it necessary to investigate anything related to the <u>Collective Investment Scheme</u> or to secure the interests of the participants in the scheme.</p>	<p>3. The manager or <u>Investment Controller</u> or <u>Custodian</u> has violated any <u>Law</u> or regulation, or has submitted to the <u>Authority</u> incorrect or misleading information.</p> <p>4. The <u>Collective Investment Scheme</u>'s manager has requested the cancellation of the license, and the <u>Authority</u> may decide within two months from the date of receiving such request that meets all information and documents.</p>
15	Thirteen	One	1-11	Amending an Article	<p>The <u>Authority</u> may notify the manager or the <u>Investment Controller</u> or the <u>Custodian</u> of a <u>Collective Investment Scheme</u> about its intention to revoke the license of the <u>Collective Investment Scheme</u>, and such decision shall be in writing and justified. The investment manager or <u>Investment Controller</u> or <u>Custodian</u> shall submit undertakings within fifteen days from the date of notification, and the <u>Authority</u> shall decide whether such undertakings are satisfactory in order to avoid the cancellation of the <u>Collective Investment Scheme</u>'s license.</p>	<p>The <u>Authority</u> may notify the manager or the <u>Investment Controller</u> or the <u>Custodian</u> of a <u>Collective Investment Scheme</u> about its intention to revoke the license of the <u>Collective Investment Scheme</u>, and such decision shall be in writing and justified. The investment manager or <u>Investment Controller</u> or <u>Custodian</u> shall submit undertakings within fifteen days from the date of notification, and the <u>Authority</u> shall decide whether such undertakings are satisfactory in order to avoid the cancellation of the <u>Collective Investment Scheme</u>'s license.</p>
16	Thirteen	One	1-12	Amending an Article	<p>If the <u>Authority</u> issues a decision to revoke the license of a <u>Collective Investment Scheme</u>, it shall assign a licensed Person to liquidate the <u>Collective Investment Scheme</u> or shall request the <u>Competent Court</u> to do so. It shall, in such case, inform</p>	<p>If the <u>Authority</u> issues a decision to revoke the license of a <u>Collective Investment Scheme</u>, it shall assign a licensed Person to liquidate the <u>Collective Investment Scheme</u> or shall request the <u>Competent Court</u> to do so. The <u>Authority</u> shall, in such case, inform the <u>Collective Investment Scheme</u> manager and <u>Custodian</u></p>

					the <u>Collective Investment Scheme</u> manager and <u>Custodian</u> - immediately and in writing - of the procedures undertaken.	- immediately and in writing - of the procedures undertaken. The provisions of liquidation stipulated in this Module do not apply to the liquidator appointed by the court.
17	Thirteen	One	1-13	Amending an Article	Suspension of Redemption and Subscription The <u>Authority</u> - where a manager or <u>Investment Controller</u> or <u>Custodian</u> of a <u>Collective Investment Scheme</u> has failed to comply with the provisions of the <u>Law</u> or these <u>Bylaws</u> hereof - may instruct the <u>Collective Investment Scheme</u> manager to temporarily suspend issuance or redemption operations in the <u>Units</u> of the <u>Collective Investment Scheme</u> , or both, from the date specified in the instructions therewith.	Suspension of the tasks of the Manager or any Service Provider of Collective Investment Schemes and the Redemption and Subscription transactions The <u>Authority</u> - where a manager or any Service Provider of Collective Investment Schemes has failed to comply with the provisions of the <u>Law</u> or these <u>Bylaws</u> hereof – may decide any of the following: 1. Instruct the <u>Collective Investment Scheme</u> manager to temporarily suspend issuance or redemption operations in the <u>Units</u> of the <u>Collective Investment Scheme</u> , or both, from the date specified in the instructions therewith. 2. Suspend the non-compliant entity/party and assign one of the <u>Licensed Persons</u> or <u>Registered Persons</u> with the tasks of the suspended entity or who would safeguard the assets of the scheme until the final resolution is taken by the <u>Authority</u> in this regard.
18	Thirteen	One	1-17	Adding an Article	-	License Term and Renewal The license of a <u>Collective Investment Scheme</u> incorporated locally is valid for three years from its granting date and it may be renewed for a period or similar periods based on a request submitted by the scheme’s manager. In any event, the scheme’s manager shall verify the license validity throughout the duration of the scheme. Not-to-renew shall only be in the cases of ending the scheme pursuant to the regulations stipulated in this Module. In such event, he shall notify the <u>Authority</u> of the aforementioned three months before the end of the license term so that the <u>Authority</u> can decide on ending the scheme.

19	Thirteen	One	1-18	Adding an Article	-	<p>Submitting Renewal Request The request of the license renewal shall be submitted three months before the end of the license term according to the form of renewing a <u>Collective Investment Scheme</u> set out in Appendix (9) of this Module, provided that all the documents and information mentioned in the form shall be attached with the request and the required fees must be paid. The <u>Authority</u> may request -at any time after receiving the application- any additional documents or information if it deems it necessary.</p>
20	Thirteen	One	1-19	Adding an Article	-	<p>Deciding on a Renewal Application The <u>Authority</u> may decide on the request of renewing the license within one month from the date of receiving such request, provided that it shall meet all information and documents. The <u>Authority</u> may take any of the following resolutions regarding the renewal request: 1. Approval of renewal of the license. 2. Rejection of renewal of the license. The <u>Authority</u> shall notify the scheme’s manager of its resolution concerning the request of renewing the license. In the event of rejection, the decision shall be justified.</p>
21	Thirteen	One	1-20	Adding an Article	-	<p>Rejection of Renewal The <u>Authority</u> may reject the request of renewing the license of <u>Collective Investment Scheme</u> if it does not meet any of the main requirements of granting the license. In the event of rejection, the scheme’s manager shall take all the procedures and measures that ensure that the rejection does not affect the interests of the <u>Unit</u> holders or the integrity of the financial system and shall ensure delivering the scheme’s funds and assets as specified by the <u>Authority</u> in this concern. Rejection of renewal of the license shall not restrict the <u>Authority</u> from conducting any investigation,</p>

						undertaking any procedure against the scheme’s manager or any other <u>Person</u> regarding any <u>Violation</u> committed before the date of the rejection resolution, or undertaking any procedure it deems appropriate if the manager failed to comply with all the <u>Authority’s</u> directions issued for deciding on the request submitted for the license renewal.
22	Thirteen	Two	2-3	Amending an Article	<p>According to the nature of its activity, a Fund may take one of the following types:</p> <ol style="list-style-type: none"> 1. <u>Equity Fund</u>. 2. <u>Private Equity Fund</u>. 3. <u>Money Market Fund</u>. 4. <u>Debt Instrument Fund</u>. 5. <u>Real Estate Fund</u>. 6. <u>Fund of Funds</u>. 7. <u>Real Estate Income-Generating Fund (Traded)</u>. 8. Any other type approved by the Authority. <p>The general provisions stipulated in this Chapter shall apply to different types of funds, unless there is a special provision on investment controls for each type of fund.</p>	<p>According to the nature of its activity, a <u>Fund</u> may take one of the following types:</p> <ol style="list-style-type: none"> 1. <u>Equity Fund</u>. 2. <u>Private Equity Fund</u>. 3. <u>Money Market Fund</u>. 4. <u>Debt Instrument Fund</u>. 5. <u>Real Estate Fund</u>. 6. <u>Fund of Funds</u>. 7. <u>Real Estate Income-Generating Fund (Traded)</u>. 8. <u>Hedge Fund</u>. 9. <u>Venture Capital Fund</u>. 10. Any other type approved by the <u>Authority</u>, provided that it shall be a <u>Private Fund</u>. <p>The general provisions stipulated in this Module shall apply to different types of <u>Funds</u>, unless there is a special provision on investment controls for each type of <u>Fund</u>.</p>
23	Thirteen	Two	2-4-1	Amending an Article	<p>The <u>Fund’s</u> capital is divided into <u>Units</u> of equal value. The liability of the <u>Unit</u> holders in the <u>Fund</u> is limited to the value of their participation in the <u>Fund’s</u> capital. The value of <u>Units</u> shall be paid in cash upon subscription or participation. The value of subscription may be paid in instalments if stated in the Articles of Association of a <u>Real Estate Fund</u>, <u>Private Equity Fund</u>, and any other</p>	<p>The <u>Fund’s</u> capital is divided into <u>Units</u> of equal value. The liability of the <u>Unit</u> holders in the <u>Fund</u> is limited to the value of their participation in the <u>Fund’s</u> capital. The value of <u>Units</u> shall be paid in cash upon subscription or participation. The value of subscription may be paid in instalments if stated in the Articles of Association of a <u>Real Estate Fund</u>, <u>Private Equity Fund</u>, and any other <u>Fund</u> as approved by the <u>Authority</u>. As an exception of the provision aforementioned - for the <u>Real Estate Income-Generating Fund (Traded)</u> and <u>Private Fund</u>- the value of <u>Units</u> may be paid in kind; provided that the</p>

					<p><u>Fund</u> as approved by the <u>Authority</u>. As an exception of the provision aforementioned - for the <u>Real Estate Income-Generating Fund (Traded)</u> and <u>Private Placement Funds</u>- the value of <u>Units</u> may be paid in kind; provided that the Articles of Association states thereof; the assets in kind shall be set for appraisal in accordance with the provisions of appraisal of shares in kind referred to in Module Eleven (Dealing in Securities) of these <u>Bylaws</u>.</p>	<p>Articles of Association states thereof; the assets in kind shall be set for appraisal in accordance with the provisions of appraisal of shares in kind referred to in Module Eleven (Dealing in Securities) of these <u>Bylaws</u>.</p>
24	Thirteen	Two	2-4-2	Amending an Article	<p>The <u>Fund</u>'s Capital, in the event of a <u>Public Placement</u>, should not be less than KWD 5,000,000 or its equivalent in any other currency. A <u>Fund</u>'s Articles of Association shall, in the event of a <u>Private Placement</u>, specify the minimum capital for the <u>Fund</u>, unless the <u>Authority</u> specifies a higher capital for certain types of Funds. The <u>Fund Manager</u> should, in the event of a decline of the <u>Fund</u>'s capital less than the minimum, notify the <u>Authority</u> within five <u>Business Days</u> as of the date of reduction in capital. The <u>Authority</u> shall take the appropriate measures, as it may deem fit for each case, to attain the interest of <u>Unit</u> holders.</p>	<p>The capital of the <u>Public Fund</u> should not be less than KWD 2,000,000 (two million Kuwaiti Dinars) or its equivalent in any other currency. The <u>Private Fund</u>'s Articles of Association shall specify the minimum of its capital, unless the <u>Authority</u> specifies a higher capital for certain types of Funds. The <u>Fund Manager</u> should, in the event of a decline of the <u>Fund</u>'s capital less than the minimum, notify the <u>Authority</u> within five <u>Business Days</u> as of the date of reduction in capital. The <u>Authority</u> shall take the appropriate measures, as it may deem fit for each case, to attain the interest of <u>Unit</u> holders.</p>
25	Thirteen	Two	2-6-1	Amending an Article	<p>Requirements for incorporating a Fund Any <u>Fund</u> shall be incorporated as follows: 1. Submit an application, to incorporate a <u>Fund</u>, according to the</p>	<p>Requirements for Incorporating a Fund Any <u>Fund</u> shall be incorporated as follows: 1. Submit an application, to incorporate a <u>Fund</u>, according to the form set out in Appendix 2 of this Module, the aforementioned application should be enclosed with the complete documents and</p>

				<p>form set out in Appendix 2 of this Module, the aforementioned application should be enclosed with the complete documents and information set out in Appendix and the required fees must be paid.</p> <p>2. The <u>Authority</u> may at any time, after it receives the application to incorporate a <u>Fund</u> according to the requirements in item (1) of this article, require additional documents or information that it considers as necessary to decide on such application. If the applicant does not submit the required information and document within the period specified by the <u>Authority</u>, the application shall be considered as void.</p> <p>3. The <u>Authority</u> shall decide on the application to incorporate a <u>Fund</u> after it receives the application including all of the information and documents set out in the above paragraph (1) and (2) of this article.</p> <p>4. In the event of rejecting the application, the decision of rejection shall set out the reasons thereof.</p> <p>5. If the application is approved the applicant shall be notified to pay the licensing fees, and the <u>Authority</u> shall issue a temporary license for three months, within which time the <u>Authority</u>'s requirements and the minimum capital stated in the <u>Fund</u>'s Articles of Association should be met. It is not permitted to practice</p>	<p>information set out in Appendix and the required fees must be paid.</p> <p>2. The <u>Authority</u> may at any time, after it receives the application to incorporate a <u>Fund</u> according to the requirements in item (1) of this article, require additional documents or information that it considers as necessary to decide on such application within the period specified by the <u>Authority</u>.</p> <p>3. The <u>Authority</u> shall decide on the application to incorporate a <u>Fund</u> after it receives the application including all the information and documents set out in items (1) and (2) of this article within thirty <u>Business Days</u>.</p> <p>4. If the <u>Authority</u> rejected the application, the decision of rejection shall set out the reasons thereof.</p> <p>5. If the <u>Authority</u> approved the application, the applicant shall be notified to pay the licensing fees within thirty days from the issuance date of the approval. The applicant shall specify and notify the <u>Authority</u> of the start date of subscription, provided that it shall be within six months from the <u>Authority</u>'s approval on the incorporation.</p> <p>6. The <u>Authority</u> shall issue a temporary license for three months from the date of the opening of subscription within which time the <u>Authority</u>'s requirements and the minimum capital stated in the <u>Fund</u>'s Articles of Association should be met. It is not permitted to practice any of the <u>Fund</u>'s activities based on the temporary license.</p> <p>7. The temporary license may be extended for a similar term at the request of the <u>Licensed Person</u> before the expiration of the original term of the license.</p> <p>8. In any event, the applicant may end the subscription period and be satisfied with the subscribed capital at any time during the temporary license, provided that he shall announce and notify the targeted group that</p>
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					<p>any of the <u>Fund</u>'s activities based on the temporary license.</p> <p>6. If the license term expires without meeting the requirements set forth in paragraph (5) of this article, the temporary license shall be terminated, unless it is extended for a similar term at the request of the licensed person before the expiration of the original term of the license.</p> <p>7. The <u>Authority</u> shall issue the final license - at the request of the licensed person - once the requirements set out in Paragraph (5) of this article are met.</p> <p>In all cases, the <u>Authority</u> shall, notify the applicant of its decision referred to in this article and, publish its decision related to the issuing of the license in the Official Gazette.</p>	<p>was invited for subscription no less than three <u>Business Days</u> from the new ending date.</p> <p>9. If the temporary license term expires without meeting the requirements set forth in this article, the temporary license shall be terminated. In this event, the <u>Fund Manager</u> shall return any money collected from the <u>Clients</u> and the returns achieved within a maximum period of ten <u>Business Days</u> from the expiration date of the temporary license and shall notify the <u>Authority</u> in writing of the same.</p> <p>10. The Authority shall issue the final license - at the request of the <u>Licensed Person</u> - once the requirements set out in this article are met.</p> <p>11. The applicant shall meet all the periods stipulated in this Article, otherwise the application shall be considered as void.</p> <p>In all cases, the <u>Authority</u> shall, notify the applicant of its decision referred to in this article and, publish its decision related to the issuing of the license in the Official Gazette.</p>
26	Thirteen	Two	2-6-2	Amending an Article	<p>Participation of the <u>Fund Manager</u> in the units of a <u>Publicly Offered</u> fund must not be less than KWD 250,000 and the manager may not be acting in those units nor redeem them throughout the duration of the <u>Fund</u>.</p>	<p>Participation of the <u>Fund Manager</u> in the units of a <u>Public Fund</u> must not be less than a minimum of KWD 100,000 (one hundred thousand Kuwaiti Dinars) or its equivalent in any other currency at the incorporation and he may act or redeem some of the <u>Units</u> that he owns if their Net Value exceeds the minimum stipulated in this Article.</p>
27	Thirteen	Two	2-7	Amending an Article	<p>Public Offering of a Fund's Units</p>	<p>Subscription in a Fund's Units</p>
28	Thirteen	Two	2-7-1	Amending an Article	<p>A <u>Prospectus</u> of a <u>Publicly Offered Fund</u> should include the necessary information to enable the investor to evaluate the <u>Fund</u>'s financial position, management, and expected opportunities. It should also include an overview of the <u>Fund Manager</u>, <u>Executive Committee</u>, <u>Investment</u></p>	<p>A <u>Prospectus</u> of a <u>Fund</u>'s <u>Units</u> should include the necessary information to enable the investor to evaluate the <u>Fund</u>'s financial position, management, and expected opportunities. The <u>Prospectus</u> should also include the information set out in Appendix 3 of this Module.</p> <p>The <u>Fund Manager</u> may target a specific class of investors to subscribe in the <u>Public Fund</u> or <u>Private</u></p>

					<u>Controller, Custodian</u> , sales commission, and sufficient information about any obligations, rights or benefits. The <u>Prospectus</u> should also include the information set out in Appendix 3 of this Module.	<u>Fund</u> , provided that such class shall be determined in the <u>Prospectus</u> .
29	Thirteen	Two	2-7-2	Amending an Article	The <u>Authority</u> may exempt a <u>Fund Manager</u> from including in the draft <u>Prospectus</u> some data and information mentioned in Appendix 3 of this Module if it sees that disclosure of such information will contravene public interest The <u>Authority</u> may also require additional information to be included in the Prospectus other than the data and information referred to in Appendix 3 of this Module.	The <u>Authority</u> may exempt a <u>Fund Manager</u> from including in the draft <u>Prospectus</u> some data and information mentioned in Appendix 3 of this Module if it sees that disclosure of such information will contravene public interest. The <u>Authority</u> may also require additional information to be included in the Prospectus other than the data and information referred to in Appendix 3 of this Module, including any additional information regarding <u>Financial Promotions</u> .
30	Thirteen	Two	2-7-4	Adding an Article	-	The <u>Fund Manager</u> shall indemnify any <u>Person</u> that may incur any damages resulting from incorrect or misleading information included in the <u>Prospectus</u> or as a consequence of negligence concerning any data or information required to be included.
31	Thirteen	Two	2-8	Amending an Article	Private Placement in a Fund's Units	Provisions of a Private Fund Incorporated in the State of Kuwait
32	Thirteen	Two	2-8-1	Amending an Article	It is permitted to license the incorporation of <u>Funds</u> for the participation therein through <u>Private Placement</u> addressed to a <u>Professional Client</u> . Such <u>Funds</u> will be subject to the provisions of <u>Publicly Offered Funds</u> , excluding the provisions set out in the following articles.	It is permitted to license the incorporation of a <u>Private Fund</u> for the participation therein through <u>Private Placement</u> addressed to a <u>Professional Client</u> . Participation in the <u>Fund</u> throughout its term shall only be by a <u>Professional Client</u> . Such <u>Funds</u> will be subject to the provisions of <u>Public Funds</u> , excluding the provisions set out in the following articles.
33	Thirteen	Two	2-8-3	Amending an Article	A <u>Fund</u> 's Articles of Association shall set the following provisions:	A <u>Fund</u> 's Articles of Association shall set the following provisions:

					<ol style="list-style-type: none"> 1. The minimum capital of the <u>Fund</u>. 2. The minimum subscription amount required to be paid by each investor. 3. The extent to which the <u>Fund Manager</u> may be dismissed and the competent body for such dismissal. 4. The body that specializes in appointing a substitute <u>Fund Manager</u> or to appoint a liquidator in cases other than that assigned to the <u>Authority</u>. 5. The <u>Unit</u> holders' assembly and its regulating provisions, if any. 6. The method of amendment of the <u>Fund</u>'s Articles of Association. 7. Valuating and pricing of the <u>Fund</u>'s Units. 8. The guidelines for borrowing and investing of the <u>Fund</u> monies. 9. Periodic Reporting to <u>Unit</u> holders 10. Provisions and requirements of terminating and liquidating the <u>Fund</u>, without prejudice to the general provisions set forth in Article (2-36) and (2-37) of this Module. 	<ol style="list-style-type: none"> 1. The minimum capital of the <u>Fund</u>. 2. The minimum subscription amount required to be paid by each investor. 3. The extent to which the <u>Fund Manager</u> may be dismissed and the competent body for such dismissal. 4. The body that specializes in appointing a substitute <u>Fund Manager</u> or to appoint a liquidator in cases other than that assigned to the <u>Authority</u>. 5. The mechanism of considering and deciding on the annual reports of the <u>Fund Manager</u> and the service providers (in the event that they were not from the competences of the <u>Units</u> holders' assembly). 6. The regulating provisions of the <u>Units</u> holders' assembly (if any). 7. The method of obtaining the approvals to amend the <u>Fund</u>'s Articles of Association or liquidation. 8. The regulations of valuating and pricing of the <u>Fund</u>'s <u>Units</u>. 9. The regulations of participation and redemption. 10. The provisions of borrowing and investing the <u>Fund</u>'s money. 11. Periodic reports to <u>Unit</u> holders. 12. The mechanism of discussing the financial statements for the ended year of the <u>Fund</u> under liquidation, the <u>Auditor</u>'s report, the annual report of the liquidation works, and the audited final account on the liquidation of the <u>Fund</u> and the division of its assets.
34	Thirteen	Two	2-8-4	Amending an Article	<p>The <u>Private Placement Fund</u> shall be exempt from the provisions of Article (2-32) of this Module which is related to providing the public with reports. In addition, it shall be exempted from the provisions of Article (2-33-3) of this Module, which is related to the publishing of monthly and financial data on the</p>	<p>The <u>Private Fund</u> shall be exempt from the following provisions:</p> <ol style="list-style-type: none"> 1. Article (2-32) of this Chapter which is related to providing the public with reports. 2. Article (2-33-3) of this Chapter, which is related to the publishing of monthly and financial data on the <u>Exchange</u> and with the obligation to provide the <u>Authority</u> with a copy of the financial data of the <u>Fund</u>

					<u>Exchange</u> . It shall only provide the <u>Authority</u> with a copy of the financial data of the Fund according to the provisions of Article (2-33-1) and (2-33-2) of this Module.	according to the provisions of Article (2-33-1) and (2-33-2) of this Chapter. 3. Article (2-35) of this Chapter which is related to the <u>Units</u> holders assembly.
35	Thirteen	Two	2-8-5	Amending an Article	<u>Private Placement Funds</u> shall not address any <u>Financial Promotion</u> unless it is in accordance with the <u>Financial Promotion</u> set forth in Chapter Seven of Module Eight (Conduct of Business) of these <u>Bylaws</u> and it shall be addressed only to a <u>Professional Client</u> , given that the means of marketing available for public shall not be used.	<u>Private Funds</u> shall not address any <u>Financial Promotion</u> unless it is in accordance with the <u>Financial Promotion</u> set forth in Chapter Seven of Module Eight (Conduct of Business) of these <u>Bylaws</u> and it shall be addressed only to a <u>Professional Client</u> , given that the means of marketing available for public shall not be used.
36	Thirteen	Two	2-8-6	Deleting an Article	<u>Units</u> of a <u>Private Placement Fund</u> may be transferred only to a new or an existing <u>Professional Client</u> . In addition, only a <u>Professional Client</u> may subscribe in <u>Private Placement Fund</u> throughout its term.	-
37	Thirteen	Two	2-8-7	Deleting an Article	A <u>Private Placement Fund</u> may be converted to a <u>Publicly Offered Fund</u> if the <u>Authority</u> approves the <u>Prospectus</u> in accordance with the requirements and conditions set forth in Articles (2-7-1) to (2-7-3) of this Module.	-
38	Thirteen	Two	2-9	Amending an Article	Responsibility of Prospectus	Transferring the Fund's Classification
39	Thirteen	Two	2-9-1	Amending an Article	The <u>Fund Manager</u> shall indemnify any <u>Person</u> who incurred damages as a result of including any incorrect or misleading information in the <u>Prospectus</u> , or as a result of omitting any data or information that should	The <u>Fund's</u> classification may be transferred from <u>Public Fund</u> to <u>Private Fund</u> or the opposite according to the following provisions: 1. If the <u>Authority</u> approved the <u>Prospectus</u> and/or the Articles of Association.

					have been mentioned in the <u>Prospectus</u> .	2. In order to transfer to a <u>Private Fund</u> , all the <u>Fund's Unit</u> holders shall meet the requirements of the <u>Professional Client</u> . In addition, the <u>Fund Manager</u> shall submit a declaration and undertaking issued by the <u>Authority</u> in accordance with Item (9) of Section (3) of Appendix (2) of this Module.
40	Thirteen	Two	2-9-2	Deleting an Article	The <u>Authority</u> may specify additional requirements concerning the <u>Financial Promotion</u> related to the <u>Fund's Prospectus</u> .	-
41	Thirteen	Two	2-10-1	Amending an Article	The Articles of Association should - in particular - include the mandatory information set forth in Article (2-10-2) of this Module. A <u>Fund Manager</u> may, other than the mandatory information mentioned herein, apply all or some provisions of the form and may add any other conditions compatible with the peremptory provisions in the <u>Law</u> and in these <u>Bylaws</u> . A printed copy of the Articles of Association must be provided to each participant and any <u>Person</u> that intends to subscribe in the <u>Fund</u> . The signature of the participant on the subscription form- after reviewing the <u>Fund's</u> Articles of Association- shall be regarded as approval thereof.	The Articles of Association should - in particular - include the mandatory information set forth in Article (2-10-2) of this Module. A <u>Fund Manager</u> may, other than the mandatory information mentioned herein, add any other conditions compatible with the peremptory provisions in the <u>Law</u> and in these <u>Bylaws</u> . A printed copy of the Articles of Association must be provided to each participant or any <u>Person</u> that intends to subscribe/participate in the <u>Fund</u> . The signature of the participant on the subscription/participation form- after reviewing the <u>Fund's</u> Articles of Association- shall be regarded as approval thereof.
42	Thirteen	Two	2-10-2	Amending an Article	The <u>Fund's</u> Articles of Association should include and the necessary information about the Fund as follows: 1. <u>Fund</u> name. 2. <u>Fund</u> form. 3. <u>Fund</u> type.	The <u>Fund's</u> Articles of Association should include the necessary information about the Fund, and the following in particular: 1. Preface. 2. Glossary. 3. <u>Fund</u> name. 4. <u>Fund</u> type.

				<p>4. Type of offer of the <u>Fund's Units</u> (<u>Public Offering or Private Placement</u>).</p> <p>5. <u>Fund Manager's</u> name and address.</p> <p>6. Statement that the <u>Fund Manager</u> is licensed by the <u>Authority</u>.</p> <p>7. Investment objectives of the <u>Fund</u>.</p> <p>8. Term of the <u>Fund</u>.</p> <p>9. Capital of the <u>Fund</u> and its payment method.</p> <p>10. Number of investment <u>Units</u> and the nominal value of each.</p> <p>11. Currency of the <u>Fund</u>.</p> <p>12. Beginning and end of the financial year of the <u>Fund</u>.</p> <p>13. Provisions governing the <u>Unit</u> holders' assembly.</p> <p>14. Minimum and maximum subscription and redemption by the <u>Fund Manager</u> and <u>Unit</u> holders in the <u>Fund</u>.</p> <p>15. Method of subscription, redemption and the transfer of the <u>Fund's Units</u>.</p> <p>16. Subscription and redemption periods, if any.</p> <p>17. Investment policies, guidelines and risks.</p> <p>18. <u>Fund Manager</u> fees.</p> <p>19. Method of amending the Articles of Association of the <u>Fund</u>.</p> <p>20. Mechanism for calculating the Net Asset Value of a <u>Unit</u></p> <p>21. Methods and bases of distributing dividends, if any.</p> <p>22. Rights of the <u>Unit</u> holders.</p>	<p>5. <u>Fund Manager's</u> name and statement that the <u>Fund Manager</u> is licensed by the <u>Authority</u>, his address and a summary about him.</p> <p>6. <u>Fund</u> form (open/close).</p> <p>7. <u>Fund's</u> classification (<u>Public Fund</u> or <u>Private Fund</u>).</p> <p>8. The targeted class of the offering.</p> <p>9. <u>Fund's</u> nature (Conventional or Conforms with Islamic Sharia standards).</p> <p>10. Term of the <u>Fund</u>.</p> <p>11. Currency of the <u>Fund</u>.</p> <p>12. Capital of the <u>Fund</u> and its payment method.</p> <p>13. Number of investment <u>Units</u> and the nominal value of each.</p> <p>14. Investment objectives of the <u>Fund</u>.</p> <p>15. Investment controls.</p> <p>16. The <u>Fund's</u> investment scope, sector, or index that it follows.</p> <p>17. Controls and limitations of borrowing (as applicable).</p> <p>18. Investment risks.</p> <p>19. Beginning and end of the financial year of the <u>Fund</u>.</p> <p>20. Method of subscription, participation and redemption in the <u>Fund's Units</u> and the transfer of their ownership.</p> <p>21. Minimum and maximum participation and redemption by the <u>Fund Manager</u> and <u>Unit</u> holders in the <u>Fund</u>.</p> <p>22. Participation and redemption periods, if any.</p> <p>23. Early redemption cases and the mechanism of calculating its fees (if any).</p> <p>24. Specified period for submitting the applications of the <u>Fund's Units'</u> participation and redemption (if any).</p> <p>25. <u>Dealing Days</u> in which the applications of participation or redemption of the <u>Fund's Units</u> may be submitted (if any).</p>
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					<p>23. Methods and periods for disclosure of information.</p> <p>24. Events of winding up and liquidation of the <u>Fund</u>.</p> <p>25. Procedures of <u>Fund</u> liquidation.</p> <p>26. Procedures for complaints.</p> <p>27. A table that includes all fees, expenditures, and charges; and whether they are charged to <u>Unit</u> holders, the <u>Fund's Assets</u>, or paid by the <u>Fund Manager</u>.</p> <p>28. Any other information required by the <u>Authority</u>. The Articles of Association of the <u>Fund</u> must be written in Arabic, and provided free of charge upon request.</p>	<p>26. Criteria and method of valuating the <u>Fund's Assets</u> according to the controls and International Accounting Standards approved by the <u>Authority</u>.</p> <p>27. <u>Valuation Day(s)</u>, on which the net asset value (NAV) of the <u>Fund's</u> assets is calculated.</p> <p>28. Mechanism of calculating the net asset value of a <u>Unit</u>.</p> <p>29. Methods and bases of distributing dividends (if any).</p> <p>30. Rights of the <u>Unit</u> holders.</p> <p>31. Periods of submitting the periodic reports of the <u>Unit</u> holders.</p> <p>32. Methods and periods for disclosure of information.</p> <p>33. Summary of the responsibilities of the service providers, in addition to the provisions relevant to the termination of their service or replacing them.</p> <p>34. Provisions of the <u>Unit</u> holders' assembly (if any).</p> <p>35. Events of winding up and liquidation of the <u>Fund</u>.</p> <p>36. Procedures of <u>Fund</u> liquidation.</p> <p>37. Method of amending the Articles of Association of the <u>Fund</u>.</p> <p>38. Procedure of correspondence with the <u>Unit</u> holders.</p> <p>39. Procedures for complaints.</p> <p>40. Any other information required by the <u>Authority</u>. The Articles of Association of the <u>Fund</u> must be written in Arabic and provided free of charge upon request.</p>
43	Thirteen	Two	2-10-3	Amending an Article	<p>No amendments shall be done on the <u>Fund's</u> Articles of Association without the approval of the Authority or on the date it determines. The <u>Fund Manager</u> must notify the <u>Unit</u> holders of any amendments on the <u>Fund's</u> Articles of Association within a period not more than ten</p>	<p>The Articles of Association must be attached with an appendix that includes a table of all fees, expenditures, and charges relevant to the work of the <u>Fund</u> and the method of calculating and paying the charges of the service providers whether they are charged to <u>Unit</u> holders, the <u>Fund's Assets</u>, or paid by the <u>Fund Manager</u>. The <u>Authority</u> may require the <u>Fund Manager</u> to include any other information in such appendix.</p>

					<u>Business Days</u> from the date of the <u>Authority</u> 's approval on the amendments. The Articles of Association of the <u>Fund</u> may include the method(s) in which to notify the <u>Unit</u> holders through modern means of communication.	
44	Thirteen	Two	2-10-4	Adding an Article	-	The <u>Fund Manager</u> shall not make any amendments on the appendix of the Articles of Association unless he obtains the approval of the <u>Authority</u> regarding such amendments. The <u>Authority</u> - if it finds that the proposed amendments shall affect the acquired rights of <u>Unit</u> holders - may request the <u>Fund Manager</u> to acquire the approval of more than 50% of the capital on those amendments. The manager may take written or electronic approvals from the <u>Unit</u> holders on those amendments
45	Thirteen	Two	2-10-5	Adding an Article	-	No amendments shall be done on the <u>Fund</u> 's Articles of Association or the appendix without the approval of the <u>Authority</u> immediately or on the date it determines. The <u>Fund Manager</u> must notify the <u>Unit</u> holders of any amendments on any of them within a period not more than ten <u>Business Days</u> from the date of the <u>Authority</u> 's approval on the amendments. The Articles of Association of the <u>Fund</u> may include the method(s) in which to notify the <u>Unit</u> holders through modern means of communication.
46	Thirteen	Two	2-11	Amending an Article	Service Providers for the Fund: by Persons licensed and registered at the Authority A <u>Fund</u> must have the following service providers: 1. A <u>Fund Manager</u> . 2. An <u>Investment Controller</u> . 3. A <u>Custodian</u> .	Service Providers for the Fund

					<p>4. An external <u>Auditor</u>.</p> <p>5. An <u>External Sharia Auditing Office</u> for <u>Funds</u> licensed to operate in accordance with the provisions of Islamic Sharia.</p> <p>It shall be taken into consideration that the <u>Investment Controller</u>, the external <u>Auditor</u>, or the <u>External Sharia Auditing Office</u> may not be a <u>Related Party</u> with the <u>Fund Manager</u>.</p> <p>The <u>Fund Manager</u> may appoint service providers, in addition to those mentioned in this article, including an <u>Investment Advisor</u>. In addition, the <u>Fund Manager</u> may also appoint a <u>Licensed Person</u> which is regulated by a foreign <u>Regulatory Body</u> to carry out some of the duties of the <u>Fund Manager</u> in regards to the <u>Fund's Assets</u> outside of the State of Kuwait.</p>	
47	Thirteen	Two	2-11-1	Adding an Article	-	<p>Each <u>Fund</u> must have the following service providers:</p> <ol style="list-style-type: none"> 1. A <u>Fund Manager</u>. 2. An <u>Investment Controller</u>. 3. A <u>Custodian</u>. 4. An external <u>Auditor</u>. 5. An <u>External Sharia Auditing Office</u> for <u>Funds</u> licensed to operate in accordance with the provisions of Islamic Sharia. <p>It shall be taken into consideration that the <u>Investment Controller</u>, the external <u>Auditor</u>, or the <u>External Sharia Auditing Office</u> may not be a <u>Related Party</u> with the <u>Fund Manager</u>.</p> <p>The <u>Fund Manager</u> may also appoint a <u>Licensed Person</u> which is regulated by a foreign <u>Regulatory Body</u> to carry out some of the duties of the <u>Fund</u></p>

						<p><u>Manager</u> in regard to the <u>Fund's Assets</u> outside of the State of Kuwait. Contracting with any of those entities shall not exempt the <u>Fund Manager</u> from his responsibilities regarding the damages resulted from such contract.</p>
48	Thirteen	Two	2-11-2	Adding an Article	-	<p>Fees of Service Providers The details of the service providers' fees are determined in the Appendix of the <u>Fund's</u> Articles of Association and the <u>Prospectus</u> as well as stating the entity incurring those fees. The <u>Fund</u> shall incur the incorporation expenses and the <u>Authority's</u> licensing fees, or any other fees stipulated by the <u>Authority</u>. No amount shall be paid from the <u>Fund Assets</u> in the event of appointing a service provider to carry out a task related to the <u>Fund Manager</u> or for the fees of the <u>Investment Advisor</u>, or for the promoting or selling of <u>Units</u>, including but not limited to, the expenses to copy and distribute the <u>Fund's</u> Articles of Association, provided that the <u>Fund Manager</u> shall incur such expenses.</p>
49	Thirteen	Two	2-12	Amending an Article	<p>A service provider may not combine two or more functions set forth in Article (2-11) of this Module for one investment <u>Fund</u>. As an exception, the functions of the <u>Custodian</u> and the <u>Investment Controller</u> may be combined; provided that the necessary procedures and measures for the segregation of functions assumed by the service provider shall be taken.</p>	<p>A service provider may not combine two or more functions set forth in Article (2-11) of this Chapter for one investment <u>Fund</u>. As an exception, combination may be conducted in the following cases:</p> <ol style="list-style-type: none"> 1. The functions of the <u>Custodian</u> and the <u>Investment Controller</u> may be combined. 2. The functions of <u>Fund Manager</u>, <u>Subscription Agent</u> (Selling) and real estate management company may be combined. 3. The functions of <u>Subscription Agent</u> (Selling), <u>Investment Advisor</u>, and real estate management company may be combined. 4. The functions of <u>Investment Advisor</u> and real estate management company may be combined. <p>Provided that the necessary procedures and measures for the segregation of functions assumed by the service provider shall be taken and the conflict of</p>

						interests that may occur while carrying out the tasks shall be avoided.
50	Thirteen	Two	2-13	Amending an Article	<p>General Duties Service providers for a <u>Fund</u> should comply with the following:</p> <ol style="list-style-type: none"> 1. Must be a <u>Licensed Person</u> or <u>Registered Persons</u> at the <u>Authority</u> 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 <u>Care of a Prudent Person</u> when undertaking the responsibilities of a service provider, and cooperate with the other service providers of the Fund, and compensate every <u>Person</u> harmed as a result of an error committed by the Service Provider. 4. The service provider, except for the <u>Fund Manager</u>, may not deal in the <u>Fund's Units</u> for its interest or on anyone's behalf. 	<p>General Duties Service providers for a <u>Fund</u>, whether they were natural <u>Persons</u> or corporate entities, should comply with the following:</p> <ol style="list-style-type: none"> 1. They 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, except the <u>Fund Manager</u> who may be replaced by the <u>Fund's</u> Articles of Association which includes the requirements of this Item. 3. Assume <u>Care of a Prudent Person</u> when undertaking the responsibilities of a service provider, and cooperate with the other service providers of the <u>Fund</u>, being reliable for any default, professional negligence, or fraud that may occur while carrying out his tasks, and compensate every <u>Person</u> harmed as a result of an error committed by the service provider. 4. The service provider may not deal in the <u>Fund's Units</u> for its interest or on anyone's behalf, except in the following cases: <ol style="list-style-type: none"> a. <u>Fund Manager</u>. b. <u>Subscription Agent</u> (Selling), <u>Investment Advisor</u>, and real estate management company in regard to the <u>Real Estate Fund</u> or the <u>Real Estate Income-Generating Fund</u> (Traded), provided that it shall not conflict with investment provisions of each <u>Fund</u>.

						<p>5. Comply with the <u>Law</u>, these <u>Bylaws</u>, the circulars, resolutions, and regulations issued by the <u>Authority</u>, the Articles of Association, and the <u>Prospectus</u>.</p> <p>6. Take all necessary measures immediately to rectify any failure to comply with its obligations stipulated in the Articles of Association and these <u>Bylaws</u> and any instructions issued by the <u>Authority</u>.</p> <p>7. Review, at any time, the records, documents, and papers related to the <u>Fund</u>, which are held by other service providers, within the limits of their competences and their ability to perform as required.</p> <p>8. Not to exploit the <u>Fund Assets</u> for a personal benefit.</p>
51	Thirteen	Two	2-14-1	Amending an Article	<p>The <u>Fund</u> shall be managed by an <u>Executive Committee</u> formed of two or more of the <u>Fund Manager</u>'s employees, who must meet the requirements of the representatives of activity of <u>Collective Investment Scheme</u> manager, provided that one of the employees should be at an <u>Executive Position</u> of the <u>Fund Manager</u>.</p>	<p>The <u>Fund</u> shall be managed by an <u>Executive Committee</u> formed of two or more of the <u>Fund Manager</u>'s employees, who must meet the requirements of the representatives of activity of <u>Collective Investment Scheme</u> manager, provided that one of the employees should be at an <u>Executive Position</u> of the <u>Fund Manager</u>.</p> <p>The members of the <u>Executive Committee</u> shall be <u>Registered Persons</u> at the <u>Authority</u> and shall represent the <u>Fund Manager</u> in terms of the responsibilities and authorities stipulated in this Module. The signature of the <u>Executive Committee</u> members or their representative is considered as the signature of the <u>Fund Manager</u>, and they shall be, in conjunction with the manager, reliable for any failure, default, or fraud in the <u>Fund</u>'s management.</p>
52	thirteen	Two	2-14-2	Amending an Article	<p>The <u>Fund</u> shall be managed by an <u>Executive Committee</u> formed of two or more of the <u>Fund Manager</u>'s employees, who must meet the requirements of the representatives of activity of <u>Collective Investment Scheme</u> manager, provided that one of the employees should be at an</p>	<p>The <u>Fund Manager</u> shall appoint a representative of the activity of a <u>Collective Investment Scheme Manager - (Operations Officer)</u> who works for the <u>Executive Committee</u> and receives orders and implements them within the limits of the supporting operations. He also coordinates with the <u>Investment Controller</u> and provides him with all necessary information about the <u>Fund</u> that enables him to</p>

					<u>Executive Position of the Fund Manager.</u>	evaluate shares or <u>Units</u> and perform his tasks efficiently and effectively, without having any discretionary power to make investment decisions regarding the <u>Fund</u> management.
53	Thirteen	Two	2-14-3	Amending an Article	<p>The <u>Fund Manager</u> is committed in particular to the following:</p> <ol style="list-style-type: none"> 1. Manage the <u>Fund's Assets</u> in a manner that achieves its investment objectives set forth in the <u>Fund's</u> Articles of Association. 2. Take all of the investment decisions and other decisions in a manner that achieves the interest(s) of the <u>Fund</u> and its <u>Unit</u> holders, and ensure the fair treatment of the <u>Unit</u> 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 <u>Fund</u> managed thereby. 5. Take appropriate measures to protect and safe keep the <u>Fund's Assets</u>. 6. Maintain records of purchase and sale transactions which occur in the <u>Fund</u> and according to its timing and chronological sequence 7. Represent the <u>Fund</u> in its relationship with other and before the court and may sign on its behalf. 	<p>The <u>Fund Manager</u> is committed in particular to the following:</p> <ol style="list-style-type: none"> 1. Represent the <u>Fund</u> legally and practice the rights and obligations related to the <u>Fund</u> for the interest of the <u>Unit</u> holders and on their behalf and shall have -or his representatives- the right to sign on its behalf. 2. Manage the <u>Fund's Assets</u> in a manner that achieves its investment objectives set forth in the <u>Fund's</u> Articles of Association. 3. Comply with all the provisions of the <u>Fund's</u> Articles of Association. 4. Take all of the investment decisions and other decisions in a manner that achieves the interest(s) of the <u>Fund</u> and its <u>Unit</u> holders, and ensure the fair treatment of the <u>Unit</u> holders. 5. Not to expose the <u>Fund</u> to any unnecessary investment risks in accordance with its policies and investment objectives. 6. Take appropriate measures to protect and safe keep the <u>Fund's Assets</u>. 7. Apply the appropriate policies and procedures to prevent or reduce wrongful practices, which may affect the stability of the market and its integrity. 8. Ensure the use of pricing models and appraisal method that are fair, correct, and transparent for the <u>Fund's Assets</u> of each <u>Fund</u> managed thereby. 9. Maintain records of purchase and sale transactions which occur in the <u>Fund</u> and according to its timing and chronological sequence. 10. Provide an accounting system to register the <u>Fund's</u> financial transactions. 11. Ensure an adequate system is in place for the settlement of transactions that have been entered into

					<p>8. Provide an accounting system to register the <u>Fund</u>'s financial transactions.</p> <p>9. Ensure an adequate system is in place for the settlement of transactions that have been entered into the accounting system with bank accounts and securities accounts opened under the <u>Fund</u>'s name with the <u>Custodian</u>.</p> <p>10. Provide sufficient liquidity for the <u>Fund</u> to meet any obligations that may arise.</p> <p>11. Not to expose the <u>Fund</u> to any unnecessary investment risks in accordance with its policies and investment objectives.</p> <p>12. Provide the necessary information of the <u>Fund</u> to the Investment <u>Controller</u> to the extent that enables him to perform his duties thereof efficiently and effectively.</p> <p>13. Notify the <u>Authority</u> immediately after the occurrence of material events that may expose the interests of <u>Unit</u> holders to risk.</p>	<p>the accounting system with bank accounts and securities accounts opened under the <u>Fund</u>'s name with the <u>Custodian</u>.</p> <p>12. Prepare periodic and annual financial statements for the <u>Fund</u>.</p> <p>13. Appoint service providers and ensure that they perform their tasks.</p> <p>14. Provide the necessary information of the <u>Fund</u> to the service providers to enable them to perform their duties thereof effectively.</p> <p>15. Provide sufficient liquidity for the <u>Fund</u> to meet any obligations that may arise.</p> <p>16. Notify the <u>Authority</u> immediately after the occurrence of material events or information that may expose the interests of <u>Unit</u> holders to risk.</p>
54	Thirteen	Two	2-14-4	Amending an Article	<p>A <u>Fund Manager</u> may not participate in voting on resolutions of the <u>Unit</u> holder's assembly which are related to his personal interests or if the interests thereof are in conflict with the <u>Fund</u>'s interests.</p>	<p>If the manager manages more than one <u>Fund</u>, he should separate between the transactions related to these <u>Funds</u>.</p>
55	Thirteen	Two	2-14-5	Amending an Article	<p>If the manager manages more than one <u>Fund</u>, he should separate between the transactions related to these <u>Funds</u>.</p>	<p>The <u>Authority</u> may replace the <u>Fund Manager</u> if it notices a material breach of his obligations set forth in this Module.</p>

56	Thirteen	Two	2-14-6	Deleting an Article	The <u>Authority</u> may replace the <u>Fund Manager</u> if it notices a material breach of his obligations set forth in this Module.	-
57	Thirteen	Two	2-15	Amending an Article	<p>Investment Controller Each <u>Fund</u> shall have an <u>Investment Controller</u> appointed by the <u>Fund Manager</u> after obtaining the approval of the <u>Authority</u>, and shall be committed to the following:</p> <ol style="list-style-type: none"> 1. Ensure that the <u>Fund Manager</u> complies with the <u>Law</u>, these <u>Bylaws</u> and the <u>Authority</u>'s decisions and instructions, Articles of Association, <u>Prospectus</u>, and any other documents issued by the <u>Fund Manager</u>. 2. To appraise the investment shares or <u>Units</u> in such methods and at such times as are specified thereof in the <u>Fund</u>'s Articles of Association. 3. Ensure that the <u>Fund Manager</u> undertakes the responsibilities thereof, in a manner that achieves the interest of the <u>Unit</u> holders in accordance with the <u>Fund</u>'s Articles of Associations and the provisions set forth in these <u>Bylaws</u>; and ensure that the fund's monies are invested within the methods and policies set out in its Articles of Association. 4. Approve any transactions that involve a conflict of interest. 5. Meet at least twice annually with the <u>Executive Committee</u> of the <u>Fund</u> to review the <u>Fund</u> compliance with the <u>Law</u>, these <u>Bylaws</u>, the <u>Authority</u>'s decisions and 	<p>Investment Controller Each <u>Fund</u> shall have a licensed <u>Investment Controller</u> appointed by the <u>Fund Manager</u> after obtaining the approval of the <u>Authority</u>, and shall be committed to the following:</p> <ol style="list-style-type: none"> 1. Ensure that the <u>Fund Manager</u> complies with the <u>Law</u>, these <u>Bylaws</u> and the <u>Authority</u>'s decisions and instructions, Articles of Association, <u>Prospectus</u>, and any other documents issued by the <u>Fund Manager</u>. 2. To appraise the investment <u>Units</u> and calculate their net asset value in an independent and fair manner in accordance with the methods, periods and policies stated thereof in the <u>Fund</u>'s Articles of Association. 3. Notify the <u>Fund Manager</u> and the <u>Authority</u> of all the valuation errors or <u>Unit</u> pricing that occurred during any period within five <u>Business Days</u> of discovering the mistake. 4. Ensure that the <u>Fund Manager</u> undertakes the responsibilities thereof, in a manner that achieves the interest of the <u>Unit</u> holders in accordance with the <u>Fund</u>'s Articles of Associations and the provisions set forth in these <u>Bylaws</u>; and ensure that the <u>Fund</u>'s monies are invested within the methods and policies set out in its Articles of Association. 5. Execute the <u>Fund Manager</u>'s instructions of the scope of work of the <u>Investment Controller</u>. 6. Approve any transactions that involve a conflict of interest. 7. Meet at least twice annually with the <u>Executive Committee</u> of the <u>Fund</u> to review the <u>Fund</u> compliance with the <u>Law</u>, these <u>Bylaws</u>, the <u>Authority</u>'s decisions and instructions, Articles of Association, <u>Prospectus</u>, and any other documents issued by the <u>Fund Manager</u>.

					instructions, Articles of Association, <u>Prospectus</u> , and any other documents issued by the <u>Fund Manager</u> . 6. Notify the <u>Authority</u> of any <u>Violations</u> committed by the <u>Fund Manager</u> .	8. Notify the <u>Authority</u> in the event that the <u>Fund Manager</u> does not comply with the <u>Law</u> , these <u>Bylaws</u> , or the <u>Fund</u> 's Articles of Association within five <u>Business Days</u> of the notice. 9. Prepare an annual report to the <u>Unit</u> holders in accordance with the mechanism specified for this purpose in its Articles of Association on the work of the <u>Fund</u> . It shall include the <u>Violations</u> record, non-compliance cases, violating the provisions of investment and borrowing mentioned in Article 2-31-3 of this Chapter, the procedures taken, and the period of correcting such <u>Violations</u> . 10. Attend the <u>Fund</u> 's <u>Unit</u> holders' assembly (if any).
58	Thirteen	Two	2-16-1	Amending an Article.	The <u>Fund</u> 's <u>Assets</u> shall be kept with a licensed <u>Custodian</u> and appointed by the <u>Fund Manager</u> after obtaining the approval from the <u>Authority</u> . Such <u>Custodian</u> may appoint a sub- <u>Custodian</u> that is licensed or registered from a foreign <u>Regulatory Body</u> to safe keep the assets outside of the State of Kuwait. Contracting with a sub- <u>Custodian</u> shall not exempt the principal <u>Custodian</u> from the responsibilities thereof.	The <u>Fund</u> 's <u>Assets</u> shall be kept with a licensed <u>Custodian</u> and appointed by the <u>Fund Manager</u> after obtaining the approval from the <u>Authority</u> . Such <u>Custodian</u> may appoint a sub- <u>Custodian</u> that is licensed or registered from another <u>Regulatory Body</u> to safe keep the assets outside of the State of Kuwait. Contracting with a sub- <u>Custodian</u> shall not exempt the principal <u>Custodian</u> from the responsibilities thereof.
59	Thirteen	Two	2-16-2	Amending an Article	A <u>Custodian</u> shall be committed in particular to following: 1. With taking into consideration the provisions of the Module Seven (Client Funds and Assets) of these <u>Bylaws</u> , the <u>Custodian</u> is required to keep the <u>Fund</u> 's <u>Assets</u> in independent accounts opened and managed thereby, provided that they are independent from his or third parties accounts, and <u>pay Care of a Prudent Person</u> in this regard.	Without prejudice to the provisions of Module Seven (Clients' Funds and Clients Assets) of these <u>Bylaws</u> , a <u>Custodian</u> shall take the necessary procedures to ensure the following: 1. Open and manage the necessary bank accounts, <u>Clearing Agency</u> accounts, Brokers accounts, or any other accounts under the <u>Fund</u> 's name. 2. Keep the <u>Fund</u> 's <u>Assets</u> in independent accounts from his or third parties accounts. 3. Only use the <u>Fund</u> 's <u>Assets</u> or any relevant rights in accordance with the objectives specified in the Articles of Association, and not to use them for his

					<p>2. Collect, keep and deposit the dividends and any other distributions arising from the activities of the <u>Fund</u>.</p> <p>3. Notify the <u>Fund Manager</u> of any obligations on the <u>Fund's Assets</u> and send any notifications received thereby in the period prescribed for it.</p> <p>4. Execute the instructions of the <u>Fund Manager</u>, within the <u>Custodian's</u> scope of work.</p> <p>5. Develop and maintain a record of the <u>Unit</u> holders, unless it is kept with a <u>Clearing Agency</u>.</p>	<p>personal interest, other Clients' interest, or the interest of other <u>Collective Investment Schemes</u>.</p> <p>4. Set appropriate systems for keeping the records of the <u>Fund's Assets</u>.</p> <p>5. Ensure that all the <u>Fund's Assets</u> -except the right to the usufruct (Intifa'a)- are registered under the <u>Fund's</u> name or for its interest and ensure that all the legal arrangements necessary for the safeguarding of the ownership rights of the <u>Fund's Assets</u> and <u>Unit</u> holders are met in a legally enforceable manner where applicable.</p> <p>6. Ensure to transfer the contract of the right to the usufruct (Intifa'a) to the <u>Fund's</u> name without compromising the provisions investment of <u>Funds</u>.</p> <p>7. Collect and keep the dividends and any other distributions arising from the activities of the <u>Fund</u>, and deposit them in a bank account in the name of the <u>Fund</u>.</p> <p>8. Execute the instructions of the <u>Fund Manager</u>, within the <u>Custodian's</u> scope of work.</p> <p>9. Notify the <u>Fund Manager</u> of any obligations on the <u>Fund's Assets</u> and send any notifications received thereby in the period prescribed for it.</p> <p>10. Develop and maintain a record of the <u>Unit</u> holders, unless it is kept with another <u>Record Keeper</u>.</p>
60	Thirteen	Two	2-16-3	Amending an Article	A written consent shall be obtained from the <u>Fund Manager</u> for all contracts concluded between the <u>Custodian</u> and sub- <u>Custodian</u> .	A written consent shall be obtained from the <u>Fund Manager</u> for all contracts concluded between the principal <u>Custodian</u> and sub- <u>Custodian</u> .
61	Thirteen	Two	2-16-4	Amending an Article	<p>All contracts concluded with the principal <u>Custodian</u> or the sub-<u>Custodian</u> shall regulate the following issues:</p> <p>1. The requirements that enable the <u>Fund</u> to exercise all the rights related to the assets kept by the <u>Custodian</u>.</p>	<p>All contracts concluded with the principal <u>Custodian</u> or the sub-<u>Custodian</u> shall regulate the following issues:</p> <p>1. The requirements that enable the <u>Fund</u> to exercise all the rights related to the assets kept by the <u>Custodian</u>.</p> <p>2. The requirements related to the place where the <u>Fund's Assets</u> are kept.</p>

					<p>2. The requirements related to the place where the <u>Fund Assets</u> are kept.</p> <p>3. The method used in safekeeping and protection of the <u>Fund's Assets</u>.</p> <p>4. The level of professional diligence and responsibility of damage.</p> <p>5. Fees and the method of calculating them</p>	<p>3. The method used in safekeeping and protection of the <u>Fund's Assets</u>.</p> <p>4. Proof of his parties' compliance with assuming the required <u>Care of a Prudent Person</u> and responsibility of damage.</p> <p>5. Fees and the method of calculating them.</p>
62	Thirteen	Two	2-17	Amending an Article	External Auditor	Unit Holders' Record Keeper
63	Thirteen	Two	2-17-1	Amending an Article	<p>A <u>Fund Manager</u> shall appoint an external <u>Auditor</u> whom is registered with the <u>Authority</u>, in order to review and audit the <u>Fund's</u> accounts, in accordance with the International Accounting Standards approved by the <u>Authority</u>.</p>	<p>The <u>Fund's</u> <u>Unit</u> holders' record shall be kept at the <u>Clearing Agency</u>. If the <u>Fund</u> is not listed, such record may be kept at the <u>Custodian</u>.</p> <p>In the event of the <u>Fund's</u> liquidation, it is permitted to keep the <u>Unit</u> holders' record at the <u>Fund's</u> liquidator if the services of the record keeping entity were dismissed.</p> <p>In any event, the charges of the record keeping entity shall be paid from the <u>Fund's</u> monies.</p>
64	Thirteen	Two	2-17-2	Amending an Article	<p>An external <u>Auditor</u> of a <u>Fund</u> shall be appointed for one financial year renewable on an annual basis for a period not exceeding four consecutive financial years. The external <u>Auditor</u> may assume the same function for the same <u>Fund</u> after a period not less than two consecutive years.</p>	<p>The <u>Record Keeper</u> shall comply with the following:</p> <p>1. Maintain a record indicating the <u>Unit</u> holders' names, nationalities, countries, the number of <u>Units</u> owned by each one of them, their type and the value paid thereon, and any update occurs on the remaining balance of the <u>Units</u> and the <u>Units</u> that were issued, redeemed, updated, or cancelled and provide the <u>Investment Controller</u> with a copy of the statement.</p> <p>2. Undertake the settlement and clearing tasks in regard to the <u>Units</u> of the listed <u>Fund</u> and transfer the ownership in the cases stipulated in <u>Boursa</u> Rulebook. As for the unlisted <u>Fund</u>, the <u>Record Keeper</u> shall undertake the tasks of the <u>Clearing Agency</u> pursuant to the Over the Counter Boursa Rulebook.</p> <p>3. Attend the <u>Unit</u> holders' assemblies and announce the legal quorum after verifying the identities and validity of the proxies.</p>

65	Thirteen	Two	2-17-3	Deleting an Article	A <u>Fund</u> 's external <u>Auditor</u> shall not be the same <u>Auditor</u> for the <u>Fund Manager</u> .	-
66	Thirteen	Two	2-18-1	Amending an Article	Funds operating under the provisions of Islamic Sharia shall have Sharia supervisory controls which consist of an <u>Internal Sharia Audit Unit</u> and an <u>External Sharia Auditing Office</u> , to carry out oversight of all <u>Security</u> transactions for the <u>Fund</u> to ensure compliance with the Sharia Standards and the relevant resolutions of the <u>Authority</u> . The <u>External Sharia Auditing Office</u> must be registered with the <u>Authority</u> and shall present its reports to the <u>Fund</u> 's Unit <u>holders</u> ' assembly.	<u>Funds</u> operating under the provisions of Islamic Sharia shall have Sharia supervisory controls to carry out oversight of all the activities of the <u>Fund</u> to ensure compliance with the <u>Sharia Standards</u> and the relevant resolutions of the <u>Authority</u> . The Sharia supervisory controls consist of: 1. <u>Internal Sharia Audit Unit</u> . 2. <u>External Sharia Auditing Office</u> . The <u>Fund Manager</u> may appoint a <u>Sharia Supervisory Board</u> to carry out the tasks stipulated in Module Five (Securities Activities and Registered Persons) of these <u>Bylaws</u> . It is not permitted to combine the tasks of the <u>Internal Sharia Audit Unit</u> and the <u>External Sharia Auditing Office</u> .
67	Thirteen	Two	2-18-2	Amending an Article	A <u>Fund Manager</u> , who manages a <u>Fund</u> that operates in accordance with sharia standards, shall be entitled to appoint the <u>External Sharia Auditing Office</u> .	A <u>Fund Manager</u> , who manages a <u>Fund</u> that operates in accordance with sharia standards, shall be entitled to appoint the <u>External Sharia Auditing Office</u> , provided that such office shall be a <u>Registered Person</u> at the <u>Authority</u> .
68	Thirteen	Two	2-18-3	Amending an Article	A <u>Fund Manager</u> may assign the <u>Sharia Audit Officer</u> thereof to carry out the tasks of the <u>Fund</u> 's <u>Internal Sharia Audit Unit</u> . If the <u>Fund Manager</u> is not <u>Licensed Persons</u> to operate in accordance with sharia standards, he shall be entitled to appoint an <u>External Sharia Auditing Office</u> to carry out the functions of the <u>Fund</u> 's <u>Internal Sharia Audit Unit</u> , provided that the <u>Fund Manager</u> shall incur the charges thereof, and that office shall not carry out the external operations	A <u>Fund Manager</u> who operates in accordance with sharia standards may assign the <u>Sharia Audit Officer</u> thereof to carry out the tasks of the <u>Fund</u> 's <u>Internal Sharia Audit Unit</u> . If the <u>Fund Manager</u> does not operate in accordance with sharia standards, he shall be entitled to appoint an <u>External Sharia Auditing Office</u> to carry out the functions of the <u>Fund</u> 's <u>Internal Sharia Audit Unit</u> , provided that the <u>Fund Manager</u> shall incur the charges thereof, and that office shall not carry out the external operations of the <u>Fund</u> 's <u>External Sharia Auditing Office</u> .

					of the <u>Fund's External Sharia Auditing Office</u> .	
69	Thirteen	Two	2-18-4	Amending an Article	A <u>Fund's External Sharia Auditing Office</u> shall be appointed for one financial year renewable annually, and for a maximum period of four consecutive financial years. The <u>External Sharia Auditing Office</u> may carry out this role for the same <u>Fund</u> after a period of suspension not less than two consecutive years.	A <u>Fund's External Sharia Auditing Office</u> shall be appointed for one financial year renewable annually, and for a maximum period of four consecutive financial years unless the <u>Fund</u> was under liquidation. The same <u>External Sharia Auditing Office</u> may be reappointed after a period of suspension not less than two consecutive financial years. The <u>Fund Manager</u> may not replace the <u>External Sharia Auditing Office</u> during the contracted period unless the reasons and justifications are given to the <u>Authority</u> and its approval is obtained thereon.
70	Thirteen	Two	2-18-6	Amending an Article	The report submitted by the <u>External Sharia Auditing Office</u> shall include the following: 1. Proof of reviewing the <u>Internal Sharia Audit Unit's</u> report. 2. Numbers and dates of field visits carried out to the <u>Fund Manager</u> and the results of such visits. 3. A statement about the reviewed and inspected contracts and transactions without prejudice to the confidentiality of such transactions. 4. Terms of reference for these contracts and transactions. 5. Breaches of sharia, if any, either in the contracts or the transactions and the corrective measures taken for such breaches and the proposed period(s) thereof. 6. The entities within the <u>Licensed Person</u> , responsible for carrying out the transactions and the phases of their completion. 7. The final sharia opinion.	The report submitted by the <u>External Sharia Auditing Office</u> shall include the following: 1. An evaluation of the effectiveness and efficiency of the Sharia risk management procedures. 2. An evaluation of the <u>Fund's</u> compliance with <u>Sharia Standards</u> and the relevant resolutions of the <u>Capital Markets Authority</u> . 3. The scope of work of the <u>External Sharia Auditing Office</u> to include the activities, contracts, and <u>Securities'</u> transactions of the <u>Fund</u> . 4. A statement of the references of the implemented <u>Sharia Standards</u> of the <u>Fund</u> in case it differs from the <u>Sharia Standards</u> issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI). 5. Opinion regarding the <u>Fund's</u> compliance with the provisions of Islamic Sharia in accordance with the Sharia reference it follows, including Sharia violations in the activities, contracts or transactions of the <u>Fund</u> - if any- whether in <u>Securities</u> transactions or their execution. 6. Procedures of auditing that led to the results of its works mentioned in this report.

					<p>8. The signature of the <u>Sharia Auditor</u> and legal representative of the office.</p>	<p>7. Evidence of viewing the report of the <u>Internal Sharia Auditing Unit</u>.</p> <p>8. The signature of the <u>External Sharia Auditor</u> registered at the <u>Authority</u>.</p> <p>The <u>External Sharia Auditing Office</u> shall issue quarterly periodic Sharia auditing reports that include the results of following-up and examining the <u>Fund</u>'s compliance with the Islamic Sharia principles in its transactions and activities and publish them through the periodic disclosures of the <u>Fund</u> that works in accordance with the Islamic Sharia principles. It is necessary to present these reports to the <u>Executive Committee</u> of the <u>Fund</u> to clarify the contents of the reports.</p> <p>The <u>External Sharia Auditing Office</u> shall also present its annual report to the <u>Fund</u>'s <u>Unit</u> holders in accordance with the mechanism prepared thereof in its Articles of Association and attend the assemblies that consider its report (if any).</p>
71	Thirteen	Two	2-19	Amending an Article	<p>Fees of the Service Providers</p> <p>The details of service providers' fees should be included in the <u>Fund</u>'s Articles of Association and <u>Prospectus</u>, and paid from the <u>Fund</u>'s monies.</p> <p>No amount shall be paid from the <u>Fund</u>'s <u>Assets</u> to the <u>Investment Advisor</u> or for the promoting or selling of <u>Units</u>, including but not limited to, the expenses to copy and distribute the <u>Fund</u>'s Articles of Association, provided that the <u>Fund Manager</u> shall incur such expenses and the <u>Fund</u> shall incur the expenses of incorporation.</p>	External Auditor

72	Thirteen	Two	2-19-1	Adding an Article	-	<p>The <u>Fund Manager</u> shall appoint an external <u>Auditor</u> who is <u>Registered</u> with the <u>Authority</u>, provided that he shall comply with the following:</p> <ol style="list-style-type: none"> 1. Review and audit the <u>Fund</u>'s accounts in accordance with the International Accounting Standards approved by the <u>Authority</u>. 2. Prepare a report on the periodic and annual audited financial statements of the <u>Fund</u>. 3. Notify the <u>Authority</u> if it was revealed at the time of reviewing and auditing the <u>Fund</u>'s accounts that the <u>Fund Manager</u> does not comply with the <u>Law</u>, these <u>Bylaws</u>, or the <u>Fund</u>'s Articles of Association within five <u>Business Days</u> from the notice. 4. Attend the <u>Unit</u> holders' assembly in which the <u>Auditor</u>'s audited financial statements will be presented and discussed, and the relevant enquiries will be answered.
73	Thirteen	Two	2-19-2	Adding an Article	-	<p>A <u>Fund</u>'s External <u>Auditor</u> shall be appointed for one financial year renewable annually, and for a maximum period of four consecutive financial years unless the <u>Fund</u> was under liquidation. The same <u>Auditor</u> may be reappointed after a period of suspension not less than two consecutive financial years.</p> <p>The <u>Fund Manager</u> may not replace the <u>Auditor</u> during the contracted period unless the reasons and justifications are given to the <u>Authority</u> and its approval is obtained thereon.</p>
74	Thirteen	Two	2-19-3	Adding an Article	-	<p>The <u>Fund</u>'s external <u>Auditor</u> shall not be the same <u>Auditor</u> for the <u>Fund Manager</u>.</p>
75	Thirteen	Two	2-20	Amending an Article	<p>Vacancy of the Fund's Executive Committee members or any of the service providers</p> <p>In the event of a vacancy in any of positions the <u>Fund</u>'s <u>Executive Committee</u> members or any of the service providers; the <u>Fund Manager</u> should notify the <u>Authority</u> within a</p>	<p>Vacancy of the Fund's Executive Committee members or any of the service providers</p>

					<p>maximum of five <u>Business Days</u>. The fund manager should apply for the vacant position(s) within fifteen <u>Business Days</u> as of the day of expiry of the notice period as specified in this article. The <u>Fund</u>'s records shall be amended in the <u>Fund</u>'s register with the <u>Authority</u> in the event of any changes that occur on the Articles of Association or to the service providers. In any event, the <u>Fund Manager</u> must notify the Unit holders within a maximum of five <u>Business Days</u> as of the date of position vacancy or occupation of any of the positions thereof.</p>	
76	Three	Two	2-20-1	Adding an Article	-	<p>In the event of a vacancy in any of the positions of the <u>Fund</u>'s <u>Executive Committee</u> members, the <u>Fund Manager</u> should notify the <u>Authority</u> within a maximum of five <u>Business Days</u>. He shall also apply for the vacant position(s) within twenty <u>Business Days</u> as of the date of position vacancy. In any event, the <u>Fund Manager</u> must notify the <u>Unit</u> holders within a maximum of five <u>Business Days</u> as of the date of position vacancy and notify them within five <u>Business Days</u> as of the date of occupation.</p>
77	Three	Two	2-20-2	Adding an Article	-	<p>Without prejudice to the provisions of Article (1-8) of this Module, the <u>Fund Manager</u> must notify the <u>Unit</u> holders within a maximum of five <u>Business Days</u> as of the date of the <u>Authority</u>'s approval on replacing the manager, <u>Custodian</u>, or <u>Investment Controller</u> of the <u>Fund</u>.</p>
78	Thirteen	Two	2-20-3	Adding an Article	-	<p>In the event of a vacancy in the position of external <u>Auditor</u> or <u>External Sharia Auditing Office</u> for the <u>Funds</u> operating in accordance with sharia standards,</p>

						the <u>Fund Manager</u> shall notify the <u>Authority</u> and the <u>Unit</u> holders of it within a maximum of five <u>Business Days</u> . He shall also appoint an alternative for the vacant position within a maximum of one month as of the date of occupation. He shall notify the <u>Authority</u> and the <u>Unit</u> holders within five <u>Business Days</u> of appointment.
79	Thirteen	Two	2-20-4	Adding an Article	-	Without prejudice to the provisions of Article (2-18-4) and Article (2-19-2) of this Chapter, in the event of the <u>Authority</u> 's approval of the justifications of replacing the external <u>Auditor</u> or <u>External Sharia Auditing Office</u> for the <u>Funds</u> operating in accordance with sharia standards during the contracted period, the <u>Fund Manager</u> shall appoint an alternative of those vacant positions and notify the <u>Authority</u> and the <u>Unit</u> holders of it within a maximum of five <u>Business Days</u> as of the date of occupation.
80	Thirteen	Two	2-20-5	Adding an Article	-	Without prejudice to the provisions of Article (2-18-4) and Article (2-19-2) of this Chapter, in the event of the expiration of the contracted period with the external <u>Auditor</u> or <u>External Sharia Auditing Office</u> for the <u>Funds</u> operating in accordance with sharia standards, the <u>Fund Manager</u> shall appoint an alternative of those vacant positions and notify the <u>Authority</u> and the <u>Unit</u> holders of it within a maximum of five <u>Business Days</u> as of the date of occupation.
81	Thirteen	Two	2-20-6	Adding an Article	-	In the event of a vacancy or occupation of any of the service providers not mentioned in Article (2-11-1) of this Chapter, the <u>Fund Manager</u> shall notify the <u>Authority</u> and the <u>Unit</u> holders of it within a maximum of five <u>Business Days</u> as of the date of vacancy or occupation.
82	Thirteen	Two	2-20-7	Adding an Article	-	In any event, the <u>Authority</u> shall amend the information of the <u>Fund</u> in the <u>Fund</u> 's register at the <u>Authority</u> upon the occurrence of any change of the information related to the Articles of Association,

						service providers, of Executive Committee of the <u>Fund</u> included in the register.
83	Thirteen	Two	2-21	Amending an Article	Restrictions on Positions	Restrictions on Positions and Conflict of Interests
84	Thirteen	Two	2-21-1	Amending an Article	<p>Without prejudice to the responsibilities of the <u>Fund Manager</u> set forth in the provisions of Chapter Three (Conflict of Interests) of Module Eight (Conduct of Business) of these <u>Bylaws</u>, the <u>Fund Manager</u> employees, who are not registered as representatives of a <u>Collective Investment Scheme</u> manager, may occupy the position of a <u>Member of a Board of Directors</u> at a company whose <u>Securities</u> thereof are a part of the <u>Fund's Assets</u> managed by the <u>Fund Manager</u>.</p> <p>Employees of the <u>Fund Manager</u> registered as representatives of a <u>Collective Investment Scheme</u> manager, may not occupy the position of a <u>Member of a Board of Directors</u> at the companies mentioned in the preceding paragraph, unless the investment controls of certain types of <u>Funds</u> stated in Appendix 4 of this Module so permit.</p>	<p>Without prejudice to the responsibilities of the <u>Fund Manager</u> set forth in the provisions of Chapter Three (Conflict of Interests) of Module Eight (Conduct of Business) of these <u>Bylaws</u>, the <u>Fund Manager</u> employees, who are not <u>Registered Persons</u> as representatives of a <u>Collective Investment Scheme</u> manager, may occupy the position of a <u>Member of a Board of Directors</u> at a company whose <u>Securities</u> thereof are a part of the <u>Fund's Assets</u> managed by the <u>Fund Manager</u>.</p> <p>Employees of the <u>Fund Manager</u> registered as representatives of a <u>Collective Investment Scheme</u> manager, may not occupy the position of a <u>Member of a Board of Directors</u> at the companies mentioned in the preceding paragraph, unless the investment controls of certain types of <u>Funds</u> stated in Appendix 4 of this Module so permit or if the <u>Fund</u> follows a specific index set forth in its Articles of Association.</p>
85	Thirteen	Two	2-21-3	Adding an Article	-	The <u>Fund Manager</u> shall consider the provisions of Chapter Three (Conflict of Interests) of Module Eight (Conduct of Business) of these <u>Bylaws</u> and take the necessary measures to avoid conflict of interests in his transactions on behalf of and for the interest of the <u>Fund</u> and the <u>Unit</u> holders.
86	Thirteen	Two	2-21-4	Adding an Article	-	Unless the <u>Fund Manager</u> previously discloses the expected cases of conflict of interest of the <u>Fund</u> , the

						<p><u>Fund Manager</u>'s employees from the <u>Registered Persons</u> as representatives of a <u>Collective Investment Scheme</u> manager, or one of the <u>Unit</u> holders, he must immediately disclose his knowledge of any such cases or transactions to the <u>Investment Controller</u> and obtain his acknowledgment thereof.</p> <p>In any event, the <u>Fund Manager</u> shall notify the <u>Unit</u> holders and the <u>Authority</u> of any case of conflict of interest acknowledged by the <u>Investment Controller</u> in accordance with this Article within five <u>Business Days</u> as of the date of acknowledgement.</p>
87	Thirteen	Two	2-21-5	Adding an Article	-	The <u>Fund Manager</u> or <u>Unit</u> holders may not participate in voting on matters related to the personal interests or if the interests thereof are in conflict with the Fund's interests.
88	Thirteen	Two	2-22-1	Amending an Article	The provisions of Articles (2-22-1) to (2-22-5) of this Module shall be applied on all the <u>Promotions or Marketing of a Fund</u> that are <u>Publicly Offered</u> and licensed by the <u>Authority</u> in the State of Kuwait.	The provisions of Articles (2-22-1) to (2-22-4) of this Module shall be applied on all the <u>Promotions or Marketing of Public Funds</u> licensed by the <u>Authority</u> in the State of Kuwait.
89	Thirteen	Two	2-22-2	Amending an Article	A <u>Fund Manager</u> shall abide by the provisions of the <u>Financial Promotion</u> stipulated in Chapter Seven of Module Eight (Conduct of Business) of these <u>Bylaws</u> . In addition, the <u>Fund Manager</u> shall, upon promoting for <u>Funds</u> , be obliged to the following: 1. Clarify the purpose of the promotion. 2. State the name and address of the <u>Fund Manager</u> and the <u>Executive Committee</u> for the <u>Fund</u> . 3. State how to obtain a copy of the Articles of Association and the financial reports of the <u>Fund</u> .	A <u>Fund Manager</u> shall abide by the provisions of the <u>Financial Promotion</u> stipulated in Chapter Seven of Module Eight (Conduct of Business) of these <u>Bylaws</u> . In addition, the <u>Fund Manager</u> shall, upon promoting for <u>Funds</u> , be obliged to the following: 1. Clarify that the promotion is prepared for promotional purposes. 2. State the name and the contact information of the <u>Fund Manager</u> . 3. The promotion shall include a commitment that no necessary information on the <u>Fund</u> has been omitted. 4. If the promotion includes a list of selected investments, the selection shall be conducted objectively and in a balanced manner and state the basis for this selection.

				<p>4. If the promotion includes a list of all investments in the <u>Fund</u> or a list of selected investments, the selection shall be conducted objectively and in a balanced manner and state the basis for this selection.</p> <p>5. If the promotion includes information about the performance of the <u>Fund</u> or the <u>Fund Manager</u>, the promotion must meet the following requirements:</p> <p>a. A statement on the <u>Fund</u>'s total return after deducting all expenses. If the promotion includes a statement on the total return before deducting the expenses, these two statements must be included in the same degree of clarity in the promotion.</p> <p>b. A comparison between the <u>Fund</u>'s total return and the total return of an adequate index or another standard as specified in the Articles of Association for the same period. If the index or the other standard does not include all the elements of the total return, the elements that are not included and their effect must be stated in this comparison.</p> <p>c. A statement of the total return for the first financial year, and the total return of every three consecutive years as of the incorporation of the <u>Fund</u>. If the period of return is less than the multiple of three years, the return shall be stated since the year of incorporation till the last quarter according to the annual calendar</p>	<p>5. If the promotion includes information about the performance of the <u>Fund</u> or the <u>Fund Manager</u>, the promotion must meet the following requirements:</p> <p>a. A statement on the <u>Fund</u>'s total return after deducting all expenses. If the promotion includes a statement on the total return before deducting the expenses, these two statements must be included in the same degree of clarity in the promotion.</p> <p>b. If the promotion included a comparison between the <u>Fund</u>'s total return and the total return of an adequate index or another standard, such index or standard shall be for the same period and as specified in the Articles of Association. If the index or the other standard does not include all the elements of the total return, the elements that are not included and their effect must be stated in this comparison.</p> <p>c. A statement of the total return for the last three financial consecutive years. If the period of <u>Fund</u>'s return is less than three years, the return shall be stated since the year of incorporation. The performance may not be stated for a period less than one year.</p> <p>d. Without prejudice to item (c) above, the quarterly return of the <u>Funds</u> whose term is more than one financial year may be stated.</p> <p>e. Verify that any comparison that may be mentioned in the promotion between the <u>Fund</u>'s performance and other activities are correct, fair and balanced, and that it does not oversee any material matter related to the comparison.</p> <p>f. The information related to the performance shall form a fair presentation of the performance of the <u>Fund</u> or the <u>Fund Manager</u> and were not selected for exaggeration.</p> <p>g. The information related to performance shall be based on verifiable information.</p>
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					<p>applied in preparing the <u>Fund</u>'s financial statement. The performance may not be stated for a period less than one year.</p> <p>d. Clarify that the value of the investment <u>Unit</u> in the <u>Fund</u> is variable and may be subject to decrease or increase.</p> <p>e. Disclose any information or exceptional circumstances (if any) that had an effect or may affect the <u>Fund</u>'s performance.</p>	<p>h. Disclose any information or exceptional circumstances (if any) that had an effect or may affect the <u>Fund</u>'s performance.</p> <p>6. If the promotion includes or indicates a recommendation concerning a <u>Fund</u> of a special nature, the promotion shall warn that the <u>Fund</u> may not be suitable for every <u>Person</u> receiving such promotion and that if any <u>Person</u> has doubts, then they shall refer to the advisor thereof.</p> <p>7. If the <u>Fund</u> is described as suitable for an investor endeavoring in particular to gain income from the investment thereof, such investor shall be warned against that such <u>Fund</u>'s income may change.</p> <p>8. If a <u>Financial Promotion</u> contains an indication of past or future performance of a certain investment, a <u>Licensed Person</u> must include a warning in the promotion that the past performance is not a reliable indicator of future results.</p>
90	Thirteen	Two	2-22-3	Amending an Article	<p>A <u>Fund Manager</u> shall be prohibited, when preparing the <u>Financial Promotions</u>, in mentioning any of the following information:</p> <ol style="list-style-type: none"> 1. An expected future or potential prices for the <u>Fund</u>'s <u>Units</u>. 2. To expect the total return or the investment performance of the <u>Fund</u> or its Unit holders, except in the following cases: <ol style="list-style-type: none"> a. A <u>Fund</u> with guaranteed capital. b. A <u>Fund</u> that guarantees minimum returns. c. A <u>Fund</u> that aims to achieve a better performance than that of the key performance indicator (KPI). 3. Any statement about the profits attained by some <u>Persons</u> as a result of participation in the <u>Fund</u> or in 	<p>A <u>Fund Manager</u> shall be prohibited, when preparing the <u>Financial Promotions</u>, in mentioning any of the following information:</p> <ol style="list-style-type: none"> 1. An expected future or potential prices for the <u>Fund</u>'s <u>Units</u>. 2. To expect the total return or the investment performance of the <u>Fund</u> or its Unit holders, except in the following cases: <ol style="list-style-type: none"> a. A <u>Fund</u> with guaranteed capital, provided that the promotion shall include a statement of the minimum guaranteed capital, details of the guarantor, and mechanism of the guarantee. b. A <u>Fund</u> that guarantees minimum returns. c. A <u>Fund</u> that aims to achieve a better performance than that of the key performance index. 3. Any statement about the profits attained by some <u>Persons</u> as a result of participation in the <u>Fund</u> or in other <u>Funds</u> managed by the same <u>Fund Manager</u>.

					other <u>Funds</u> managed by the same <u>Fund Manager</u> .	
91	Thirteen	Two	2-22-5	Deleting an Article	<p>The <u>Fund Manager</u> shall, upon preparation of the <u>Promotional or Marketing Material</u>, comply with the following controls:</p> <p>1. Guarantees: The promotion should not include a description of the <u>Fund</u> to be guaranteed, contrary to the truth. In the event where a <u>Fund</u> is guaranteed, the promotion should include a statement about the minimum guaranteed capital and details of the guarantor as well as the mechanism of guarantee.</p> <p>2. Comparisons: The <u>Fund Manager</u> must verify that any comparison that may be mentioned in the promotion between the <u>Fund</u>'s performance and other activities are correct, fair and balanced, and that the comparison thereof does not oversee any material matter.</p> <p>3. Past Performance: The information related to the past performance of the <u>Fund</u> or the <u>Fund Manager</u>, which is included in the promotion, the following shall be required:</p> <p>a. It shall constitute a fair presentation of past performance of the <u>Fund</u> or the <u>Fund Manager</u>.</p> <p>b. It shall not be selected to exaggerate the performance of the <u>Fund</u> or the <u>Fund Manager</u>.</p>	-

					<p>c. It shall set forth the source of information.</p> <p>d. It should be based on verifiable information.</p> <p>4. Change in the value of Units: In the events where the prices and value of the <u>Funds Units</u> may change, the promotion must include a statement indicating that prices, value, or income may decrease, and the investor should be informed that he may redeem an amount less than the amount invested thereby.</p> <p>5. Convenience: If the promotion includes or indicates a recommendation concerning a <u>Fund</u> of a special nature, the promotion shall warn that the <u>Fund</u> may not be suitable for every <u>Person</u> receiving such promotion and that if any <u>Person</u> has doubts, then they shall refer to the advisor thereof.</p> <p>6. Return on Investment: If the <u>Fund</u> is described that it is suitable for an investor endeavouring in particular to gain income from the investment thereof, such investor shall be warned against that such <u>Fund's</u> income may change.</p> <p>7. Funds in Foreign Currency: If the <u>Fund</u> is in a foreign currency, the investor should be warned against the change of exchange rates that may result in a negative effect on the value, price, or income of the <u>Fund's Units</u>.</p>	
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					8. The promotion must indicate any fees due on the <u>Fund's Units</u> , if any.	
92	Thirteen	Two	2-23	Amending an Article	The <u>Fund</u> - that is licensed by the <u>Authority</u> to be incorporated - may be listed on the <u>Exchange</u> according to the rules set forth in Module Twelve (Listing Rules) of these <u>Bylaws</u> and the <u>Exchange's</u> rules. <u>Funds</u> incorporated outside of the State of Kuwait - which are licensed by the <u>Authority</u> to market their <u>Units</u> in the State of Kuwait - may apply for listing on the <u>Exchange</u> according to the requirements and conditions specified by the <u>Exchange's</u> rules and regulations.	The <u>Public Fund</u> - that is licensed by the <u>Authority</u> to be incorporated - may be listed on the <u>Exchange</u> according to the rules set forth in Module Twelve (Listing Rules) of these <u>Bylaws</u> and the <u>Exchange's</u> rules. <u>Funds</u> incorporated outside of the State of Kuwait - which are licensed by the <u>Authority</u> to market their <u>Units</u> in the State of Kuwait - may apply for listing on the <u>Exchange</u> according to the requirements and conditions specified by the <u>Exchange's</u> rules and regulations. As an exception of Exchange Traded <u>Funds</u> , the investment controls of the <u>Funds</u> requesting their listing should not conflict with the investment controls of the <u>Public Funds</u> set out in this Module.
93	Thirteen	Two	2-26-1	Amending an Article	The valuation, subscription, and redemption provisions set out in the following Articles shall apply to <u>Open-Ended Funds</u> only.	The valuation, subscription, and redemption provisions set out in the following Articles shall apply to <u>Open-Ended Funds</u> only. The <u>Open-Ended Funds</u> are exempted from such provisions in the events in which the Articles of Association permits closure or suspension of participation or redemption.
94	Thirteen	Two	2-26-2	Amending an Article	The Articles of Association and Prospectus of the Fund shall include the following data: 1. The specified time for submitting subscription and redemption applications of the <u>Fund's Units</u> . 2. <u>Dealing Day</u> , in which the <u>Fund's Units</u> may be subscribed in or redeemed. 3. <u>Valuation Day(s)</u> , on which the net asset value (NAV) of the <u>Fund</u> is calculated.	The <u>Open-Ended Funds</u> have specific <u>Dealing Days</u> in which the <u>Fund's Units</u> may be subscribed in or redeemed, and <u>Valuation Day(s)</u> on which the net asset value (NAV) of the <u>Fund</u> is calculated pursuant to the provisions of this Article.
95	Thirteen	Two	2-26-3	Amending an Article	The <u>Fund's Assets</u> must be evaluated on every <u>Dealing Day</u> no later than	The <u>Fund's Assets</u> must be evaluated in accordance with the last day of the <u>Dealing Days</u> and no later than

					one day after the deadline for submitting subscription and redemption applications.	one <u>Business Day</u> after the deadline for submitting subscription and redemption applications.
96	Thirteen	Two	2-26-4	Amending an Article	No subscription in the <u>Fund's Units</u> or redemption must take place except on the <u>Dealing Day</u> .	No subscription in the <u>Fund's Units</u> or redemption must take place except on the <u>Dealing Day</u> . Executing subscription and redemption may be through modern communication means and the electronic websites without the need for the investor's personal attendance in the <u>Fund Manager's</u> headquarters and without prejudice to the investor's rights including his access to the <u>Fund's</u> Articles of Association.
97	Thirteen	Two	2-26-6	Amending an Article	The valuation of the <u>Fund's Assets</u> may be delayed for a maximum of two business days as of the <u>Dealing Day</u> in the event of not being able to appraise a substantial part of the <u>Fund's Assets</u> , in which the <u>Fund Manager</u> shall provide the <u>Authority</u> with the reasons and justifications of such delay.	The valuation of the <u>Fund's Assets</u> may be within a maximum of three <u>Business Days</u> as of the <u>Dealing Day</u> in the event of not being able to appraise a substantial part of the <u>Fund's Assets</u> , provided that the net asset value (NAV) of the <u>Fund's Assets</u> is calculated and appraised as on the <u>Valuation Day</u> determined in the Articles of Association.
98	Thirteen	Two	2-26-7	Amending an Article	The <u>Fund Manager</u> shall pay to the <u>Unit</u> holder the redemption value within four <u>Business Days</u> following the <u>Valuation Day</u> , in which the <u>Unit</u> price is determined.	The <u>Fund Manager</u> shall pay to the <u>Unit</u> holder the redemption value within a maximum of six <u>Business Days</u> following the <u>Valuation Day</u> determined in the Articles of Association.
99	Thirteen	Two	2-26-9	Amending an Article	The <u>Fund Manager</u> may collect early redemption fees from any <u>Unit</u> holder requesting to redeem the <u>Units</u> thereof within thirty days as of the subscription date. The Articles of Association shall determine the early redemption conditions and the mechanism of fees calculation. The <u>Authority</u> shall set limits for such fees.	The <u>Fund Manager</u> may suspend the approval of subscribing in the <u>Fund</u> for the period he finds appropriate if it was for the interest of the <u>Fund</u> and the <u>Unit</u> holders.

					The early redemption fees shall be deducted from the redemption amount, and paid to the <u>Fund</u> exclusively and directly and may not be paid to the <u>Fund Manager</u> .	
100	Thirteen	Two	2-26-10	Adding an Article	-	<p>The <u>Fund Manager</u> may accept requests for early redemption and collect its fees from any <u>Unit</u> holder who requests to redeem his <u>Units</u> after subscription, provided that the Articles of Association stipulate the permissibility of early redemption, and specifying its period, conditions and the mechanism for calculating its fees.</p> <p>The collected early redemption fees must be deducted from the redemption proceeds. They must be paid directly to the <u>Fund</u> and not others, and may not be paid to the <u>Fund Manager</u>.</p>
101	Thirteen	Two	2-27	Amending an Article	<p>Unitholders Register</p> <p>The register of the <u>Fund</u>'s <u>Unit</u> holders shall be maintained with a <u>Clearing Agency</u> and this register may be maintained with a <u>Custodian</u> if the <u>Fund</u> is not listed, in accordance with the provisions set forth in the Module Four (Securities Exchanges and Clearing Agencies) of these <u>Bylaws</u>. The fees of the entity keeping such record shall be paid from the <u>Fund</u>'s monies.</p>	<p>Term of the Fund</p> <p>The Articles of Association shall include the term of the <u>Fund</u>. The <u>Fund Manager</u> may extend this period in accordance with the stipulations of the Articles of Association and after obtaining the approval of the <u>Authority</u>. If the extension is approved, the <u>Fund Manager</u> shall notify the <u>Unit</u> holders of such extension within a maximum period of ten <u>Business Days</u>.</p>
102	Thirteen	Two	2-28	Amending an Article	<p>Units Statement</p> <p>The Clearing Agency or the Custodian shall keep a statement indicating the</p>	<p>Transfer of Ownership</p> <p>The ownership of the <u>Fund Unit</u> holder may be transferred through an application submitted by the <u>Unit</u> holder or the concerned parties to the <u>Record Keeper</u> in accordance with the rules of the <u>Exchange</u> or</p>

					<p>remaining balance of Units and the Units issued, redeemed, updated, or cancelled and provide the Investment Controller with a copy of the statement.</p>	<p>the provisions of the Over the Counter (OTC) Rulebook of the <u>Exchange</u> and the <u>Fund's</u> Articles of Association.</p> <p>In all cases, the ownership of the <u>Units</u> of the <u>Private Fund</u> may only be transferred to a <u>Professional Client</u>, whether from the <u>Unit</u> holders or from others, with the exception of cases of transfer of ownership based on a court ruling or inheritance.</p>
103	Thirteen	Two	2-30-1	Amending an Article	<p>Without prejudice to Article (1-7) of this Module, the <u>Fund Manager</u> may not buy any <u>Securities</u> issued thereby or by its <u>Subsidiary Companies</u> unless in accordance with the following conditions:</p> <ol style="list-style-type: none"> 1. The Articles of Association of the <u>Fund</u> shall permit the <u>Fund</u> to invest its assets in <u>Securities</u> issued by the <u>Fund Managing</u> company, or any of its <u>Subsidiaries</u>. 2. Obtaining the approval of the <u>Investment Controller</u> before purchasing. 3. The total amount of securities invested by the <u>Fund</u> and all other <u>Funds</u> which are managed by the <u>Fund Manager</u> shall not exceed 10% of the total value of <u>Securities</u> issued by the <u>Fund Manager</u>, or any of its <u>Subsidiary Companies</u>, except for the <u>Funds</u> that follow a certain index according to their Articles of Association. 	<p>Without prejudice to Article (1-7) of this Module, the <u>Fund Manager</u> may not buy any <u>Securities</u> issued thereby or by its <u>Subsidiary Companies</u> unless in accordance with the following conditions:</p> <ol style="list-style-type: none"> 1. The Articles of Association of the <u>Fund</u> shall permit the <u>Fund</u> to invest its assets in <u>Securities</u> issued by the <u>Fund Managing</u> company, or any of its <u>Subsidiaries</u>. 2. Obtaining the approval of the <u>Investment Controller</u> before purchasing. 3. The total amount of securities invested by the <u>Fund</u> and all other <u>Funds</u> which are managed by the <u>Fund Manager</u> shall not exceed 10% of the total value of <u>Securities</u> issued by the <u>Fund Manager</u>, or any of its <u>Subsidiary Companies</u>. <u>Funds</u> that follow a certain index according to their Articles of Association are not included in this percentage.

104	Thirteen	Two	2-30-2	Amending an Article	<p>Without prejudice to Article (1-7) of this Module and if the <u>Fund Manager</u> undertakes the role of <u>Subscription Agent</u> or the subscription manager of an <u>Issuer</u>, the <u>Fund Manager</u> may not buy any <u>Securities</u> of the <u>Issuer</u>, while assuming such roles.</p> <p>If the <u>Fund Manager</u> or any of its <u>Subsidiary Companies</u> commits to cover the <u>Public Offer</u> or <u>Private Placement</u> for a certain <u>Security</u>, the <u>Security</u> may not be offered for the benefit of the <u>Fund</u>.</p>	<p>Without prejudice to Article (1-7) of this Module and if the <u>Fund Manager</u> undertakes the role of <u>Subscription Agent</u> (Selling) or the subscription manager of an <u>Issuer</u>, the <u>Fund Manager</u> may not buy the <u>Securities</u> subject of the subscription for this <u>Issuer</u>, while assuming such roles.</p> <p>If the <u>Fund Manager</u> or any of its <u>Subsidiary Companies</u> commits to cover the <u>Public Offer</u> or <u>Private Placement</u> for a certain <u>Security</u>, the <u>Security</u> may not be offered for the benefit of the <u>Fund</u> during the commitment period.</p> <p><u>Funds</u> that follow a certain index according to their Articles of Association are excluded from the provisions of this Article.</p>
105	Thirteen	Two	2-31-1	Amending an Article	<p>The <u>Fund Manager</u> shall not keep cash or cash equivalents only when necessary in one of the following cases:</p> <ol style="list-style-type: none"> 1. To meet redemption requests of <u>Units</u> 2. Manage the <u>Fund</u> in a proficient manner according to the investment objectives and complementary purposes thereof. <p>The provision of this Article shall not be applicable during the first year of issuing the final license to the <u>Fund</u>.</p>	<p>The <u>Fund Manager</u> shall only keep cash or cash equivalents when necessary in one of the following cases:</p> <ol style="list-style-type: none"> 1. To meet redemption requests of <u>Units</u> 2. Manage the <u>Fund</u> in a proficient manner according to the investment objectives and complementary purposes thereof. <p>In this regard, he shall exercise the <u>Care of a Prudent Person</u> in the interest of the <u>Fund</u> and the <u>Unit</u> holders.</p> <p>The provision of this Article shall not be applicable during the first year of issuing the final license to the <u>Fund</u>.</p>
106	Thirteen	Two	2-31-3	Amending an Article	Breaches of Investment and Borrowing Controls	Breaches of Investment and Borrowing Controls

				<p>In the event of a <u>Violation</u> of the investment and borrowing controls, the following procedures shall be followed:</p> <ol style="list-style-type: none"> 1. In the event of violating the investment limits set forth in the investment controls of each type of <u>Fund</u> or in the <u>Fund's</u> Articles of Association due to any mistake or negligence by the <u>Fund Manager</u>, the <u>Fund Manager</u> shall notify the <u>Authority</u> immediately and take the necessary procedures and measures to correct the <u>Violation</u>. 2. In the event of violating the investment limits set forth in the investment controls of each type of <u>Fund</u> or in the <u>Fund's</u> Articles of Association as a result of an event beyond the control of the <u>Fund Manager</u>, the <u>Fund Manager</u> shall notify the <u>Authority</u> immediately if the violation is not corrected it within five <u>Business Days</u>, provided that the notification should include the procedures and measures required to resolve the <u>Violation</u> and the period required for that and the <u>Authority</u> may minimize such period. 3. The <u>Fund Manager</u> shall notify the <u>Investment Controller</u> of all the <u>Violations</u> of investment limits referred to in paragraphs (1) and (2) of this Article. The <u>Fund</u> 	<p>In the event of a <u>Violation</u> or non-compliance with the investment and borrowing controls stipulated in these <u>Bylaws</u> or the <u>Fund's</u> Articles of Association, the following procedures shall be followed:</p> <ol style="list-style-type: none"> 1. In the event of violation or non-compliance due to any error or negligence by the <u>Fund Manager</u>, or as a result of an event beyond the control of the <u>Fund Manager</u>, the <u>Fund Manager</u> shall notify the <u>Authority</u> immediately and take the necessary procedures and measures to correct the <u>Violation</u>. 2. In the event of not correcting the violation within five <u>Business Days</u>, the <u>Fund Manager</u> shall notify the <u>Authority</u> of the procedures and measures required to resolve the <u>Violation</u> and the period required for that and the <u>Authority</u> may minimize such period. 3. The <u>Fund Manager</u> shall notify the <u>Investment Controller</u> of all the cases referred to in paragraphs (1) and (2) of this Article. The <u>Fund Manager</u> must keep a permanent record of <u>Violations</u> and document the procedures undertaken and the period required for remedy. <p>In any event, the <u>Fund Manager</u> shall notify the <u>Authority</u> and the <u>Investment Controller</u> as soon as the correction is completed.</p>
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					<u>Manager</u> must keep a permanent record of <u>Violations</u> and document the procedures undertaken and the period required for remedy.	
107	Thirteen	Two	2-33-1	Amending an Article	The <u>Fund Manager</u> must prepare quarterly financial statements and provide a copy to the <u>Exchange</u> and to the <u>Authority</u> within a period not more than <u>fifteen Business Days</u> as of the end of the term.	The <u>Fund Manager</u> must prepare quarterly financial statements to be reviewed by the external <u>Auditor</u> and provide a copy to the <u>Exchange</u> and to the <u>Authority</u> within a period not more than <u>fifteen Business Days</u> as of the end of the term.
108	Thirteen	Two	2-33-2	Amending an Article	A <u>Fund Manager</u> shall prepare annual audited financial statements and provide a copy to the <u>Exchange</u> and to the <u>Authority</u> within a period not more than forty-five days as of the end of the <u>Fund</u> 's financial year.	A <u>Fund Manager</u> shall prepare annual audited financial statements to be audited by the external <u>Auditor</u> and provide a copy to the <u>Exchange</u> and to the <u>Authority</u> within a period not more than forty-five days as of the end of the <u>Fund</u> 's financial year.
109	Thirteen	Two	2-34	Amending an Article	Except for <u>Funds</u> that are listed on the <u>Exchange</u> , a <u>Fund Manager</u> shall provide quarterly reports to each <u>Unit</u> holder, unless the Articles of Association set forth a shorter period. The report shall include: 1. The net value of <u>Fund</u> 's <u>Unit</u> assets. 2. The number of <u>Fund</u> 's <u>Units</u> owned by a <u>Unit</u> holder and their net asset value. 3. A record of the movement in the account of each <u>Unit</u> holder including any paid distributions made after the	Except for <u>Funds</u> that are listed on the <u>Exchange</u> , a <u>Fund Manager</u> shall provide quarterly reports to each <u>Unit</u> holder, unless the Articles of Association set forth a shorter period, within a maximum period of fifteen Business Days from the end of the period. The report shall include: 1. The net value of <u>Fund</u> 's <u>Unit</u> assets. 2. The number of <u>Fund</u> 's <u>Units</u> owned by a <u>Unit</u> holder and their net asset value. 3. A record of the movement in the account of each <u>Unit</u> holder including any paid distributions made after the last report presented to the <u>Unit</u> holders.

					<p>last report presented to the <u>Unit</u> holders.</p> <p>4. A statement of the fees of the <u>Fund Manager</u> and service providers</p>	<p>4. A statement of the fees, expenses, and costs payable on the Fund's Assets, provided that they are indicated in the <u>Fund's</u> currency.</p>
110	Thirteen	Two	2-35-1	Amending an Article	<p>Each <u>Fund</u> shall have a <u>Unit</u> holders assembly held at least once annually. Each participant shall be entitled to attend the assembly and vote on its resolutions. Each <u>Unit</u> holder shall have one vote for each investment <u>Unit</u> owned thereby.</p>	<p>Each <u>Fund</u> shall have a <u>Unit</u> holders assembly held at least once during the financial year of the <u>Fund</u>. Each participant shall be entitled to attend the assembly and vote on its resolutions. Each <u>Unit</u> holder shall have one vote for each investment <u>Unit</u> owned thereby.</p> <p>The <u>Unit</u> holder's assembly may be held electronically in a manner that does not conflict with the provisions regulating the assembly in this Module, with the participation of the concerned parties by attending, and the <u>Unit</u> holders shall be enabled to express their opinion and vote on the topics presented at the meeting.</p>
111	Thirteen	Two	2-35-2	Amending an Article	<p>The <u>Unit</u> holder assembly shall look into and decide on the following issues:</p> <ol style="list-style-type: none"> 1. The <u>Fund Manager</u>'s report on the <u>Fund</u>'s activity and its financial position. 2. The <u>Auditor</u>'s report on the <u>Fund</u>'s annual audited financial statements. 3. The annual audited financial statements of the <u>Fund</u>. 4. The <u>External Sharia Auditing Office</u>'s report (for <u>Funds</u> licensed to operate in accordance with the provisions of sharia). 5. The <u>Investment Controller</u>'s report. 	<p>The <u>Unit</u> holder assembly shall look into and decide on the following issues:</p> <ol style="list-style-type: none"> 1. The report of the <u>Fund Manager</u> or the liquidator on the <u>Fund</u>'s activity and its financial position for the <u>Fund's</u> financial year. 2. The external <u>Auditor</u>'s report on the <u>Fund</u>'s annual audited financial statements. 3. The annual audited financial statements of the <u>Fund</u>. 4. The <u>External Sharia Auditing Office</u>'s report (for <u>Funds</u> licensed to operate in accordance with the provisions of sharia) for the <u>Fund's</u> financial year. 5. The <u>Investment Controller</u>'s report for the <u>Fund's</u> financial year.

					<p>6. Amendments of the Articles of Association related to the acquired rights of <u>Unit</u> holders.</p> <p>7. Dismissal of the <u>Fund Manager</u>.</p> <p>8. Appointment of a substitute <u>Fund Manager</u>.</p> <p>9. Select the <u>Fund</u>'s liquidator and supervise the works thereof.</p> <p>Resolutions of the <u>Unit</u> holders assembly shall not be implemented without the approval of the <u>Authority</u>.</p>	<p>6. Amendments of the Articles of Association related to the acquired rights of <u>Unit</u> holders.</p> <p>7. Appointment of a substitute <u>Fund Manager</u>.</p> <p>8. Approval of the liquidation and Selection of the <u>Fund</u>'s liquidator and supervise the works thereof.</p> <p>9. Appointment of a substitute liquidator.</p>
112	Thirteen	Two	2-35-3	Amending an Article	<p>The <u>Unit</u> holders assembly shall be held upon an invitation from the <u>Fund Manager</u> to consider the matters assigned to the assembly. The <u>Fund Manager</u> shall call for holding the meeting, based on a reasoned request by the <u>Unit</u> holders constituting a minimum of 10% of the <u>Fund</u>'s issued capital or at the request of the <u>Investment Controller</u> or the <u>Auditor</u>. The agenda shall be prepared by the entity calling for holding the meeting.</p>	<p>The <u>Unit</u> holders assembly shall be held upon an invitation from the <u>Fund Manager</u> or the liquidator to consider the matters assigned to the assembly. The <u>Fund Manager</u> shall call for holding the meeting, based on a reasoned request by the <u>Unit</u> holders constituting a minimum of 10% of the <u>Fund</u>'s issued capital or at the request of the <u>Investment Controller</u> or the <u>Auditor</u>. This shall be within twenty-one days from the date of receiving the request, unless an agreement is reached between the party responsible for calling for the assembly and the parties submitting the request for a later date of convening. The agenda shall be prepared by the entity calling for holding the meeting.</p>
113	Thirteen	Two	2-35-4	Amending an Article	<p>If the <u>Fund Manager</u> does not call to hold a Unitholders assembly, in the cases he must do, and if the <u>Fund Manager</u> finds difficulty to call for a meeting for any reason, the <u>Authority</u> may assign the <u>Investment Controller</u> or the <u>Auditor</u> to call for holding the assembly.</p>	<p>If the <u>Fund Manager</u> or the liquidator does not call to hold a Unitholders assembly, in the cases he must do, and if it is difficult to call for a meeting for any reason, the <u>Authority</u> may assign the <u>Investment Controller</u> or the <u>Auditor</u>, or whomever it finds fit to call for holding the assembly.</p>

114	Thirteen	Two	2-35-5	Amending an Article	<p>The invitation to attend the meeting of the <u>Unit</u> holders assembly, should include an agenda, time and place of holding the meeting, shall be extended by one of the following methods:</p> <ol style="list-style-type: none"> 1. Announcement in two local daily newspapers and the <u>Exchange</u> at least ten <u>Business Days</u> prior to the date of holding the meeting. 2. Registered mail letters to be sent to the <u>Unit</u> holders at least ten <u>Business Days</u> prior to the date of holding the meeting. 3. Emails or faxes at least seven <u>Business Days</u> prior to the date of holding the meeting. 4. Hand-deliver the invitation to the <u>Unit</u> holders or representatives thereof at least three <u>Business Days</u> prior to the date of holding the meeting and a photocopy of the invitation shall be notated as received. <p>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 <u>Fund Manager</u> with the data about the residence, email address, or fax number thereof and shall have agreed to be notified through such methods. The <u>Fund</u>'s Articles of Association shall also set</p>	<p>The invitation to attend the meeting of the <u>Unit</u> holders assembly shall include an agenda, time and place of holding the meeting, and shall be extended by one of the following methods:</p> <ol style="list-style-type: none"> 1. Announcement at least ten <u>Business Days</u> prior to the date of holding the meeting in two local daily newspapers and the <u>Exchange</u>, to publish the announcement of the agenda, time and place of the assembly meeting. 2. Registered mail letters to be sent to the <u>Unit</u> holders at least ten <u>Business Days</u> prior to the date of holding the meeting. 3. Announcement via electronic or modern means of communication at least seven <u>Business Days</u> prior to the date of holding the meeting. 4. Hand-deliver the invitation to the <u>Unit</u> holders or representatives thereof at least three <u>Business Days</u> prior to the date of holding the meeting and a photocopy of the invitation shall be notated as received. <p>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 <u>Fund Manager</u> or the liquidator or the entity keeping the register of the <u>Unit</u> holders with the data about the residence, email address, or fax number thereof and shall have agreed to be notified through such methods. The <u>Fund</u>'s Articles of Association shall also set forth the announcement by those methods.</p> <p>Any change of a participant's information referred to in the previous paragraph shall not be approved unless the participant notifies the <u>Fund Manager</u> or the liquidator or the entity keeping the register of <u>Unit</u></p>
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					<p>forth the announcement by those methods.</p> <p>Any change of a participant's information referred to in the previous paragraph shall not be approved unless the participant notifies the <u>Fund Manager</u> or the entity keeping the register of <u>Unit</u> holders of such change at least five <u>Business Days</u> prior to the announcement of the participant.</p>	<p>holders of such change at least five <u>Business Days</u> prior to the announcement of the participant.</p>
115	Thirteen	Two	2-35-6	Amending an Article	<p>The <u>Fund Manager</u> shall serve notices with the agenda, time, and place of the Unit holders assembly meeting at least seven <u>Business Days</u> prior to the date of holding the meeting to all of the following:</p> <ol style="list-style-type: none"> 1. The <u>Authority</u>. 2. The <u>Investment Controller</u>. 3. The entity keeping the record of <u>Unit</u> holders Register (<u>Custodian</u> or <u>Clearing Agency</u>). 4. The <u>Auditor, External Sharia Auditing Office</u>, as applicable, if it is decided to present the financial statements to the <u>Unit</u> holders assembly. 5. The <u>Exchange</u>, for announcement of the agenda, date, and place of the assembly. 	<p>The entity that called for the meeting of <u>Unit</u> holders shall serve notices with the agenda, time, and place of the <u>Unit</u> holders assembly meeting at least seven <u>Business Days</u> prior to the date of holding the meeting to all of the following, unless any of them are dispensed during the liquidation stage:</p> <ol style="list-style-type: none"> 1. The <u>Investment Controller</u>. 2. The <u>Record Keeper</u>. 3. The <u>Auditor, External Sharia Auditing Office</u>, as applicable, if it is decided to present the financial statements to the <u>Unit</u> holders assembly. <p>The party that called for the <u>Unit</u> holders assembly shall also give notice to the <u>Authority</u> at least seven <u>Business Days</u> before the meeting, provided that the notification includes the following:</p> <ol style="list-style-type: none"> a. Copy of the meeting invitation. b. Copy of the assembly's agenda. c. Copy of the announcements through newspapers, the <u>Exchange</u> or other announcement means specified in Article No. (2-35-5) of this Chapter. d. Copy of the service providers' notifications of the assembly's invitation.

116	Thirteen	Two	2-35-7	Amending an Article	<p>If the <u>Authority</u> is notified, absence of the representative thereof shall not result in the invalidity of the meeting of the <u>Unit</u> 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 <u>Fund Manager</u>, unless the call for holding the meeting is extended by anybody other than the manager.</p>	<p>If the <u>Authority</u> is notified, absence of the representative thereof shall not result in the invalidity of the meeting of the <u>Unit</u> holders assembly. The meeting shall be invalid in the event of absence of anybody referred to in paragraphs (1), (2), and (3) of the previous Article, unless the services of any of them are dispensed with during the liquidation stage.</p> <p>The meeting shall be invalid in case of the absence of the <u>Fund Manager</u>, unless the call for holding the meeting is extended by anybody other than the manager.</p>
117	Thirteen	Two	2-35-9	Amending an Article	<p>Holding the meeting of the <u>Unit</u> holders assembly shall be invalid unless it is attended by <u>Unit</u> holders constituting 50% of the <u>Fund</u>'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.</p> <p>The resolutions shall be issued by the absolute majority represented in the meeting, excluding the resolutions related to amending the <u>Fund</u>'s Articles of Association and related to the rights acquired by <u>Unit</u> holders or in the event of liquidation</p>	<p>Holding the meeting of the <u>Unit</u> holders assembly shall be invalid unless it is attended by <u>Unit</u> holders constituting 50% of the <u>Fund</u>'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 less than five <u>Business Days</u> and 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.</p> <p>The resolutions shall be issued by the absolute majority represented in the meeting, excluding the resolutions related to amending the <u>Fund</u>'s Articles of Association and related to the rights acquired by <u>Unit</u> holders or in the event of liquidation, as these resolutions shall be issued upon approval of the <u>Unit</u> holders owning 50% of the <u>Fund</u>'s issued capital.</p>

					at the request of the <u>Fund Manager</u> , as these resolutions shall be issued upon approval of the <u>Unit</u> holders owning 50% of the <u>Fund</u> 's issued capital.	
118	Thirteen	Two	2-35-10	Amending an Article	The <u>Unit</u> 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 <u>Authority</u> , the <u>Auditor</u> , or <u>Unit</u> holders owning 5% of the <u>Fund</u> '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 <u>Business Days</u> , if the <u>Unit</u> holders owning 25% of the issued <u>Fund</u> capital so request. The postponed meeting shall be held without the need to take new procedures of invitation.	The <u>Unit</u> 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 <u>Authority</u> , the <u>Auditor</u> , or <u>Unit</u> holders owning 5% of the <u>Fund</u> 's issued capital so request, provided that these issues are related to the topics of the meeting. 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 <u>Business Days</u> , if the <u>Unit</u> holders owning 25% of the issued <u>Fund</u> capital so request. The postponed meeting shall be held without the need to take new procedures of invitation.
119	Thirteen	Two	2-35-11	Amending an Article	The <u>Authority</u> 's representative, in the event of attending the meeting of the <u>Unit</u> holders assembly, shall prepare a report of the events and proceedings of the meeting. The report shall, in particular, include: 1. The meeting's quorum. 2. The validity of proxies 3. Any complaints provided by the <u>Unit</u> holders during the meeting. 4. Resolutions issued by the assembly.	Each <u>Unit</u> holder registered in the <u>Funds</u> register shall be entitled to attend the meeting of the <u>Unit</u> 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 <u>Unit</u> 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. The proxy or authorization referred to in this Article shall contain the following information: 1. Name of the <u>Unit</u> holder according to an official document, or the name of the company or institution

					<p>5. Any <u>Violation</u> of the <u>Law</u> and these <u>Bylaws</u> that may have taken place during the meeting.</p> <p>The <u>Authority</u>'s representative shall not express any opinion in relation to any disagreement during the meeting. The <u>Fund Manager</u> or the entity calling for the meeting, as applicable, shall provide the <u>Authority</u> 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.</p>	<p>according to the information recorded in the commercial register.</p> <p>2. Number of <u>Units</u>.</p> <p>3. Number of civil ID or official document/commercial register for companies.</p> <p>4. Name of the authorized representative according to an official document.</p> <p>5. Name and capacity of the signatory of the proxy or authorization, provided that a copy of the proxy or authorization contract is attached in the event that the signatory is a proxy agent.</p> <p>6. Date of issuing the proxy or authorization.</p> <p>To accept the proxy or power of attorney, whether general or specific, it shall expressly stipulate the right of the proxy or authorization representative to attend the assemblies and vote on the items on their agenda, and it shall be issued for a specific meeting, provided that the original proxy or authorization is submitted.</p>
120	Thirteen	Two	2-35-12	Amending an Article	<p>Each <u>Unit</u> holder registered in the <u>Funds</u> register shall be entitled to attend the meeting of the <u>Unit</u> 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 <u>Unit</u> 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.</p>	<p>None of the <u>Unit</u> holders may vote for himself or for his representative in matters relating to his private interest, and any condition or decision to the contrary shall be null and void.</p> <p>The party that called for the assembly shall neutralize the parties that have a special benefit or a case of conflict of interest in any decision that is discussed in the <u>Unit</u> holders assembly.</p> <p>Provided that the entity responsible for keeping the record calculates the percentages to be neutralized.</p>

121	Thirteen	Two	2-35-13	Amending an Article	<p>On selecting a substitute <u>Fund Manager</u>, the following conditions shall be considered:</p> <p>The substitute manager shall be a <u>Licensed Person</u> by the <u>Authority</u> to work as a <u>Collective Investment Scheme</u> manager.</p> <p>The substitute <u>Fund Manager</u> shall not be a manager of another <u>Fund</u>; which is similar in terms of goals, policies, activities and the category of investors targeted by such <u>Fund</u>, unless it is a <u>Close-Ended Fund</u> and has fulfilled its capital.</p> <p>The substitute <u>Fund Manager</u> shall not have experienced default before due to mismanagement of any <u>Fund</u>.</p> <p>The substitute <u>Fund Manager</u> shall be able to manage a new <u>Fund</u>, so that the position thereof when assuming the <u>Fund</u> management doesn't affect the interest of <u>Unit</u> holders.</p> <p>The substitute manager shall undertake to abide by the <u>Fund</u>'s Articles of Association.</p> <p>Obtain the <u>Authority</u>'s approval to appoint a substitute <u>Fund Manager</u> before holding the <u>Unit</u> holders assembly, which shall decide on selecting such substitute manager. The <u>Authority</u> shall notify the applicant of the decision setting out the reasons thereof within thirty days</p>	<p>The <u>Authority</u>'s representative, in the event of attending the meeting of the <u>Unit</u> holders assembly, shall prepare a report of the events and proceedings of the meeting. The report shall, in particular, include:</p> <ol style="list-style-type: none"> 1. The meeting's quorum. 2. The validity of proxies 3. Any complaints provided by the <u>Unit</u> holders during the meeting. 4. Resolutions issued by the assembly. 5. Any <u>Violation</u> of the <u>Law</u> and these <u>Bylaws</u> that may have taken place during the meeting. <p>The <u>Authority</u>'s representative shall not express any opinion in relation to any disagreement during the meeting.</p>
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					<p>as of the date it received the application.</p> <p>Any other conditions decided by the <u>Authority</u>.</p> <p>In the event of an inability to appoint a substitute <u>Fund Manager</u>, the <u>Authority</u> is entitled to cancel the <u>Fund</u>'s license and it shall be liquidated in accordance with the provisions set forth on this Module.</p>	
122	Thirteen	Two	2-35-14	Adding an Article	<p>----- ---</p>	<p>The <u>Fund Manager</u> or the party that called for the meeting, as the case may be, shall provide the <u>Authority</u> with a copy of the minutes of the assembly meeting, after it is signed by whoever chaired the meeting, and the service providers present at the meeting, within two weeks from the date of its convening, provided that the following shall be attached to the minutes:</p> <ol style="list-style-type: none"> 1. Copy of the <u>Unit</u> holder record. 2. Copy of civil IDs or passports for attendees from <u>Unit</u> holders and service providers. 3. Copy of the proxy or authorization of the attendees from <u>Unit</u> holders and service providers. 4. Copy of the civil IDs or passports of proxies or authorizations representatives of <u>Unit</u> holders and service providers. 5. Copy of the signature authorization (bank or any official document) of the <u>Unit</u> holder who signed the attendance authorization.
123	Thirteen	Two	2-35-15	Adding an Article	<p>-----</p>	<p>Decisions of the <u>Unit</u> holders assembly shall not be implemented without the approval of the <u>Authority</u>, and the <u>Authority</u> may object or dismiss any decision contained in the minutes of the meeting if it contradicts the <u>Law</u>, <u>Bylaws</u>, circulars and resolutions issued by the <u>Authority</u> or the <u>Fund</u>'s Articles of</p>

						<p>Association or outside the powers of the entity concerned with the implementation of that decision.</p> <p>The objection or dismissal shall be justified and notified to the party that called for the meeting within ten days from the date on which the <u>Authority</u> was provided with the minutes of the meeting. In this case, the decision is not considered enforceable, and the <u>Authority</u> may request that the matter be presented to a new <u>Unit</u> holders' assembly, if necessary.</p>
124	Thirteen	Two	2-35-16	Adding an Article	-----	Each of the <u>Unit</u> holders registered in the <u>Fund's</u> register has the right to view the minutes of the <u>Unit</u> holders assemblies meeting or to obtain a copy of them from the party that called for the meeting, as the case may be.
125	Thirteen	Two	2-36	Amending an Article	<p>The <u>Fund</u> shall end in the following events:</p> <ol style="list-style-type: none"> 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 <u>Fund</u> is incorporated for or in the event of the impossibility of achieving its goal. 3. Damage or use of all the <u>Fund's</u> <u>Assets</u> or most of them, so that other assets can't be invested feasibly. 4. At the request of the <u>Fund Manager</u> and by virtue of an approval issued by the assembly of <u>Unit</u> holders owning more than 50% of the <u>Fund's</u> capital 	<p>The <u>Fund</u> shall end in the following events:</p> <ol style="list-style-type: none"> 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 <u>Fund</u> is incorporated for or in the event of the impossibility of achieving its goal. 3. Damage or use of all the <u>Fund's</u> <u>Assets</u> or most of them, so that other assets can't be invested feasibly. 4. At the request of the <u>Fund Manager</u> and by virtue of an approval issued by the assembly of <u>Unit</u> holders owning more than 50% of the <u>Fund's</u> capital has approved the winding up of the <u>Fund</u> before the end of its term. 5. A resolution issued by the <u>Authority</u> to cancel the <u>Fund's</u> license. 6. A court order is issued for the winding up and liquidation of the <u>Fund</u>.

					<p>has approved the winding up of the <u>Fund</u> before the end of its term.</p> <p>5. A resolution issued by the <u>Authority</u> to cancel the <u>Fund</u>'s license.</p> <p>6. A court order is issued for the winding up and liquidation of the <u>Fund</u>.</p>	<p>7. The <u>Fund Manager</u> is exposed to a matter that hinders his ability to continue managing the <u>Fund</u>, such as liquidation, bankruptcy, or cancelation of his license unless a replacement manager is appointed for the <u>Fund</u>.</p>
126	Thirteen	Two	2-37-1	Amending an Article	<p>Once upon its winding up, the <u>Fund</u> shall be liquidated in accordance with the provisions of Article (2-36) of this Module. 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 <u>Fund</u>'s name and written legibly in the correspondences issued by the entity conducting such liquidation. The <u>Fund</u>'s liquidation must be <u>Officially Announced</u>.</p> <p>The provisions set forth in the following articles shall be followed upon the <u>Fund</u>'s liquidation, unless the its Articles of Association otherwise state.</p>	<p>Once any of the events stipulated in Article (2-36) of this Module occurs, and upon the <u>Authority's</u> approval, the <u>Fund</u> shall be liquidated. 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 <u>Fund</u>'s name and written legibly in the correspondences issued by the entity conducting such liquidation. The <u>Fund</u>'s liquidation must be <u>Officially Announced</u>.</p> <p>The provisions set forth in the following articles shall be followed upon the <u>Fund</u>'s liquidation, unless its Articles of Association otherwise state.</p>
127	Thirteen	Two	2-37-2	Amending an Article	<p>All terms of debts due on the <u>Fund</u> shall be cancelled as of the date of <u>Officially Announcing the Fund</u>'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</p>	<p>All terms of debts due on the <u>Fund</u> shall be cancelled as of the date of <u>Officially Announcing the Fund</u>'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 within forty-five days from the date of the <u>Official Announcement</u> of the <u>Fund</u>'s dissolution is published. Creditors may be notified through announcement. In any event, the announcement or notification shall</p>

					through announcement. In any event, the announcement or notification shall include a deadline for such creditors not less than fifteen <u>Business Days</u> to submit the applications thereof.	include a deadline for such creditors not less than fifteen <u>Business Days</u> to submit the applications thereof.
128	Thirteen	Two	2-37-3	Amending an Article	When the <u>Fund</u> is terminated, the <u>Fund Manager</u> 's power shall end. However, the manager shall manage such <u>Fund</u> until a liquidator is appointed and practices the powers thereof. The <u>Fund Manager</u> , 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 <u>Authority</u> , to stop the provision of the services, or replace them with other service providers, or combine some duties assigned to one service provider.	When the <u>Fund</u> is terminated, the <u>Fund Manager</u> 's power shall end. However, the manager shall manage such <u>Fund</u> until a liquidator is appointed and practices the powers thereof, provided that he does not accept any new subscription applications or enter into new investments in the fund. The service providers of the <u>Fund</u> shall continue to provide the services thereof within the liquidation period, unless the liquidator decides, after the approval of the <u>Authority</u> , to stop the provision of the services, or replace them with other service providers, or combine some duties assigned to one service provider. In all events, the external <u>Auditor</u> may not be dispensed with during the liquidation period.
129	Thirteen	Two	2-37-4	Amending an Article	The <u>Fund Manager</u> or service providers may appoint a liquidator for the <u>Fund</u> . The liquidator may be appointed amongst the <u>Licensed Persons</u> to manage <u>Collective Investment Schemes</u> , or to manage an <u>Investment Portfolio</u> , or serves as an <u>Investment Controller</u> or a <u>Custodian</u> , or auditors registered at the <u>Authority</u> . In all events, the liquidator shall not be appointed without the approval by the	The <u>Fund Manager</u> or service providers may appoint a liquidator for the <u>Fund</u> . The liquidator may be appointed amongst the <u>Licensed Persons</u> to practice the activities of <u>Collective Investment Schemes</u> or <u>Investment Portfolio Manager</u> or <u>Investment Controller</u> or <u>Custodian</u> or <u>Auditors</u> registered at the <u>Authority</u> . In all events, the liquidator shall not be appointed without the approval by the <u>Authority</u> , taking into account not to combine the functions of the liquidator and the external <u>Auditor</u> .

					<u>Authority</u> and the liquidator shall not proceed with the works thereof unless the appointment thereof is <u>Officially Announced</u> .	The liquidator shall not proceed with the works thereof unless the appointment thereof is <u>Officially Announced</u> .
130	Thirteen	Two	2-37-6	Amending an Article	The liquidator may be dismissed upon a resolution issued by the entity appointing the liquidator. In all events, the <u>Authority</u> may, at the request of any <u>Unit</u> holder or a <u>Fund</u> '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 <u>Officially Announced</u> .	<p>The liquidator may be replaced upon a resolution issued by the entity appointing the liquidator. In all events, the <u>Authority</u> may, at the request of the liquidator or any <u>Unit</u> holder or a <u>Fund</u>'s creditor or on its own, issue a resolution of replacing the liquidator if it finds an acceptable reason for that.</p> <p>Any resolution of the replacing 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 <u>Officially Announced</u>.</p> <p>The previous liquidator shall cooperate fully in order to facilitate the smooth transfer of responsibilities to the alternative liquidator within sixty days of appointing the alternative liquidator, and the previous liquidator shall submit to the replacement liquidator all contracts related to the <u>Fund</u>, where applicable.</p>
131	Thirteen	Two	2-37-7	Amending an Article	<p>The liquidator shall carry out all works required for the <u>Fund</u>'s liquidation and shall be entitled to:</p> <ol style="list-style-type: none"> 1. Represent the <u>Fund</u> before the courts and third parties. 2. Provide <u>Care of a Prudent Person</u> to maintain the <u>Fund</u>'s <u>Assets</u> and rights. 3. Pay the <u>Fund</u>'s debts. 	<p>The liquidator shall carry out all works required for the <u>Fund</u>'s liquidation and shall be entitled to:</p> <ol style="list-style-type: none"> 1. Comply with the <u>Law</u>, these <u>Bylaws</u>, circulars, resolutions, and instructions issued by the <u>Authority</u>. 2. Take all necessary measures immediately to correct any failure to fulfill its obligations stipulated in these <u>Bylaws</u> and any instructions issued by the <u>Authority</u>. 3. Represent the <u>Fund</u> before the courts and third parties.

				<p>4. Sell the <u>Fund's Assets</u> 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.</p> <p>5. Divide the <u>Fund's net Assets</u> amongst the <u>Unit</u> holders</p> <p>The liquidator may not proceed with new works unless they are necessary for completing previous works. In addition, the liquidator may not sell the <u>Fund's Assets</u> 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 <u>Unit</u> holders assembly.</p>	<p>4. Provide <u>Care of a Prudent Person</u> to maintain the <u>Fund's Assets</u> and rights.</p> <p>5. Pay the <u>Fund's</u> debts.</p> <p>6. Allocate amounts for disputed debts and obligations of the <u>Fund</u>.</p> <p>7. Sell the <u>Fund's Assets</u> 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.</p> <p>8. Divide the <u>Fund's net Assets</u> amongst the <u>Unit</u> holders.</p> <p>9. Provide all necessary information about the <u>Fund</u> to service providers to enable them to carry out their tasks effectively.</p> <p>10. Provide a copy of the <u>Fund's</u> liquidator's report on the quarterly liquidation activities submitted to the <u>Authority</u>, the minutes of the <u>Unit</u> holders' assemblies meeting, or the financial statements to the <u>Unit</u> holders if they so request.</p> <p>11. Keeping the books and documents related to the liquidation of the <u>Fund</u> for a period of five years from the date of canceling the registration of the <u>Fund</u> from the <u>Authority's</u> register.</p> <p>The liquidator may not proceed with new works unless they are necessary for completing previous works. In addition, the liquidator may not sell the <u>Fund's Assets</u> in one batch; reconcile concerning the rights thereof; accept arbitration in the disputes related to liquidation</p>
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						works; or deal with parties of relevance or perform in kind distributions without the approval of the <u>Unit</u> holders assembly.
132	Thirteen	Two	2-37-9	Amending an Article	<p>The <u>Fund Manager</u> shall provide the <u>Fund</u>'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 <u>Fund</u>. The liquidator shall, within three months as of proceeding with the assignment thereof, inventory the <u>Fund's Assets</u> 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 <u>Authority</u> of the <u>Fund</u>'s financial position report.</p>	<p>The <u>Fund Manager</u> shall provide the <u>Fund</u>'s accounts and hand over books, documents, and assets thereof to the liquidator within thirty days from the date of the decision to appoint the liquidator. In addition, the service providers shall provide the liquidator with any data or information related to the <u>Fund</u>. The liquidator shall inventory the <u>Fund's Assets</u> and shall identify the financial position thereof, including rights and obligations thereof. The liquidator may appoint/hire service providers in this regard. The liquidator shall keep books necessary to register the liquidation and shall provide the <u>Authority</u> within three months from the date on which the <u>Fund</u> was liquidated and the liquidator commenced his work - with the following:</p> <ol style="list-style-type: none"> 1. The <u>Fund's</u> financial position report, provided that it is audited by the <u>Fund's Auditor</u>. 2. Record of <u>Unit</u> holders as on the date of the liquidation month. <p>In the event of replacing the <u>Fund's</u> liquidator, the obligations contained in this Article shall apply to each of the previous <u>Fund's</u> liquidator, the alternative liquidator and service providers, each according to his competence.</p>
133	Thirteen	Two	2-37-10	Amending an Article	<p>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 <u>Authority</u> shall</p>	<p>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 <u>Authority</u> shall specify such period at the request of the stakeholders.</p>

					<p>specify such period at the request of the stakeholders.</p> <p>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.</p>	<p>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. The period may also be extended by a decision issued by the <u>Authority</u> at the request of the liquidator in the event that it is not possible to extend the period by the <u>Authority</u> that chose the liquidator. Any party with a relevant interest may require the <u>Authority</u> to shorten such period.</p>
134	Thirteen	Two	2-37-11	Amending an Article	<p>The liquidator of the <u>Fund</u> shall call the <u>Unit</u> 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 <u>Auditor</u>'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.</p>	<p>Each <u>Fund</u> under liquidation shall have a <u>Unit</u> holders assembly. The liquidator of the <u>Fund</u> shall call the <u>Unit</u> holders assembly meeting to be held within the Fund's financial year, in order to discuss the financial data for the ended year, the <u>Auditor</u>'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.</p>
135	Thirteen	Two	2-37-13	Amending an Article	<p>After payment of the <u>Fund</u>'s debts, the liquidator shall divide the remaining <u>Fund</u>'s <u>Assets</u> on the <u>Unit</u> holders. Each participant shall receive a share proportional to the number of <u>Units</u> thereof in the <u>Fund</u>'s capital.</p>	<p>The liquidator shall divide the remaining <u>Fund</u>'s <u>Assets</u> to each participant in proportion to the number of <u>Units</u> in the <u>Fund</u>'s capital, after paying his debts and obligations related to the liquidation work that are allocated for this purpose.</p> <p>In all cases, it must be taken into account that no additional expenses are charged to the <u>Fund</u>, which will affect the share of some <u>Unit</u> holders without the rest.</p>
136	Thirteen	Two	2-37-14	Amending an Article	<p>The liquidator shall provide the <u>Unit</u> holders assembly with a final</p>	<p>Upon completion of the liquidation of the <u>Fund</u> and the division of its assets, the liquidator shall submit to</p>

					<p>account of the <u>Fund</u>'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 <u>Fund</u> in the <u>Funds</u> register at the Authority after the liquidation is completed.</p> <p>The liquidator shall <u>Officially Announce</u> the liquidation completion and the completion of liquidation shall not be effective against third party before the date of <u>Official Announcement</u>.</p>	<p>the <u>Authority</u> a final audited account and a certificate that there are no cases filed by or against the <u>Fund</u> issued by the competent authority, in addition to submitting a copy of the bank statement of zero.</p> <p>The liquidator shall also present the audited final account to the <u>Unit</u> holders assembly, and the liquidation work ends with the approval of the final account from that assembly.</p> <p>The liquidator shall request the <u>Authority</u> to <u>Officially Announce</u> the liquidation completion and cancelation of the <u>Fund's</u> entry from the <u>Fund's</u> register with the <u>Authority</u> after the liquidation is completed.</p> <p>The completion of liquidation shall not be invoked against others except from the date of the <u>Official Announcement</u>.</p>
137	Thirteen	Two	2-37-15	Amending an Article	<p>The liquidator shall provide the <u>Authority</u> with a quarterly report of liquidation works. In addition, the <u>Authority</u> may require the liquidator to provide it with any information or reports when necessary.</p>	<p>The liquidator shall provide the <u>Authority</u> with a quarterly report of liquidation works according to the form contained in Appendix No. (10) of this Module, in addition to submitting the audited periodical and annual audited financial statements and the <u>Auditor's</u> report for the <u>Fund</u> under liquidation within a maximum period of thirty days from the end of the period for which the report on the liquidation works and the financial statements is prepared. In addition, the <u>Authority</u> may require the liquidator to provide it with any information or reports when necessary.</p>
138	Thirteen	Two	2-37-16	Amending an Article	<p>Records and documents related to the <u>Fund</u>'s liquidation shall be kept for five years as of the date of cancelling the registration of the Fund from the <u>Authority</u> register at</p>	<p>The liquidator shall be required to indemnify for the damages incurred by the <u>Fund</u>, <u>Unit</u> 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.</p>

					the place specified by the body which appointed the liquidator.	In case of various liquidators, they shall be jointly liable.
139	Thirteen	Two	2-37-17	Canceling an Article	The liquidator shall be required to indemnify for the damages incurred by the <u>Fund</u> , <u>Unit</u> 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.	-----
140	Thirteen	Two	2-38	Adding an Article	-----	Substitute Manager
141	Thirteen	Two	2-38-1	Adding an Article	-----	On selecting a substitute <u>Fund Manager</u> , the following conditions shall be considered: 1. The substitute manager shall be a <u>Licensed Person</u> by the <u>Authority</u> to work as a <u>Collective Investment Scheme</u> manager. 2. The substitute <u>Fund Manager</u> shall not be a manager of another <u>Fund</u> , which is similar in terms of goals, policies, activities and the category of investors targeted by such <u>Fund</u> , unless it is a <u>Close-Ended Fund</u> and has fulfilled its capital. 3. The substitute <u>Fund Manager</u> shall not have experienced default before due to mismanagement of any <u>Fund</u> . 4. The substitute <u>Fund Manager</u> shall be able to manage a new <u>Fund</u> , so that the position thereof when assuming the <u>Fund</u> management doesn't affect the interest of <u>Unit</u> holders. 5. The substitute manager shall undertake to abide by the <u>Fund's</u> Articles of Association. 6. Obtain the <u>Authority's</u> approval to appoint a substitute <u>Fund Manager</u> before holding the <u>Unit</u>

						<p>holders assembly to obtain the approval of more than 50% of the Fund's capital for selection of the substitute manager. The <u>Authority</u> shall notify the applicant of the decision setting out the reasons thereof within thirty days as of the date it received the application.</p> <p>7. Any other conditions decided by the <u>Authority</u>.</p> <p>Each replacement decision shall include the appointment of substitute or who will safeguard the assets of the <u>Fund's Assets</u>. The substitute <u>Fund</u> manager shall not proceed with works thereof unless the <u>Authority</u> announces the resolutions of replacement and appointment thereof in the Official Gazette.</p>
142	Thirteen	Two	2-38-2	Adding an Article	-----	<p>The <u>Fund Manager</u> shall cooperate fully in order to facilitate a smooth transfer of responsibilities to the substitute <u>Fund Manager</u> within sixty days of the appointment of the substitute manager, and the previous <u>Fund Manager</u> shall submit to the substitute manager all contracts related to the <u>Fund</u>, where applicable.</p>
143	Thirteen	Two	2-38-3	Adding an Article	-----	<p>In the event of an inability to appoint a substitute <u>Fund Manager</u> through the <u>Unit</u> holders assembly, the <u>Authority</u> is entitled to do what it deems appropriate to achieve the best interest of the <u>Fund</u>. The <u>Authority</u> may cancel the <u>Fund's</u> license and it shall be liquidated in accordance with the provisions set forth on this Chapter.</p>

144	Thirteen	Three	3-5	Amending an Article	<p>The following shall not be included in the <u>Contractual Collective Investment Schemes</u>:</p> <ol style="list-style-type: none"> 1. The insurance contracts and the relevant investment tools thereof, as well as the investments managed as part of Takaful insurance contracts. 2. The investment accounts opened at the Islamic banks, provided that these account are regulated by the <u>Central Bank</u>. 3. <u>Investment Portfolios</u>. 4. The contractual arrangements executed between companies that belong to one group. 5. Schemes of saving, pensions, retirement or benefits created for the benefit of the companies' employees. 6. Other contractual arrangements that the <u>Authority</u> decides to be excluded from the scope of the <u>Contractual Collective Investment Schemes</u>. 	<p>Any contractual arrangements that the <u>Authority</u> decides to exclude from the scope of the <u>Contractual Collective Investment Schemes</u> shall not be included within the <u>Contractual Collective Investment Schemes</u>.</p>
145	Thirteen	Three	3-13	Amending an Article	<p>Requirements for incorporating a Contractual Collective Investment Scheme</p> <p>Any Contractual Collective Investment Scheme shall be incorporated as follows:</p> <ol style="list-style-type: none"> 1. The Licensed Person to practice Collective Investment Scheme Manager activity shall submit an application, to incorporate a Contractual Collective Investment 	<p>Requirements for incorporating a Contractual Collective Investment Scheme</p> <p>Any <u>Contractual Collective Investment Scheme</u> shall be incorporated as follows:</p> <ol style="list-style-type: none"> 1. The <u>Licensed Person</u> to practice <u>Collective Investment Scheme Manager</u> activity shall submit an application, to incorporate a <u>Contractual Collective Investment Scheme</u> to the <u>Authority</u>, according to the form set out in Appendix (6) of this Module, in addition to submitting an incorporation form of a

				<p>Scheme to the Authority, according to the form set out in Appendix (6) of this Module, in addition to submitting an incorporation form of a Special Purpose Vehicle Company pursuant to Chapter Four (Special Purpose Vehicle Company which Issues Contractual Collective Investment Scheme Units) of this Module.</p> <p>It shall be exempted from submitting a Prospectus in Contractual Collective Investment Scheme Units.</p> <p>2. The Authority may at any time, after it receives the application to incorporate a Contractual Collective Investment Scheme according to the requirements in item (1) of this article, require additional documents or information that it considers necessary to decide on such application. If the applicant does not submit the required information and document within the period specified by the Authority, the application shall be considered as void.</p> <p>3. The Authority shall decide on the application to incorporate a Contractual Collective Investment Scheme after it receives the application including all of the information and documents set out in the above items (1) and (2) of this article.</p> <p>4. In the event of rejecting the application, the decision of rejection shall set out the reasons thereof.</p>	<p><u>Special Purpose Vehicle Company</u> pursuant to Chapter Four (Special Purpose Vehicle Company which Issues Contractual Collective Investment Scheme Units) of this Module.</p> <p>It shall be exempted from submitting a <u>Prospectus</u> in <u>Contractual Collective Investment Scheme Units</u> and shall pay the prescribed fees.</p> <p>2. The <u>Authority</u> may at any time, after it receives the application to incorporate a <u>Contractual Collective Investment Scheme</u> that meet the requirements of item (1) of this article, require additional documents or information that it considers necessary to decide on such application within the period specified by the <u>Authority</u>.</p> <p>3. The <u>Authority</u> shall decide on the application to incorporate a <u>Contractual Collective Investment Scheme</u> after it receives the application including all of the information and documents set out in the above items (1) and (2) of this article within thirty <u>Business Days</u>.</p> <p>4. In the event of rejecting the application, the decision of rejection shall set out the reasons thereof.</p> <p>5. If the application is approved, the applicant shall be notified to pay the licensing fees within thirty days from the date of issuance of the approval. The applicant shall specify and notify the <u>Authority</u> of the start date of the subscription, provided that it is within six months of the <u>Authority's</u> approval of the incorporation application.</p> <p>6. The <u>Authority</u> shall issue a temporary license for six months, during which the minimum capital stated in the <u>Contractual Collective Investment Scheme</u></p>
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					<p>8. The Authority shall issue the final license - at the request of the licensed person - once the requirements set out in this article are met.</p> <p>In all cases, the Authority shall, notify the applicant of its decisions referred to in this article, and publish its decisions related to the issuance of the license in the Official Gazette.</p>	<p>decisions related to the issuance of the license in the Official Gazette.</p>
146	Thirteen	Three	3-15-2	Amending an Article	<p>The Contractual Collective Investment Scheme should include the following data and information as a minimum:</p> <ol style="list-style-type: none"> 1. Contractual Collective Investment Scheme name. 2. Contractual Collective Investment Scheme form (open-ended or closed-ended). 3. Contractual Collective Investment Scheme term. 4. Currency of the Contractual Collective Investment Scheme. 5. Contractual Collective Investment Scheme capital and its payment method. 6. Number of Contractual Collective Investment Scheme investment Units and the nominal value of each Unit. 	<p>The <u>Contractual Collective Investment Scheme</u> should include the following data and information as a minimum:</p> <ol style="list-style-type: none"> 1. <u>Contractual Collective Investment Scheme</u> name. 2. <u>Contractual Collective Investment Scheme</u> form (open-ended or closed-ended). 3. <u>Contractual Collective Investment Scheme</u> term. 4. Currency of the <u>Contractual Collective Investment Scheme</u>. 5. Nature of the <u>Contractual Collective Investment Scheme (Conventional or Conforms with Islamic Sharia)</u>. 6. <u>Contractual Collective Investment Scheme</u> capital and its payment method. 7. Number of <u>Contractual Collective Investment Scheme</u> investment <u>Units</u> and the nominal value of each <u>Unit</u>. 8. Investment objectives of the <u>Contractual Collective Investment Scheme</u>. 9. Field of investment of the <u>Contractual Collective Investment Scheme</u>.

				<p>7. Investment objectives of the Contractual Collective Investment Scheme.</p> <p>8. Investment policies, guidelines and risks.</p> <p>9. Beginning and end of the financial year of the Contractual Collective Investment Scheme.</p> <p>10. Information about the Special Purpose Vehicle Company which represents the Contractual Collective Investment Scheme, including its activities and its chosen permanent headquarters in which notifications, correspondence and announcements are made.</p> <p>11. Collective Investment Scheme Manager's name, address, profile and fees.</p> <p>12. Statement that the Collective Investment Scheme Manager is licensed by the Authority.</p> <p>13. A Summary of the responsibilities of service providers, in addition to the provisions relevant to the termination of their service or replacing them.</p>	<p>10. Investment controls.</p> <p>11. Investment risk.</p> <p>12. Beginning and end of the financial year of the <u>Contractual Collective Investment Scheme</u>.</p> <p>13. Information about the <u>Special Purpose Vehicle Company</u> which represents the <u>Contractual Collective Investment Scheme</u>, including its activities and its chosen permanent headquarters in which notifications, correspondence and announcements are made.</p> <p>14. <u>Collective Investment Scheme Manager's</u> name, address, profile and fees.</p> <p>15. Statement that the <u>Collective Investment Scheme Manager</u> is licensed by the <u>Authority</u>.</p> <p>16. A Summary of the responsibilities of service providers, in addition to the provisions relevant to the termination of their service or replacing them.</p> <p>17. Minimum and maximum subscription and redemption by the <u>Collective Investment Scheme Manager</u> (if any) and the <u>Unit</u> holders in the <u>Contractual Collective Investment Scheme</u>.</p> <p>18. Method of subscription and redemption, and the extent to which the in kind subscription and redemption are permitted (if any).</p> <p>19. Subscription and redemption periods (if any).</p> <p>20. Method of transfer in ownership in the <u>Contractual Collective Investment Scheme</u> (if any).</p>
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					<p>appoint a liquidator in cases other than that assigned to the Authority.</p> <p>29. Provisions and requirements of terminating and liquidating the Contractual Collective Investment Scheme, without prejudice to the general provisions set forth in Article (3-41) and (3-42) of this Chapter.</p> <p>30. Method of calculating and paying the fees of the service providers.</p> <p>31. Method of amending the Contractual Collective Investment Scheme Contract.</p> <p>32. Procedures of any complaints provided by the Unit holders related to the Contractual Collective Investment Scheme.</p> <p>33. Procedure of correspondence with the Unit holders.</p> <p>34. Any other information required by the Authority.</p>	
147	Thirteen	Three	3-18	Amending an Article	<p>Without prejudice to the provisions of Article (1-9) of this Module, the following additional provisions shall be applied in the event of any amendment to the <u>Contractual Collective Investment Scheme Contract</u>:</p> <p>1. The <u>Collective Investment Scheme Manager</u> shall notify the <u>Unit holders</u> of any amendment to the</p>	<p>Without prejudice to the provisions of Article (1-9) of this Module, the following additional provisions shall be applied in the event of any amendment to the <u>Contractual Collective Investment Scheme Contract</u>:</p> <p>1. The <u>Collective Investment Scheme Manager</u> shall notify the <u>Unit holders</u> of any amendment to the <u>Contractual Collective Investment Scheme Contract</u> within a period not exceeding five <u>Business Days</u> from the date of <u>Authority</u>'s approval of the amendment.</p>

					<p><u>Contractual Collective Investment Scheme Contract</u> within a period not exceeding five <u>Business Days</u> from the date of <u>Authority</u>'s approval of the amendment.</p> <p>2. The <u>Authority</u> shall determine the effective date of any amendment to the <u>Contractual Collective Investment Scheme Contract</u>.</p>	<p>2. No amendment to the <u>Contractual Collective Investment Scheme Contract</u> shall be implemented unless after approval by the <u>Authority</u> with immediate effect or on the date it specifies.</p>
148	Thirteen	Three	3-21	Amending an Article	<p>Contractual Collective Investment Scheme Service Providers</p> <p>Each <u>Contractual Collective Investment Scheme</u> must have the following service providers:</p> <ol style="list-style-type: none"> 1. A <u>Collective Investment Scheme Manager</u>. 2. An <u>Investment Controller</u>. 3. A <u>Custodian</u>. 4. An external <u>Auditor</u>. 5. An <u>External Sharia Auditing Office</u> (for Contractual Collective Investment Schemes licensed to operate in accordance with the provisions of Islamic Sharia). <p>It shall be taken into consideration that the <u>Investment Controller</u>, the external <u>Auditor</u>, or the <u>External Sharia Auditing Office</u> may not be a</p>	<p>Contractual Collective Investment Scheme Service Providers</p>

					<p><u>Related Party with the Collective Investment Scheme Manager.</u></p> <p>The <u>Collective Investment Scheme Manager</u> may appoint other service providers. In the event of appointing an <u>Investment Advisor</u>, the Scheme Manger shall incur its expenses.</p>	
149	Thirteen	Three	3-21-1	Adding an Article	-----	<p>Each <u>Contractual Collective Investment Scheme</u> must have the following service providers:</p> <ol style="list-style-type: none"> 1. A <u>Collective Investment Scheme Manager</u>. 2. An <u>Investment Controller</u>. 3. A <u>Custodian</u>. 4. Record Keeper. 5. An external <u>Auditor</u>. 6. An <u>External Sharia Auditing Office</u> (for <u>Contractual Collective Investment Schemes</u> licensed to operate in accordance with the provisions of Islamic Sharia). <p>It shall be taken into consideration that the <u>Investment Controller</u>, the external <u>Auditor</u>, or the <u>External Sharia Auditing Office</u> may not be a <u>Related Party with the Collective Investment Scheme Manager</u>.</p> <p>The <u>Collective Investment Scheme Manager</u> may appoint other service providers, in addition to the service providers referred to in this Article including the <u>Investment Advisor</u>, the <u>Subscription Agent</u> (selling), or any other entity as needed.</p> <p>He may also seek the assistance of one of the persons licensed by another <u>Regulatory Body</u> to perform some of his tasks regarding the management of the Scheme's assets located outside the State of Kuwait,</p>

						or to seek the assistance of any other parties to provide services for the Scheme outside the State of Kuwait, provided that those entities are subject to another <u>Regulatory Body</u> , and the contract with any of those entities to exempt the Scheme manager from his responsibilities or the damages resulting from this contract.
150	Thirteen	Three	3-21-2	Adding an Article	-----	<p>Service Provider Fees</p> <p>The Scheme shall incur the incorporation fees, <u>Authority</u> license fees, or any other fees imposed by the <u>Authority</u>.</p> <p>No amount of Scheme assets may be paid in case the service provider is appointed to perform any of the tasks related to the tasks of the Scheme manager or in return for the <u>Investment Advisor's</u> fees.</p>
151	Thirteen	Three	3-22	Amending an Article	<p>A service provider may not combine two or more functions set forth in Article (3- 21) of this Chapter to one <u>Contractual Collective Investment Scheme</u>. As an exception, the functions of the <u>Custodian</u> and the <u>Investment Controller</u> may be combined for a <u>Contractual Collective Investment Scheme</u>; provided that the necessary procedures and measures for the segregation of functions assumed by the service provider shall be taken.</p>	<p>A service provider may not combine two or more functions set forth in Article (3- 21-1) of this Chapter to one <u>Contractual Collective Investment Scheme</u>. As an exception, it is permissible to combine in the following cases:</p> <ol style="list-style-type: none"> 1. Between the duties of the <u>Custodian</u>, <u>Record Keeper</u> and <u>Investment Controller</u> for the <u>Contractual Collective Investment Scheme</u>. 2. Combining the duties of the Scheme manager, the <u>Subscription Agent</u> (selling) and the real estate management company. 3. Combining the duties of the <u>Subscription Agent</u> (selling), the <u>Investment Advisor</u> and the real estate management company. 4. Combining the duties of the <u>Investment Advisor</u> and the real estate management company. <p>Provided that the necessary measures and procedures are taken to separate the duties performed by the service provider, and to limit any conflict of interest</p>

						cases that may arise during the performance of the duties.
152	Thirteen	Three	3-23	Amending an Article	<p>Obligations of Service Providers of Contractual Collective Investment Scheme</p> <p>Service providers for a Contractual Collective Investment Scheme shall comply with the following:</p> <ol style="list-style-type: none"> 1. Must be a Licensed Person or Registered Person 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 	<p>Obligations of Service Providers of Contractual Collective Investment Scheme</p> <p>Service providers, whether natural <u>Persons</u> or corporate entities, shall comply with the following:</p> <ol style="list-style-type: none"> 1. 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, except for the Scheme manger where the Scheme contract meets the requirements of this Item. 3. Assume <u>Care of a Prudent Person</u> when undertaking the responsibilities of a service provider, cooperate with the other service providers of the Scheme, take responsibility for any professional omission or negligence, or fraud committed by him during the performance of his work, and compensate every <u>Person</u> harmed as a result of an error committed by the service provider. 4. The service provider, except for the <u>Collective Investment Scheme Manager</u>, may not deal in the

					<p>of a service provider, and cooperate with the other service providers of the Scheme, and compensate every Person harmed as a result of an error committed by the Service Provider.</p> <p>4. The service provider, except for the Collective Investment Scheme Manager, may not deal in the Contractual Collective Investment Scheme's Units for its interest or on anyone's behalf.</p> <p>5. Take all necessary measures to rectify any failure to comply with its obligations stipulated in the Contractual Collective Investment Scheme Contract and these Bylaws and any instructions issued by the Authority.</p>	<p><u>Contractual Collective Investment Scheme's Units</u> for its interest or on anyone's behalf.</p> <p>5. Comply with the <u>Law</u>, these <u>Bylaws</u>, circulars, decisions and instructions issued by the <u>Authority</u>, and the <u>Contractual Collective Investment Scheme Contract</u>.</p> <p>6. Take all necessary measures to rectify any failure to comply with its obligations stipulated in the <u>Contractual Collective Investment Scheme Contract</u> and these <u>Bylaws</u> and any instructions issued by the <u>Authority</u>.</p> <p>7. Access at any time to the records, books, documents and papers related to the Scheme in the possession of other service providers within the limits that fall within their jurisdiction and to enable them to perform their duties as required.</p> <p>8. Not to exploit the assets of the Scheme for a private interest.</p>
153	Thirteen	Three	3-24	Amending an Article	<p>Service Providers shall immediately notify the Authority of any information that may materially affect the interests of Unit holders in the Contractual Collective Investment Scheme, including but not limited to the following:</p> <p>1. Any violation of the provisions of the Law or these Bylaws or the Contractual Collective Investment Scheme Contract or decisions and regulations issued by the Authority.</p>	<p>Service providers shall immediately notify the <u>Authority</u> within five <u>Business Days</u> of knowing about any information that may materially affect the interests of <u>Unit</u> holders in the <u>Contractual Collective Investment Scheme</u>, including but not limited to the following:</p> <p>1. Any violation of the provisions of the Law or these Bylaws or the <u>Contractual Collective Investment Scheme Contract</u> or decisions and regulations issued by the <u>Authority</u>.</p> <p>2. The inability of the <u>Contractual Collective Investment Scheme</u> to meet its financial obligations as they fall due.</p>

					2. The inability of the Contractual Collective Investment Scheme to meet its financial obligations as they fall due.	
154	Thirteen	Three	3-26	Amending an Article	Collective Investment Scheme Manager	<p>Collective Investment Scheme Manager</p> <p>The <u>Contractual Collective Investment Scheme</u> shall be managed by an <u>Executive Team</u> formed of two or more of the <u>Collective Investment Scheme Manager's</u> employees, who must be registered at the <u>Authority</u> as <u>Representatives of Collective Investment Scheme Manager</u> activity, provided that one of the employees should be at an <u>Executive Position</u> or <u>Chief Executive Officer</u> of the <u>Collective Investment Scheme Manager</u>. The <u>Executive Team</u> shall represent the <u>Collective Investment Scheme Manager</u> with the responsibilities and powers set forth in this Module.</p> <p>Their signature or whom they authorize among them thereof shall be considered as the <u>Collective Investment Scheme Manager's</u> signature. The members will be jointly liable with the manager for any errors, negligence, or fraud in the management of the Scheme.</p>
155	Thirteen	Three	3-26-1	Amending an Article	The Contractual Collective Investment Scheme shall be managed by an Executive Team formed of two or more of the Collective Investment Scheme Manager's employees, who must be registered at the Authority as Representatives of Collective Investment Scheme Manager activity, provided that one of the employees should	The Scheme manager shall appoint a representative of the activity of a <u>Collective Investment Scheme Manager - (Operations Officer)</u> who works for the <u>Executive Team</u> and receives orders and implements them within the limits of the supporting operations. He also coordinates with the <u>Investment Controller</u> and provides him with all necessary information about the Scheme that enables him to evaluate shares or <u>Units</u> and perform his tasks efficiently and effectively, without having any discretionary power to make investment decisions regarding the Scheme management.

					<p>be at an Executive Position or Chief Executive Officer of the Collective Investment Scheme Manager. The Executive Team shall represent the Collective Investment Scheme Manager with the responsibilities and powers set forth in this Module.</p> <p>Their signature or whom they authorize among them thereof shall be considered as the Collective Investment Scheme Manager's signature. The members will be jointly liable with the manager for any errors, negligence, or fraud in the management of the Scheme.</p>	
156	Thirteen	Three	3-26-2	Amending an Article	<p>The Collective Investment Scheme Manager is committed in particular to the following functions:</p> <ol style="list-style-type: none"> 1. Represent the Contractual Collective Investment Scheme legally, and practice the rights and obligations associated with the Scheme in the interest of the Unit holders and on their behalf. 2. Manage the Collective Investment Scheme's Assets in a manner that achieves the investment objectives of the Contractual Collective Investment Scheme set forth in the Contractual Collective Investment Scheme Contract. 	<p>The Collective Investment Scheme Manager is committed in particular to the following functions:</p> <ol style="list-style-type: none"> 1. Represent the <u>Contractual Collective Investment Scheme</u> legally, and practice the rights and obligations associated with the Scheme in the interest of the <u>Unit</u> holders and on their behalf, and he - or whoever he delegates - has the right to sign on his behalf, and he - or whoever he delegates - has the right to sign on his behalf. 2. Manage the <u>Collective Investment Scheme's Assets</u> in a manner that achieves the investment objectives of the <u>Contractual Collective Investment Scheme</u> set forth in the <u>Contractual Collective Investment Scheme Contract</u>.

				<p>3. Manage the Special Purpose Vehicle Company which is established for issuing Units of the Contractual Collective Investment Scheme in accordance with the company's Articles of Association and the Contractual Collective Investment Scheme Contract.</p> <p>4. Take all of the investment decisions and other decisions in a manner that achieves the interest(s) of the Contractual Collective Investment Scheme and its Unit holders, and ensure the fair treatment of the Unit holders.</p> <p>5. Appoint the service providers of the Contractual Collective Investment Scheme and ensure that they perform their tasks.</p> <p>6. Comply with all the provisions of the Contractual Collective Investment Scheme Contract and the Articles of Association of the Special Purpose Vehicle Company established for issuing Units of the Contractual Collective Investment Scheme.</p> <p>7. Apply the appropriate policies and procedures to prevent or reduce wrongful practices, which may affect the stability of the market and its integrity.</p>	<p>3. Manage the <u>Special Purpose Vehicle Company</u> which is established for issuing <u>Units</u> of the <u>Contractual Collective Investment Scheme</u> in accordance with the company's Articles of Association and the <u>Contractual Collective Investment Scheme Contract</u>.</p> <p>4. Take all of the investment decisions and other decisions in a manner that achieves the interest(s) of the <u>Contractual Collective Investment Scheme</u> and its <u>Unit</u> holders, and ensure the equal treatment of the <u>Unit</u> holders.</p> <p>5. Appoint the service providers of the <u>Contractual Collective Investment Scheme</u> and ensure that they perform their tasks.</p> <p>6. Comply with all the provisions of the <u>Contractual Collective Investment Scheme Contract</u> and the Articles of Association of the <u>Special Purpose Vehicle Company</u> established for issuing <u>Units</u> of the <u>Contractual Collective Investment Scheme</u>.</p> <p>7. Apply the appropriate policies and procedures to prevent or reduce wrongful practices, which may affect the stability of the market and its integrity.</p> <p>8. Ensure the use of pricing models and appraisal methods that are fair, correct, and transparent for the <u>Collective Investment Scheme Assets</u> managed thereby for every Scheme he manages.</p> <p>9. Take appropriate measures to protect and safe keep the <u>Collective Investment Scheme's Assets</u>.</p> <p>10. Maintain records of purchase and sale transactions which occur in the <u>Contractual Collective Investment</u></p>
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				<p>8. Ensure the use of pricing models and appraisal methods that are fair, correct, and transparent for the Collective Investment Scheme Assets managed thereby.</p> <p>9. Take appropriate measures to protect and safe keep the Collective Investment Scheme's Assets.</p> <p>10. Maintain records of purchase and sale transactions which occur in the Contractual Collective Investment Scheme and according to its timing and chronological sequence.</p> <p>11. Negotiate all borrowing arrangements (if any) in accordance with the limits set forth in the Contractual Collective Investment Scheme Contract and supervise the implementation of these arrangements.</p> <p>12. Exercise any voting rights related to the Collective Investment Scheme Assets in accordance with the provisions of the Contractual Collective Investment Scheme Contract.</p> <p>13. Applying an appropriate accounting system to record the financial transactions of the Contractual Collective Investment Scheme.</p>	<p><u>Scheme</u> and according to its timing and chronological sequence.</p> <p>11. Negotiate all borrowing arrangements (if any) in accordance with the limits set forth in the <u>Contractual Collective Investment Scheme Contract</u> and supervise the implementation of these arrangements.</p> <p>12. Applying an appropriate accounting system to record the financial transactions of the <u>Contractual Collective Investment Scheme</u>.</p> <p>13. Prepare semi-annual financial statements and annual financial statements of the <u>Contractual Collective Investment Scheme</u>.</p> <p>14. Ensure an adequate system is in place for the settlement of transactions that have been entered into the accounting system with bank accounts and <u>Securities</u> accounts opened under the <u>Contractual Collective Investment Scheme's</u> name with the <u>Custodian</u>.</p> <p>15. Provide sufficient liquidity for the <u>Contractual Collective Investment Scheme</u> to meet any obligations that may arise.</p> <p>16. Not to expose the <u>Contractual Collective Investment Scheme</u> to any unnecessary investment risks in accordance with its policies and investment objectives.</p> <p>17. Provide the necessary information of the <u>Contractual Collective Investment Scheme</u> to the service providers to the extent that enables them to perform their duties thereof efficiently and effectively.</p>
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				<p>14. Prepare semi-annual financial statements and annual financial statements of the Contractual Collective Investment Scheme.</p> <p>15. Ensure an adequate system is in place for the settlement of transactions that have been entered into the accounting system with bank accounts and Securities accounts opened under the Contractual Collective Investment Scheme's name with the Custodian.</p> <p>16. Provide sufficient liquidity for the Contractual Collective Investment Scheme to meet any obligations that may arise.</p> <p>17. Not to expose the Contractual Collective Investment Scheme to any unnecessary investment risks in accordance with its policies and investment objectives.</p> <p>18. Provide the necessary information of the Contractual Collective Investment Scheme to the service providers to the extent that enables them to perform their duties thereof efficiently and effectively.</p> <p>19. Notify the Units holders (or call for a meeting of the Units holders assembly) after the occurrence of material events that may affect their interests.</p>	<p>18. Notify the <u>Authority or Units</u> holders immediately after the occurrence of material events that may affect their interests.</p> <p>19. Segregation between the processes associated with <u>Collective Investment Schemes</u> if the manager is managing more than one <u>Collective Investment Scheme</u>.</p>
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					20. Segregation between the processes associated with collective investment schemes if the manager is managing more than one Collective Investment Scheme.	
157	Thirteen	Three	3-26-4	Amending an Article	A Collective Investment Scheme Manager may not participate in voting on resolutions which are related to his personal interests or if the interests thereof are in conflict with the scheme's interests.	The <u>Authority</u> may, at the request of one of the <u>Contractual Collective Investment Scheme Unit</u> holders or the creditors of the <u>Special Purpose Vehicle Company</u> , or on its own initiative, issue a decision replacing the <u>Collective Investment Scheme Manager</u> if it deems an acceptable justification for this, or who would safeguard the assets of the Scheme. The <u>alternative Collective Investment Scheme</u> manager shall only commence carrying out his work after the <u>Authority</u> publishes <u>Official Announcements</u> of the replacement and appointment decisions in the Official Gazette.
158	Thirteen	Three	3-26-5	Canceling an Article	The Authority may, at the request of any Unit holder in the Contractual Collective Investment Scheme or creditors of the Special Purpose Vehicle Company or on its own, issue a resolution of dismissal of the Collective Investment Scheme Manager if it finds an accepted reason for that. Any resolution of dismissal shall include appointment of a replacement, or who would safeguard the assets of the scheme. The new Collective Investment Scheme Manager shall not proceed with	-----

					works thereof unless the Authority announces the resolutions of dismissal and appointment thereof in the Official Gazette.	
159	Thirteen	Three	3-27	Amending an Article	<p>Investment Controller</p> <p>Each Contractual Collective Investment Scheme shall have an Investment Controller appointed by the Collective Investment Scheme Manager after obtaining the approval of the Authority, and the Investment Controller shall be committed to the following:</p> <ol style="list-style-type: none"> 1. Ensure that the Collective Investment Scheme Manager complies with the Law, these Bylaws and the Authority's decisions and instructions, the Contractual Collective Investment Scheme Contract, and any other documents issued by the Collective Investment Scheme Manager. 2. To appraise the <u>Units</u> and calculate their net value in an independent and fair manner in accordance with the methods, periods and policies stated thereof in the Contractual Collective Investment Scheme Contract. 3. Approve any transactions that involve a conflict of interest. 4. Meet at least twice annually with the Executive Team of the scheme to 	<p>Investment Controller</p> <p>Each <u>Contractual Collective Investment Scheme</u> shall have an <u>Investment Controller</u> from the <u>Licensed Persons</u>, appointed by the <u>Collective Investment Scheme Manager</u> after obtaining the approval of the <u>Authority</u>, and the Investment Controller shall be committed to the following:</p> <ol style="list-style-type: none"> 1. Ensure that the <u>Collective Investment Scheme Manager</u> complies with the <u>Law</u>, these <u>Bylaws</u> and the <u>Authority's</u> decisions and instructions, the <u>Contractual Collective Investment Scheme Contract</u>, and any other documents issued by the <u>Collective Investment Scheme Manager</u>. 2. To appraise the <u>Units</u> and calculate their net value in an independent and fair manner in accordance with the methods, periods and policies stated thereof in the <u>Contractual Collective Investment Scheme Contract</u>. 3. Notify the Scheme Manager and the <u>Authority</u> of all <u>Unit</u> pricing or evaluation errors that occurred during any period, within five <u>Business Days</u> of discovering the error. 4. Ensure that the Scheme Manager carries out his responsibilities in the interest of the <u>Unit</u> holders in accordance with the <u>Contractual Collective Investment Scheme Contract</u> and the provisions of these <u>Bylaws</u>,

					<p>review the scheme compliance with the Law, these Bylaws, the Authority’s decisions and instructions, the Contractual Collective Investment Scheme Contract, and any other documents issued by the Collective Investment Scheme Manager.</p> <p>5. Notify the <u>Authority</u> of any Violations committed by the Collective Investment Scheme Manager.</p>	<p>and that his funds are invested within the limits of the methods and policies specified in this contract.</p> <p>5. Executing the Scheme Manager’s instructions related to the scope of work of the <u>Investment Controller</u>.</p> <p>6. Approve any transactions that involve a conflict of interest.</p> <p>7. Meet at least twice annually with the <u>Executive Team</u> of the Scheme to review the Scheme compliance with the <u>Law</u>, these <u>Bylaws</u>, the <u>Authority’s</u> decisions and instructions, the <u>Contractual Collective Investment Scheme Contract</u>, and any other documents issued by the <u>Collective Investment Scheme Manager</u>.</p> <p>8. Notify the <u>Authority</u> in the event that <u>the Collective Investment Scheme Manager</u> fails to comply with the <u>Law</u>, these <u>Bylaws</u>, or the <u>Contractual Collective Investment Scheme Contract</u> within five <u>Business Days</u> of becoming aware thereof.</p> <p>9. Preparing an annual report on the work of the Scheme that includes a record of violations and cases of non-compliance and violation of the investment and borrowing controls referred to in Article 3-35 of this Chapter, the procedures taken and the time period for correcting such violations.</p> <p>10. Attending the Scheme Units holders assembly (if any).</p>
160	Thirteen	Three	3-28-1	Amending an Article	Each Contractual Collective Investment Scheme shall have a Custodian appointed	Each <u>Contractual Collective Investment Scheme</u> shall have a <u>Custodian</u> from the <u>Licensed Persons</u> , appointed by the <u>Collective Investment Scheme Manager</u> after obtaining the approval of the <u>Authority</u> .

					<p>by the Collective Investment Scheme Manager after obtaining the approval from the Authority. Such Custodian may appoint one or more 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. The Custodian shall also bear the fees of the sub-Custodian from his own funds, and his fees may not be paid from the of the Collective Investment Scheme's Assets.</p>	<p>Such <u>Custodian</u> may appoint one or more sub-Custodian that is licensed or registered from another <u>Regulatory Body</u> to safe keep the assets outside of the State of Kuwait. Contracting with a sub-Custodian shall not exempt the principal <u>Custodian</u> from the responsibilities thereof.</p>
161	Thirteen	Three	3-28-2	Amending an Article	<p>Subject to the provisions of the Module Seven (Client Funds and Assets) of these Bylaws, the Custodian shall take the necessary measures to ensure the following:</p> <ol style="list-style-type: none"> 1. Keep the Collective Investment Scheme's Assets in accounts independent from its own or third party accounts. 2. Not to use the Collective Investment Scheme's Assets and any rights related to them except in accordance with the objectives set by the Contractual Collective Investment Scheme Contract, and not to exploit it for its benefit or for the benefit of other Clients or for the benefit of any other Collective Investment Schemes. 	<p>Subject to the provisions of the Module Seven (Client Funds and Assets) of these <u>Bylaws</u>, the <u>Custodian</u> shall take the necessary measures to ensure the following:</p> <ol style="list-style-type: none"> 1. Open and manage the necessary bank accounts, accounts with the <u>Clearing Agency</u>, accounts with <u>Brokers</u>, or any other accounts on behalf of the <u>Special Purpose Vehicle Company</u> in the interest of the <u>Contractual Collective Investment Scheme</u>. 2. Not to use the <u>Collective Investment Scheme's Assets</u> and any rights related to them except in accordance with the objectives set by the <u>Contractual Collective Investment Scheme Contract</u>, and not to exploit them for its benefit or for the benefit of other <u>Clients</u> or for the benefit of any other <u>Collective Investment Schemes</u>. 3. Develop appropriate records-keeping systems related to the <u>Collective Investment Scheme's Assets</u>.

				<p>3. Develop appropriate records-keeping systems related to the Collective Investment Scheme's Assets.</p> <p>4. Ensure that all the Collective Investment Scheme's Assets are registered in the name of the Special Purpose Vehicle Company for the interest of the Contractual Collective Investment Scheme and ensure that all the legal arrangements necessary for the safeguarding of the rights of the Contractual Collective Investment Scheme and Unit holders are met in a legally enforceable manner where applicable.</p> <p>5. Collect and keep the dividends and any other distributions arising from the activities of the Contractual Collective Investment Scheme, and deposit them in a bank account in the name of Special Purpose Vehicle Company on behalf of the Contractual Collective Investment Scheme.</p> <p>6. Execute the instructions of the Collective Investment Scheme Manager, within the Custodian's scope of work.</p> <p>7. Notify the Collective Investment Scheme Manager of any obligations on the Collective Investment Scheme's Assets and send any notifications received thereby to the Collective Investment Scheme Manager in the period specified for it.</p>	<p>4. Ensure that all the <u>Collective Investment Scheme's Assets</u>, except for the right to the usufruct (Intifa'a), are registered in the name of the <u>Special Purpose Vehicle Company</u> for the interest of the <u>Contractual Collective Investment Scheme</u> and ensure that all the legal arrangements necessary for the safeguarding of the rights of the <u>Contractual Collective Investment Scheme</u> and <u>Unit</u> holders are met in a legally enforceable manner where applicable.</p> <p>5. Ensure that the right to the usufruct (Intifa'a) contract is transferred in the name of the Special Purpose Vehicle Company or in favor of the <u>Contractual Collective Investment Scheme</u> in a manner that does not conflict with the Scheme contract.</p> <p>6. Collect and keep the dividends and any other distributions arising from the activities of the <u>Contractual Collective Investment Scheme</u>, and deposit them in a bank account in the name of the <u>Special Purpose Vehicle Company</u> on behalf of the <u>Contractual Collective Investment Scheme</u>.</p> <p>7. Execute the instructions of <u>the Collective Investment Scheme Manager</u>, within the <u>Custodian's</u> scope of work.</p> <p>8. Notify the <u>Collective Investment Scheme Manager</u> of any obligations on the <u>Collective Investment Scheme's Assets</u> and send any notifications received thereby to the <u>Collective Investment Scheme Manager</u> in the period specified for it.</p>
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					<p>8. Open and manage the necessary bank accounts, accounts with the Clearing Agency, accounts with Brokers, or any other accounts on behalf of the Special Purpose Vehicle Company in the interest of the Contractual Collective Investment Scheme.</p> <p>9. Prepare and keep the Unit holders Register, unless it is kept at the Clearing Agency.</p>	<p>9. Keep <u>the Collective Investment Scheme's Assets</u> in accounts independent from its own or third party accounts.</p> <p>10. Prepare and keep the <u>Unit</u> holders Register, unless it is kept by the <u>Record Keeper</u>.</p>
162	Thirteen	Three	3-29	Amending an Article	External Auditor	Keeper of the Unit Holders Register
163	Thirteen	Three	3-29-1	Amending an Article	<p>Each Contractual Collective Investment Scheme shall appoint an external Auditor who is Registered with the Authority and appointed by the Collective Investment Scheme Manager, in order to review the semi-annual financial statements and audit the annual financial statements of the Contractual Collective Investment Scheme, in accordance with the International Accounting Standards approved by the Authority.</p>	<p>The register of Scheme <u>Unit</u> holders shall be kept with a <u>Clearing Agency</u> or with a <u>Custodian</u>.</p> <p>In the event of the liquidation of the Scheme, the register of <u>Unit</u> holders may be kept with the liquidator of the Scheme if the services of the entity that keeps the register are dispensed with.</p> <p>In all events, the fees of the entity that keeps the register shall be paid from the <u>Funds</u> of the Scheme.</p>
164	Thirteen	Three	3-29-2	Amending an Article	<p>The external Auditor of a Contractual Collective Investment Scheme shall be appointed for one financial year renewable on an annual basis for a period not exceeding four consecutive financial years. The external Auditor may assume the</p>	<p>The <u>Record Keeper</u> must abide by the following:</p> <p>1. Maintain a record showing the names of the <u>Unit</u> holders, their nationalities, their domicile, the number of <u>Units</u> owned by each of them, their type and the value paid for them, and any update made on the balance of the remaining <u>Units</u> and the <u>Units</u> that have been issued, redeemed, created or canceled, and provide the <u>Investment Controller</u> with a copy of this statement.</p>

					same function for the same scheme after a period not less than two consecutive financial years.	<p>2. Carry out the tasks of transferring ownership in accordance with the provisions of the <u>Contractual Collective Investment Scheme Contract</u> and the Articles of Association of the <u>Special Purpose Vehicle Company</u>.</p> <p>3. Attending <u>Unit</u> holders assemblies (if any) and declaring the quorum after verifying the validity of the identities and representations of the attendees.</p>
165	Thirteen	Three	3-29-3	Canceling an Article	A Contractual Collective Investment Scheme’s external Auditor shall not be the same Auditor for the Collective Investment Scheme Manager.	-----
166	Thirteen	Three	3-30-1	Amending an Article	<p>Contractual Collective Investment Scheme operating under the provisions of Islamic Sharia shall have Sharia supervisory controls to supervise all activities of the Contractual Collective Investment Scheme to ensure compliance with the Sharia Standards and the relevant resolutions of the Authority.</p> <p>The Sharia Supervision shall consist of the following:</p> <ol style="list-style-type: none"> 1. Internal Sharia Audit Unit. 2. External Sharia Auditing Office. 	<p><u>Contractual Collective Investment Scheme</u> operating under the provisions of Islamic Sharia shall have Sharia supervisory controls to supervise all activities of the <u>Contractual Collective Investment Scheme</u> to ensure compliance with the Sharia Standards and the relevant resolutions of the <u>Authority</u>.</p> <p>The Sharia Supervision shall consist of the following:</p> <ol style="list-style-type: none"> 1. Internal Sharia Audit Unit. 2. External Sharia Auditing Office. <p>The Scheme manager may appoint a <u>Sharia Supervisory Board</u> to carry out the tasks stipulated in Module Five (Securities Activities and Registered Persons) of these <u>Bylaws</u>. It is not permissible to combine the functions of the <u>Internal Sharia Audit Unit</u>, the <u>External Sharia Auditing Office</u>, and the <u>Sharia Supervisory Board</u>.</p>
167	Thirteen	Three	3-30-3	Amending an Article	A Collective Investment Scheme Manager may assign the Sharia Audit Officer	A Collective Investment Scheme Manager, operating in accordance with Islamic Sharia, may assign the

					thereof to carry out the tasks of the scheme's Internal Sharia Audit Unit. If the Collective Investment Scheme Manager is not a Licensed Person to operate in accordance with the provisions of Islamic Sharia, he shall be entitled to appoint an External Sharia Auditing Office to carry out the functions of the scheme's Internal Sharia Audit Unit, provided that the Collective Investment Scheme Manager shall incur the charges thereof, and that office shall not carry out the external operations of the scheme's External Sharia Auditing Office.	<u>Sharia Audit Officer</u> thereof to carry out the tasks of the scheme's <u>Internal Sharia Audit Unit</u> . If the <u>Collective Investment Scheme Manager</u> is not a <u>Licensed Person</u> to operate in accordance with the provisions of Islamic Sharia, he shall be entitled to appoint an <u>External Sharia Auditing Office</u> to carry out the functions of the scheme's <u>Internal Sharia Audit Unit</u> , provided that the <u>Collective Investment Scheme Manager</u> shall incur the charges thereof, and that office shall not carry out the external operations of the scheme's <u>External Sharia Auditing Office</u> .
168	Thirteen	Three	3-30-4	Amending an Article	The External Sharia Auditing Office of the Contractual Collective Investment Scheme shall be appointed for one financial year renewable on an annual basis for a period not exceeding four consecutive financial years. The External Sharia Auditing Office may assume the same function for the same scheme after a period not less than two consecutive financial years.	The <u>External Sharia Auditing Office</u> of the <u>Contractual Collective Investment Scheme</u> shall be appointed for one financial year renewable on an annual basis for a period not exceeding four consecutive financial years, unless the Scheme is in the process of liquidation, the same <u>External Sharia Auditing Office</u> may be re-appointed. after a period not less than two consecutive financial years. The Scheme manager may not replace <u>External Sharia Auditing Office</u> during the contracted period of work, except after giving reasons and justifications to the <u>Authority</u> and obtaining its approval in this regard.
169	Thirteen	Three	3-30-6	Amending an Article	The External Sharia Auditing Office of the Contractual Collective Investment Scheme	The <u>External Sharia Auditing Office</u> report shall include the following:

				<p>which operates in accordance with the provisions of the Islamic Sharia shall submit an annual report to the Collective Investment Scheme Manager regarding the extent to which the Contractual Collective Investment Scheme complies with the provisions of Islamic Sharia. The report include the following:</p> <ol style="list-style-type: none"> 1. Proof of reviewing the Internal Sharia Audit Unit's report. 2. Numbers and dates of field visits carried out to the Collective Investment Scheme Manager and the results of such visits. 3. A statement about the reviewed and inspected contracts and transactions without prejudice to the confidentiality of such transactions. 4. Terms of reference for these contracts and transactions. 5. Breaches of sharia, if any, either in the contracts or the transactions and the corrective measures taken for such breaches and the proposed period(s) thereof. 6. The entities within the Collective Investment Scheme Manager, responsible for carrying out the transactions and the phases of their completion. 7. The final sharia opinion. 	<ol style="list-style-type: none"> 1. Evaluation of the efficiency and effectiveness of Shariah risk procedures. 2. Assessment of the extent of the Scheme's compliance with <u>Sharia Standards</u> and the relevant decisions of the Capital Markets Authority. 3. Scope of work of the <u>External Sharia Auditing Office</u> to include activities, contracts and <u>Securities</u> transactions of the Scheme. 4. Statement of the reference used for the <u>Sharia Standards</u> of the Scheme in case they differ from the <u>Sharia Standards</u> issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI). 5. Opinion on the Scheme's compliance with the provisions of Islamic Sharia according to the Shariah reference it follows, including Sharia violations in the activities, contracts or transactions of the Scheme - if any - whether in <u>Securities</u> transactions or their implementation. 6. The audit procedures that led to the results of its work mentioned in this report. 7. Evidence that he has reviewed the report of the <u>Internal Sharia Audit Unit</u>. 8. Signature of the external <u>Sharia Auditor</u> registered with the <u>Authority</u>. <p>The <u>External Sharia Auditing Office</u> shall issue semi-annual periodical Sharia review reports that include the results of follow-up and examination of the extent to which the Scheme adheres to the provisions and</p>
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					8. The signature of the Sharia Auditor and legal representative of the office.	<p>principles of Islamic Sharia in its transactions and activities and publishes them within the periodical disclosures of the Scheme that operates in accordance with the provisions of Islamic Sharia, with the need to present these reports to the <u>Executive Team</u> of the Scheme to clarify the information included in the reports.</p> <p>The <u>External Sharia Auditing Office</u> shall also present its annual report to the Scheme <u>Unit</u> holders according to the mechanism specified for this in the Scheme contract and the attendance of the assemblies concerned with examining its report (if any).</p>
170	Thirteen	Three	3-31	Amending an Article	-	External Audit
171	Thirteen	Three	3-31-1	Adding an Article	<p>Vacancy of the Executive Team Members or any of the Service Providers</p> <p>In the event of a vacancy in any of the positions of the Contractual Collective Investment Scheme's Executive Team members, the Collective Investment Scheme Manager should notify the Authority and the Unit holders within a maximum of five Business Days. It shall also apply for the vacant position(s) to the Authority within fifteen Business Days as of the day of expiry of the notice period as specified in this article.</p>	<p>The Scheme manager shall appoint an external <u>Auditor</u> from among the persons registered with the <u>Authority</u>, provided that he is committed in particular to the following:</p> <ol style="list-style-type: none"> 1. Review and audit the Scheme accounts in accordance with the international accounting standards approved by the <u>Authority</u>. 2. Prepare a report on the Scheme's periodical and annual financial statements audited for the Scheme. 3. Notify the <u>Authority</u> of, upon reviewing and auditing the accounts of the Scheme, the Scheme's manager's non-compliance with the <u>Law</u>, these <u>Bylaws</u>, or the <u>Contractual Collective Investment Scheme Contract</u> within five <u>Business Days</u> of his knowledge of that. 4. Attend the <u>Unit</u> holders assembly in which the audited financial statements are to be presented by the <u>Auditor</u>, presenting and discussing these statements and answering the related inquiries.

172	Thirteen	Three	3-31-2	Amending an Article	Subject to Article (1-8) of this Module, the <u>Collective Investment Scheme Manager</u> shall, upon the replacement of any of the service providers - other than those provided for in the said Article - notify the <u>Authority</u> within a maximum period of five <u>Business Days</u> .	<p>The external Auditor of the Scheme is appointed for one financial year, renewable annually, and for a period not exceeding four consecutive financial years, unless the Scheme is in the process of liquidation. The same external <u>Auditor</u> may be reappointed after a break of no less than two consecutive financial years.</p> <p>The Scheme manager may not replace the external <u>Auditor</u> during his contracted period of work, except after giving reasons and justifications to the <u>Authority</u> and obtaining the <u>Authority's</u> approval.</p>
173	Thirteen	Three	3-31-3	Amending an Article	<p>In any event, the <u>Collective Investment Scheme Manager</u> must notify the <u>Unit</u> holders within a maximum of five <u>Business Days</u> as of the date of the vacancy of the position or occupation of any of the <u>Executive Team</u> or service providers.</p> <p>The scheme's data shall be amended in the <u>Contractual Collective Investment Schemes</u> register with the <u>Authority</u> in the event of any changes that occur thereon.</p>	<p>The external <u>Auditor</u> of the <u>Collective Investment Scheme</u> may not be the same <u>Auditor</u> of the <u>Collective Investment Scheme Manager</u>.</p>
174	Thirteen	Three	3-32	Amending an Article	<p>Conflict of Interests</p> <p>Subject to the provisions of Chapter Three (Conflict of Interests) of Module Eight (Conduct of Business) of these <u>Bylaws</u>, the <u>Collective Investment Scheme Manager</u> shall take all necessary measures to avoid conflict of interests in dealing on behalf and in the interest of the <u>Contractual Collective Investment Scheme</u> and <u>Unit</u> holders.</p>	<p>Vacancy of the Position of a Member of the Executive Team or any of the Service Providers</p>

175	Thirteen	Three	3-32-1	Adding an Article	--	<p>In the event that the position of a member of the <u>Executive Team</u> of the Scheme becomes vacant, the Scheme manager shall notify the <u>Authority</u> of this within a maximum period of five <u>Business Days</u>, and he shall also submit an application to fill the vacant positions within a maximum period of twenty <u>Business Days</u> from the date of the vacancy of the position.</p> <p>In all events, the Scheme manager shall notify <u>Unit</u> holders within a maximum period of ten <u>Business Days</u> of the vacancy of the position, and they shall be notified within five <u>Business Days</u> from the date of appointment.</p>
176	Thirteen	Three	3-32-2	Adding an Article	--	<p>Without prejudice to the provisions of Article (1-8) of this Module, the Scheme manager shall notify the <u>Unit</u> holders within a maximum period of five <u>Business Days</u> from the date of the <u>Authority's</u> approval to replace the Scheme manager, <u>Custodian</u> or <u>Investment Controller of the Scheme</u>.</p>
177	Thirteen	Three	3-32-3	Adding an Article	--	<p>In the event of a vacancy in the position of the external <u>Auditor</u> or the <u>External Sharia Auditing Office</u> for the Schemes that operate in accordance with the provisions of Islamic Sharia, the Scheme manager shall notify the <u>Authority</u> and the <u>Unit</u> holders within a maximum period of five <u>Business Days</u>, and the Scheme manager shall appoint a replacement for the vacant position within a maximum of one month from the date of vacancy, and notify of the <u>Authority</u> and <u>Unit</u> holders within a maximum period of five <u>Business Days</u> from the date of appointment.</p>
178	Thirteen	Three	3-32-4	Adding an Article	--	<p>Without prejudice to the provisions of Article (3-30-4) and Article (3-31-2) of this Chapter, if the <u>Authority</u> approves of the justifications for replacing the external <u>Auditor</u> or the <u>External Sharia Auditing Office</u> for the Scheme that operate in accordance with the provisions</p>

						of Islamic Sharia during the period of their contracted work. Accordingly, the Scheme manager shall appoint a replacement for those vacant positions and notify the <u>Authority</u> and <u>Unit</u> holders of that within a maximum period of five <u>Business Days</u> from the date of appointment.
179	Thirteen	Three	3-32-5	Adding an Article	--	Without prejudice to the provisions of Article (3-30-4) and Article (3-31-2) of this Chapter, in the event of the expiry of the contract period with the external <u>Auditor</u> or the <u>External Sharia Auditing Office</u> for the Scheme that operate in accordance with the provisions of Islamic Sharia, the Scheme manager shall appoint a replacement for those vacant positions and notify the <u>Authority</u> and <u>Unit</u> holders of this within a maximum period of five <u>Business Days</u> from the date of appointment.
180	Thirteen	Three	3-32-6	Adding an Article	--	In the event of a vacancy in the position or appointment of any of the service providers not referred to in Article (3-21-1) of this Chapter, the Scheme manager shall notify the <u>Authority</u> and the <u>Unit</u> holders of this within a maximum period of five <u>Business Days</u> from the date of the vacancy or appointment.
181	Thirteen	Three	3-32-7	Adding an Article	--	The <u>Authority</u> shall amend the Scheme information in the <u>Authority's</u> Schemes register when there is any change in the information related to the <u>Contractual Collective Investment Scheme Contract</u> , the service providers or the Scheme's <u>Executive Team</u> contained in the register.
182	Thirteen	Three	3-33	Amending an Article	Unitholders Register	Conflict of Interest
183	Thirteen	Three	3-33-1	Amending an Article	The register of the <u>Contractual Collective Investment Scheme's</u> <u>Unit</u> holders shall be maintained with a <u>Clearing Agency</u> and this register may be maintained with a	The Scheme Manager shall observe the provisions of Chapter Three (Conflict of Interest) of Module Eight (Conduct of Business) of these <u>Bylaws</u> , and shall take all necessary measures to avoid conflict of interests in

					<u>Custodian</u> , in accordance with the provisions set forth in Module Four (Securities Exchanges and Clearing Agencies) of these <u>Bylaws</u> . The fees of the entity keeping such record shall be paid from the <u>Contractual Collective Investment Scheme</u> 's monies.	dealing on behalf and in the interest of the Scheme and <u>Unit</u> holders.
184	Thirteen	Three	3-33-2	Amending an Article	The <u>Clearing Agency</u> or the <u>Custodian</u> shall keep a statement indicating the remaining balance of <u>Units</u> and the <u>Units</u> issued, redeemed, updated, or cancelled and provide the <u>Investment Controller</u> with a copy of the statement.	Unless the Scheme manager discloses - in advance - the cases of potential conflict of interest in the Scheme or to the employees of the Scheme manager that are registered as representatives of a <u>Collective Investment Scheme Manager</u> or one of the <u>Unit</u> holders, he shall immediately disclose his knowledge of any such cases or transactions to the <u>Investment Controller</u> and obtain his approval. In all events, the Scheme manager shall notify the <u>Unit</u> holders and the <u>Authority</u> of any conflict of interest cases approved by the <u>Investment Controller</u> in accordance with this Article within five <u>Business Days</u> from the date of the approval.
185	Thirteen	Three	3-33-3	Adding an Article	--	The Scheme manager or <u>Unit</u> holders may not participate in voting on the decisions related to the Scheme if there was a private benefit to them or in the event that there is a conflict of interest between the Scheme manager or <u>Unit</u> holders and the Scheme.
186	Thirteen	Three	3-34-1	Amending an Article	Without prejudice to Article (1-7) of this Module, the Collective Investment Scheme Manager may not buy any Securities issued thereby or by its Subsidiary Companies for the Contractual Collective Investment Scheme unless in accordance with the following conditions:	Without prejudice to Article (1-7) of this Module, the Collective Investment Scheme Manager may not buy any Securities issued thereby or by its Subsidiary Companies for the Contractual Collective Investment Scheme unless in accordance with the following conditions: 1. The Contractual Collective Investment Scheme Contract shall permit the scheme to invest in

					<p>1. The Contractual Collective Investment Scheme Contract shall permit the scheme to invest in Securities issued by the Collective Investment Scheme Manager, or any of its Subsidiary Companies.</p> <p>2. Obtaining the approval of the Investment Controller before purchasing.</p> <p>3. The total amount of Securities invested by the Contractual Collective Investment Scheme and all other Collective Investment Schemes which are managed by the Collective Investment Scheme Manager shall not exceed 10% of the total value of Securities issued by the Collective Investment Scheme Manager, or any of its Subsidiary Companies, except for the Collective Investment Schemes that follow a certain index according to the Contractual Collective Investment Scheme Contract.</p>	<p>Securities issued by the Collective Investment Scheme Manager, or any of its Subsidiary Companies.</p> <p>2. Obtaining the approval of the Investment Controller before purchasing.</p> <p>3. The total amount of Securities invested by the Contractual Collective Investment Scheme and all other Collective Investment Schemes which are managed by the Collective Investment Scheme Manager shall not exceed 10% of the total value of Securities issued by the Collective Investment Scheme Manager, or any of its Subsidiary Companies. <u>Collective Investment Schemes</u> that follow a certain index according to the <u>Contractual Collective Investment Scheme Contract</u> are not included in this percentage.</p>
187	Thirteen	Three	3-34-2	Amending an Article	<p>Without prejudice to Article (1-7) of this Module and if the <u>Collective Investment Scheme Manager</u> undertakes the role of <u>Subscription Agent</u> or the subscription manager of an <u>Issuer</u>, the scheme manager may not buy any <u>Securities</u> of the Issuer, while assuming such roles.</p> <p>If the <u>Collective Investment Scheme Manager</u> or any of its <u>Subsidiary Companies</u> commits to cover the <u>Public Offer</u> or <u>Private Placement</u></p>	<p>Without prejudice to Article (1-7) of this Module and if the <u>Collective Investment Scheme Manager</u> undertakes the role of <u>Subscription Agent (selling)</u> or the subscription manager of an <u>Issuer</u>, the scheme manager may not buy any <u>Securities</u> subject of subscription of this Issuer, while assuming such roles.</p> <p>If the <u>Collective Investment Scheme Manager</u> or any of its <u>Subsidiary Companies</u> commits to cover the <u>Public Offer</u> or <u>Private Placement</u> for a certain <u>Security</u>, the <u>Security</u> may not be offered for the benefit of the <u>Contractual Collective Investment Scheme</u>, while performing such role.</p>

					for a certain <u>Security</u> , the <u>Security</u> may not be offered for the benefit of the <u>Contractual Collective Investment Scheme</u> .	An exception to the provisions of this Article is the Contractual Collective Investment Scheme that follows a certain index according to their contract.
188	Thirteen	Three	3-35	Amending an Article	<p>Breaches of Investment and Borrowing Controls</p> <p>In the event of non-compliance of the investment and borrowing controls stipulated in the Contractual Collective Investment Scheme Contract, the following procedures shall be followed:</p> <p>1. In the event of non-compliance due to any mistake or negligence by the Collective Investment Scheme Manager, the Collective Investment Scheme Manager shall notify the Authority and the Investment Controller immediately and take the necessary procedures and corrective measures.</p> <p>2. In the event of non-compliance as result of an event beyond the control of the Collective Investment Scheme Manager, and the breach has not been amended within five Business Days, the manager shall notify the Authority and the Investment Controller immediately, provided that the notification should include the procedures and corrective measures and the required period to resolve it. The Authority may shorten this period.</p>	<p>Breaches of Investment and Borrowing Controls</p> <p>In the event of non-compliance of the investment and borrowing controls stipulated in the <u>Contractual Collective Investment Scheme Contract</u>, the following procedures shall be followed:</p> <p>1. In the event of non-compliance due to any mistake or negligence by the <u>Collective Investment Scheme Manager</u> or as result of an event beyond the control the Scheme manager, the <u>Collective Investment Scheme Manager</u> shall notify the <u>Authority</u> and the <u>Investment Controller</u> immediately and take the necessary procedures and corrective measures.</p> <p>2. In the event of not amending the breach within five <u>Business Days</u>, the manager shall notify the <u>Authority</u> and the <u>Investment Controller</u> of the procedures and corrective measures and the required period to resolve it. The <u>Authority</u> may shorten this period.</p> <p>3. The Collective Investment Scheme Manager shall notify the <u>Investment Controller</u> of all the cases referred to in paragraphs (1) and (2) of this Article, and keep a permanent record of the cases, and document the procedures undertaken and the period required to correct them.</p> <p>In all events, the Scheme manager shall notify the <u>Authority</u> and the <u>Investment Controller</u> as soon as the correction is completed.</p>

					3. The Collective Investment Scheme Manager must keep a permanent record of the cases referred to in paragraphs (1) and (2) of this Article and shall document the procedures undertaken and the period required for remedy.	
189	Thirteen	Three	3-36	Amending an Article	<p>Valuation of Real Estate Assets</p> <p>1. The Collective Investment Scheme Manager shall, prior to buying or selling any real estate asset for the scheme, obtain an appraisal in accordance with the requirements for appraisal of real estate set forth in Module Eleven (Dealing in Securities) of these Bylaws.</p> <p>2. The Collective Investment Scheme Manager shall undertake a valuation of the scheme's real estate assets on the basis of an appraisal prepared in accordance with the requirements for appraisal of real estate assets set forth in Module Eleven (Dealing in Securities) of these Bylaws, every six months as a minimum, unless the Contractual Collective Investment Scheme Contract states a shorter period.</p> <p>3. The Collective Investment Scheme Manager, when buying or selling any of the</p>	<p>Valuation of Real Estate Assets</p> <p>The <u>Collective Investment Scheme Manager</u> shall comply with the following:</p> <p>1. Value the real estate assets included in the consolidated financial statements based on an appraisal prepared in accordance with the requirements for appraisal of real estate assets set forth in Module Eleven (Dealing in Securities) of these <u>Bylaws</u>.</p> <p>2. Manager of the <u>Collective Investment Scheme</u> shall, before buying or selling any real estate asset of the Scheme, adhere to the following:</p> <p>a. That the purchase price of the real estate is not more than 5% above the rate of valuations obtained by the Scheme manager from the real estate valutors, and in the event that the <u>Collective Investment Scheme Manager</u> wishes to buy at a price higher than that, the approval of the unit holders who own more than 50% of the issued capital of the scheme must be obtained, provided that the vote of the <u>Units</u> owned by the seller and the parties related to the seller, if any, is neutralized.</p> <p>b. That the real estate sale price is not less than the rate of valuations obtained by the Scheme manager from the real estate valutors. In the event that he</p>

					<p>scheme's assets, may not rely on a valuation report prepared more than three months.</p>	<p>intends to sell at a price lower than the average, the approval of the <u>Unit</u> holders who own more than 50% of the issued capital of the Scheme shall be obtained, provided that the vote of the <u>Units</u> owned by the buyer and the parties related to the buyer, if any, is neutralized.</p> <p>c. Without prejudice to Item (a) and Item (b) above, the approval of the <u>Investment Controller</u> and the approval of the <u>Authority</u> shall be obtained when buying real estate from or selling real estate to the parties related to the Scheme.</p> <p>3. The <u>Collective Investment Scheme Manager</u> may not rely on a valuation report that was prepared more than three months when buying or selling any Scheme's asset.</p>
190	Thirteen	Three	3-38	Amending an Article	<p>Contractual Collective Investment Scheme Financial Statements</p> <p>The <u>Collective Investment Scheme Manager</u> must prepare the financial statements of the Contractual Collective Investment Scheme and provide such statements to the Authority and the Unit holders as follows:</p> <ol style="list-style-type: none"> 1. Reviewed semi-annual financial statements, within a period not more than sixty days as of the end of the term. 2. Audited annual financial statements, within a period not more 	<p>Contractual Collective Investment Scheme Financial Statements</p> <p>The <u>Collective Investment Scheme Manager</u> shall prepare the financial statements of the <u>Contractual Collective Investment Scheme</u> to be reviewed or audited - as the case may be - by the external <u>Auditor</u> and provide such statements to the <u>Authority</u> and the <u>Unit</u> holders as follows:</p> <ol style="list-style-type: none"> 1. Reviewed semi-annual financial statements, within a period not more than sixty days as of the end of the term. 2. Audited annual financial statements, within a period not more than ninety days as of the end of the financial year.

					than ninety days as of the end of the financial year.	
191	Thirteen	Three	3-39	Amending an Article	<p>Periodic Reports to Unit holders</p> <p>A Collective Investment Scheme Manager shall provide a periodic report to each Unit holder for every six months term, unless the Contractual Collective Investment Scheme Contract set forth a shorter period. The report shall include in particular the following information:</p> <ol style="list-style-type: none"> 1. The net value of Collective Investment Scheme Assets. 2. The number of Units owned by a Unit holder and their net asset value. 3. A record of the movement in the account of each Unit holder including any paid distributions made after the last report presented to the Unit holders. 4. A table showing all fees, expenses and costs whether due to the Unit holders or the Collective Investment Scheme Assets or the manager. 5. The last annual report of the Investment Controller. 6. The last annual report of the External Sharia Auditing Office (for Contractual Collective Investment Schemes licensed to operate in accordance with the provisions of Islamic Sharia). 	<p>Periodic Reports to Unit holders</p> <p>A <u>Collective Investment Scheme Manager</u> shall provide a periodic report to each <u>Unit</u> holder on a semi-annual basis, unless the <u>Contractual Collective Investment Scheme Contract</u> set forth a shorter period, within a maximum period of fifteen <u>Business Days</u> from the end of the period. The report shall include in particular the following information:</p> <ol style="list-style-type: none"> 1. The net value of the <u>Collective Investment Scheme Unit</u>. 2. The number of <u>Units</u> owned by a <u>Unit</u> holder and their net asset value. 3. A record of the movement in the account of each <u>Unit</u> holder including any paid distributions made after the last report presented to the <u>Unit</u> holders. 4. A statement of all fees, expenses and costs whether due to the <u>Collective Investment Scheme Assets</u> during the period, provided that it is mentioned in the currency of the Scheme. 5. The last annual report of the <u>Investment Controller</u> referred to in Article (3-27) of this Module. 6. The last annual report of the <u>External Sharia Auditing Office</u> (for <u>Contractual Collective Investment Schemes</u> licensed to operate in accordance with the provisions of Islamic Sharia).

192	Thirteen	Three	3-40	Amending an Article	<p>Appointment of a Substitute Manager for the Contractual Collective Investment Scheme</p> <p>On selecting a substitute manager for the Contractual Collective Investment Scheme, the following conditions shall be considered:</p> <ol style="list-style-type: none"> 1. The substitute manager shall be a Licensed Person licensed to practice the Collective Investment Scheme Manager activity by the Authority. 2. The substitute Collective Investment Scheme Manager shall not be a manager of another Contractual Collective Investment Scheme; which is similar in terms of goals, policies, activities and the category of investors targeted by such scheme, unless it is a Close-Ended scheme and has fulfilled its capital. 3. The substitute Collective Investment Scheme Manager shall not have experienced default as a result of mismanagement of any Collective Investment Scheme. 4. The substitute Collective Investment Scheme Manager shall have the ability to manage a new Contractual Collective Investment Scheme, so that his position thereof when assuming the scheme management doesn't affect the interest of Unit holders. 	Appointment of a Substitute Manager for the Contractual Collective Investment Scheme
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					<p>5. The substitute manager shall undertake to abide by the Contractual Collective Investment Scheme Contract.</p> <p>6. Obtain the Authority’s approval to appoint a substitute Collective Investment Scheme manager. The Authority shall notify the applicant of the decision setting out the reasons thereof within thirty days as of the date it received the application.</p> <p>7. Any other conditions decided by the Authority.</p> <p>In the event of an inability to appoint a substitute Collective Investment Scheme manager, the Authority is entitled to revoke the scheme’s license and it shall be liquidated in accordance with the provisions set forth on this Chapter</p>	
193	Thirteen	Three	3-40-1	Adding an Article	--	<p>On selecting a substitute manager for the <u>Contractual Collective Investment Scheme</u>, the following conditions shall be considered:</p> <p>1. The substitute manager shall be a <u>Licensed Person</u> licensed to practice the <u>Collective Investment Scheme Manager</u> activity by the <u>Authority</u>.</p> <p>2. The substitute <u>Collective Investment Scheme Manager</u> shall not be a manager of another <u>Contractual Collective Investment Scheme</u>, which is similar in terms of goals, policies, activities and the category of investors targeted by such scheme, unless it is a Close-Ended scheme and has fulfilled its capital.</p>

						<p>3. The substitute <u>Collective Investment Scheme Manager</u> shall not have experienced default as a result of mismanagement of any <u>Collective Investment Scheme</u>.</p> <p>4. The substitute <u>Collective Investment Scheme Manager</u> shall have the ability to manage a new <u>Contractual Collective Investment Scheme</u>, so that his position thereof when assuming the scheme management doesn't affect the interest of <u>Unit</u> holders.</p> <p>5. The substitute manager shall undertake to abide by the <u>Contractual Collective Investment Scheme Contract</u>.</p> <p>6. Obtain the <u>Authority's</u> approval to appoint a substitute <u>Collective Investment Scheme Manager</u>, to obtain the approval of more than 50% of the Scheme's capital to choose the substitute manager, and the <u>Authority</u> shall notify the applicant of its reasoned decision within thirty days from the date of receiving the application.</p> <p>7. Any other conditions decided by the <u>Authority</u>.</p> <p>Each replacement decision shall include a decision to appoint a substitute or who would safeguard the assets of the Scheme, and the substitute manager shall not begin to carry out his work until after the <u>Authority</u> publishes an <u>Official Announcement</u> of the replacement and appointment decisions in the Official Gazette.</p>
194	Thirteen	Three	3-40-2	Adding an Article	--	<p>The <u>Contractual Collective Investment Scheme Manager</u> shall cooperate fully in order to facilitate a smooth transfer of responsibilities to the substitute Scheme manager within sixty days of the appointment</p>

						of the substitute manager. The previous Scheme manager shall submit to the substitute manager all contracts related to the Scheme, where applicable.
195	Thirteen	Three	3-40-3	Adding an Article	--	In the event of an inability to appoint a substitute Scheme manager through the approval of the <u>Unit</u> holders, the <u>Authority</u> may take what it deems appropriate in the interest of the Scheme. The <u>Authority</u> is also entitled to revoke the Scheme's license and it shall be liquidated in accordance with the provisions set forth on this Chapter.
196	Thirteen	Three	3-41-1	Amending an Article	<p>The Contractual Collective Investment Scheme shall end in the following events:</p> <ol style="list-style-type: none"> 1. End of the period specified in the Contractual Collective Investment Scheme Contract, unless it is renewed in accordance with the rules set out in the contract. 2. End of the purpose or objective for which the Contractual Collective Investment Scheme is incorporated for or where it is impossible to achieve its objective. 3. Damage or loss of all the Collective Investment Scheme's Assets or most of them, so that the remaining assets cannot be invested feasibly. 4. At the request of the Collective Investment Scheme Manager or any of the Unit holders, and the approval of Unit holders owning more than 50% of the Contractual Collective Investment Scheme's capital on the winding up of the scheme before the end of its term. 	<p>The <u>Contractual Collective Investment Scheme</u> shall end in the following events:</p> <ol style="list-style-type: none"> 1. End of the period specified in the <u>Contractual Collective Investment Scheme Contract</u>, unless it is renewed in accordance with the rules set out in the contract. 2. End of the purpose or objective for which the <u>Contractual Collective Investment Scheme</u> is incorporated for or where it is impossible to achieve its objective. 3. Damage or loss of all the <u>Collective Investment Scheme's Assets</u> or most of them, so that the remaining assets cannot be invested feasibly. 4. At the request of the <u>Collective Investment Scheme Manager</u> or any of the <u>Unit</u> holders, and the approval of <u>Unit</u> holders owning more than 50% of the <u>Contractual Collective Investment Scheme's</u> capital on the winding up of the scheme before the end of its term. 5. A resolution issued by the <u>Authority</u> to revoke the <u>Contractual Collective Investment Scheme's</u> license.

					<p>5. A resolution issued by the Authority to revoke the Contractual Collective Investment Scheme’s license.</p> <p>6. A court order is issued for the winding up and liquidation of the Contractual Collective Investment Scheme.</p>	<p>6. A court order is issued for the winding up and liquidation of the <u>Contractual Collective Investment Scheme</u>.</p> <p>7. The Scheme manager is exposed to something that hinders his ability to continue managing the Scheme, such as liquidation, bankruptcy, or revocation of his license, unless a substitute manager is appointed for the Scheme.</p>
197	Thirteen	Three	3-42-2	Amending an Article	<p>All terms of debts due on the <u>Contractual Collective Investment Scheme</u> shall be cancelled as of the date of <u>Officially Announcing</u> the scheme’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 <u>Business Days</u> to submit the applications thereof.</p>	<p>All terms of debts due on the <u>Contractual Collective Investment Scheme</u> shall be cancelled as of the date of <u>Officially Announcing</u> the scheme’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 within forty-five days from the <u>Official Announcement</u> date of the dissolution of the Scheme. Creditors may be notified through announcement. In any event, the announcement or notification shall include a deadline for such creditors not less than fifteen <u>Business Days</u> to submit the applications thereof.</p>
198	Thirteen	Three	3-42-3	Amending an Article	<p>When the <u>Contractual Collective Investment Scheme</u> is terminated, the <u>Collective Investment Scheme Manager</u>’s power shall end. However, the <u>Collective Investment Scheme Manager</u> shall manage the scheme to the benefit of <u>Unit</u> holders without starting new business unless they are necessary to complete</p>	<p>When the <u>Contractual Collective Investment Scheme</u> is terminated, the <u>Collective Investment Scheme Manager</u>’s power shall end. However, the <u>Collective Investment Scheme Manager</u> shall manage the scheme to the benefit of <u>Unit</u> holders without starting new business unless they are necessary to complete previous work, until a liquidator is appointed and practices the powers thereof, provided that he shall not</p>

					<p>previous work, until a liquidator is appointed and practices the powers thereof.</p> <p>During the liquidation period, service providers shall continue to provide the services thereof within the liquidation period, unless the liquidator decides, after the approval of the <u>Authority</u>, to stop the provision of the services, or replace them with other service providers, or combine some duties assigned to one service provider.</p>	<p>accept any new subscription applications or enter into new investments in the Scheme.</p> <p>During the liquidation period, service providers shall continue to provide the services thereof within the liquidation period, unless the liquidator decides, after the approval of the <u>Authority</u>, to stop the provision of the services, or replace them with other service providers, or combine some duties assigned to one service provider.</p>
199	Thirteen	Three	3-42-4	Amending an Article	<p>The <u>Collective Investment Scheme Manager</u> may be appointed as a liquidator. The liquidator may be appointed amongst the <u>Licensed Persons</u> to manage <u>Collective Investment Schemes</u>, or to manage an <u>Investment Portfolio</u>, or an <u>Investment Controller</u> or a <u>Custodian</u>, or Auditors Registered at the <u>Authority</u>. In all events, the liquidator shall not be appointed without the <u>Authority's</u> approval. The liquidator shall not commence his duties thereof unless the appointment thereof is <u>Officially Announced</u>.</p>	<p>The <u>Collective Investment Scheme Manager</u> may be appointed as a liquidator. The liquidator may be appointed amongst the <u>Licensed Persons</u> to practice the activity of <u>Collective Investment Scheme Managers</u>, or <u>Investment Portfolio</u> manager, or an <u>Investment Controller</u> or a <u>Custodian</u>, or <u>Auditors</u> registered at the <u>Authority</u>. In all events, the liquidator shall not be appointed without the <u>Authority's</u> approval, taking into account not to combine the functions of the liquidator and the external <u>Auditor</u>. The liquidator shall not commence his duties thereof unless the appointment thereof is <u>Officially Announced</u>.</p>
200	Thirteen	Three	3-42-6	Amending an Article	<p>The liquidator may be dismissed upon a resolution issued by the body who appointed the liquidator. In all events, the Authority may, at the request of any Unit holder or a</p>	<p>The liquidator may be replaced upon a resolution issued by the body who appointed the liquidator. In all events, the <u>Authority</u> may, at the request of any <u>Unit</u> holder or a <u>Contractual Collective Investment Scheme's</u> creditor or on its own, issue a resolution of</p>

					<p>Contractual Collective Investment Scheme’s creditor or on its own, issue a resolution of dismissal of the liquidator if it finds an acceptable reason for that.</p> <p>Any resolution of dismissal of a liquidator shall include appointment of an alternative liquidator or who would safeguard the assets of the scheme. The new liquidator shall not commence his duties thereof unless the resolutions of dismissal and appointment thereof are announced by the Authority in the official Gazette.</p>	<p>replacement of the liquidator if it finds an acceptable reason for that.</p> <p>Any resolution of replacement of a liquidator shall include appointment of an alternative liquidator or who would safeguard the assets of the scheme. The new liquidator shall not commence his duties thereof unless the <u>Authority</u> publishes an <u>Official Announcement</u> regarding the resolutions of replacement and appointment thereof in the official Gazette.</p> <p>The liquidator shall also cooperate fully in order to facilitate the smooth transfer of responsibilities to the replacement liquidator within sixty days of the appointment of the replacement liquidator, and the previous liquidator shall submit to the replacement liquidator all contracts related to the scheme, where applicable.</p>
201	Thirteen	Three	3-42-7	Amending an Article	<p>The liquidator shall carry out all duties required for the Contractual Collective Investment Scheme’s liquidation in accordance with the provisions of this Chapter, and shall be entitled to:</p> <ol style="list-style-type: none"> 1. Represent the Contractual Collective Investment Scheme before the courts and third parties. 2. Provide Care of a Prudent Person to maintain the Collective Investment Scheme’s Assets and rights. 3. Pay the Contractual Collective Investment Scheme’s debts. 	<p>The liquidator shall carry out all duties required for the <u>Contractual Collective Investment Scheme’s</u> liquidation in accordance with the provisions of this Chapter, he may, in particular, perform the following:</p> <ol style="list-style-type: none"> 1. Comply with the <u>Law</u>, these <u>Bylaws</u>, circulars, decisions, and instructions issued by the <u>Authority</u>. 2. Immediately take all necessary actions to correct any failure to fulfill its obligations under these <u>Bylaws</u> and any instructions issued by the <u>Authority</u>. 3. Represent the <u>Contractual Collective Investment Scheme</u> before the courts and third parties. 4. Provide <u>Care of a Prudent Person</u> to maintain the <u>Collective Investment Scheme’s Assets</u> and rights. 5. Pay the <u>Contractual Collective Investment Scheme’s</u> debts.

				<p>4. Sell the Collective Investment Scheme's Assets of real estate and movable assets in a public auction, tender, or any other method ensuring the highest price, unless the appointment resolution sets forth selling in a certain method.</p> <p>5. Divide the net Collective Investment Scheme's Assets amongst the Unit holders. The liquidator shall not proceed with new works unless they are necessary for completing previous works. In addition, the liquidator may not sell the Collective Investment Scheme'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 owning more than 50% of the Contractual Collective Investment Scheme's capital.</p>	<p>6. Allocate amounts for disputed debts and <u>Contractual Collective Investment Scheme's</u> obligations.</p> <p>7. Sell the <u>Collective Investment Scheme's Assets</u> of real estate and movable assets in a public auction, tender, or any other method ensuring the highest price, unless the appointment resolution sets forth selling in a certain method.</p> <p>8. Divide and distribute the liquidation proceeds amongst the <u>Unit</u> holders.</p> <p>9. Provide all necessary information regarding the Scheme to service providers to enable them to carry out their tasks effectively.</p> <p>10. Provide a copy of the Scheme liquidator's report on the semi-annual liquidation work submitted to the <u>Authority</u>, the minutes of the <u>Unit</u> holders' assemblies meeting, or the financial statements to the <u>Unit</u> holders if they so request.</p> <p>11. Keep books and documents related to the liquidation of the Scheme for a period of five years from the date of canceling the registration of the Scheme from the <u>Authority's</u> register.</p> <p>The liquidator shall not proceed with new works unless they are necessary for completing previous works. In addition, the liquidator may not sell the <u>Collective Investment Scheme's Assets</u> 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 <u>Unit</u> holders owning more than 50% of the <u>Contractual Collective Investment Scheme's</u> capital.</p>
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202	Thirteen	Three	3-42-8	Amending an Article	<p>The Collective Investment Scheme Manager shall provide the Contractual Collective Investment Scheme'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 scheme. The liquidator shall, within three months as of proceeding with the duties thereof, inventory the Collective Investment Scheme'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 Contractual Collective Investment Scheme's financial position report.</p>	<p>The <u>Collective Investment Scheme Manager</u> shall provide the <u>Contractual Collective Investment Scheme's</u> accounts and hand over books, documents and assets thereof to the liquidator within thirty days from the date of publishing the decision to appoint the liquidator. In addition, the service providers shall provide the liquidator with any data or information related to the scheme. The liquidator shall inventory the <u>Collective Investment Scheme's Assets</u> 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 <u>Authority</u>, within three months as of proceeding with the duties thereof the following:</p> <ol style="list-style-type: none"> 1. Report of the financial position of the Scheme, provided that it is audited by the Scheme's <u>Auditor</u>. 2. Record of <u>Unit</u> holders as on the date of publishing the liquidation decision. <p>In the event of replacing the Scheme's liquidator, the obligations contained in this Article shall apply to each of the Scheme's liquidator, the alternative liquidator and service providers, each according to his competence.</p>
203	Thirteen	Three	3-42-10	Amending an Article	<p>The liquidator shall divide the remaining <u>Collective Investment Scheme Assets</u> after payment of debts to the <u>Unit</u> holders. Each participant shall receive a share proportional to the number of <u>Units</u> thereof in the scheme's capital.</p>	<p>The liquidator shall divide the remaining <u>Collective Investment Scheme Assets</u> and distribute the liquidation proceeds to each participant in proportion to the number of his <u>Units</u> thereof in the scheme's capital, after payment of debts and obligations related to the liquidations works that have been allocated for this purpose.</p>

						In all events, it shall be considered that no additional expenses are charged to the Scheme, which will affect the share of some <u>Unit</u> holders without the rest.
204	Thirteen	Three	3-42-11	Amending an Article	The liquidator shall provide the <u>Unit</u> holders with a semi-annual report in accordance with the financial year of the <u>Contractual Collective Investment Scheme</u> within a maximum period of sixty days from the end of the period. The report shall include the results of the liquidation proceedings, the payments distributed to the <u>Unit</u> holders, any assets in the scheme that have not been liquidated and the reason for not liquidating them. The <u>Authority</u> may request the liquidator to provide it with any information or reports whenever it deems it necessary.	The liquidator shall provide the <u>Unit</u> holders and the <u>Authority</u> with a semi-annual report in accordance with the financial year of the <u>Contractual Collective Investment Scheme</u> within a maximum period of sixty days from the end of the period. The report shall include the results of the liquidation proceedings, the payments distributed to the <u>Unit</u> holders, any assets in the scheme that have not been liquidated and the reason for not liquidating them, and a list of cases filed by or against the Scheme. The <u>Authority</u> may request the liquidator to provide it with any information or reports whenever it deems it necessary.
205	Thirteen	Three	3-42-12	Amending an Article	The liquidator shall complete liquidation works in the period as specified according to Article (3-42-5) of this Chapter. The period may be extended by a decision issued by the body that selected 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 request the <u>Authority</u> to shorten such period.	The liquidator shall complete liquidation works in the period as specified according to Article (3-42-5) of this Chapter. The period may be extended by a decision issued by the body that selected the liquidator after reviewing the report thereof including the reasons that prevent completion of the liquidation on the specified period. The period may be extended by a decision issued by the <u>Authority</u> at the request of the liquidator in the event that it is not possible to extend the period by the entity that chose the liquidator. Any party with a relevant interest may request the <u>Authority</u> to shorten such period.

206	Thirteen	Three	3-42-13	Amending an Article	<p>The liquidator shall provide the Authority and the Unit holders with a final account of the Contractual Collective Investment Scheme's liquidation and the division of its assets. The liquidator shall apply for cancellation of the registration of the Contractual Collective Investment Scheme in the Authority register 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.</p>	<p>Upon completion of the liquidation of the Scheme and the division of its assets, the liquidator shall provide the <u>Authority</u> and the <u>Unit</u> holders with a final account. It will also provide the <u>Authority</u> with a certificate of the cases filed by or against the Scheme issued by the competent authority, in addition to submitting a copy of the zero bank account statement. The liquidator shall request the <u>Authority</u> to <u>Officially Announce</u> the liquidation completion and cancellation of the registration of the <u>Contractual Collective Investment Scheme</u> in the <u>Authority</u> register after the liquidation is completed. The termination of the liquidation shall not be invoked against third parties before the date of the <u>Official Announcement</u>.</p>
207	Thirteen	Three	3-42-14	Amending an Article	<p>Records and documents related to the Contractual Collective Investment Scheme's liquidation shall be kept at the liquidator for five years as of the date of cancelling the registration of the Contractual Collective Investment Scheme from the Authority's register.</p>	<p>The liquidator shall be required to indemnify for the damages incurred by the <u>Contractual Collective Investment Scheme</u> or <u>Unit</u> 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 duties thereof.</p>
208	Thirteen	Three	3-42-15	Canceling an Article	<p>The liquidator shall be required to indemnify for the damages incurred by the Contractual Collective Investment Scheme or Unit holders, or third parties in</p>	<p>cancelled</p>

					<p>case the liquidator exceeds the limits of the powers thereof or as a result of faults committed thereby during the performance of the duties thereof.</p>	
209	Thirteen	Four	4-2-3	Amending an Article	<p>A Special Purpose Vehicle Company shall be incorporated in accordance with the following procedures:</p> <ol style="list-style-type: none"> 1. The incorporation application shall be submitted to the Authority in accordance with the form set out in Appendix (7) of this Module, accompanied by all the documents and information stated in this form, and the fees as determined shall be paid. 2. The Authority may at any time, after it receives the incorporation according to the requirements in item (1) of this article, require additional documents or information that it considers as necessary to decide on such application. If the applicant does not submit the required information and document within the period specified by the Authority, the application shall be considered as void. 3. The Authority shall decide on the incorporation application after it receives the 	<p><u>A Special Purpose Vehicle Company</u> shall be incorporated in accordance with the following procedures:</p> <ol style="list-style-type: none"> 1. The incorporation application shall be submitted to the <u>Authority</u> in accordance with the form set out in Appendix (7) of this Module, accompanied by all the documents and information stated in this form, and the fees as determined shall be paid. 2. The <u>Authority</u> may at any time, after it receives the incorporation according to the requirements in item (1) of this article, require additional documents or information that it considers as necessary to decide on such application. If the applicant does not submit the required information and document within the period specified by the <u>Authority</u>, the application shall be considered as void. 3. The <u>Authority</u> shall decide on the incorporation application after it receives the application including all the information and documents set out in items (1) and (2) of this article, within thirty <u>Business Days</u>.

					application including all the information and documents set out in items (1) and (2) of this article.	
210	Thirteen	Four	4-2-4	Amending an Article	If the incorporation application is approved, the Authority shall notify the founder of the approval for the establishment of the Special Purpose Vehicle Company, calling for the founder to sign the company Articles of Association before a competent official of the Authority within a period of no more than one week from the date of issuing the approval.	If the incorporation application is approved, the Authority shall notify the founder of the approval for the establishment of the <u>Special Purpose Vehicle Company</u> , calling for the founder to sign the company Articles of Association before a competent official of the <u>Authority</u> , and provide the <u>Authority</u> with proof of payment of the minimum capital within a period of no more than one week from the date of issuing the approval.
211	Thirteen	Four	4-10-5	Amending an Article	The Authority may, at the request of one of the holders of the Contractual Collective Investment Scheme Units or the creditors of the Special Purpose Vehicle Company or on its own initiative, issue a decision to dismiss the management of the company if it deems it acceptable. Any decision of dismissal must include a decision to appoint a replacement or who would safeguard the assets of the scheme. The new management of the company shall not commence their business until the Authority	The <u>Authority</u> may, at the request of one of the <u>Unit holders</u> of the <u>Contractual Collective Investment Scheme Units</u> or the creditors of the <u>Special Purpose Vehicle Company</u> or on its own initiative, issue a decision to dismiss the management of the company if it deems it acceptable. Any decision of dismissal must include a decision to appoint a replacement or who would safeguard the assets of the scheme. The new management of the company shall not commence their business until the <u>Authority</u> publishes an <u>Official Announcement</u> of the decisions of dismissal and appointment in the Official Gazette.

					publishes the decisions of dismissal and appointment in the Official Gazette.	
212	Thirteen	Four	4-14	Amending an Article	<p>A Special Purpose Vehicle Company's Dissolution and Liquidation</p> <p>The company shall dissolve by the force of law once the liquidation procedures of the Contractual Collective Investment Scheme commence, in accordance with the provisions of Chapter Three (Contractual Collective Investment Schemes) of this Module.</p>	<p>A Special Purpose Vehicle Company's Dissolution and Liquidation</p> <p>The company shall dissolve by the force of law once the liquidation procedures of the <u>Contractual Collective Investment Scheme</u> commence, in accordance with the provisions of Chapter Three (Contractual Collective Investment Schemes) of this Module. During the liquidation period, the company shall retain the corporate entity to the extent necessary to complete the liquidation.</p> <p>The liquidator must submit to the <u>Ministry</u> a request to cancel the company's registration from the commercial register after the liquidation is completed and provide the <u>Authority</u> with evidence of the company's cancellation.</p>
213	Thirteen	Five	5-2-2	Amending an Article	<p>Marketing operations that are made by unlicensed persons to market in the State of Kuwait directly or indirectly through electronic platforms, branches of Subsidiary or Associate Companies, agreements, alliances, contractual or legal relations, entities, or structures in any form are prohibited unless prior permission is granted from the Authority in accordance with the requirements of Article (5-4) of this Chapter.</p>	<p>Marketing operations that are made by unlicensed persons to market in the State of Kuwait through direct or indirect contact by using public means of announcement that are available to the public or through the electronic platforms, branches of <u>Subsidiary</u> or <u>Associate Companies</u>, agreements, alliances, contractual or legal relations, entities, or structures in any form are prohibited unless prior permission is granted from the <u>Authority</u> in accordance with the requirements of Article (5-4) of this Chapter.</p>

214	Thirteen	Five	5-4-1	Amending an Article	<p>The marketing permission is obtained according to the following steps:</p> <ol style="list-style-type: none"> 1. Submit an application, for marketing a Collective Investment Scheme incorporated outside the State of Kuwait, according to Appendix 1 of this Module, and the aforementioned application should be enclosed with the complete documents and information set out in this Appendix and the required fees must be paid. 2. The Authority may at any time, after it receives the application to market according to the requirements in item (1) of this Article, require additional documents or information that it considers as necessary to decide on such application. 3. According to a submitted request, the Authority may allow the Marketer, during the time of fulfilling the Authority's requirements, to communicate with the potential Professional Clients to discuss their intentions to invest in the scheme 	<p>The marketing permission is obtained according to the following steps:</p> <ol style="list-style-type: none"> 1. Submit an application, for marketing a <u>Collective Investment Scheme</u> incorporated outside the State of Kuwait, according to Appendix 1 of this Module, and the aforementioned application should be enclosed with the complete documents and information set out in this Appendix and the required fees must be paid. 2. The <u>Authority</u> may at any time, after it receives the application to market according to the requirements in item (1) of this Article, require additional documents or information that it considers as necessary to decide on such application. 3. According to a submitted request, the <u>Authority</u> may allow the <u>Marketer</u>, during the time of fulfilling the <u>Authority's</u> requirements, to communicate with the potential <u>Professional Clients</u> to discuss their intentions to invest in the scheme to be marketed. This includes phone calls, correspondences, and meetings, without advertising through the media available for the public. Complete transparency shall be complied towards the <u>Clients</u>, and no cash or non-cash amounts shall be charged, or obtain the final commitment from the <u>Clients</u> to subscribe to the scheme until the marketing license is obtained from the <u>Authority</u>. 4. The applicant must submit the required information and documents to the <u>Authority</u> within three months from the date of its request. 5. The <u>Authority</u> shall decide on an application to market a <u>Collective Investment Scheme</u> established outside the State of Kuwait after receiving the application, complete with all the information and
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				<p>to be marketed. This includes phone calls, correspondences, and meetings, without advertising through the media available for the public. Complete transparency shall be complied with towards the clients, and no cash or noncash amounts shall be charged, or obtain the final commitment from the Clients to subscribe to the scheme until the marketing license is obtained from the Authority.</p> <p>4. In the event that the applicant does not submit the documents and information required by the Authority within three months from the date of requesting it, the application shall be considered as void.</p> <p>5. In the event of the preliminary approval on marketing, the applicant shall be notified to pay the prescribed fees within one month from the date of issuing the approval, and in the event of not paying the fees within the specified period, the approval shall be considered as void.</p>	<p>documents set forth in this Article, within thirty <u>Business Days</u>.</p> <p>6. In the event of the preliminary approval on marketing, the applicant shall be notified to pay the prescribed fees within one month from the date of issuing the approval.</p> <p>7. In the event that the application is rejected, the decision shall be reasoned.</p> <p>8. The <u>Authority</u> shall issue the final license after the completion of the requirements mentioned in this Article. The <u>Marketer</u> should not accept any subscription request until this license is obtained.</p> <p>9. The applicant must fulfill the periods specified in this Article, otherwise the application shall be considered as void.</p> <p>In all cases, the <u>Authority</u> shall, notify the applicant of its decisions referred to in this Article, and publish its decisions related to the issuance of the license in the Official Gazette.</p>
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					<p>6. The Authority shall issue the final license after the completion of the requirements mentioned in this Article. The Marketer should not accept any subscription request until this license is obtained. In all cases, the Authority shall, notify the applicant of its decisions referred to in this Article, and publish its decisions related to the issuance of the license in the Official Gazette.</p>	
215	Thirteen	Five	5-6	Amending an Article	<p>The offer document of a Collective Investment Scheme (Prospectus) should be written in Arabic and contain the following information:</p> <ol style="list-style-type: none"> 1. Name of the Collective Investment Scheme in Arabic. 2. Name of the Collective Investment Scheme in English. 3. Country of origin (the country in which the Collective Investment Scheme was incorporated). 4. Regulatory authority (the entity which the Collective Investment Scheme is subject to its laws thereof) 5. Scheme manager (The Person responsible for managing the investments of the Collective Investment Scheme in accordance with the terms and provisions of 	<p>The offer document of a <u>Collective Investment Scheme</u> (Prospectus) should be written in Arabic and contain the following information:</p> <ol style="list-style-type: none"> 1. Name of the <u>Collective Investment Scheme</u> in Arabic. 2. Name of the <u>Collective Investment Scheme</u> in English. 3. Country of origin (the country in which the <u>Collective Investment Scheme</u> was incorporated). 4. Regulatory authority (the entity which the <u>Collective Investment Scheme</u> is subject to its laws thereof). 5. Scheme manager (The Person responsible for managing the investments of the <u>Collective Investment Scheme</u> in accordance with the terms and provisions of the <u>Collective Investment Scheme</u>). 6. Unit components (if any). 7. Names of the companies including the <u>Unit</u> (if any) in Arabic. 8. Names of the companies including the <u>Unit</u> (if any) in English. 9. The nominal value of the Unit / Share/Stake. 10. Price of the Unit / Share/ Stake to be marketed inside Kuwait.

				<p>the Collective Investment Scheme)</p> <p>6. Unit components (if any)</p> <p>7. Names of the companies including the Unit (if any) in Arabic.</p> <p>8. Names of the companies including the Unit (if any) in English.</p> <p>9. The nominal value of the Unit / Share.</p> <p>10. Price of the Unit / Share to be marketed inside Kuwait.</p> <p>11. Commission for Subscription/ participation.</p> <p>12. Collective Investment Scheme capital.</p> <p>13. The maximum limit for borrowing (if any).</p> <p>14. Collective Investment Scheme type.</p> <p>15. Collective Investment Scheme form.</p> <p>16. Collective Investment Scheme term.</p> <p>17. Collective Investment Scheme currency.</p> <p>18. Investment objectives.</p> <p>19. A summary about the investment (if the investment is pre-determined).</p> <p>20. Periods of calculating the price of Unit (NAV)</p> <p>21. Periods for Subscription and Redemption (if any).</p> <p>22. Basis and method of distribution of dividends.</p> <p>23. Periods for preparing and issuing the financial statements and the mean to</p>	<p>11. Commission for Subscription/ participation.</p> <p>12. <u>Collective Investment Scheme</u> capital.</p> <p>13. The maximum limit for borrowing (if any).</p> <p>14. <u>Collective Investment Scheme</u> type.</p> <p>15. <u>Collective Investment Scheme</u> form.</p> <p>16. <u>Collective Investment Scheme</u> term.</p> <p>17. <u>Collective Investment Scheme</u> currency.</p> <p>18. Investment objectives.</p> <p>19. A summary about the investment (if the investment is pre-determined).</p> <p>20. Periods of calculating the price of Unit /Share/Stake (NAV) (if any)</p> <p>21. Periods for Subscription and Redemption (if any).</p> <p>22. Basis and method of distribution of dividends.</p> <p>23. Periods for preparing and issuing the financial statements and the mean to access them.</p> <p>24. Disclosures and periodic reports of the <u>Unit</u> holders and the means to access them.</p> <p>25. Redemption commission (if any).</p> <p>26. Any fees or expenses or charges whether payable by the <u>Unit</u> holders or the scheme.</p> <p>27. Investment restrictions and risks.</p> <p>28. The historical performance of the <u>Collective Investment Scheme</u> (if any).</p> <p>29. Cases of conflict of interests (if any).</p> <p>30. Procedures of the complaints submitted against the <u>Marketer</u> or the <u>Collective Investment Scheme Manager</u>.</p> <p>31. Any other information reasonably known or shall be known by the Scheme Manager or the <u>Marketer</u>, and may be, reasonably, requested by <u>Unitholders</u>, or that are likely to be included in the Prospectus upon which the investment decision will be taken.</p>
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				<p>access them.</p> <p>24. Disclosures and periodic reports of the Unit holders and the means to access them.</p> <p>25. Redemption commission (if any).</p> <p>26. Any fees or expenses or charges whether payable by the Unitholders or the scheme.</p> <p>27. Investment restrictions and risks.</p> <p>28. The historical performance of the Collective Investment Scheme (if any).</p> <p>29. Cases of conflict of interests (if any).</p> <p>30. Procedures of the complaints submitted against the Marketer or the Collective Investment Scheme Manager.</p> <p>31. Any other information reasonably known or shall be known by the Scheme Manager or the Marketer, and may be, reasonably, requested by Unitholders, or that are likely to be included in the Prospectus upon which the investment decision will be taken.</p> <p>32. The mechanism or mean of the Unitholders' knowledge of any material events related to the scheme, such as the following events:</p> <ul style="list-style-type: none"> • Any substantial changes related to the information received in the Prospectus or Articles of Association (if any). 	<p>32. The mechanism or mean of the <u>Unitholders'</u> knowledge of any material events related to the scheme, such as the following events:</p> <ul style="list-style-type: none"> • Any substantial changes related to the information received in the Prospectus or Articles of Association (if any). • Any decisions related to the liquidation of the <u>Collective Investment Scheme</u>. • Any legal proceedings that have been taken by the <u>Collective Investment Scheme</u> against a third party, or have been taken by a third party against the <u>Collective Investment Scheme</u>, in a manner that may eventually affect the activity of the <u>Collective Investment Scheme</u> or the financial position thereof. <p>33. A statement stating that the <u>Collective Investment Scheme</u> shall not carry out any activities inside the State of Kuwait that may result in funding third parties, and that the subscriber had been informed with all the risks that he may encounter during investment in the <u>Collective Investment Scheme</u>, the tax status of the <u>Collective Investment Scheme</u> under the tax legislations at the country of origin, the effect of such status on the investments thereof in the <u>Collective Investment Scheme</u> as well as the returns to be achieved from such Scheme.</p> <p>34. A statement stating that the procedures for transferring ownership stipulated in the Prospectus within the State of Kuwait will not conflict with the provisions of Article (5-10) (Transferring the Ownership of Collective Investment Scheme Units) of this Chapter.</p> <p>35. A statement stating that the approval of the <u>Authority</u> on the marketing of the <u>Collective Investment Scheme</u> inside the State of Kuwait doesn't mean a recommendation to buy or invest in the <u>Collective Investment Scheme</u>. Such</p>
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				<ul style="list-style-type: none"> • Any decisions related to the liquidation of the Collective Investment Scheme. • Any legal proceedings that have been taken by the Collective Investment Scheme against a third party, or have been taken by a third party against the Collective Investment Scheme, in a manner that may eventually affect the activity of the Collective Investment Scheme or the financial position thereof. <p>33. A statement stating that the Collective Investment Scheme shall not carry out any activities inside the State of Kuwait that may result in funding third parties, and that the subscriber had been informed with all the risks that he may encounter during investment in the Collective Investment Scheme, the tax status of the Collective Investment Scheme under the tax legislations at the country of origin, the effect of such status on the investments thereof in the Collective Investment Scheme as well as the returns to be achieved from such Scheme.</p> <p>34. A statement stating that the approval of the Authority on the marketing of the Collective Investment Scheme inside the State of Kuwait doesn't mean a recommendation to buy or invest in the Collective Investment Scheme. Such approval is only related with the ability of the Marketer to market</p>	<p>approval is only related with the ability of the <u>Marketer</u> to market the Shares and <u>Units</u> of the <u>Collective Investment Scheme</u>, and that the <u>Authority</u> shall not be held liable for the default of any of the competent parties of the Collective Investment Scheme in carrying out the tasks and duties thereof, and shall not be responsible for the accuracy and safety of the information set out in the Prospectus, however, such responsibility shall be held by all the parties listed in the Prospectus in accordance with the roles and duties of each.</p> <p>36. Any other information requested by the <u>Authority</u>.</p>
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					<p>the Shares and Units of the Collective Investment Scheme, and that the Authority shall not be held liable for the default of any of the competent parties of the Collective Investment Scheme in carrying out the tasks and duties thereof, and shall not be responsible for the accuracy and safety of the information set out in the Prospectus, however, such responsibility shall be held by all the parties listed in the Prospectus in accordance with the roles and duties of each.</p> <p>35. Any other information requested by the Authority.</p>	
216	Thirteen	Five	5-7	Amending an Article	<p>A Marketer of a Collective Investment Scheme incorporated outside the State of Kuwait shall comply with the following:</p> <ol style="list-style-type: none"> 1. Assume Care of a Prudent Person when undertaking the responsibilities and compensate every Person harmed as a result of an error committed by the marketing tasks mentioned in this Article. 2. Not exceeding the share approved for marketing by the Authority unless approved by the Authority to increase the share before the expiration of the license term and the payment of the prescribed fees. 3. The participant's hand over of an evidence of participating in the Collective Investment Scheme upon participation, and of the Units allocated/purchased in the Collective 	<p>A <u>Marketer</u> of a <u>Collective Investment Scheme</u> incorporated outside the State of Kuwait shall comply with the following:</p> <ol style="list-style-type: none"> 1. Assume <u>Care of a Prudent Person</u> when undertaking the responsibilities and compensate every <u>Person</u> harmed as a result of an error committed by the marketing tasks mentioned in this Article. 2. Not exceeding the share approved for marketing by the <u>Authority</u> unless approved by the <u>Authority</u> to increase the share before the expiration of the license term and the payment of the prescribed fees. 3. Provide the participant with evidence of participation in the <u>Collective Investment Scheme</u> upon participation, and evidence of his ownership in the scheme to enable him to exercise all of the rights associated with his ownership. 4. Develop and maintain a record of the <u>Unit</u> holders for which he marketed in the State of Kuwait. 5. The <u>Marketer</u> shall notify the <u>Authority</u> of any material events that may affect the <u>Collective</u>

				<p>Investment Scheme and the document he can use to exercise all of the rights associated with his title to the Units.</p> <p>4. Develop and maintain a record of the Unit holders for which he marketed in the State of Kuwait.</p> <p>5. The Marketer shall notify the Authority of any material events that may affect the Collective Investment Scheme or the rights of the Unit holders – in the event of availability or knowledge of it.</p> <p>6. Dealing with the complaints against the Marketer submitted by the Unit holders who were marketed for in the State of Kuwait by the Marketer and ensuring the corrective measures taken as soon as possible.</p> <p>7. Providing the appropriate method to deliver the breaches submitted against the manager of a Foreign Collective Investment Scheme by the Unit holders who were marketed for in the State of Kuwait and seeking to deliver it to the relevant entity as soon as possible.</p> <p>8. Submitting a report of the results of marketing a Collective Investment Scheme incorporated outside the State of Kuwait within fifteen Business Days from the expiration date of the license certificate or after having finished the marketing processes (if sooner)</p>	<p><u>Investment Scheme</u> or the rights of the <u>Unit</u> holders – in the event of availability or knowledge of it.</p> <p>6. Dealing with the complaints against the <u>Marketer</u> submitted by the <u>Unit</u> holders who were marketed for in the State of Kuwait by the <u>Marketer</u> and ensuring the corrective measures taken as soon as possible.</p> <p>7. Providing the appropriate method to deliver the breaches submitted against the manager of a <u>Foreign Collective Investment Scheme</u> by the <u>Unit</u> holders who were marketed for in the State of Kuwait and seeking to deliver it to the relevant entity as soon as possible.</p> <p>8. Submitting a report of the results of marketing a <u>Collective Investment Scheme</u> incorporated outside the State of Kuwait within fifteen <u>Business Days</u> from the expiration date of the license certificate or after having finished the marketing processes (if sooner) in accordance with the form attached to Annex (2) of Appendix (1) of this Module.</p> <p>9. Submitting any other information or documents required by the Authority.</p> <p>These obligations shall apply on the <u>Marketer</u> even if the marketing license provided by the <u>Authority</u> is expired, until he submits to the <u>Authority</u> proof of the exit of all <u>Unit</u> holders who were marketed for in the State of Kuwait.</p>
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					<p>in accordance with the form attached to Annex (2) of Appendix (1) of this Module.</p> <p>9. Submitting any other information or documents required by the Authority.</p> <p>These obligations shall apply on the Marketer even if the marketing license provided by the Authority is expired, until he submits to the Authority an evidence of exiting the Unit holders who were marketed for in the State of Kuwait.</p>	
217	Thirteen	Five	5-10	Amending an Article	<p>Without prejudice to the provisions regulating the Collective Investment Scheme marketed in the State of Kuwait, the Scheme's Units may be transferred to clients in the State of Kuwait during or after the expiration of the license term according to the following obligations:</p> <ol style="list-style-type: none"> 1. The Scheme shall be close-ended and does not permit redemption in its Units. 2. Transfer of ownership shall be to another Professional Client inside the State of Kuwait. 3. Transfer of ownership shall be upon a justified request from the Client. 4. In exception to Items (1), (2), and (3) of this Article are the cases of transfer of ownership that are based on a court order or inheritance. <p>In all cases, the Marketer shall notify the Authority within fifteen Business Days of completing the transfer of</p>	<p>Without prejudice to the provisions regulating the <u>Collective Investment Scheme</u> marketed in the State of Kuwait, the <u>Marketer</u> may transfer the ownership of the Scheme's <u>Units</u> to <u>Clients</u> in the State of Kuwait during or after the expiration of the license term upon a justified request by the <u>Client</u> or the concerned parties, provided that the <u>Marketer</u> shall be responsible for verifying the applicability of one of the following cases:</p> <ol style="list-style-type: none"> 1. Restructuring the assets of the <u>Unit</u> holder. 2. Cases of mortgage or seizure that do not conflict with the provisions regulating them. 3. Transferring ownership to <u>Relatives</u> up to the second degree. 4. Cases of transfer of ownership based on an enforceable court judgment. 5. Cases of transfer of ownership based on inheritance or will. <p>In all cases, the <u>Marketer</u> shall notify the <u>Authority</u> within fifteen <u>Business Days</u> of completing the transfer of ownership attached with a report that includes both parties of the transfer, number of <u>Units</u> and their value, and reasons of transferring</p>

					<p>ownership attached with a report that includes both parties of the transfer, number of Units and their value, and reasons of transferring the ownership. The Marketer is prohibited from using the transfer of ownership to market the scheme's Units on new subscribers after the expiration of the marketing permission issued by the Authority.</p>	<p>the ownership. The <u>Marketer</u> is prohibited from using the transfer of ownership to market the scheme's <u>Units</u> on new subscribers after the expiration of the marketing permission issued by the <u>Authority</u>.</p>
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Annex (2)

Appendix 1

Marketing the Collective Investment Scheme Units Incorporated Outside the State of Kuwait

Attachment (1)

**Application for the Marketing of Collective Investment Scheme Units Incorporated
Outside the State of Kuwait**

Date:

Application for Marketing the Collective Investment Scheme Units Incorporated Outside
the State of Kuwait

Contents

The Licensed Persons wishing to market in the State of Kuwait a Collective Investment Scheme incorporated outside the State of Kuwait inside the State of Kuwait shall fill out this form and submit it to Licensing and Registration Department at the Capital Markets Authority.

List of Contents	
Section 1	Details of the Collective Investment Scheme
Section 2	List of the Documents Required upon Submission of the Application
Section 3	Declaration and Undertaking Issued to the Capital Market Authority

1- Details of the Collective Investment Scheme	
Name of the applicant for marketing of the Collective Investment Scheme Units inside the State of Kuwait	
Name of Collective Investment Scheme (in Arabic)	
Name of Collective Investment Scheme (in English)	
Country of Origin	(The country at which the Collective Investment Scheme has been incorporated)
Regulatory Authority	The Authority which the Collective Investment Scheme is subject to the laws thereof)
Licensing/Registration Nature	<ul style="list-style-type: none">• Licensed Collective Investment Scheme.• Registered Collective Investment Scheme.• Other:
The Scheme's Manager	A Person licensed or registered in the country of origin responsible for managing the investments of the Collective Investment Scheme according to the terms

	and provisions of the Collective Investment Scheme)
Collective Investment Scheme Capital	(Minimum (if any) – maximum (if any)) (in KWD or its equivalent currency)
Collective Investment Scheme Type	Equity, FoF, Real Estate, Indices, Debt Instruments...) Another type:
Collective Investment Scheme Form	Scheme: (closed - open)
Term of the Collective Investment Scheme	
Currency of the Collective Investment Scheme	
The investment goals of the Collective Investment Scheme	
Basis and Method of Distribution of Dividends (if any)	
Periods of calculating the price of Unit /Share / Stake (NAV) (if any)	
Period for Subscription and Redemption (if any)	
Period for preparing and issuing the financial statements	
Unit Components (if any)	
Name of the Companies forming the Units (if any) in Arabic	
Name of the Companies forming the Units (if any) in English	
The Nominal Value of the Unit/Share/ Stake	
The Price of the Unit/Share/ Stake to be marketed inside Kuwait	
Maximum limit for the Units/Shares / Stakes to be marketed inside the State of Kuwait	(Owns the voting right – Does not own a voting right – others)
Maximum limit for the total value offered inside the State of Kuwait	
Commission for Subscription/ participation (if any)	

Commission for Redemption (if any)	
Investment restrictions and risks	
Clients targeted by the subscription inside the State of Kuwait	Targeted segment
Name of entities receiving the requests of Subscription/ participation in the Collective Investment Scheme inside the State of Kuwait	1. 2. 3.
Information of the Entity applying for marketing of the Collective Investment Scheme Units inside the State of Kuwait	Name of entity: Number of the Authority's license: Legal form: Address of HQ: Telephone: Fax: Email: Web Site: Name of Liaison officer with the Authority: (Any other information about the Liaison officer shall be added)
Entity that incorporated the Collective Investment Scheme (if any)	Name of Entity: Nationality: Legal Form: Address of HQ: Telephone: Fax: Email: Web Site:
Manager of the Collective Investment Scheme	Name of Entity: Nationality: Legal Form: Address of HQ: Telephone: Fax: Email: Web Site:
Custodian of the Collective Investment Scheme (if any)	Name of Entity: Nationality: Legal Form: Address of HQ: Telephone: Fax: Email: Web Site:
Investment Controller of the Collective Investment Scheme or administrative services company (if any)	Name of Entity: Nationality: Legal Form: Address of HQ: Telephone: Fax: Email: Web Site:
The Auditor of the Collective Investment Scheme (if any)	Name of Entity: Nationality: Legal Form:

	Address of HQ: Telephone: Fax: Email: Web Site:
Legal Advisor of the Collective Investment Scheme (if any)	Name of Entity: Nationality: Legal Form: Address of HQ: Telephone: Fax: Email: Web Site:
Islamic Controlling Bureau / Entity (For the Collective Investment Schemes operating in accordance with the provisions of Islamic Sharia)	Name of Entity: Nationality: Legal Form: Address of HQ: Telephone: Fax: Email: Web Site:
Subscription Agents (selling) of the Collective Investment Scheme inside the State of Kuwait (if any)	Name of Entity: Nationality: Legal Form: Address of HQ: Telephone: Fax: Email: Web Site:
The historical performance of the Collective Investment Scheme (if any)	Date of establishing the Collective Investment Scheme Last date of appraisal (NAV at...): Value of the Collective Investment Scheme Unit / Share / Stake (NAV) Return of the last month appraisal (MTD) Return of the beginning of the current year (YTD) Return of the last two financial years Dividends of the last two years Other information if any
Other information (if any)	

#	2. List of the Document upon Submission of Application			
	Document	Enclosed	N/A	Remarks
1	Certificate of establishment, license or registration of the Collective Investment Scheme Manager issued by the country of origin and approved by Ministry of Foreign Affairs of the State of Kuwait.	<input type="checkbox"/>	<input type="checkbox"/>	
2	Certificate of establishing the Collective Investment Scheme or the companies	<input type="checkbox"/>	<input type="checkbox"/>	

	comprising it issued by the country of origin and approved by Ministry of Foreign Affairs of the State of Kuwait.			
3	The signed agreement between the Collective Investment Scheme representative and the entity applying for marketing of the Collective Investment Scheme Units inside the State of Kuwait and approved by Ministry of Foreign Affairs of the State of Kuwait. The mentioned document may not be required for submission if the entity applying for marketing is the representative of the Scheme, or if the company representing the Collective Investment Scheme is fully owned by the entity applying for marketing (provided that a proof of ownership shall be submitted to the Authority).	<input type="checkbox"/>	<input type="checkbox"/>	
4	Copy of the draft agreement concluded between the entity applying for marketing of the Collective Investment Scheme Units inside the State of Kuwait and the local Subscription Agent (selling).	<input type="checkbox"/>	<input type="checkbox"/>	
5	The document of offering the Collective Investment Scheme (Prospectus) addressed to the clients of State of Kuwait.	<input type="checkbox"/>	<input type="checkbox"/>	
6	The Collective Investment Scheme structure.	<input type="checkbox"/>	<input type="checkbox"/>	
7	Articles of Association or Memorandum of Association of the Collective Investment Scheme or of the companies including the Collective Investment Scheme structure	<input type="checkbox"/>	<input type="checkbox"/>	

	issued by the country of origin and approved by Ministry of Foreign Affairs of the State of Kuwait.			
8	Copy of the payment receipt of the application fees.	<input type="checkbox"/>	<input type="checkbox"/>	

3. Declaration and Undertaking Issued to the Capital Market Authority

I hereby, in my capacity as the Chairman (or the deputy thereof, with a copy of deputation, if any), undertake to (Applicant) that (name of the Collective Investment Scheme) which Units are planned to be marketed through our company, has been incorporated in accordance with the Laws and conditions applied in the country of incorporation, and I hereby undertake to:

1. The information in this application (including all appendices and attachments) is complete, accurate and correct. I also declare that I have reviewed Law No. 7 of 2010, its Executive Bylaws and their amendments as well as the resolutions and circulars issued by the Authority.	<input type="checkbox"/> Yes
2. I am aware of the Capital Market Authority's right to take any punitive or disciplinary action against any Person who provides incorrect or misleading information in this application.	<input type="checkbox"/> Yes
3. I declare my approval that Capital Market Authority shall use and disclose any information I have provided or will provide in the future for the purposes of carrying out its duties.	<input type="checkbox"/> Yes
4. I shall abide by the provisions of Law No. 7 of 2010 and the Executive Regulations thereof as well as to the regulations, resolutions, instructions, or any circulars related with marketing the Collective Investment Schemes inside the State of Kuwait.	<input type="checkbox"/> Yes
5. I undertake to pay any fees for licensing, or any other fees as prescribed by the Authority in accordance with the resolutions issued in this regard.	<input type="checkbox"/> Yes
6. I undertake to disclose to the subscriber prior to subscription that the approval of the	

<p>Authority on the marketing of the Collective Investment Scheme inside the State of Kuwait does not mean a recommendation to buy or invest in the Collective Investment Scheme. Such approval is only related with the ability of the marketing entity to market the Shares and Units of the Collective Investment Scheme, and that the Authority shall not be held liable for the default of any of the competent parties of the Collective Investment Scheme in carrying out the tasks and duties thereof, and shall not be responsible for the accuracy and safety of the information set out in the Prospectus, and the signature thereof shall be affixed to prove that.</p>	<input type="checkbox"/> Yes
<p>7. Undertake to provide any information or documents at the request of the Authority</p>	<input type="checkbox"/> Yes
<p>This is a declaration and undertaking from me</p>	

Name: *

Capacity: *

Date: *

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Signature: *

Stamp: *

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Attachment (2)

**Application for the Report of the Results of Marketing the Collective Investment
Scheme Units Incorporated Outside the State of Kuwait**

Application for the Report of the Results of Marketing the Collective Investment Scheme Units Incorporated Outside the State of Kuwait

The Marketer shall submit a report of the results of marketing the Unites of a Collective Investment Scheme incorporated outside the State of Kuwait within fifteen Business Days from the expiration date of the marketing license or after having finished the marketing processes (if sooner) to the Collective Investment Schemes Department at the Capital Markets Authority.

Report Date	
Name of the Collective Investment Scheme	
Name of the Marketer	
Name of the Subscription Agent (Selling) (if any)	
The start date of the license	
The expiration date of the license	
Maximum limit for the Units/Shares/ Stakes licensed for marketing inside the State of Kuwait	
Number of Units/Shares/ Stakes that were marketed inside the State of Kuwait during the license term	
The total amount that was marketed during the license term (according to the Scheme's currency)	
Number subscribers during the license term through the Marketer or the Subscription Agent (selling) inside the State of Kuwait.	
Number of clients that were marketed for inside the State of Kuwait and remain in the Scheme after its expiration as on the date of this report.	

Attachment (3)

Appendix 2

Application for the Incorporation of a Local Fund

DATE:

Application for the Incorporation of a Local Fund

Contents

The Licensed Persons wishing to incorporate a local Fund in the State of Kuwait shall fill out this form and submit it to the Capital Markets Authority.

Section 1	Fund Information
Section 2	Fund Manager Information
Section 3	Main Liaison Officers at the Fund Manger
Section 4	Custodian
Section 5	Investment Controller
Section 6	External Auditor
Section 7	External Sharia Auditing Office
Section 8	Internal Sharia Audit Unit
Section 9	Investment Advisor
Section 10	Subscription Agent (Selling)
Section 11	Record Keeper
Section 12	List of the Documents Required upon Submission of the Application
Section 13	Declaration and Undertaking Issued to the Capital Market Authority

(1) Fund Information

Name of Fund (in Arabic): *

Name of Fund (in English): *

Fund Classification: *

Targeted Segment: *

<input type="checkbox"/> Public Fund <input type="checkbox"/> Private Fund	
--	--

Fund's Capital: *

Fund's Currency: *

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Form of Fund: *

Nature of Fund: *

<input type="checkbox"/> Closed <input type="checkbox"/> Open	<input type="checkbox"/> Conventional <input type="checkbox"/> Conforms with Islamic Sharia
---	--

Fund's Type: *

<input type="checkbox"/> Equity Investment Fund	<input type="checkbox"/> Money Market Fund	<input type="checkbox"/> Real Estate Fund
<input type="checkbox"/> Fund of Funds	<input type="checkbox"/> Debt Instrument Fund	<input type="checkbox"/> Private Property
<input type="checkbox"/> Real Estate Income-Generating Fund (Traded)	<input type="checkbox"/> Hedge Fund	<input type="checkbox"/> Venture Capital
<input type="checkbox"/> Other		

Fund's Investment Goals: *

Targeted Segment: *

Nature of Scheme: *

	<input type="checkbox"/> Conventional <input type="checkbox"/> Conforms with Islamic Sharia
--	--

Name of Applicant: *

Tel. Number: *

Mobile Number: *

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Email: *

Website: *

--	--

2.Fund Manager Information

Name: *

Authority's License Number: *

Auditor of the Fund's Manager

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Company's Legal Entity: *

Headquarters Address: *

<input type="checkbox"/> Public <input type="checkbox"/> Closed <input type="checkbox"/> Conventional <input type="checkbox"/> Islamic Sharia Compliant	
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Members of the Fund's Executive Team: *

1. 2.

3. Main Liaison Officers at the Fund Manger

Name of First Liaison officer: *

--

Job Title: *

Department: *

Mobile No: *

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Website *

Tel.: *

Email: *

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Name of Second Liaison officer: *

--

Job Title: *

Department: *

Mobile No: *

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Website: *

Tel.: *

Email: *

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4. Custodian

Name of Liaison officer: *

Name of Entity: *

--	--

Job Title: *

Department: *

Mobile No: *

--	--	--

Authority's License Number: *

Tel.: *

Email: *

--	--	--

5. Investment Controller

Name of Liaison officer: *

Name of Entity: *

--	--

Job Title: *

Department: *

Mobile No: *

--	--	--

Authority's License Number: *

Tel.: *

Email: *

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6. External Auditor

Name of Auditor: *

Name of Liaison officer: *

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Job Title: *

Department: *

Mobile No: *

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Authority's Registration Number: *

Tel.: *

Email: *

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7. External Sharia Auditing Office

(to be filled out if the Funds are operating in accordance with Islamic Sharia)

Name of Entity:

Name of Liaison officer:

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Job Title of Liaison officer:

Department:

Mobile No:

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Authority's Registration Number:

Tel.:

Email:

--	--	--

8. Internal Sharia Audit Unit

(To be filled out if the company is a conventional Fund Manager and would like to incorporate a Fund in accordance with the provisions of Islamic Sharia)

Name of the Internal Sharia Audit Officer or Name of Entity:

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Authority's Registration Number:

Tel.:

Email:

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9. Investment Advisor
(To be filled out if there is an Investment Controller)

Name of Liaison officer: Name of Entity:

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Job Title: Department: Mobile No:

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Authority's License Number: Tel.: Email:

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10. Subscription Agent (Selling)
(To be filled out if there is a Subscription Agent (Selling))

Name of Liaison officer: Name of Entity:

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Job Title: Department: Mobile No:

--	--	--

Authority's License Number: Tel.: Email:

--	--	--

11. Record Keeper

Name of Liaison officer: * Name of Entity: *

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Job Title: * Department: * Mobile No: *

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Authority's License Number: Tel.: * Email: *

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12. List of the Documents Required upon Submission of the Application

#	Document	Enclosed	N/A	Remarks
1	Fund's Draft Prospectus	<input type="checkbox"/>	<input type="checkbox"/>	
2	Fund's Draft Articles of Association	<input type="checkbox"/>	<input type="checkbox"/>	
3	Custodian Draft Agreement	<input type="checkbox"/>	<input type="checkbox"/>	
4	Investment Controller Draft Agreement	<input type="checkbox"/>	<input type="checkbox"/>	
5	External Auditor Draft Agreement	<input type="checkbox"/>	<input type="checkbox"/>	
6	External Sharia Auditing Office Draft Agreement (for the Funds operating in accordance with Islamic Sharia)	<input type="checkbox"/>	<input type="checkbox"/>	
7	Internal Sharia Audit Unit Draft Agreement (in case the company is a conventional Fund Manager and wants to incorporate a Fund operating in accordance with Islamic Sharia)	<input type="checkbox"/>	<input type="checkbox"/>	
8	Record Keeper Draft Agreement (unless the Custodian is the Record Keeper)	<input type="checkbox"/>	<input type="checkbox"/>	
9	Any other draft agreements entered into with the Fund Service Providers			
10	Subscription/ Participation Form	<input type="checkbox"/>	<input type="checkbox"/>	
11	Redemption form for the open-ended Fund	<input type="checkbox"/>	<input type="checkbox"/>	

12	A Statement of the Applicant's previous experience in managing assets of others	<input type="checkbox"/>	<input type="checkbox"/>	
13	Copy of the payment receipt of the Fund's incorporation application fees	<input type="checkbox"/>	<input type="checkbox"/>	
14	Soft copies of all the documents mentioned above, provided that the documents of items (1), (2), (10), and (11) of this list are to be attached in (Word) format.	<input type="checkbox"/>	<input type="checkbox"/>	

13. Declaration and Undertaking Issued to the Capital Market Authority

I, the undersigned, declare to:

1. The information in this application (including all Appendices and enclosures) is complete, accurate and correct. I also declare that I've reviewed Law No. 7 of 2010, its Executive Bylaws and the amendments thereof as well as the instructions and resolutions that are issued from the Authority and the amendments thereof.	<input type="checkbox"/> Yes
2. I am aware of the Capital Market Authority's right to take any punitive or disciplinary action against any Person who provides incorrect or misleading information in the application of incorporation.	<input type="checkbox"/> Yes
3. I undertake to inform the Authority in writing once any change in any provided information or data has occurred or carried out under this application.	<input type="checkbox"/> Yes
4. I declare my approval that Capital Markets Authority shall use and review any information I provided, or I will provide in the future in this application for the purposes of carrying out the duties thereof.	<input type="checkbox"/> Yes
5. I shall abide to the provisions of Law No. 7 of 2010 and the Executive Bylaws, and their amendments thereof, regulations, decisions, instructions and circulars issued by the Capital Markets Authority, and to comply with the Scheme during the specified period set by the Authority.	<input type="checkbox"/> Yes

6. I undertake to pay out any fees for licensing or renewing the license for the Fund or any other fees as specified by the Authority and in accordance with the resolutions issued thereby in this regard.	<input type="checkbox"/> Yes
7. I pledge that I have presented the draft Articles of Association to all service providers and none of them have any comments on matters relating to their scope of work.	<input type="checkbox"/> Yes
8. I undertake to provide the Authority with copies of the final agreements signed with the service providers, provided that the financial years stipulated in these agreements are updated according to the date of registration of the Fund in the Authority's register.	<input type="checkbox"/> Yes
In Case of Private Subscription Fund	
9. I undertake not to use any of the means of public announcement in advertising the Fund, and in particular not to use the advertisements, articles or any methods to address the public such as publishing in newspapers, magazines or press news, transmitting through visual, audible or readable media means, and not to hold introductory seminars or meetings with prospective investors unless these qualified invited investors are known and previously defined.	<input type="checkbox"/> Yes
This is a declaration and undertaking from me	

Name: *

Capacity: *

Date: *

Signature: *

Stamp: *

Attachment (4)

Appendix 3

Prospectus

Form and Contents of Prospectus

The Prospectus of each Fund shall include all the necessary information that helps investors to take the right sensible decision with respect to the proposed investment. The following data shall, at the minimum, be fulfilled as per the sequence shown in this Appendix:

Firstly: Prospectus Cover Page

1. Name of Fund
2. Type of Fund
3. Fund Classification (Public / Private)
4. Capital of Fund
5. Form of the Fund (open-ended/ closed-ended)
6. Name of Fund Manager
7. Subscription Period
8. A prominent legible warning written in bold font and framed as follows:

With regards to the contents of this Prospectus, we advise investors to read and understand this Prospectus. If in doubt, please seek the advice of a Person licensed in accordance with the Law who is specialised in giving advice on making an investment decision to participate in the Fund.”

Secondly: First Page inside the Prospectus

The first page which comes after the cover page shall include the following:

1. A prominent legible disclaimer written in bold font and framed as follows:

The Capital Market Authority has approved the incorporation of the Fund and offering of its Units. The Authority shall not bear any liability for the contents of this Prospectus. It does not give any confirmation of the accuracy or completion of its contents. It shall not bear any liability whatsoever for any loss resulting from this Prospectus or from relying on any part thereof. The Capital Market Authority does not give any recommendation whether it is a good investment or not.

2. In case of Private Subscription Fund, a statement as follows:

This Prospectus is issued to subscribe in a Fund’s Unit through Private Subscription. It may not be displayed or distributed inside the State of Kuwait except to Professional Clients in the State of Kuwait.

3. In case of Funds operating in accordance with the provisions of Islamic Sharia, a statement shall be added as follows:

The [name of Fund) has been approved as a Fund’s licensed to operate in accordance with the provisions of the Islamic Sharia by an External Sharia Auditing Office appointed by the Fund.

4. A statement regarding “Fund Manager’s duties” on the inner cover page is framed as follows:

This Prospectus was prepared by the Fund Manager who is fully liable for the truth and accuracy of the information provided for therein. The Fund Manager confirms that it does not contain any untrue or misleading information nor inadvertently omits other facts that would render any statement in the Prospectus false or misleading.

5. A statement on the Authority’s approval on this Prospectus is issued as follows:

The Prospectus is accepted by Capital Market Authority on----- /----- / -----.

Thirdly: List of Contents

The Fund Manager shall add a list of contents comprising the addresses, and Subsidiary addresses for each section included in the Prospectus along with the page number corresponding to each section.

Fourthly: Preamble

A statement that, both the Prospectus and Regulations have been created as per the Law of the Capital Market Authority, and have been adopted by Capital Market Authority.

Fifthly: Definitions

In case there are terms that require clarification, the Fund Manager shall add a special section for the clarifying definitions.

Sixthly: Fund’s Information

1. Name of Fund.
2. Form of Fund: (open-ended/ closed-ended).
3. Type of Fund: Determine the type of Fund as per the nature of its business.
4. Fund Classification: (Public/ Private Subscription).
5. Targeted Segment.
6. Currency of Fund.
7. Capital and the payment Scheme of the Fund
8. Fund Objective
9. The Fund, sector, or indicator’s followed investment scope (if any).

10. Fund's investment controls

11. Risk of investing in the Fund, including:

a. The main risks related to investment, including the potential risks that the Fund can be exposed to, and any circumstances that are reasonably likely to affect the net of the value of the Fund's Assets and the returns thereof.

b. A clear statement showing the following to the investors:

1. The potential risks of losing money upon the investment in the Fund.
2. Investment in the Fund is not considered as a deposit of money at a bank which provides guarantee, sale, or otherwise related to the Fund.

12. The nominal value of the investment Unit

13. The term of the Fund

14. The minimum and maximum of participation and redemption by the Fund Manager and Unitholders.

15. Conflict of interest policy or any potential and/or actual conflict of interests.

Seventhly:

Fund Manager

1. Name of the Fund Manager.
2. Statement that the Fund Manager is licensed from the Capital Market Authority.
3. Fund Manager registered address and headquarters address, in addition to the contact information and any web address enclosing any information on either the Fund or its manager.
4. Profile on the Fund Manager and the date of incorporation.
5. Members of the Fund Board of Directors.
6. Statement on the main obligations of the Fund Manager.
7. Any business, or other interests of the Fund Manager which are of material importance, or can come into conflict with the Fund business.

Custodian

1. Name of the Custodian.
2. Statement that the Custodian is licensed from the Capital Markets Authority.
3. Custodian's registered address and work address.
4. Profile of the Custodian and date of incorporation.

Investment Controller

1. Name of the Investment Controller.
2. Statement that the Investment Controller is licensed from the Capital Markets Authority.
3. Investment Controller's registered address and work address.
4. A profile of the Investment Controller and date of incorporation.

External Auditor

1. Name of the Auditor.
2. Statement that the External Auditor is registered at the Capital Markets Authority.
3. Auditor's registered address and work address.

External Sharia Auditing Office (for the Funds operating in accordance with the provisions of Sharia)

1. Name of the External Sharia Auditing Office.
2. Statement that the Office is registered at the Capital Markets Authority.
3. External Sharia Auditing Office registered address and work address.
4. Profile of the External Sharia Auditing Office and date of incorporation

Investment Advisor (if any)

1. Name of the Investment Advisor.
2. Statement that the Investment Advisor is registered at the Capital Markets Authority.
3. Investment Advisor's registered address and work address.
4. Profile of the Investment Advisor and date of incorporation

Any other parties with whom contracts are concluded and information about them.

Eighth: Working Scheme

A. Subscription and Allotment

This Prospectus shall, at the minimum, include the following information on the procedures of Subscription and allotment:

1. Name and address of the entity in charge of receiving the Subscription payments and the mechanism of paying Subscription monies (no participation shall, in terms of liquid cash money in the Fund, be accepted).
2. Subscription period, indicating the opening and closing date of Subscription.
3. A statement that the payments subscribers have paid and the returns they have achieved will be refunded in the event that the minimum capital is not covered, within a period not exceeding 10 Business Days from the end of the subscription period.
4. Procedures of allotment and the refund of the payments for which no corresponding Units are allocated, are subject to the following:
 - In case the Subscription exceeds the Fund's Capital, the Units shall be distributed amongst the subscribers on a pro rata basis after distributing the minimum Subscription on all subscribers.
 - The date for allocating the Units shall be no more than 10 business days from the date of closing the Subscription.
 - The payments exceeding the amount of Subscriber's allotment shall be refunded within 10 business days as of the date of allotment. No interests on the same shall be payable.
5. Any other data with respect to Subscription and allotment

B. Subscription

The following statement for:

1. Dealing Days on which the participation of Fund's Units takes place, and the deadline for submitting the participation requests.
2. The minimum subscription amount .
3. Subscription fees (if any).

C. Redemption

The following statement for:

1. Dealing Days on which the Units of Fund are redeemed, and the deadline for submitting the redemption requests.
2. The minimum redemption amount.
3. Conditions of early redemption and method of calculating its fees (if any).

- 4. Redemption fees (if any).**
- 5. Period of paying the redemption value.**

Ninth: Appraisal and Pricing

- 1. The days of appraisal on which the Fund net asset value (NAV) is calculated.**
- 2. The mechanism for valuation of Fund's Assets as per the International Accounting Conditions and Standards adopted by Authority.**
- 3. The method of calculating the price of the net unit value for the purposes of subscription and redemption.**
- 4. Details on how to review the net unit value.**

Tenth: Unitholders Register

- 1. Name of the Record Keeper.**
- 2. A statement of the information that shall be kept in the Unitholder register.**
- 3. A statement showing that the Unitholders are responsible for updating their information.**

Eleventh: Dividend's Policy

A statement related to the policy of distributing dividends, and how distributions are paid whenever this applies.

Twelfth: Fees, Expenses and Charges

A table showing all fees, expenses and charges, related to the Fund's operations and the method of calculating and paying service providers fees, and whether they are payable by the Unitholders, or from the Fund's Assets or paid by the Fund Manager.

Thirteenth: Accounting and Reporting

- 1. Fund's financial year**
- 2. Financial statements:**
 - a. The periods for submitting the financial statements and the locations for posting the same.**
 - b. A clarification on the availability of Fund's financial statements audited at request for free, and how the Unitholders have a copy of the same.**
- 3. Periodic reports for the Unitholders.**
- 4. A description for the periodic reports with which the Unitholders will be provided and the periods of reporting, and how to submit such reports to the Unitholders.**
- 5. Periodic information presented to the public (for the public Fund only)**

Fourteenth: Other Information

Any other information reasonably known or shall be known by the Fund Manager, and may be, reasonably, requested by the current or potential Unitholders or their advisors, or that are likely to be included in the Prospectus upon which the investment decision will be taken

Attachment (5)

Appendix 4

Investment Regulations for Each Type of Fund

Attachment (1)
Investment Controls for Each Type of Fund

- **Investment Controls for Securities Investment Funds**

The Securities Investment Fund is an investment Fund that aims to invest in listed Securities traded in various sectors in the regulated markets and the fields of investment related to Securities that are specified in the Articles of Association.

Securities Investment Funds which are offered through a Public Offer are subject to the following terms and conditions:

1. Not to own more than 10% of all types of Securities of one issuer.
2. No borrowing or entering into transactions which may result in contractual financial commitments more than 10% of the Fund's net asset value.
3. Without prejudice to Article (1) above, the Fund may invest up to 15% as a maximum of its net asset value in any bonds and/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.
4. The Fund may invest 25% maximum of its net assets value in other unlisted investment Funds that are licensed by the Authority or subject to another Regulatory Body in accordance with the following:
 - a. The Articles of Association shall state such investment and the type of Fund.
 - b. The investment Funds are not managed by the same Fund Manager.
 - c. The investments made in one Fund may not exceed 15% from the net asset value of the Fund.
 - d. The investments made in Private Funds may not exceed 10% from the net asset value of the Fund.
 - e. The investments made in Funds other than Securities investment Funds and Money Market Funds may not exceed 10% from the net asset value of the Fund.
 - f. The investments made in Funds managed by one manager may not exceed 10% from the net asset value of the Fund.
5. The Fund's investments in listed Securities represented by shares, debt instruments, or listed Funds issued by a single issuer shall not exceed 15% of the Fund's net asset value, except for the following:
 - a. A Fund, whose Articles of Association provide for investment in Securities of listed companies on Kuwait Stock Exchange or on any other organized stock exchange, may not exceed 3% more than the Securities market value to the total market value.
 - b. A Fund, whose Articles of Association provide to invest in a certain field or sector or a specific index of listed Securities, may not exceed any Security operating in such field, sector or specific index, provided that market value to the total market value of that field, sector or specific index. The Articles of Association of the Fund shall set forth the standards to specify the investment field and the Fund Manager shall keep a register for all the listed Securities that meet such standards. The Authority shall be notified on a quarterly basis with the market value of all Securities to the total market value of that field within fifteen Business Days from the end of that period.
6. The Investment Fund may not invest more than 10% of its net asset value in unlisted companies.
7. A Fund that follows a published index shall invest its net asset value in all the listed Securities included in such index and according to the relative weight of each Security therein.
8. The Fund may not invest more than 10% of its net asset value in financial derivatives contracts and options that are dealt with in the State of Kuwait.

Attachment (2)
Investment Controls of Private Equity Funds

Investment Controls of Private Equity Funds

A Private Equity Fund is an investment Fund that aims to invest in unlisted companies or private projects, or companies expected to be listed, or companies that aim to expand in various fields.

Private Equity Funds are among Private Funds offered through a Private Placement and the Authority reviews the terms and conditions for the application of incorporation of each Fund solely, which shall include the ratios, controls and restrictions on the investment and borrowing of the Fund, provided that the Fund fulfils the requirements of Law, these Bylaws, as well as the decisions and terms of the Regulatory Bodies except for the requirements which the Authority decides to exempt the Fund from.

Notwithstanding the provision of Article (2-21-1) of Chapter Two of this Module, the Fund Manager's employees, who are registered Persons as representatives of the Collective Investment Scheme manager, may serve as a Member of a Board of Directors at a company whose Securities form part of the Fund's assets that is managed by the Fund Manager.

Attachment (3)
Investment Controls of Money Market Funds

Investment Controls of Money Market Funds

A Money Market Fund is an investment Fund whose main objective is to invest in money market instruments to ensure low risks and high liquidity and for the Fund to continue its activity as stated in the Articles of Association.

Public Money Market Investment Funds are subject to the following terms and conditions:

1. The Fund shall not borrow or enter into transactions that may give rise to liabilities, except for borrowing to cover the redemption requests with a maximum of 10% of its net asset value.
2. The Fund may invest in any Sukuk and/or Bonds issued or guaranteed by the governments of the Gulf Cooperation Council (GCC) or issued under the guarantee thereof and any Bonds and Sukuk whose credit rating is not less than (BBB) or the equivalent as rated by one of the recognized international rating agencies or any local rating agencies licensed by the Authority. In the event that the credit rating drops below that, the approval of the Authority shall be obtained.
3. The Fund must invest the assets thereof in money market instruments, in a manner that ensures high-liquidity for the Fund with taking the following into consideration:
 - a. The weighted average maturity is calculated according to the following equation: $(\sum_{i=1}^n x_i a_i)$
Where:
x= percentage of investment.
a= maturity term (days).
n= total number of Fund's investments in money market instruments.
 - b. The maximum period of any investment in the fund shall not exceed 397 days, except for investments that can be easily liquidated within five Business Days.
 - c. The maximum limit of the weighted average maturity of the total fund investments shall not exceed 180 days.
4. Without prejudice to Item (3) above, the Fund may invest a maximum of 15% of the net asset value in other money market Funds licensed by the Authority or subject to a Foreign Regulatory Body in accordance with the following:
 - a. The Articles of Association shall state such investment.
 - b. Investment Funds shall not be managed by the same Fund Manager.
 - c. Investments made in Private Funds shall not exceed 10% from the net asset value of the Fund.
 - d. Investments made in Funds managed by one manager shall not exceed 10% from the net asset value of the Fund.
5. The Fund may not own more than 10% of money market instruments from the same issuer, except for money market instruments issued from the governments of the GCC or issued under the guarantee thereof.
6. The fund investments in Money Market instruments issued by one issuer shall not exceed 15% of the fund's net asset value at the time of investment, except for the Money Market instruments issued or guaranteed by GCC governments, as deposits or their equivalents at the Islamic banks.
7. Investment of the fund assets in deposits or their equivalents at the Islamic banks with one entity shall not exceed 25% of the fund's net asset value. The Authority may approve an exception as

deemed appropriate on a case-by-case basis based on a request submitted by the fund manager including reasons and validations for exceeding this percentage in the interest of the fund and Unit holders.

8. The Fund may not invest in assets other than the money market instruments and the money market Funds such as the Shares of listed and unlisted companies as well as real estate.

9. Assets, that may be owned by the Fund due to the following, shall be exempt from Item (8) above:

a. Settlement amongst a group of creditors and money market instruments issuer who defaults in payment.

b. Practicing the implicit right thereof in the transferable money market instruments.

Provided that the Fund Manager shall immediately notify the Authority within ten Business Days and get its approval on the mechanism of dealing with those assets.

10. The Fund Manager may discontinue redemption of the Fund's Units and liquidate the fund if the net unit value is less than the par value, after getting the approval of the Authority.

In all cases, the Fund Manager must follow a prudent risk management method and investment policy that aims to achieve an appropriate return on investment and adhere to allocation of investment ratios in a balanced manner to provide for the risks and protection of the unit holders' rights.

Attachment (4)
Investment Controls of the Debt Instruments Funds

Investment Controls of the Debt Instruments Funds

The debt instrument Fund is an investment Fund whose main objective is to invest in medium and long-term debt instruments issued by governments, governmental companies or semi government, institutions and private companies or any other entity approved by the Authority, and regulated by Regulatory Bodies and rated by one of the recognized credit rating agencies, or the local rating agencies licensed by the Authority, in a manner that ensures ongoing operation of the Fund as set out in the Articles of Association.

The debt instrument Fund which are offered through a Public Offer are subject to the following terms and conditions:

1. The Fund may not borrow or enter into transactions that may give rise to liabilities, except for borrowing to cover the redemption requests with maximum 10% of the Fund's net asset value.
2. The Fund may invest 25% as a maximum limit of its net asset value in the debt instruments rated below (BBB) and/or unrated assets by the international rating agencies or local rating agencies which are licensed by the Authority, provided that the single security shall not exceed 5% of the net asset value of the fund at the time of investment and 10% of the fund's net asset value after the time of investment without prejudice to the Articles of Association or any other regulations issued by the Authority.
3. The Fund shall not own more than 10% of the debt instruments issued by a single issuer, except for the debt instruments issued or guaranteed by GCC governments.
4. The Fund's investment in debt instruments issued by a single issuer should not exceed 20% of the Fund's net asset value at the initial time of the investment and 30% of the fund's net asset value after the investment time, except for the debt instruments that are issued or guaranteed by GCC governments.
5. The Fund's investment in a debt instrument should not exceed 15% of the fund's net asset value at the initial time of investment and 20% of the fund's net asset value after the time of investment, except for the debt instruments that are issued or guaranteed by GCC governments.
6. The Fund may invest 15% as a maximum limit of its net asset value in money market Funds and/or other debt instruments Fund's which are licensed by the Authority or by a Foreign Regulatory Bodies in accordance with the following:
 - a. The Articles of Association shall state such investment and Fund type.
 - b. Investment Funds are not managed by the same Fund Manager.
 - c. The investments made in Private Funds may not exceed 10% from the net asset value of the fund.
 - d. The investments made in Funds managed by one manager may not exceed 10% from the net asset value of the fund.
7. The Fund may not invest in assets other than the debt instruments, the money market Funds and the debt instruments Funds, such as the Shares of listed and unlisted companies as well as real estates.
8. Assets, that may be owned by the Fund as a result of the following, shall be exempted from Item (7) above:
 - a. Settlement amongst a group of creditors and debt instruments issuer who defaults in payment
 - b. Practicing the implicit right thereof in the transferable debt instruments.

Provided that the Fund Manager shall immediately notify the Authority within ten Business Days and get its approval on the mechanism of dealing with those assets.

Attachment (5)
Investment Controls of Real Estate Funds

Investment Controls of Real Estate Funds

Real Estate Fund is an investment Fund that aims to invest the Fund's money in real estate purposes. Real Estate Funds which are offered in Public Offer are subject to the following terms and conditions:

First: Rules for Real Estate Funds

1. The Fund may not invest more than 10% of its net asset value in Listed Securities represented by shares or debt instruments or listed Funds, provided that the Fund's Articles of Association so provides.
2. The Fund may invest a maximum 15% of its net asset value in other real estate Funds and/or Money Market Funds or Equity Funds related to real estate licensed by the Authority or subject to another Regulatory Body in accordance with the following:
 - a. The Articles of Association shall state such investment and Fund type.
 - b. Investment Funds are not managed by the same Fund Manager.
 - c. Investments made in Private Funds may not exceed 10% from the net asset value of the fund.
 - d. Investments made in Funds managed by one manager may not exceed 10% from the net asset value of the Fund.
3. The Fund investments may not exceed, directly or indirectly, 30% of the Fund's net assets value upon contracting in a single real estate.
4. The Fund may not borrow or enter into transactions that may give rise to liabilities over 40% of its net asset value whether directly or indirectly to the investment in real estate only.
5. The Fund Manager shall disclose any indirect debts on the Investment Portfolios or the companies in which the Fund invested for the purpose of possessing real estates.
6. The Fund may not borrow or enter into transactions that may give rise to liabilities more than 10% of the Fund's net assets value to cover the redemption requests only. In all cases, borrowing shall not exceed 40% of the Fund's net assets value.
7. The Fund Manager, when buying or selling a real estate, shall comply with the following:
 - a. The purchasing price of real estate shall not exceed 5% of the average of appraisals received by the Fund Manager from the property evaluators. If the Fund wants to buy with a higher price than the average of the appraisals, the approval of the Unitholders owning more than 50% of the Fund's issued capital shall be first obtained, provided that the votes of the seller and the Related Parties, if any, shall be neutralized.
 - b. The selling price of real estate to a Related Party of the Fund shall not be less than the average of appraisals received by the Fund Manager from the property evaluators. If the Fund wants to sell with a price less than the average of the appraisals, the approval of the Unitholders owning more than 50% of the Fund's issued capital shall be first obtained, provided that the votes of the buyer and the Related parties, if any, shall be neutralized.
 - c. Without prejudice to Item (a) and Item (b) above, the approval of the Investment Controller and the Authority shall be obtained when buying a real estate from or selling a real estate to the Related Parties of the Fund.
8. Without prejudice to the provision of Item (3) in the First Article, the Fund may incorporate or take part in the incorporation of companies for the purpose of possessing real estate inside and outside the state of Kuwait.

Second: Requirements for the Real Estate Funds Assets

1. All real estate properties of the Fund shall be under possession under a title deed issued from a competent governmental body.

2. All real estate properties of the Fund which are under project shall be approved by virtue of an official statement from the official governmental body to be set for planning or construction.
3. Real Estate properties must be evaluated at the time of purchase
4. Register the real estate under the name of the Fund, where applicable; or provide the title deed that proves the Fund's ownership of the real estate in a manner that protects the rights of the Unitholders.

Third: Appraisal

1. The Fund Manager shall undertake a valuation of the Fund's real estate assets in the consolidated financial statements on the basis of an appraisal prepared in accordance with the requirements for appraisal of real estate assets set forth in Module Eleven (Dealing in Securities) of these Bylaws.
2. The property evaluator shall be independent from the Fund Manager and the related parties with the real estate Fund.
3. The report of the property evaluator shall be in accordance with the requirements for appraisal of real estate assets set forth in Module Eleven (Dealing in Securities) of these Bylaws.
4. The Fund Manager, when buying or selling any Fund's asset, may not rely on an evaluation report prepared more than three months.
5. In all events, the requirements for evaluating real estate assets stipulated in Module Eleven (Dealing in Securities) of these Bylaws shall apply for cases not mentioned in this Module.

Fourth: Submitting the Report to the Unitholders

As an exception from Article (2.34) of this Module, the unlisted Fund Manager shall submit a periodical report to the Unitholders semiannually, unless the Articles of Association states a shorter period, and within a maximum period of fifteen Business Days from the end of the period, this report shall, in particular, include the following information:

1. Net asset value of the Fund's Units.
2. Number of Fund's Units held by the Unitholders and their net value.
3. A register for the account activity of each Unitholder solely, including any distribution paid after the last report that has been submitted to the Unitholders.
4. A statement about the fees paid to the Fund Manager and the Service Providers.

Attachment (6)

Investment Controls of the Funds of Funds

Investment Controls of the Funds of Funds

The Fund of Funds is an investment Fund that aims for investment in other Funds licensed by the Authority or subject to another Regulatory Body.

The Fund of Funds which is offered through a Public Offer is subject to the following terms and conditions:

1. The Fund shall not borrow or enter in transactions which may result in liabilities more than 10% of the net assets value of the Fund of Funds.
2. The Fund of Funds shall not invest in Funds unlicensed by the Authority or not subject to another Regulatory Body.
3. The Fund of Funds shall invest in at least three Funds, provided that the investment in each Fund shall be not less than 5% of the net asset value of the Fund of Funds.
4. The investment of the Fund of Funds in another investment Fund shall not exceed 40% of the net asset value of the Fund of Funds.
5. The investments made in Private Funds may not exceed 10% from the net asset value of the Fund.
6. The investments made in Funds managed by one manager may not exceed 25% from the net asset value of the Fund.
7. The Fund of Funds shall be prohibited to invest in another Fund of Funds.
8. The Fund of Funds shall be prohibited to invest in other Funds managed by the Fund of Funds Manager.

Attachement (7)
Investment Controls of Real Estate Income-Generating Fund (Traded)

Investment Controls of Real Estate Income-Generating Fund (Traded)

The Real Estate Income-Generating Fund (Traded) is a close-ended Fund, listed in the Exchange. It aims to invest the Fund's money in Real Estate Income-Generating Funds Assets.

The provisions of the Funds provided for in this Module shall apply to the Real Estate Income-generating Fund (Traded) unless otherwise specified in this attachment and in a manner consistent with its nature and objectives, and subject to the following terms and conditions:

First: The rules of subscription and capital increase for Real Estate Income-Generating Funds (Traded)

1. Real Estate Income-Generating Funds (Traded) shall be offered for public subscription at the time of incorporation. In all cases, the subscription shall result in the fulfillment of the requirements of listing in the Exchange. In the event of not meeting listing requirement, the Fund Manager shall refund the funds to the subscribers in accordance with the provisions of the Prospectus.
2. The real estate subject of the fund's investment or the right to the usufruct (Intifa'a) over real estate and its valuations must be specified in the Fund's prospectus.
3. It is permissible, upon the incorporation of the Real Estate Income-Generating Fund (Traded), to participate in an in kind share according to the following conditions:
 - a. The Articles of Association shall permit participation in the Fund with in kind shares.
 - b. The asset provided as an in kind share shall meet the conditions stipulated in this Appendix.
 - c. The asset shall be specified in the Prospectus.
 - d. The prospectus must include the property, its valuations, and the purchase or the right to the usufruct (Intifa'a) price in accordance with the contract in Item 5 (First) of this Appendix.
4. The Fund Manager shall complete the procedures for listing in the Exchange within sixty days from the date of obtaining the final license to incorporate the Fund from the Authority. The Authority may, if it deems it necessary, extend this period for an additional period of up to thirty days upon a reasoned request by the Fund Manager. The Fund Manager shall be liable for disciplinary action in the event of a delay in completing the listing procedures unless the delay is due to unforeseen circumstances.
5. Upon submitting the application for incorporation, the Fund Manager shall provide the Authority with a binding contract for the sale of the real estate subject to investment to the Fund or a contract arranging the right to the usufruct the asset (Intifa'a) or transfer of ownership as specified in the terms and conditions of the Fund's Articles of Association.

6. Upon submitting the application form for incorporation, the Fund Manager shall provide the Authority with a contract concluded between the Fund Manager and a real estate management company to manage the Fund's real estate.

7. The capital of the Real Estate Income-Generating Fund (Traded) may be increased, provided that such increase is offered in a Public Offering. A detailed statement containing the necessary information to enable the investor to assess the financial position, performance and opportunities shall replace the Prospectus. Its owners shall have, at the time of increase, Pre-emptive Right to subscribe in the new Units for a period not exceeding fifteen days and not less than five days. In the event of the subscription is not fully covered by the old Unit owners, they shall be offered for subscription by the public.

8. The capital of the Real Estate Income-generating Fund (Traded) may not be reduced.

9. The capital of the Fund may be increased by means of in kind shares in accordance with the same conditions stipulated in clause (3) (First) of this Appendix. The increase shall be allocated to the owner of the in kind shares. The Pre-emptive Right shall not be applied in subscription of old Unit holders.

Second: Rules of Investment of Real Estate Income-Generating Fund (Traded)

1. The Fund invests mainly in developed real estates that generate income periodically for a period of not less than one year and may generate periodic income in accordance with these controls. The Fund Manager may not invest in lands.

2. The Fund Manager shall distribute 90% of the operations' revenues to the Unit holders on an annual basis, unless the Articles of Association provides for a shorter period.

3. The Fund may invest no more than 25% of its net asset value in Money Market Funds or Real Estate Income-Generating Funds (Traded) under the following conditions:

a. Funds invested in shall be licensed by the Authority or subject to another Regulatory Body.

b. The Fund's Articles of Association provide that it is permissible to invest in Money Market Funds or Real Estate Income-Generating Funds (Traded).

c. The investments made in one Fund may not exceed 15% from the net asset value of the Fund.

d. None of the Funds invested in shall be managed by the same Fund Manager.

e. The investments made in Funds managed by one manager may not exceed 10% from the net asset value of the Fund.

f. The investments made in Private Funds may not exceed 10% from the net asset value of the Fund.

4. The Fund investments may not exceed, directly or indirectly, 30% of the Fund's net asset value upon contracting in a single real estate, except for the Fund that aims to invest in a specific asset of at least KD 30 million. The provision of this clause applies only if one or more properties are offered as an in kind share in the Fund.

5. The Fund investments may not exceed, directly or indirectly, 30% of the Fund's net asset value upon contracting in a single real estate, except for the Fund that contains a specific asset of at least KD 30 million at the time of investment.

The provision of this clause applies only if one or more properties are offered as an in kind share in the Fund.

6. The Fund may not borrow or enter into transactions that may give rise to liabilities over 50% of its net asset value whether directly or indirectly, and to be invested in real estate only.

7. The Fund may not invest in real estate outside the State of Kuwait.

8. In the event that the property is directly owned by the Fund, the property must be wholly owned by the Fund or the Fund shall have a separate share therein. In the event the investment in the property is an arrangement of the right to the usufruct (Intifa'a), such rights shall include the entire property or a separate share therein.

9. The Fund may incorporate or take part in the incorporation of companies for possessing real estate in the state of Kuwait, provided that the percentage owned by the Fund shall not be less than 51% of such company and shall have control over its management. The property to be invested in is required to have a minimum of one operating year.

10. The term of the Fund shall not be less than 10 years, and may be renewed in accordance with the Fund's Articles of Association.

11. The Fund Manager, when investing in real estate, shall observe the following:

a. The purchase price or obtaining the right to the usufruct (Intifa'a) for it shall not exceed 5% above the average of valuations that the Fund Manager has received from the real estate valuers. In the event it wishes to invest at a price higher than the average of the valuations, the approval of the Unit holders' assembly shall be obtained by a majority of more than 50% of the issued Fund's capital. The Unit holders of parties relevant to the seller or assignor of the right to the usufruct (Intifa'a) may not vote on this decision.

b. The sale price of the property or the waiver of the right to the usufruct (Intifa'a) shall not be less than the average of valuations that the Fund Manager received from the real estate valuers. In the event of an intention to sell or waiver at a price lower than the average of the valuations, the approval of the Unit holders' assembly shall be obtained by a majority of more than 50% of the issued capital of the Fund. The Unit holders from the parties relevant to the buyer or assignor shall not vote on this decision.

The provision of this clause also applies to the submission of one or more properties as an in kind share in the Fund.

c. Without prejudice to Item (a) and Item (b) above, the approval of the Investment Controller and the Authority must be obtained when dealing in investments in which the counterparty is one of the parties related to the Fund.

Third: The requirements of the assets of the Real Estate Income-Generating Fund (Traded)

1. Except for the right to the usufruct (Intifa'a), all the properties of the Fund shall be owned pursuant to a deed of title issued by the designated governmental authority.
2. All the properties of the Fund subject of the project must be approved in respect of its planning and it shall be free of violations, or be built with an official statement from the designated governmental authority (description certificate).
3. All Fund properties must have been valued at the time of the investment.
4. In the event of a purchase, the property shall be registered in the name of the Fund or the company that it establishes for this purpose. In the event of obtaining the right to the usufruct (Intifa'a), this must be done under a written contract in accordance with the provisions of the relevant laws.
5. The Fund Manager shall ensure that the real estate subject of investment meets the following conditions:
 - a. Generate periodic income for a period not less than one year, and commensurate with the feasibility of investing in them.
 - b. Have a good historical record or there is a promising prospect that the Fund will have a good income level from the revenues generated from the property.
 - c. Having economic feasibility in accordance to market studies.
 - d. Free of any attachment, mortgage, or privilege rights, except for mortgage rights restricted to the property as a result of the facilities or loans received by the Fund.

6. The Fund Manager shall, in the event of obtaining the right to the usufruct (Intifa'a) of a property in favor of the Fund or in favor of a company established by him, ascertain the approval of the designated authorities to transfer the usufruct contract in the name of the Fund.

7. The Fund Manager must insure at one or more insurance companies for all the properties invested in, in full value and the risk of loss of rent at the occurrence of the incident covered by the insurance.

Fourth: Regulatory requirements for the Real Estate Income-Generating Fund (Traded)

1. Where the purpose of the Real Estate Income-Generating Fund (Traded) is to invest in a single property, it is necessary to obtain the approval of the Unit holders' assembly at the time of selling or waiver of the right to the usufruct (Intifa'a) of the sole property that the Fund invest in. The Articles of Association of the Real Estate Income-Generating Fund (Traded) may include restrictions regarding the Fund Manager's freedom to dispose of the properties owned by the Fund or the companies it establishes.

2. The Fund Manager shall appoint one or more real estate companies whose purposes permit managing real estate properties in order for it to manage the properties of the Fund. The Fund Manager must ensure that the company has the necessary expertise in the field of property management, which is responsible for all aspects of real estate management, including but not limited to the management, maintenance, rental, collection of rent and other management matters.

3. All notices of Unit holders applicable to the Fund Manager towards the Unit holders, and stipulated in Chapter Two of this Module, shall be replaced with disclosures by the Fund Manager in the disclosure system in force at the Exchange in accordance with the terms specified for each notice, to the extent that it does not conflict with the nature of the Real Estate Income-Generating Fund (Traded).

4. In the event of delisting the Real Estate Income-Generating Fund (Traded) from listing in the Exchange, it must be liquidated in accordance with the procedures adopted in these Bylaws, unless the Unit holders assembly approves by a majority of more than 50% of the issued capital of the fund to continue as a real estate Fund, provided that the Fund is compatible with the provisions of these Bylaws. In the event of the expiration of the Fund in accordance with the conditions set forth in Chapter Two of this Module, the Fund shall be considered delisted and shall be liquidated in accordance with the Bylaws and Articles of Association of the Fund.

5. The real estate Fund may be converted into a Real Estate Income-Generating Fund (Traded) according to the following conditions:

- a. Amend the Fund's Articles of Association in accordance with the requirements and controls of investment in the Real Estate Income-Generating Fund (Traded).
 - b. The requirements of listing in the Exchange shall be met, and if the real estate Fund is a close-ended Fund, it may offer part of its Units for subscription in order to meet the listing conditions and requirements.
 - c. The Fund shall be in compliance with the conditions, controls and rules of the Real Estate Income-Generating Fund (Traded) provided for in this Attachment.
6. The Authority may grant the real estate Fund a period to meet the requirements for conversion to a Real Estate Income-Generating Fund (Traded). The Authority may extend this period whenever it deems it necessary.
 7. Once the Real Estate Fund is converted into a Real Estate Income-Generating Fund (Traded) it becomes subject to the provisions of this Attachment and the Exchange rules.

Fifth: Valuation

1. The Fund Manager shall undertake a valuation of the Fund's real estate assets in the consolidated financial statements on the basis of an appraisal prepared in accordance with the requirements for appraisal of real estate assets set forth in Module Eleven (Dealing in Securities) of these Bylaws.
2. The Fund Manager shall value the assets of the real estate Fund based on a valuation prepared in accordance with the requirements of valuation of the real estate assets contained in Module Eleven (Dealing in Securities) of these Bylaws, once every six months at a minimum, and shall consider the lowest valuation.
3. The real estate valuator must be independent from the Fund Manager and the relevant parties to the real estate Fund.
4. The valuator's report shall be prepared in accordance with the requirements for appraisal of real estate assets set forth in Module Eleven (Dealing in Securities) of these Bylaws.
5. The Fund Manager, when buying or selling any Fund's asset, may not rely on an evaluation report prepared more than three months.
6. In any event, the requirements for evaluating real estate assets stipulated in Module Eleven (Dealing in Securities) of these Bylaws shall apply for the cases not mentioned in this Module.
7. The Fund Manager shall adopt the following equation to value the cash generated from operations.

Operating income = net income + (amortization and depreciation + loss from sale of fund assets) – (profit from sale of fund assets + interest / profit deposits) - maintenance, property development and evacuation.

The Fund Manager shall determine the allocated amount for maintenance, real estate development and evacuation at a reasonable rate, with clarifications if the amount allocated exceeds more than 10% of the total operating income of the Fund.

Attachment (8)
Investment Controls of Hedge Funds

Investment Controls of Hedge Funds

A Hedge Fund is a private investment Fund that follows an advanced investment policy. Its Articles of Association aims to invest in securities and other assets except real estate, using a set of advanced investment tools such as financial derivatives, futures, options, leverage, short selling and other tools in order to reach revenues higher than the average market return.

The Hedge Fund is subject to the following terms and conditions:

1. The Hedge Fund Manager or members of the Executive Committee must have sufficient experience in establishing and managing investment Funds.
2. The Articles of Association define the areas of the Fund's investment and set the ratios, controls and restrictions on investing in the assets that are in line with the Fund's objective.
3. The Articles of Association determines the assets that can be invested in according to the Fund's investment fields and the mechanism for evaluating those assets, subject to the approval of the Authority.
4. As an exception from Article (2-34) of this Module, the Fund Manager shall submit a quarterly report to the Unitholders, unless the Articles of Association states a shorter period, and within a maximum period of fifteen Business Days from the end of the period, this report shall, in particular, include the following information:
 - a. The number of Fund Units owned by the Unit holder and their net value.
 - b. A record of each Unit holder's account movement, including any distributions paid after the last report made to the Unit holder.
 - c. Net asset value of the Fund's Units.
 - d. The conflict of interest policy or any potential and/or actual conflict of interest.
 - e. A periodical report that includes the main risk associated with investing in the Fund during the period.
 - f. Methods of periodical appraisal and valuation adopted.
 - g. Interim fees and its calculation mechanism.
 - h. Financial obligations during the period and exposure rate of assets.

In the event that any of the information set forth in this item is not available, the Fund Manager shall include in the report the reasons and justifications for the lack of information and the measures taken to provide the information within a reasonable period.

The Fund Manager must also submit a copy of this report excluding Items (a-b) to the Authority during the same period specified in this item.

5. The Articles of Association of the Hedge Fund must include the criteria that the Fund Manager will seek to achieve a revenue that exceeds, and if this standard is a specific indicator, it must be prepared by an entity independent from the Fund Manager. In the event that the expected revenue is not achieved during the financial year, the Fund Manager shall provide an explanation of the reasons for not achieving the expected revenue and the risk resulting from that within the periodic reports stipulated in the previous item.
6. The Fund Manager shall notify the Unit Holders and the Authority of any material information that may affect their interests as soon as it occurs.

In all events, the Fund Manager shall follow a risk management system and a prudent investment hedging policy aimed at achieving a proper investment return, taking into account the distribution of investment ratios in a balanced manner in anticipation of risk and taking into account the rights and protection of Unit Holders.

Attachment (9)
Investment Controls of Venture Capital Funds

Investment Controls of Venture Capital Funds

A Venture Capital Fund is an investment Fund that aims to invest in companies or projects that have a moderately high degree of risk, such as new companies or projects, or distressed companies, or companies that aim to expand or invest in the field of modern technologies, or companies with new or innovative ideas in technology.

The Venture Capital Fund is subject to the following conditions and controls:

1. The Fund shall be a Private Fund and take the form of a Closed- Ended Fund.
2. The Articles of Association defines the areas of the Fund's investment and set the ratios, controls and restrictions on investments and borrowing in line with the Fund's objective.
3. The Fund Manager shall exercise the care of a prudent person and ensure the economic feasibility of the investment, conduct the necessary studies and due diligence checks, and conduct an independent financial assessment before entering into any investment for the Fund. The Fund Manager may not rely on an assessment report that has been prepared for more than three months when entering or withdrawing an investment.
4. Without prejudice to item (3) above, the Fund Manager shall take the due diligence to register the ownership of the Fund or prove ownership in the invested assets in accordance with the laws and regulations in force in the investment country.
5. The Fund may establish or contribute to the establishment of companies for the purpose of investing in assets in accordance with its investment objective, whether inside or outside the State of Kuwait.
6. The Fund Manager may delegate a natural or legal entity with the necessary practical experience in the target field to manage one of the fund's assets, and such delegation shall not dismiss the Fund Manager of his responsibilities.
7. As an exception to the provision of Article (2-21-1) of Chapter Two of this Module, the employees of the Fund Manager who are registered as representatives of a Collective Investment Scheme Manager may occupy the membership of the Board of Directors of a company whose Securities form part of the assets of a Fund Managed by the Fund Manager.

8. Without prejudice to item (7) above, the Fund Manager shall have a clear and written policy for the policies and cases of conflict of interest within the scope of the business carried out by the Fund, and it must be included in accordance with the latest update of it in the Fund's Articles of Association.

9. The Fund may invest a maximum 15% of its net asset value in other Securities.

10. Excluding the provisions stipulated in item (9) above, the shares that the Fund may own as a result of a company's listing which is owned by the Fund, or in the event of any of those listed companies withdrawing from the regulated markets, or in cases of settlement or reconciliation over assets. In all events, the Authority shall be notified immediately to take action.

11. The Fund may invest a maximum of 15% of its net asset value in investment Funds.

12. Without prejudice to Item (11) above, the Fund may invest in Venture Capital Funds and/or Money Market Funds that are licensed by the Authority or are subject to another Regulatory Body, in accordance with the following:

a. The Articles of Association shall state such investment and fund type.

b. The investment Funds are not managed by the same Fund Manager.

c. The investments made in Venture Capital Funds may not exceed 10% from the net asset value of the Fund.

d. The investments made in Funds managed by one manager may not exceed 10% from the net asset value of the Fund.

Attachment No. (6)

Appendix 5
Form of Monthly Information

1. Main information	
Date of monthly information	
Name of Fund	
Name of Fund Manager	
Type of Fund	(Investment in Securities, Money market, Real Estate, Debt Instruments, Fund of Funds, Real Estate Income-Generating Fund (Traded))
Nature of Fund	(Conventional/in compliance with Sharia)
Form of Fund	(open, close)
Name of Fund's Executive Committee Members	
Fund's Currency	
Fund Investment goals	
Name of Index	(if any)
Type of Index	(Indexed/ benchmark/ Performance) (if any)
Date of Fund Incorporation	
Term of Fund	
Current Fund's Capital	(number of Units)
Net Value of Fund's Assets	
Net value of Fund's Unit	
Minimum limit of subscription and redemption by Fund's Unit holders	
Maximum limit of subscription and redemption by Fund's Unit holders	
Time for Participation and Redemption	(if any)
Subscription fees	(if any)
Redemption fees	(if any)
Early Redemption fees	(if any)

2. Fund Components

Largest five components of the Fund (as a percentage of the Fund's Net Asset Value)	1.	Percentage (%)
	2.	Percentage (%)
	3.	Percentage (%)
	4.	Percentage (%)
	5.	Percentage (%)

3. Fund Return

Monthly return	Percentage (%)
Return of the latest quarter	Percentage (%)
Year to Date return	Percentage (%)
Return of the previous financial year	Percentage (%)
Return since Inception	Percentage (%)

4. Fund Distributions

Monthly distributions	(if any)
Distributions of the latest quarter	(if any)
Distributions of the previous financial year	(if any)
Distributions since incorporation	(if any)

5. Fund Service Providers

External Auditor	
Custodian	
Investment Controller	
External Sharia Auditing Office	(For Funds operating in accordance with Sharia)
Record Keeper	
Subscription Agent (Selling)	(if any)
Investment Advisor	(if any)
Other service providers	(if any)

6. Contact information

Name of Liaison officer	
Telephone	
Email	
Website of Fund Manager	
Address of Fund Manager	

Annex (7)

Appendix 6

Application Form for the Incorporation of a Contractual Collective Investment Scheme

Date:

Application Form for the Incorporation of a Contractual Collective Investment Scheme

Licensed Persons intending to establish a Contractual Collective Investment Scheme in the State of Kuwait shall fill out this form and submit it to the Capital Markets Authority.

Section 1	Information of the Contractual Collective Investment Scheme
Section 2	Information of the Special Purpose Vehicle Company
Section 3	Information of Contractual Collective Investment Scheme Manager
Section 4	Main Liaison officers for the Scheme Manager
Section 5	Custodian
Section 6	Investment Controller
Section 7	External Auditor
Section 8	External Sharia Auditing Office

Section 9	Internal Sharia Audit Unit
Section 10	Investment Advisor
Section 11	Subscription Agent (Selling)
Section 12	Record Keeper
Section 13	List of the Documents Required upon Submission of the Application
Section 14	Declaration and Undertaking Issued to the Capital Markets Authority

1. Information of the Contractual Collective Investment Scheme

Name of Contractual Collective Investment Scheme (in Arabic):

* (The name must be close to the name of the SPV)

Name of Contractual Collective Investment Scheme (in English): *

Form of Scheme: *

Scheme's Capital: *

Scheme's Currency: *

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Scheme's Investment Goals: *

--

Targeted Segment:

Nature of Scheme: *

	<input type="checkbox"/> Conventional <input type="checkbox"/> Conforms with Islamic Sharia
--	--

Name of Applicant: *

Tel. Number: *

Mobile Number: *

--	--	--

Email: *

Website: *

--	--

2. Information of the Special Purpose Vehicle Company (SVP)

Name of the SVP: *

--

Entity place of incorporation /domicile in which notifications, correspondences and announcements shall be made*

--

Company objectives*

--

Company term*

--

3. Details of the Contractual Collective Investment Scheme Manager

Name: *

Authority's License Number: *

Auditor of the

Scheme's Manager: *

--	--	--

Headquarters Address: *
Entity: *

Company's Legal

	<input type="checkbox"/> Public <input type="checkbox"/> Closed <input type="checkbox"/> Conventional <input type="checkbox"/> Islamic Sharia Compliant
--	---

Members of the Scheme's Executive Team: *

1.
2.

Name of First Liaison officer: *

--

Mobile No: *

Department: *

Job Title: *

--	--	--

Website *

Tel.: *

Email: *

--	--	--

Name of Second Liaison officer: *

--

Job Title: *

Department: *

Mobile No: *

--	--	--

Website: *

Tel.: *

Email: *

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5. Custodian

Name of Liaison officer: * Name of Entity: *

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Job Title: * Department: * Mobile No: *

--	--	--

Authority's License Number: * Tel.: * Email: *

--	--	--

6. Investment Controller

Name of Liaison officer: * Name of Entity: *

--	--

Job Title: * Department: * Mobile No: *

--	--	--

Authority's License Number: * Tel.: * Email: *

--	--	--

7. External Auditor

Name of External Auditor: * Name of Liaison officer: *

--	--

Job Title: * Department: * Mobile No: *

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Registration Number at the Authority: * Tel.: *

Email: *

8. External Sharia Auditing Office (to be filled out if the Contractual Collective Investment Schemes are operating in accordance with Islamic Sharia)		
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Name of Entity:

Name of Liaison officer:

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Job Title of Liaison officer:
Mobile No:

Department:

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Registration Number at the Authority:

Tel.:

Email:

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9. Internal Sharia Audit Unit

(To be filled out if the company is a conventional Collective Investment Scheme Manager and would like to incorporate a Contractual Collective Investment Scheme in accordance the provisions of Islamic Sharia)

Name of the Internal Sharia Audit Officer or Name of Entity:

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Registration Number at the Authority:

Tel.:

Email:

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10. Investment Advisor

(To be filled out if there is an Investment Controller)

Name of Liaison officer:

Name of Entity:

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Job Title: Department: Mobile No:

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Authority's License Number: Tel.: Email:

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11. Subscription Agent (Selling)
(To be filled out if there is a Subscription Agent (Selling))

Name of Liaison officer: Name of Entity:

--	--

Job Title: Department: Mobile No:

--	--	--

Authority's License Number: Tel.: Email:

--	--	--

12. Record Keeper

Name of Liaison officer: * Name of Entity: *

--	--

Job Title: * Department: * Mobile No: *

--	--	--

Authority's License Number: Tel.: * Email: *

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13. List of the Documents Required upon Submission of the Application				
#	Document	Enclosed	N/A	Remarks
1	Contractual Collective Investment Scheme's contract draft	<input type="checkbox"/>	<input type="checkbox"/>	
2	Special Purpose Vehicle Company's Articles of Association Draft	<input type="checkbox"/>	<input type="checkbox"/>	
3	Custodian Agreement Draft	<input type="checkbox"/>	<input type="checkbox"/>	
4	Investment Controller Agreement Draft	<input type="checkbox"/>	<input type="checkbox"/>	
5	External Auditor Agreement Draf	<input type="checkbox"/>	<input type="checkbox"/>	
6	External Sharia Auditing Office Agreement Draft (for the Contractual Collective Investment Schemes operating in accordance with Islamic Sharia)	<input type="checkbox"/>	<input type="checkbox"/>	
7	Internal Sharia Audit Unit Agreement Draft (in the event the company is a conventional Collective Investment Scheme Manager and wants to incorporate a Contractual Collective Investment Scheme operating in accordance with Islamic Sharia)	<input type="checkbox"/>	<input type="checkbox"/>	
8	Draft Record Keeper Agreement (unless the Custodian is the	<input type="checkbox"/>	<input type="checkbox"/>	

	Record Keeper)			
9	Any other draft agreements entered into with the Scheme Service Providers			
10	Subscription / Participation Form	<input type="checkbox"/>	<input type="checkbox"/>	
11	Redemption form for the open-ended Fund	<input type="checkbox"/>	<input type="checkbox"/>	
12	A Statement of the Applicant's previous experience in managing the assets of others	<input type="checkbox"/>	<input type="checkbox"/>	
13	Copy of the payment receipt of the Scheme's incorporation application fees	<input type="checkbox"/>	<input type="checkbox"/>	
14	Soft copies of all the documents mentioned above, provided that the documents of items (1), (2), (10), and (11) of this list are to be attached in (Word) format.	<input type="checkbox"/>	<input type="checkbox"/>	

14. Declaration and Undertaking Issued to the Capital Market Authority

I, the undersigned, declare to:

1. The information in this application (including all Appendices and enclosures) is complete, accurate and correct. I also declare that I've reviewed Law No. 7 of 2010, its Executive Bylaws and the amendments thereof as well as the instructions and resolutions that are issued from the Authority and the amendments thereof.	<input type="checkbox"/> Yes
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2. I am aware of the Capital Market Authority's right to take any punitive or disciplinary action against any Person who provides incorrect or misleading information in the application of incorporation.	<input type="checkbox"/> Yes
3. I undertake to inform the Authority in writing once any change in any provided information or data has occurred or carried out under this application.	<input type="checkbox"/> Yes
4. I declare my approval that Capital Markets Authority shall use and review any information I provided, or I will provide in the future in this application for the purposes of carrying out the duties thereof.	<input type="checkbox"/> Yes
5. I shall abide to the provisions of Law No. 7 of 2010 and the Executive Bylaws, and their amendments thereof, regulations, decisions, instructions and regularizing situations' circulars issued by the Capital Markets Authority, and to comply the Scheme during the specified period set by the Authority.	<input type="checkbox"/> Yes
6. I undertake to pay out any fees for licensing or renewing the license for the Scheme or any other fees as specified by the Authority and in accordance with the resolutions issued thereby in this regards.	<input type="checkbox"/> Yes
7. I undertake not to use any of the means of public announcement in advertising the Scheme, and in particular not to use the advertisements, articles or any methods to address the public such as publishing in newspapers, magazines or press news, transmitting through visual, audible or readable media means, and not to hold introductory seminars or meetings with prospective investors unless these qualified invited investors are known and previously defined.	<input type="checkbox"/> Yes
8. I pledge that I have presented the draft Articles of Association to all service providers and none of them have any comments on matters relating to their scope of work.	<input type="checkbox"/> Yes
9. I undertake to provide the Authority with copies of the final agreements signed with the service providers, provided that the financial years stipulated in these agreements are updated according to the date of registration of the Contractual Collective Investment Scheme in the Authority's register.	<input type="checkbox"/> Yes

This is a declaration and undertaking from me

Name: *

Capacity: *

Date: *

Signature: *

Stamp: *

Annex (8)

Appendix 9

Application Form for Renewal of a Collective Investment Scheme

Date:

Application Form for Renewal of a Collective Investment Scheme

Collective investment Scheme Managers intending to renew the license term for a locally established Collective Investment Scheme shall fill out this form and submit it to the

Licensing and Registration Department at the Capital Markets Authority.

Section 1	Instructions
Section 2	Information of the Collective Investment Scheme
Section 3	List of the Documents Required upon Submission of the Application
Section 4	Declaration and Undertaking Issued to the Capital Markets Authority

1. Instructions

- This form is submitted after paying the prescribed fees according to the Fees Schedule and three months prior to the license expiry date in accordance with the Executive Bylaws of Law No. 7 of 2010 and their

amendments.

- The renewal application shall be decided upon within one month from the date of receipt of the application, fulfilling all the requirements and documents required for approval of the license renewal.
- The Collective Investment Scheme Manager may resort to the Arbitration Rules at the Authority to settle disputes related to the license.
- The applicant must send any inquiries regarding filling out this form or related matters to the Capital Markets Authority.

2. Information of the Collective Investment Scheme

Name of the Collective Investment Scheme Manager	
Address of the Collective Investment Scheme Manager	
Name of the Collective Investment Scheme	
Name of the Special Purpose Vehicle Company (if any)	
Date of the Establishment of the Collective Investment Scheme	
End Date of the Collective Investment Scheme	
License Number of the Collective investment Scheme	
License Issue Date	
License End Date	
Custodian of the Collective Investment Scheme	

Liaison Officer Details	Name: Job title: Tel. Number: Mobile Number: Email Address:
-------------------------	---

3. List of Documents Required upon Submission of the Application				
#	Document	Attached	N/A	Remarks
1	Copy of the fee payment receipt	<input type="checkbox"/>	<input type="checkbox"/>	
2	Copy of the license certificate	<input type="checkbox"/>	<input type="checkbox"/>	
3	Acknowledgment according to the attached form - Appendix	<input type="checkbox"/>	<input type="checkbox"/>	

4. Declaration and Undertaking Issued to the Capital Markets Authority
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I, the undersigned, hereby declare that no changes have been made to the information and documents pertaining to granting the license, as submitted to the Authority, and undertake to report any changes that might occur in this regard and to provide the Authority with copies of such modified information and documents

Name: *

Capacity: *

Date: *

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Signature: *

Stamp: *

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Annex (9)

Appendix 10
Quarterly Report on Liquidation

Name of Fund	
Name of Liquidator	
For the Financial Period Ending on	
End Date of Liquidation Term	

1. Statement on the Fund Investments During the Period of the Report						
#	Name of Investment	Type of Investment	Investment at the Beginning of the Period in Kuwaiti Dinars	Investment at the End of the Period In Kuwaiti Dinars	Measures Taken to Liquidate the Investment	If the liquidation is not possible, kindly state the reasons (More details may be provided, if any, in a separate attachment)

2. Record of the Unit Holders						
#	Name of Unit Holder	Percentage	Number of Owned Units	Value of Owned Units	Value of Financial Distributions During the Period (if any)	In the event of non-distribution, kindly state the reasons. (More details may be provided, if any, in a separate attachment)

3. Sale of Assets							
#	Name of Asset	Date of Sale	Value of Sale	Was the asset sold at once with other assets?	Was the approval of the unit holders obtained for the sale at once?	Was the asset sold to a related party?	Was the approval of the unit holders obtained for the sale to a related party?

4. Arrangement of the Payment of the Fund's Obligations		
Date	Type of Obligation	Value of Obligation (KWD)

5. Statement of the Cases Filed by or against the Fund and their Current Legal Status

#	Case	Filed by or against the Fund	Legal Status

6. Names of the Fund's Service Providers that have not been Dispensed with

Name	Type of Service

7. Fund Liquidators Fees (if any)

Fees	Amount/Percentage	Date of Collection	Remarks
Deducted			
Annual			
Quarterly			
Percentage			

Annex (10)

Circulars of the Capital Markets Authority that have been Canceled in accordance with
the Provisions of this Resolutions

Circular No. (14) of 2017 Regarding the Compliance of all Funds Liquidators with the Provisions of Unit Holders Assembly Mentioned in Chapter Two of Module Thirteen of the Executive Bylaws – issued on 18/12/2017.

Circular No. (5) of 2019 to All Funds' Liquidators that are Subject to the Provisions of Module Thirteen of the Executive Bylaws of Law No. (7) of 2010 and their Amendments Regarding the Quarterly Report on Liquidation Works – issued on 27/05/2019.

Circular No. (04) of 2020 Regarding Holding Unit Holders Assemblies of Investment Funds Electronically – issued on 05/05/2020