

In The Name of God

Iran Mercantile Exchange

“Public Joint Stock Company”

Article of Association

“Table of Contents”

<i>Title</i>	<i>Page</i>
<i>Chapter One: Definitions.....</i>	<i>3</i>
<i>Chapter Two: Name, Purpose of the company, Period, Nationality and Headquarter.....</i>	<i>4</i>
<i>Chapter Three: The Framework of Operation.....</i>	<i>4</i>
<i>Chapter Four : Capital, Shareholders and Transfer of Shares.....</i>	<i>7</i>
<i>Chapter Five: Pillars of the Company.....</i>	<i>9</i>
<i>Chapter Six: General Assemblies.....</i>	<i>9</i>
<i>Chapter Seven: Board of Directors.....</i>	<i>12</i>
<i>Chapter Eight: Managing Director.....</i>	<i>18</i>
<i>Chapter Nine: Inspector/Auditor.....</i>	<i>20</i>
<i>Chapter Ten: Financial Regulations.....</i>	<i>22</i>
<i>Chapter Eleven: Miscellaneous.....</i>	<i>24</i>

Chapter One: Definitions

Article 1- All terms and words defined in the “ article 1” of the Islamic Republic of Iran’s Security Markets Law enacted by the Islamic Consultative Assembly (Iranian Parliament)on December 2005, are of the same meaning in the present “ article of association”. Other words and meanings are as hereunder:

- ۱) **Law:** means the law of the security market of the Islamic Republic of Iran enacted by the Islamic Consultative Assembly on December 2005 and the amendments thereto.
- ۲) **Trade Law:** the trade act enacted in the year 1932 plus the amendment of the year 1968 and the amendment thereto.
- ۳) **Rules and Regulations:** including the resolutions of the Cabinet, Council, Organization and also the resolutions of other authorities within the span of the authorities relegated to them under any title(including by laws, instructions, practices and directives) in connection with the security market, mercantile exchange, commodity-based securities and the participants thereof which has been notified for implementation according to the law.
- ۴) **Member:** an individual admitted, under the same title, to the company according to the law, rules and regulations, who has the professional, financial, general competency, and the liabilities specified in the law and regulations.
- ۵) **Investor:** a person who enjoys the ownership of the commodities or the commodity-based securities admitted to the exchange or has taken action for admission of the same.
- ۶) **Admitted Commodity:** a commodity which is admitted to the company according to the rules and regulations and the company facilitates the purchase and sales thereof.
- ۷) **Commodity-based Security:** a security admitted to the company according to the rules and regulations and the company has provided the facility for purchase and trade thereof.
- ۸) **Control:** as per definition of the national accounting standards means the capability to direct the financial and operational policies of an enterprise in order to get benefits of it’s activities.
- ۹) **Related Person :** any individual or legal entity who has rights and liabilities through contract or any other legal relationship towards the company, shall be regarded as related person.

Chapter Two: Name, Purpose, Duration, Nationality and the Headquarter.

Article 2- the name of the legal entity which is established and run under the present “article of association” shall be “ Iran Mercantile Exchange (PJSC)” hereinafter referred to as “ the company “.

Article 3- Purpose of the company is including:

1- establishment, organization and running the company in an organized and self regulated manner to do transactions of the admitted commodities and the securities on the basis of the admitted commodities.

2- admission of commodities and the securities thereupon including industrial, mineral and agricultural commodities and the securities which are on the basis of each of them according to the rules and regulations.

3- establishing the membership period and conditions for different categories of the members, admission of the membership applicants, enacting and implementing professional and disciplinary regulations for the members, setting the duties and liabilities of members and supervising their operation and regulating their institutional relationship as per rules and regulations.

4- providing the ground for the fair access of the members in order to trade the commodities and the commodity-based securities as per rules and regulations.

5-cooperation and coordination with the financial institutions, corporations, organizations assuming part of the responsibilities of transactions of the commodities and the commodity-based securities through dissemination and analyzing data and market information in connection with the Iran Mercantile Exchange not to mention the Central Settlement and Depository Corporation.

6- to take measures on research, education and training and to make the IME understood to the market in order to facilitate, promote and expand the transactions in IME.

7- Cooperation with the other exchanges inside and outside of Iran in order to exchange information, experience, equalization of regulations and the standards.

8- supervision on sound operation of transactions of commodities and the securities thereupon.

9- to prepare, provide, compile, analyze, publish or disseminate the information of the orders and the transactions of the admitted commodities or the securities issued thereupon as per rules and regulations.

10- Supervising the suppliers of the commodities admitted to the exchange , and the publishers of the commodity-based securities as per rules and regulations.

11- to admit warehouses, supervise their activities and to take action in those operations in order to facilitate trading on the exchange.

12- to assume additional responsibilities delegated or to be delegated to “the company” as per rules and regulations.

Note: the implementation of the duties stipulated in the sub-article 11 shall be delegated to the Central Settlement and Depository Corporation upon readiness hereof and according to the rules and regulations.

Article 4- “the company” is of Iranian nationality and the duration of it’s operation shall be endless from the date of establishment.

Article 5- the headquarter of “the company” is located in Tehran and any change or alteration in the address of the headquarter shall be subject to resolution of the board of directors. The board of directors may establish or dissolve the branches or agencies inside or outside the country at any time and place that it may deem necessary.

Chapter Three: The Framework of Operation

Article 6- All pillars of “the company” including, general assemblies, directorate, inspector/ Auditor as well as the members and the persons under “control ” are required to observe and execute the rules and regulations. The resolutions, measures and operations of the pillars, members and persons under “control” of the company shall be under regulation of the “ Organization” within framework of law, rules and regulations and the “article of association” of “the company”. The provisions of the present article shall govern the provisions of the “article of association”, in whole or in part, and other powers of the pillars and members of “the company”.

Article 7- in addition to the abovementioned, the rules and regulations subject of the article 6 shall also govern the followings:

- ۱- Duties, powers and liabilities of “the company” and any one of the pillars or the managers thereof.
- ۲- Requiring “the company” to provide information to the pillars of the securities market, persons or other competent authorities or publishing the information for the public according to the case.
- ۳- Admission process, suspension, revocation of the membership of the members or refraining from admitting the membership applicants, the ethical and professional qualifications of the member managers , disciplinary regulations governing the managers, duties and responsibilities hereof as well as the process of ending their term of office in “the company”.
- ۴- The sources of income of “the company”, payers, time of payment, payment method and relevant guaranties or collaterals against non-payment as well as the method of registry and maintaining the accounts.
- ۵- Executive practices, method of running, corporate structure, professional competency and ethical standards of the managers and the staff of “the company”, their duties and liabilities, requiring them to pass special training courses and the minimum number of the needed staff for “the company”.
- ۶- Modification or upgrading the software used by “the company” or requiring the company to utilize special software
- ۷- The method of advertisement of the “company” and the members hereof.

- ا- The procedure of handling the complaints related to the trading of the admitted commodities and the securities thereupon as well as the activities of the members by “the company”.
- ا- Procedure of setting up the internal control system, risk management and control of the conflict of interests with the investors.
- ب- Admission of commodities and the securities thereupon, the type of commodities for admission, duties and liabilities of “the company” in connection with maintaining and observing the admission requirements by the offering suppliers and the publishers, and suspension or revocation of admission of commodities or the commodity-based securities.
- بب- The procedure for supervision on execution of transactions on admitted commodities and the securities issued thereupon in the best manner in order to prevent violations and crimes, and the necessity of reporting such cases to the “Organization”
- بب- The liabilities of “the company”, managers, the staff and the affiliated persons in connection with the presentation or disclosure of the information of breach of the rules and regulations.

Chapter Four: Capital, Shareholders and Transfer of Shares

Article 8- the capital of “the company” amounts to 100 billion rial, divided to 100 million registered shares each value 1000 rial, which has been paid fully in cash.

Article 9- the shareholders of the company fall in the following categories:

- ا- Category 1-the legal entities who have been granted permission of brokerage activity according to the law of establishment of the Securities Exchange enacted as of May 1966, or who have been granted the permission for brokerage or trading brokerage according to the Securities Market Law enacted on December 2005 and are admitted as the member of “the company”.
- ب- Category 2- producers, distributors and other exchange market participants and the types of the commodities which are admitted to the exchange.
- ب- Category 3- the financial institutions except for the persons mentioned in Category 1.
- د- Category 4- the persons who are not in the categories 1,2 or 3.
Note: the list of the persons regarded as members of the categories 1,2 or 3 shall be determined by the “Organization”.

Article 10- the maximum permitted number of shares that each shareholder, within the categories 1,2 and 3 prescribed in the article 9, may possess shall be determined at the time of establishment and the changes thereto shall be determined by the “Organization”.

Article 11- each person may, directly or indirectly (through his/her relatives), posses not exceeding 2.5 % of the stakes of the company.

Article 12- transfer of shares and the entrepreneurial purchase of shares is permitted only among the categories prescribed in the article 9 and at the time of transfer all the rules and regulations are to be complied with, not to mention the Trade Law.

Article 13- the board of directors is required to propose the capital rise through the formalities . The stakeholders of the company shall take priority in purchasing the share of the company at the time of capital rise unless they have been denied of such right according to the resolution of the general assembly, rules and regulations in which case the persons to whom the new shares are offered have to be determined before winning the approval of the “Organization”. In any case, in capital rising the minimum level of capital specified by the “Organization” shall have to be complied with.

Article 14- non of the stakeholders may specify or collateralize the whole or part of his own stock or the rights and profits thereof through power of attorney, revocable sale, transaction with the right of restitution and so force . This is to be noted on the stock paper.

Article 15- full details, ten digit National ID Code and ten digit zip code as well as the address of the stakeholder shall, at the time of subscription not to mention transferring, have to be referred to in the stock book of the company as per notification of the shareholder. So long as the address is not changed the notifications are valid to be posted to the same address mentioned at the time of registry.

Article 16- the admission of the company to the securities exchange and the over the counter (OTC) markets is subject to the approval of the “Organization”.

Article 17- the stock paper and the contents thereon should have been issued according to the Trade Law and the provisions of the present article of association, particularly the article 15, and signed by the managing director and one member of the board of directors introduced by the board of directors.

Note: before issuance of the stock paper, the initial stock certificate has to be issued in accordance with the Trade Law bearing the provisions that is to be inscribed on the paper.

Chapter Five: the Pillars of the Company

Article 18- the pillars of the company are:

- ١- General Assembly
- ٢- Board of Directors
- ٣- Managing Director
- ٤- Inspector/Auditor

Chapter Six: General Assembly

Article 19- the duties and powers of the ordinary and extraordinary general assemblies of the company are the very duties and powers prescribed in the Trade Law for the ordinary and extraordinary general assemblies of the public joint stock companies unless otherwise other arrangements have been referred to in the provisions of the article of association by virtue of the law.

Article 20- all ordinary and extraordinary general assembly meetings shall reach the quorum and become official with the presence of the representative of the “Organization”. The representative of

the “Organization” shall attend the general assembly meetings as the supervisor, and in case that he discerns that the resolutions passed in the meeting are in violation of the rules and the regulations or against the interests of the public, especially the shareholders in general, shall be obliged to inform the chairman of the meeting. The chairman of the assembly is required to announce the notes and warnings of the supervisor to the shareholders present in the meeting.

Note: the resolutions of the general assembly shall be valid after confirmation of the “Organization” regarding the compliance of the resolutions with the rules and regulations. Where the “Organization” does not certify the resolutions of the general assembly, the board of directors shall not be allowed to enforce the resolutions and shall have to invite the general assembly to decide on, if required. In case the “Organization, within 10 working days, does not express opinion in this regard, it shall be construed as it’s confirmation of the resolutions.

Article 21- in all general assembly meetings, the shareholders or their representatives by power of attorney or their legal deputies may , regardless of the number of their shares, attend the event and they shall possess the right to have one vote per share unless in the election of the members of the board of directors which shall be implemented according to the article 88 of the Trade Law.

Note: where a shareholder transfers his/her share to another person , the new shareholder shall be authorized to attend the general assembly meetings after the transfer has been registered in the registry book of the company according to rules and regulations. The permission to attend the meeting shall be given to those who have already been registered in the company book.

Note: no individual or entity may assume representation of other shareholders in the general assembly when the total number of representations shares affixed with his/her own shares exceed 2.5 % of the total shares of the company.

Article 22- the ordinary general assembly of the company shall have to be held at least once a year to review the annual financial statements and resolution of them, to hear the annual report of the board of directors and hearing the reports of the inspector/auditor of the company.

Note 1: the board of directors has to arrange the formalities of invitation to the meeting in a way that the meeting of each fiscal year to be held in the period of the initial 4 months of the next fiscal year.

Note 2: where the ordinary general assembly meeting of the company does not reach the quorum to propose and decide regarding the themes of this very article, the board of directors has to make the arrangements and formalities for convening the assembly meeting for the next dates.

Note 3: In case that the financial statements of the company are not approved in the meeting, the assembly is, in the same session or in a meeting to be held within 20 days, to make the required amendments in the financial statements, giving a respite, not exceeding 3 month, to the board of directors in order to enforce these amendments.

Note 4: the resolution of the annual financial statements shall be valid after recitation of the report of the inspector/auditor. Such a case must be observed regarding the amended financial statements

Note 5: the presence of the inspector/auditor or their legal representatives during the recitation of the report of the inspector/auditor is required.

Article 23- in addition to the persons authorized or assigned to invite for the general assemblies, the “Organization” may, at any time it discerns that the general interests of the public and especially investors requires, request the board of directors of the company to invite the ordinary or extraordinary general assembly of the company to decide on certain issues. In such a case the board of directors of the exchange is required to take action to invite and convene the general assembly meeting during the period specified by the “Organization”.

Article 24- the presiding board of each general assembly shall be elected according to the article 101 of the Trade Law and shall assume the running of the general assembly meeting. The meeting of general assembly shall be presided by the chairman of the board of directors of the exchange, and in his absence the meeting shall be presided by the vice chairman of the board, and in case of absence of these two one member of the board of directors shall be elected as the president of the meeting by the members of the board who are present in the meeting, or by the general assembly.

Article 25- in the process of invitation, holding, running and deciding in the general assemblies, in addition to the Trade Law the following rules and regulation are also required to be complied with:

Note: the quorum needed for general assembly meeting in order to become official and the required numbers of the votes for resolution in such meetings shall be according to the Trade Law.

Chapter Seven: the Board of Directors

Article 26: the company shall be run by an uncharged board of directors comprising 7 persons elected according to the present “article of association”, the Trade Law, rules and regulations, by the ordinary general assembly for a two-year term.

Article 27- the ordinary general assembly has to elect 3 reserve members for the board of directors, in the manner determined by the ordinary general assembly in order to be substituted in case of demise, resignation or dismissal of each one of the members of the board. The term of office for the substituted reserve member shall be the remaining period of the tenure of the replaced main member.

Note: in case that there are no reserve members available for substitution, the board of directors shall be obliged to do the formalities to invite and hold the ordinary general assembly during 2 months for election of the reserve members.

Article 28- the reelection of the members of the board as well as the reserve members for the next terms is permitted.

Article 29- before election of the individual members of the board of director including principal and reserve, the nominees have to enroll with and according to the manner prescribed by the “Organization” and to submit the required information to look into their special and general

qualifications and to be certified by the "Organization". Prior to assuming the charge, the representatives of the legal members of the board of directors shall have to be introduced, no later than 10 days following their election, to the "Organization" submitting the required information so that their general and professional qualifications to be looked and certified by the "Organization" .

Note 1: in case of disqualification of any of the members of the board of directors during their term of office in view of the "Organization" or it is revealed that the member has been without the required qualifications at the outset, the "Organization" may take action to disqualify him/her and cease him/her to continue membership.

Note 2: the board of directors has to announce the notice of such disqualification or dismissal in the large-circulated newspaper of the "company" at least 50 days prior to the convening of the general assembly meeting for election of the members of the new board of directors. In case of delay in publishing of such notice the "Organization" may directly take action to publish it . The "Organization" may, in special circumstances, decrease the period mentioned in this "Note", including the election of the initial members of the board of directors.

Article 30- each one of the directors should own at least 500 shares of the "company" during his/her tenure and to deposit with the fund of the company as collateral. Such fund has been envisaged for compensation of the losses incurred individually or jointly to the company by the directors of the company. The mentioned stock shall be registered share and nontransferable and so long as the director has not been given the certificate of liquidation of the term of office, the mentioned stock shall remain deposited as collateral in the fund of the company. To remain deposited as collateral shall not obsolete their using of the right of voting in the general assemblies and paying the dividends to the shareholders.

Article 31- the "Organization" may have a supervising member without right to vote in the board of directors. The supervising member of the "Organization" shall have the right to attend the meetings of the board of directors and the person in charge of inviting to the meetings of the board of directors should inform him/her on time of the agenda, the time, date and the place of the meeting. The wages and the remunerations of the supervising member shall be determined and paid by the "Organization". The supervising member and his/her spouse and relatives are not permitted to receive any payment and under any title from the "company" and may not involve in any transactions directly or indirectly in the "company". The "company" may not guarantee the mentioned persons against a third party.

Article 32- the board of directors may not decide against the law, rules and regulations and the provisions of the article of association. Whereas the supervising member discerns that the resolutions of the board of directors are against the law, rules and regulations and the provisions of the article of association or in conflict with the interests of the shareholders in general, in addition to admonishing the members of the board of directors shall report the breach to the " Organization " for taking decision.

Article 33- the board of directors has to elect from among it's members one person as the chairman of the board of directors and one as the vice chairman of the board. The tenure of the mentioned persons shall not exceed the duration of their membership in the board of directors.

Article 34- the board of directors shall set up a secretariat acting under the chairman of the board. The secretariat shall prepare a proceedings for the same session inscribing in it the time, date ,place, the attendees, the themes and issues proposed in the session, a summary of negotiations, the resolutions, the names and the opposing opinions to each resolution and have it signed by the convening members. The proceedings of the board of directors shall be prepared in duplicates and be numbered respectively according to the date, of which one copy shall be filed in the archives of the secretariat of the board of directors and the remaining copy shall be delivered to the supervising member.

Article 35- the meetings of the board of directors shall be presided over and administered by the chairman of the board of directors and in his absence the duty shall be delegated to the vice chairman of the board and in the absence of the latter, the meeting shall be run by a member of the board elected by the majority of the members who are present in the meeting.

Article 36- the meetings of the board of directors shall be held in the principal place of the “company”. The board of directors shall hold the meeting at least once in a month. The chairman of the board of directors shall have to send, the invitation to convene the meeting which contains the issues to be dealt with and the place, date and time of the meeting for the members and the supervising member in the manner determined by each of them. In addition, any one of the members of the board may present his/her request to hold the meeting to the secretariat so that the secretariat, in coordination with the chairman of the board, invites the members of the board to look into the requested issue.

Note: the resolutions of the board of directors may not be invalidated by the mere claim of any of the members or the supervising member on non reception of the invitation. However, the board of directors is required to deal with the issue put forward by that claiming member and to decide upon properly.

Article 37- the meetings of the board of directors shall become official with 4 members of the board in attendance. In any way, the resolutions of the board of directors shall be valid by approval of at least 4 members attending in the meeting.

Article 38- the board of directors shall, within the framework of the law, rules and regulations and the provisions of the article of association, have unlimited power to take any measures in the name of the “company” and to implement any operation or transaction which is inscribed in the purpose of the “company” deciding upon which has not been explicitly vested in the general assemblies. The duties and authorities of the board of directors are as follows:

- ١- To spare no effort to implement the subject of activity of the “company” through the most effective and efficient ways.
- ٢- To enforce the resolutions of the general assemblies after passing of the legal formalities and what has been envisaged in the present article of association.
- ٣- To enforce the ratified rules and regulations after notification.
- ٤- To prepare and ratify the long, mid and short term plans and the budget of the “company”
- ٥- To prepare the annual report of the board of directors in connection with the performance and status of the “company” in order to be presented to the general assembly
- ٦- To cooperate with the “Organization” and the inspector/auditor to do it’s duties

- ۷- To set up the practices in order to eliminate the conflict of interests among the shareholders, managers and the members with the investors
- ۸- To set up and put in place the internal checking and control systems to ensure that all operations of the “company” are executed in light of the objectives of the “company” and within the framework of the law, rules and regulations and the article of association.
- ۹- To oversee the activity and performance of the managing director, the managers and the staff of the “company”.
- ۱۰- To obtain, purchase and acquire assets and to do the investments required for implementation of the purpose of the “company”.
- ۱۱- To establish and launch the local and foreign branches in case the enforcement of the purpose of the “company” requires.
- ۱۲- To ratify the internal bylaws of the “company” except for what has been envisioned as the powers of the ordinary general assembly.
- ۱۳- To ratify the executive and administration bodies and the amendments or alterations thereto.
- ۱۴- To open accounts in the name of the “company” with the banks and financial institutions and utilizing them in their operation.
- ۱۵- To undertake , endorse, pay and claim the commercial bonds and papers to the order of the “company”.
- ۱۶- To sign any contract and to do any transaction to the order of the “company”, and it’s alteration, conversion, revocation or cancellation thereto within the purpose of the “company”.
- ۱۷- To take action to apply for and to implement the registry of any trade mark and invention under the name of the “company”.
- ۱۸- To lend, guarantee, mortgage the documents, deeds, funds or assets of the “company” observing the interests of the company if the enforcement of the purpose of the “company” may require.
- ۱۹- To acquire loans and obtain credits in foreign and domestic currencies to the order of the company under any terms and conditions, if the operation of the company requires so.
- ۲۰- To prepare the annual and midterm financial statements of the company
- ۲۱- To fulfill the obligations of the company towards the others and to vindicate the rights of the company from the others
- ۲۲- To invite for the ordinary and extraordinary general assemblies and to set the agenda thereof.
- ۲۳- To propose to the general assembly any reserve from the profits and to propose to share the dividends among the shareholders of the company.
- ۲۴- To propose amendments or alterations to the article of association to the general assembly after resolution by the “Organization”
- ۲۵- To give proposals to the “Organization” in order to change the laws governing the company.
- ۲۶- To look into the violations and offences of the members in light of the enforcement of the provisions of the article 35 of the law.
- ۲۷- Any authorities, powers or duties delegated and assigned to the company which are regarded by virtue of the law, rules and regulations as the powers and the duties of the company or the board of directors.

Note: the board of directors may delegate part of its powers and duties to the managing director. The delegation of powers shall have to be explicit and specified.

Article 39- the board of directors shall, at the end of the each fiscal year, have to provide a report on the performance of the company and its affiliated units in the same year affixed with its future plans and to present them, within the term specified in the article of association, to the inspector/auditor for judgment. The "Organization" may set up the minimum standards of the contents to be inscribed in the report. A summary of such report should be recited by the chairman or one of the members of the board of director in the meeting of the general assembly to be held aimed at looking into the performance and the financial statements of the company.

Article 40- in order to ensure the good performance of their duties and responsibilities each one of the members of the board of directors as well as the managing director shall have to deposit collaterals with the "Organization" when required by the "Organization". Such collateral shall not be negotiable or transferable and shall be released within 6 months from termination of their term of office and the date of submitting the certificate of liquidation unless there are justified reasons as per regulations for seizure of the collateral.

Article 41- the members of the board of directors shall refrain from assuming any job or responsibility which is in conflict with their responsibilities in the board of directors of the company and have to inform the "Organization" of such within a week from their takeover.

Note: the judgment of the "Organization" regarding the existence or non existence of conflict between the new job responsibility and the responsibilities in the board of directors of the company shall be binding.

Article 42- the members of the board of directors, managers and the staff of the company and their spouses and/or their nearest relatives are required to observe the limitations enforced by the "Organization" regarding the trading of the admitted commodities, the securities thereupon and abide by the regulations in connection with having second jobs, positions and responsibilities outside of the company.

Article 43- any member of the board of directors shall, at least 30 days before resignation, have to inform the "Organization" and the chairman of the board of directors of such resignation and have to win the approval of the board of directors. In case of approval, the date of resignation shall be determined by the board of directors.

Article 44- four consecutive or 8 intermittent unjustified absence of any one of the members of the board of directors in meetings during an Iranian Calendar year (Shamsi), shall automatically result in dismissal of the member from membership of the board. The board of directors shall discern the justification of the absence.

Chapter 8: Managing Director

Article 45- the board of directors is required to elect an individual beyond the members of the board of directors as the managing director of the company. The term of office of the managing director shall be two years. The board of directors is obliged to determine the salary of the managing director.

Note: before appointment, the general and professional qualifications of the managing director should have been certified by the “Organization” and where the “Organization” discerns that the managing director does not meet the qualifications during the term of office or it is proved that he/she has already not have the initial qualifications, the board of directors shall, at the request of the “Organization” dismiss him/her from office and substitute another in the position.

Article 46- in case there is a vacancy for the position of the managing director as a result of resignation, dismissal, demise or other reasons, the board of directors, while complying with the regulations, has to appoint another person. In case that the formalities of the election of the new managing director takes beyond a week, the board of directors shall appoint a person to take over temporarily the responsibilities of the managing director up to the time of the election of the managing director by the board of directors according to the regulations.

Article 47- the managing director is the highest ranking executive officer of the company and in addition to representation toward the “Organization”, the “Council” and other authorities, he/she shall be the speaker of the company.

The powers and responsibilities of the managing director shall be as follows:

- 1- To enforce the regulations, the resolutions of the general assembly and the board of directors
- 2- To file any legal and penal claims , defend in any legal or penal claim filed to the special or general courts of justice on behalf of and in name of the company in order to vindicate the right or rights of the company actual or envisioned, or other and also to defend the company and on behalf of the company against any legal or penal claim filed in general or special courts and authorities in order to vindicate the rights of the company and further to have the right to refer to law enforcement officials, prosecutor generals, investigators, and to recover all powers and authorities required in proceedings and court hearings from beginning up to the end inclusive of attending court sessions, announcing the opinions and decisions, requesting for appeal, protest, rehearing, compromise, eviction of documents and action, claim, denial and abnegation of documents, and declaration of forgery and specifying the forger and having the right and power to sign the contracts bearing the arbitration provision or to sign separate arbitration contracts, and referring the claim to arbitration, and to have the right to nominate and choose arbiter- having compromise power or void of such power- and to enforce the final verdict of the arbiter, and in general to have power to use all rights and to enforce all requirements and obligations arising from the law of arbitration, and further to apply for eviction, evacuation, removing the forced possession , nuisance, request for damage and loss, and to request for issuance of the writ of execution, and to prosecute them, to introduce the debtor and ..., and the properties of the debtor, and to request for apprehension of suspects and convicts and admitting and acquiring the debtor’s properties in lieu of the company claims in tenders, to

appoint expert and to appoint or dismiss attorney or representative with repeated right of substitution, and admission to merits of the case and involving third party into litigation and counter claim and defending against them, and attachment of relief and securing the compensation for damage and losses arising from crimes and offences, and to obtain the judgment debt and other similar issues such as the abovementioned. To request for issuance of writ of execution and to pursue the executive operation and to obtain the judgment debt either in court or in departments and offices of the State Registry Organization for Deeds and Landed Estate

- ƒ- To employ the staff and to determine their salaries and remunerations, to appoint or dismiss, and in general to have the entire powers required for managing the human resources within the framework of the approved by-laws.
- ξ- To admit advance payments, deposits and collaterals, and to issue, certify and admit any letter of commitment on behalf of the company.

Note: the managing director may, maintaining his responsibilities, delegate some powers and authorities to the managers other than the members of the board of directors and staff of the company.

Chapter 9: Inspector/Auditor

Article 48- the general assembly shall, for each year, have to elect the inspector/auditor of the company from among the accredited auditing institutions who are member of the Official Auditors Society certified and trusted in by the “Organization”. The board of directors shall elect one from among the abovementioned institutions or their partners as the reserve inspector/auditor in order to be substituted to take over the duties and responsibilities of the principal inspector/auditor in case of his exemption, insolvency, resignation, disqualification or his abstention from assuming the position.

Note 1- the election of the inspector/auditor for two consecutive terms is allowed just two times.

Note 2- the principal and reserve inspector/auditor shall have to assume the position as per the Trade Law.

Note 3- the ordinary general assembly may, at any time it discerns and winning the approval of the “Organization”, dismiss the principal and reserve inspector/auditor after electing it’s reserve.

Article 49- in addition to the duties and liabilities specified in the Trade Law for the inspectors of the public joint stock companies the inspector/auditor shall bear the following responsibilities:

- ϑ- To consider the national standards for auditing and accounting in his judgment regarding the financial statements

- Υ- To comment ,in his report to the general assembly, on compliance or non compliance of the company, it's managers and staff with the rules and regulations.
- Υ- To send, 10 days prior to the general assembly meeting , a copy of his judgment/report directly to the "Organization".
- ξ- To check the sufficiency of the internal controlling systems of the company and to inscribe the deficiencies and problems discovered by him affixed with other deficiencies in the management letter and to send them simultaneously to the board of directors and the "Organization".
- ο- To send a copy of his important correspondences with the management of the company to the " Organization " at the same time.

Article 50- the salary of the inspector/auditor shall be determined by the "Organization". Neither of the inspecting/auditing institutions, their managers, staff and their spouses and close relatives are allowed to receive funds, assets and remunerations from the company other than what has been approved by the general assembly nor are they allowed to be beneficiary to the transactions of the company directly and indirectly.

Article 51- by termination of the term of office of the inspector/auditor and prior to the date of the general assembly meeting for electing the new inspector/auditor, the incumbent inspector/auditor shall , regardless of restrictions of the "Note 1" of the article 48, continue to be in charge of the responsibilities.

Article 52- the inspector/auditor shall have to observe the regulations enacted by the "Organization" regarding his relationship with the company.

Chapter Ten: Financial Regulations

Article 53- the fiscal year of the company equals to one Iranian calendar year (Shamsi) which shall, except for the first year, begin from the first day of Farvardin (the first Iranian calendar month beginning from March 20) and terminates on the last day of Esfand (the last Iranian calendar month ending on March 19). The first year of operation of the company shall begin from the date of establishment up to the end of Esfand of the same year.

Article 54- the board of directors shall, within 30 days prior to the convening date of the general assembly which is to be held in order to look in to such issues, submit the annual financial statements of the company as well as his report on the activity and general status of the company to the inspector/auditor for judgment.

Note: further, the board of directors shall, within 45 days from the end of the first half year of the same year, have to prepare the midterm financial statements of the first six months of the year and to present them to the inspector/auditor for judgment. The inspector/auditor shall be required to present, within one month, his judgment to the company and to submit a copy of which to the "Organization".

Article 55- all sources of income of the company from transactions fees, admissions and listings fees, membership fees and other incomes affixed with the timetable of their reception and the relevant executive guaranties shall have to be approved by the “Organization”.

Note: determination of the rates of services and the fees of the company, observing the limitations specified by the “Organization”, shall be among the powers of the board of directors.

Article 56- in addition to the legal reserve subject of the article 140 of the Trade Law, the contingency reserve of the company shall be established by the “ Organization”. So long as the contingency reserve has not exceeded the amount determined by the “Organization”, the general assembly shall, each year and prior to allotment of dividends, be required to allocate one fifth of the net profit of the company for the contingency reserve. The distribution of the contingency reserve among the shareholders without permission of the “Organization” shall not be allowed.

Note: determination of the amount of the contingency reserve beyond the amount which has already been specified shall be among the powers of the “Organization” and establishment of the other reserves is among the powers of the general assembly.

Article 57- in order to compensate the losses incurred as a result of violation of the rules and regulations by the managers and the staff of the company, the company shall have to submit the required collateral to the “Organization”. The type and the amount of the collateral may be altered by the “Organization”.

Article 58- the company shall not be entitled to assume commitments beyond 80% of it’s capital.

Article 59- the company shall not be entitled to invest in the shares and stakes of the companies offering the admitted commodities on the exchange, the writers of the commodity-based securities, the members and the companies involving in transactions of the admitted commodities and the securities based thereupon, or to grant the mentioned companies loans, or embark on purchasing the commodities or the commodity-based securities offered by those companies.

Article 60- the company shall be entitled to take all measures and to make the investment required in order to implement the subject of activity and to obtain the required assets in this regard. To implement the activities irrelevant to the subject of activity and purpose of the company and investment in such operations and obtaining the unnecessary assets are subject to obtaining the permission of the “Organization”.

Article 61- the undersigned of the company and the scope of their powers and responsibilities are determined by the board of directors. The decision of the board of directors in this regard shall, within one month, have to be sent to the Bureau of Registry of the Companies in order to be registered and published in the official gazette.

Article 62- the divisible profit of the company in each fiscal year is including the net profit of the company in the same year of which to be deducted the legal reserve, contingency reserve, other reserves and the losses of the previous fiscal years and to which to be added the undistributed

profits of the previous fiscal year. Distribution of the divisible profit of each fiscal year among the shareholders shall be subject to firstly the confirmation of existence of divisible profit by the inspector/auditor and secondly, the resolution of the financial statements of that very year by the ordinary general assembly.

Article 63- publishing any securities by the company shall be subject to prior permission of the "Organization".

Chapter Eleven: Miscellaneous

Article 64- the board of directors is, within one month from election, required to set up the internal audit.

Note: the internal audit shall operate under supervision of the board of directors and has to present regular monthly reports to the board of directors and the "Organization".

Article 65- any change or alterations to the provisions of this article of association shall be subject to execution of the formalities in the company and by proposal of the company and approval of the "Organization".

Article 66- the voluntary insolvency of the company shall have to be implemented by the "Organization" and the "Council" and to be ratified by the extraordinary general assembly. In case of revocation of the permission of the company operation by the "Council" the company must be dissolved or has to shift to another field of activity after changing the name and the subject of activity by approval of the "Organization". The final liquidation of the company shall be made after execution of insolvency according to the Trade Law and the regulations.

Article 67- where the "Council" ratifies the entire or partial cessation or suspension of the operations of the company for a specified or unlimited period, the company shall be required to cease or suspend operation during that period as per regulations.

Article 68- the Law of the Securities Market of the Islamic Republic of Iran enacted December 2005 as well as all regulations including the by-laws, instructions, practices and current directives in addition to what shall be approved in the future and the amendments thereto are inseparable part of the present article of association.

Article 69- the sole authority which shall be entitled to interpret the provisions of this article of association is the "Organization" and no article thereof may be interpreted in a manner violating or restricting the Law.

Article 70- the provisions and articles which have not been inscribed in this article of association are interpreted according to the Trade Law and other respective rules and regulations.

Article 71- the present article of association comprises 71 articles and 27 notes and was approved by the general assembly of the founders of the company on 7/03/2007 and ratified by the "Organization" on 09/04/2007.