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**Published on the website on May 2024**

**Law No. (2) of 1974 regarding the Ratification of the Convention of the Arab Shipbuilding and Repair Yard Company**

We, Isa bin Salman Al Khalifa, Emir of the State of Bahrain.

Having reviewed Articles 35 (A) and 37 of the Constitution;

And the Arab Shipbuilding and Repair Yard Company Convention, signed in the State of Kuwait on 14 Dhul-Qa'dah 1393 A.H., corresponding to 8 December 1973;

The National Council have approved the following Law, which we have ratified and enacted.

**Article One**

The Arab Shipbuilding and Repair Yard Company Convention, signed in the State of Kuwait on 14 Dhul-Qa'dah 1393 A.H., corresponding to 8 December 1973, and attached to this Law, has been ratified.

The Ministers – each within his jurisdiction– shall implement the provisions of this Law, and it shall come into force from the date of its publication in the Official Gazette.

**Emir of the State of Bahrain**

**Isa bin Salman Al Khalifa**

Issued at Riffa Palace:

On: 27 Safar 1394 A.H.

Corresponding to: 21 March 1974

**Convention on the Incorporation of the Arab Shipbuilding and Repair Yard Company**

The Government of the Member States of the Organization of Arab Petroleum Exporting Countries, signatories to this Convention, acknowledging the importance of economically diversifying their income deriving from their petroleum wealth in various economic and developmental projects possessing the fundamentals for life and prosperity.

In order to achieve the objectives for which the Organization of Arab Petroleum Exporting Countries was established, in making rational use of petroleum wealth to serve the economy of producing States, resulting in the most substantial legitimate benefits.

In implementation of the provisions of Paragraph (E) of Article Five of the Convention of the Organization of Arab Petroleum Exporting Countries, the need to benefit from the resources of the Member States and their joint capabilities to establish joint ventures in various activities in the petroleum industry,

And aspiring to achieve fruitful and constructive economic cooperation among them,

They have agreed on the following: -

Chapter One - Definitions

Article One:

The following expressions in this Convention and Annexes shall have the meanings assigned to them below:

1. “Organization”: The Organization of Arab Petroleum Exporting Countries.

2. “Council of Ministers”: The Council consisting of the Ministers who handle petroleum affairs in the Member States shareholding in the Company, or their designated representatives.

3. “Company”: The Arab Shipbuilding and Repair Yard Company.

4. “Subsidiary”: Any company incorporated by the Arab Shipbuilding and Repair Yard Company in order to achieve its objectives.

5. “Member State”: Any shareholder State in the Company from the Member States of the Organization.

6. “Convention”: The current Convention for the incorporation of the Company.

7. “Subscribed Capital”: The total number of shares or stakes owned by the shareholders of the Company.

Chapter Two - Incorporation and Objectives

Article Two:

A joint venture shall be established under the name “the Arab Shipbuilding and Repair Yard Company” and its objective shall be to carry out all building, repair, and maintenance operations for all types of ships, tankers, and other means of maritime transport related to hydrocarbons and others.

Annex No. (1) attached to this Convention shall set out the Statute of the Company, Annex No. (2) shall set out the conditions and requirements under which it shall start its activities, and Annex No. (3) shall set out the methods of disputes resolution in the interpretation or implementation of the Convention and its Annexes among the Member States. These Annexes shall be considered an integral part of the Convention.

Chapter Three - The Legal System

Article Three:

The Company shall be governed primarily by the provisions of this Convention. These provisions shall be effective even if they are inconsistent with the internal law of any of the Member States. In the absence of a provision in the Convention, the common principles found in the laws of the Member States shall prevail to the extent that these principles are consistent with the provisions of this Convention.

Article Four:

The Company shall have legal personality and full capacity to achieve its objectives.

Article Five:

The Company shall have the right to incorporate subsidiaries to achieve its objectives, whether within or outside any of the Member States.

The Company shall conclude a new Convention to specify the provisions of the Convention or any other provisions applicable to these subsidiary companies. In all cases, the majority of the capital of these companies shall be owned by the Company.

Article Six:

The Company shall have the nationality of the State in which its headquarters are located, and shall have the right to operate in the territories of the Member States. The Company shall enjoy the support and protection as well as the advantage given to national companies in the territories of each Member State in terms of benefits and facilitations.

Article Seven:

The Company shall carry out its activity on a commercial basis and with the intention of profit.

Chapter Four - The Company’s Capital

Article Eight:

The eligibility for shareholding in the Company shall be limited to the Member States of the Organization. These States shall have the right to entrust their public or private law to any authority, institution, or subsidiary, made up of persons, to represent them in exercising the shareholding eligibility.

Every Member State shall have the right to assign a number of its shares to its nationals, natural or legal persons, in the subscription, not exceeding 49% of the total shares allocated to it, provided that the ownership of each person shall not exceed 10% (ten percent) of the total shares assigned. In this case, the Member State shall regulate its relationship with its nationals who will contribute to the Company as it deems appropriate, provided that such regulation shall not contradict the provisions of this Convention.

No authority, institution, or company holding the nationality of any of the Member States shall have the right to acquire its shares in the Company, unless all of its capital is owned by that concerned State and/or its nationals.

Article Nine:

Member States shall have the right to shareholding in the capital of the Company equally among themselves. If one of these States is satisfied with a portion of its share, the remainder shall be distributed equally between all other States wishing to increase their shares.

The General Assembly of the Company shall make the necessary arrangements for the redistribution of the capital, taking into account the preceding paragraph in the following cases:

A- The accession of a new State to the Company, or the termination of a Member State’s membership in the Company or in the Organization.

B- Increasing or decreasing the Capital.

C- When transferring part of the shares of any of the Member State or the shares of their nationals.

Article Ten:

The Company stocks shall be nominal, and the shares owned by the Member State or by its nationals shall be deemed transferable between nationals of the same Member State only, in accordance with the procedures of the Company’s Statute. Shares held by nationals of any of the Member States shall not be seized except for the benefit of that Member State itself or for the benefit of its nationals.

If the ownership of shares is transferred to a person who is not a national of the Member State by way of inheritance or will, the government of the deceased shall buy them for itself or sell them on behalf of the heirs to its nationals.

Chapter Five - Exemptions and Facilitations

Article Eleven

The Headquarters State shall refrain from seizing the Company, its funds, and assets, or nationalising them. The Member States shall also refrain from seizing any of the Company’s branches, properties, or the properties of its branches, funds, and assets, or nationalising them.

It shall not be permissible for the Headquarters State or any of the Member States to seize the funds and assets of the Company or the funds and assets of its branches, or take enforceable obligation measures against it, except by virtue of a final judicial ruling.

Article Twelve:

The Company and its branches in the Headquarters State and the Member States shall be exempt from paying fees, taxes, and all other financial burdens and costs for all their operations related to their objectives, and shall also be exempt from the fees of subscription, incorporation, registration, capital increase, dissolution, and liquidation.

The aforementioned exemptions shall not include fees or wages collected in exchange for services provided to the Company and its branches.

Article Thirteen:

All imported tools, equipment, or materials needed by the Company and its branches in carrying out its operations related to its objectives, shall be exempt from all customs duties and the like in each of the Member States. The Company and its branches shall also be exempt from all restrictions on import, with the exception of restrictions related to public security and health requirements.

It shall not be permissible to resell any of these imported materials, except in agreement with the government of the concerned State.

Article Fourteen:

The Company and its branches shall have the right to hold all foreign exchange and its account assets in any currency and where it deems appropriate for the objectives of its operations.

The Member States shall undertake to grant the Company and its branches the necessary authorisations in accordance with the procedures established in their internal regulations and international conventions, which shall ensure the transfer of its funds, including the issuance and servicing of loans.

Chapter Six - Employees

Article Fifteen:

The selection of Company employees shall be on the basis of academic qualifications and professional competencies as required by the nature of the Company’s affairs. When qualifications and competencies are equal, preference shall be given to nationals of the Member States and then to nationals of other Arab states.

Article Sixteen:

Each of the Member States shall undertake to grant the employees and the branches of the Company the necessary authorisations to access, reside, and work, taking into consideration the requirements of public order, security, and public health.

Chapter Seven - Supervision

Article Seventeen:

The Company shall submit to the Council of Ministers its annual report on the developments of its activity and its financial situation.

Article Eighteen:

In carrying out its activities and planning its general policy, the Company shall take into account the directives issued by the Council of Ministers and the observations it may make.

Chapter Eight - General Provisions

Article Nineteen:

Each of the Member States shall pay 51% of its share value in the subscribed capital upon the Company's incorporation. Each of them shall also pay the remaining amount as determined by the General Assembly, provided that such payment shall be made within two months from the date in which the Member State’s receipt of the request for payment.

The Member State shall ensure that its national shareholders of the Company have fulfilled their obligations.

Article Twenty:

Member States shall have the right to, individually or collectively, guarantee any borrowing done by the Company, in accordance with the legal proceedings established in each State.

The Member States shall undertake to facilitate for the Company all affairs related to its objectives, and to take all possible means in this regard.

Article Twenty-One:

Any dispute between the governments of the Member States concerning the interpretation, application, or implementation of this Convention shall be referred to the judicial authority provided for in Article 21 of the Organization’s Convention, and the ruling of that authority shall be deemed final and binding on the parties to the dispute. If this dispute occurs prior to the formation of that authority, the dispute then shall be subject to the arbitration procedures set forth in Annex No. (3) of this Convention.

Chapter Nine - Final Provisions

Article Twenty-Two:

The provisions of this Convention shall remain in effect for the duration of the Company’s existence.

Article Twenty-Three:

It shall be permissible to amend this Convention by virtue of a decision from the Council of Ministers issued by a majority of two-thirds of the Member States, in respect of which the ratification procedures followed in each State shall apply, provided that the Statute of the Company shall be amendable in accordance with the provisions contained therein.

Article Twenty-Four:

The Convention shall enter into force when a number of members, representing a total of shares representing two-thirds of the subscribed capital of the Company, deposit their documents of ratification on the Convention with the Ministry of Foreign Affairs of the State of Kuwait.

The Convention shall come into effect for any other Member State from the first day of the month following the deposit of that Member State’s document of ratification, or its accession document.

Article Twenty-Five:

The Member State whose membership in the Organization expires, along with its nationals, shall lose the necessary eligibility to remain in the Company. However, it shall remain responsible for all obligations arising from this Convention until the final settlement of its share. In this case, the Member States shall have the right to acquire the shares held by that State or its nationals, taking into account what is stated in Article Eight of this Convention. If shares remain unclaimed thereafter, the remaining shareholding Member States shall buy them at a price agreed upon with that State, and distribute them equally among themselves, taking into account the value of the shares and the latest balance sheet of the Company. If a dispute arises regarding the price of the shares, it shall be referred to the provisions contained in Article Twenty-One of this Convention.

Article Twenty-Six:

The Ministry of Foreign Affairs of the State of Kuwait shall notify all States that have ratified this Convention as well as the Member States who may accede to it, of it receiving any documents of ratification or accession, as it shall also notify them of the date of its entry into force.

The plenipotentiaries whose names are mentioned have ratified the Convention on behalf of their respective governments.

Signed in Kuwait City on the fourteenth of Dhul-Qa'dah 1393 A.H., corresponding to the eighth of December 1973, consisting of one copy maintained at the headquarters of the Ministry of Foreign Affairs of the State of Kuwait, which shall provide all current ratifiers and future acceding parties with a an original copy.

For the Government of Abu Dhabi

For the Government of the State of Qatar

For the Government of the State of Bahrain

For the Government of the State of Kuwait

For the Government of the Kingdom of Saudi Arabia

For the Government of the Libyan Arab Republic

For the Government of the Republic of Iraq

For the Government of the Arab Republic of Egypt

**Annex No. (1)**

**Statute of the Arab Shipbuilding and Repair Yard Company**

Section One: Name, Headquarters, Objective, Duration, and Capital.

Article One:

“The Arab Shipbuilding and Repair Yard Company” is a company incorporated in accordance with its own international Convention, known as the Convention, and shall be subject to the provisions of that Convention and this Statute.

Article Two:

The Company’s headquarters shall be in Manama in the State of Bahrain.

Article Three:

The Company was incorporated for a period of (50) fifty years, provided that it can be dissolved by a decision from the General Assembly approved by a decision from the Council of Ministers. These decisions shall be issued by a majority representing three quarters of the Company’s capital in the General Assembly.

It shall be permissible to extend the term of the Company under the conditions prescribed in the preceding paragraph.

Article Four:

The objective of the Company shall be to carry out all building, repair, and maintenance operations for all types of ships, tankers, and other means of maritime transport related to hydrocarbons and others. And in order to achieve its objectives, the Company shall have the right to:

1. Purchase, lease, and rent equipment, materials, buildings, and land, sea, and air means of transport necessary for its operations.

2. Establishing, as deemed necessary, branches, administrative offices, preparation docks, ship corridors, centres for manufactures and plates, pipelines and machine workshops, welding, electricity, and hydraulic propulsion, training centres, warehouses, quay construction bases, docks for cleaning ship halls, and everything required to facilitate ship building, repair, and maintenance, or any other maritime transportation means, whether within or outside of the Member States.

3. Carrying out all commercial and financial activities.

4. Conclude conventions and carry out all legal and judicial affairs.

Article Five:

The Company’s authorised capital shall be determined at an amount of (100,000,000) one hundred million US Dollars.

As for the Company’s subscribed capital, it was set at an amount of (30,000,000) thirty million US Dollars. The Company’s subscribed capital shall be divided into three-hundred thousand shares, the nominal value of each of which shall be (100) one hundred US Dollars, all of which were subscribed to and distributed as follows:

|  |  |  |
| --- | --- | --- |
| **State Name** | **Number of Subscribed Shares** | **Shares Value** |
| The Government of Abu Dhabi  | 37500  | 3750000  |
| The Government of the State of Bahrain  | 37500  | 3750000  |
| The Government of the Kingdom of Saudi Arabia  | 37500  | 3750000  |
| The Government of the Republic of Iraq  | 37500  | 3750000  |
| The Government of the State of Qatar  | 37500  | 3750000  |
| The Government of the State of Kuwait  | 37500  | 3750000  |
| The Government of the Libyan Arab Republic  | 37500  | 3750000  |
| The Government of the Arab Republic of Egypt  | 37500  | 3750000  |

Member States shall undertake, at the request of the Company, to grant it long-term loans at low interest within the amount of (70,000,000) seventy million US Dollars, and the obligation of each of the Member States in these loans shall be determined by the percentage of its subscription to the Company stocks.

Article Six:

All shareholders shall pay 51% of the value of their shares in the subscribed capital upon the incorporation of the Company. Each of them shall also pay the remaining amount as decided by the General Assembly, provided that such payment shall be made within two months from the date of receipt of the request for payment.

The Member State shall guarantee to the Company its fulfilment of the obligations of its national shareholders.

Article Seven:

The Company stocks shall be nominal.

Article Eight:

It shall be permissible to increase or decrease the Company’s capital by a decision from the General Assembly issued by a majority representing three quarters of the Company’s capital.

In case of an increase in capital, each State shall have the right to subscribe to the new shares in proportion to the number of shares it holds at that moment.

The conditions for issuing and paying their value shall be determined by the General Assembly.

Article Nine:

The rights and obligations resulting from the shares shall be equal, and the shareholders’ liability shall be determined by the amount subscribed.

Shares shall be given equal rights in profits and in representation at the General Assembly. The possession of shares shall be deemed acceptance of the Company Statute and to the decisions of the General Assembly.

Section Two: General Assembly:

Article Ten:

The General Assembly shall be formed of the Company shareholders who shall assemble in national groups, each of which shall include the Member State and its national shareholders. National groups shall exercise their right to vote in proportion to the nominal value of the total shares belonging to each one of them.

Decisions issued by the General Assembly shall be binding on all, including absentees and violators.

Article Eleven:

The General Assembly shall convene in an ordinary session once a year, during the six months following the end of the fiscal year on the day, time, and place specified by a notice of a meeting call issued by the Board of Directors.

It shall also be permissible to be convened to an extraordinary meeting at the request of the Board of Directors, the auditors, or if requested by two-thirds of the shareholders.

The call for meetings, whether ordinary or extraordinary, shall be made by a letter from the President of the Board of Directors sent three weeks prior to the specified date for the meeting, and shall include a statement of the agenda and the ordinary or extraordinary capacity of the meeting.

The General Assembly shall be held at the headquarters of the Company, unless otherwise decided by the Board of Directors.

Article Twelve:

All shareholders of the Company shall have the right to participate in the General Assembly directly or through their representatives and the Board of Directors shall also have the right to attend the meetings of the General Assembly, and the deliberations of the General Assembly shall only be valid by representing the majority of the shareholders. If the quorum is not met in the session of its ordinary annual meeting or in another extraordinary meeting, the Board of Directors shall then call the General Assembly to convene again within thirty days from the date of the first meeting, indicating that the quorum was not met at the first meeting. With this call, the meeting shall be considered valid if attended by representatives of one-third of the shareholders. If this is not possible, the Board of Directors shall call the General Assembly to convene for a third time within fifteen days from the date of the second meeting, indicating that the quorum was not met twice, and in this form the meeting shall be considered valid in the presence of representatives of 20% of the shareholders.

Article Thirteen:

The meetings of the General Assembly shall be presided over by the President of the Board of Directors. If this is not possible, it shall be presided over by the eldest Vice-Presidents in age. When this is not possible, the Board of Directors shall choose one of its members to preside over the meeting. The General Assembly shall elect, by a majority of its shareholders, two shareholders to supervise the voting, and it shall also appoint a Secretary for the meeting who shall not be required to be a shareholder or their representative.

Article Fourteen:

The deliberations and decisions of the General Assembly shall be recorded and signed by the President of the session, the voting supervisors, and the Secretary. The copies sent or extracted shall be signed by the President of the Board, one of his Vice-Presidents, or by the person who presided over the General Assembly meeting.

Article Fifteen:

The General Assembly shall take its decisions by a majority of the represented votes. As for the decisions related to the payment of capital shares, the amendment of the Company’s capital, the extension of its term, the incorporation of subsidiaries, the determination of the maximum limit of loans that can be concluded in a certain period of time, and the amendment of its Statute, this shall require the availability of a two-thirds majority of the Company’s capital.

Article Sixteen:

The General Assembly shall deliberate on all matters of interest to the Company, and it particularly shall have the following powers:

A- Appointing the members of the Board of Directors and determining their remuneration.

B- Appointing auditors.

C- Amending the Statute.

D- Requesting the payment of new portions of the capital.

E- Approving the increase or decrease of the Company’s capital.

F- Redistributing the Company’s capital.

G- Deciding the extension of the term of the Company.

H- Approving the dissolution of the Company.

I- Appointing liquidators.

J- Accessing the auditors’ report, studying and approving the report of the Board of Directors, the budget sheet, and the profit and loss account, ruling upon the use of net profits, and issuing violations to the members of the Board of Directors for their management.

K- Approving the Company’s annual report.

l- Approving the incorporation of subsidiaries.

M- Ruling upon all matters presented by the Board of Directors.

Section Three: Board of Directors.

Article Seventeen:

The Board of Directors shall direct the Company affairs, and the General Assembly shall appoint its members upon the proposal of each national group. Each of the national groups shall have the right to be represented on the Board of Directors with a number of seats commensurate as much as possible with the number of shares held by each one of them, provided that the Board member’s vote shall be calculated “at the time of voting” to the extent of the number of shares represented by such member.

The Board members shall be appointed for a period of four years, and it shall be permissible to reappoint them. If a Board member ceases to exercise his functions for any given reason, the Board shall appoint a new member proposed by the shareholder, on whose proposal the replacement member was appointed. If the General Assembly approves at a meeting the temporary amendments made in the aforementioned manner, such amendment shall become permanent.

Article Eighteen:

Each year, the Board of Directors shall select from among its members a President and two Vice-Presidents.

If the President is unable to assume the presidency over the Board of Directors, the first Vice-President shall assume the presidency. If this is also not possible, the second Vice-President shall assume the presidency. And if all of this is also not possible, the eldest member in age shall assume the presidency of the Board.

Article Nineteen:

The Company shall be represented before the court by the President of the Board of Directors, or whoever the Board delegates to act on his behalf.

Article Twenty:

The Board of Directors shall convene upon the call of its President, and the President shall call for the Board to convene if requested by at least four of its members.

Meetings of the Board shall be held at the Company headquarters, or at any other place selected by the Board.

If any Board member is unable to attend any Board meeting, he shall have the right to delegate one of the other members of the Board of Directors, provided that the delegation shall be in writing, and no Board member shall have the right to represent more than one single member, in addition to himself.

The attendance of the majority of the members or their representatives shall be required for the validity of the Board meeting.

When necessary, the President of the Board of Directors shall have the right to take decisions by consultation by correspondence or telegrams. Decisions taken in this manner shall be approved at the first Board meeting, and they shall be recorded in the proceedings of such meeting.

Article Twenty-One:

The decisions of the Board shall be taken by a majority of votes, except in cases where this Statute stipulates otherwise.

If the it is a tie in, the President’s vote shall be the casting vote.

Article Twenty-Two:

The Board of Directors shall set out an internal regulation for its affairs, which shall to be adopted by the General Assembly.

The Board of Directors shall have the right to rule upon all matters that do not fall, by an explicit provision or text, within the competence of another authority of the Company’s, and it particularly shall have the right to:

1- Conducting technical and economic studies.

2- Selecting the Board members with the authority to sign on behalf of the Company, as well as granting the right to sign to persons who are non-members of the Board of Directors (Executive Directors and Delegates of Authority).

3- Appointing  the Director General of the Company.

4- Setting the Company’s administrative and financial regulations, provided that they shall be approved by the General Assembly.

5- Concluding contracts related to the Company’s affairs.

6- Granting loans within the limits and under the conditions set by the General Assembly.

7- Preparing the report of the Board of Directors, the draft annual balance sheet, and the closing account to be submitted to the General Assembly.

Article Twenty-Three:

The deliberations and decisions of the Board of Directors shall be recorded and signed by the President of the session and the Secretary. All correspondence and extracts shall be signed by the President, one of his Vice-Presidents, or whoever assumes his duties.

Article Twenty-Four:

It shall not be permissible for the President of the Board of Directors, any of his Vice-Presidents, any of the members of the Board, or the Director General during their term of office, to be bound by any personal or joint obligation related to the Company’s commitments for their own personal benefit, nor shall any of them have the right to associate or deal with any person, company, or State in any activity or project that contradict the interests of the Company.

Article Twenty-Six:

It shall not be permissible for the President of the Board of Directors, any of his Vice-President, any of the members of the Board, or the Director General of the Company, individually or collectively, to violate any of the provisions of the Convention and its Annexes. Each one of them shall be responsible before the law of the Headquarters State, and before the law of the State of which he is a national, to properly implement his proxy related to the Company’s affairs, individually or jointly (as the case may be). The Company, the Headquarters States, or the State of which he is a national, while notifying the Member State, shall have the right to take legal action against him to file for a civil and criminal lawsuit if he violates any of the provisions of this Convention or its Annexes, or if any of them commits any error in the management of the Company.

Chapter Four - Accounts and Liquidation

Article Twenty-Seven:

The fiscal year of the Company shall begin on the first of January and end on December 31 of each year. For the first fiscal year, it shall begin on the day of the final incorporation of the Company and end on December 31, unless its term is less than six months, it shall then extend to December 31 of the following year.

1- First, an amount equivalent to 10% of the profits shall be deducted to form the reserve account. This deduction shall be reconciled once the total reserve reaches 25% of the Company’s subscribed capital. Whenever the reserve is less than that, it shall be necessary to return to the deduction.

2- Then, the amount necessary to distribute a profit to the shareholders shall be deducted at a minimum of 5 of the value of their paid-up shares. However, if the profits of a particular year do not allow for the distribution of this share, it shall be carried over to the profits of the following year.

3- Thereafter, the amount necessary for the remuneration of the Board members as decided by the General Assembly, shall be deducted from the remainder.

After that, the General Assembly shall decide either to distribute the rest of the profits in whole or in part to the shareholders as an additional share, or to allocate it in whole or in part to establish an optional reserve account.

However, it shall not be permissible to distribute profits or remunerations except after covering previous losses, if any.

Article Twenty-Nine:

Annually distributed profits shall be paid on dates determined by the General Assembly.

Article Thirty:

The Company’s accounts shall be audited by auditors appointed by the General Assembly for a renewable term of three years.

In particular, the auditors shall verify that the budget and the profit and loss account are in conformity with the accounting registers, and that the maintenance of these registers is accurate and in accordance with sound accounting rules.

In order to perform their functions, the auditors shall have the right to refer to the accounting registers as well as all the documents justifying them. The budget and the profit and loss account shall be accessible to them at least thirty days before the date of the General Assembly’s meeting.

They shall submit to the General Assembly a written report with their observations, and the General Assembly shall determine the amount of their remuneration.

Article Thirty-One:

In case of the dissolution of the Company, the Company shall enter into liquidation and shall be considered, from that point forward, existing for the purpose of liquidation.

Such liquidation shall be carried out by liquidators appointed by the General Assembly, by a two-thirds majority of the capital. Every shareholding State in the company shall have the right to request the appointment of one of the liquidators.

The liquidators shall have the broadest powers to investigate the assets of the Company, and their remuneration shall be determined by the General Assembly.

Upon the appointment of the liquidators, the authorities of the members of the Board of Directors shall end. The General Assembly shall remain in session to approve the liquidation conditions and grant discharge to the liquidators. It shall be presided over by the person designated for that purpose at the beginning of each meeting called by the liquidators.

After the lapse of litigation and the return of the value of the shares, the remaining net assets shall be distributed among the shareholders in proportion to the nominal value of the shares they hold.

Article Thirty-Two:

Each dispute regarding the dissolution or liquidation of the Company shall be decided in accordance with Article Twenty-One of the Convention.

Article Thirty-Three:

Notifications to shareholders shall be made by registered letters.

Official notifications as well as amendments to the Statute shall be published in the Official Gazettes of the Member States.

Article Thirty-Four:

This Statute shall enter into force simultaneously with the entry into force of the Convention.

Done at Kuwait City on 14/11/1393 A.H., corresponding to 8 December 1973, consisting of one copy to be deposited with the Ministry of Foreign Affairs of the State of Kuwait, which shall send an approved copy thereof to all ratifiers and to all future acceding parties thereof.

For the Government of Abu Dhabi

For the Government of the State of Qatar

For the Government of the State of Bahrain

For the Government of the State of Kuwait

For the Government of the Kingdom of Saudi Arabia

For the Government of the Libyan Arab Republic

For the Government of the Republic of Iraq

For the Government of the Arab Republic of Egypt

**Annex No. (2)**

**Conditions and Requirements under which the Company’s Activity Shall Start**

The governments of the Member States of the Organization of Arab Petroleum Exporting Countries and signatories to the Convention on the Incorporation of “the Arab Shipbuilding and Repair Yard Company” with reference to Article Two of the Convention.

Wishing to start as soon as possible the activity of the Company incorporated in accordance with the Convention.

Have agreed as follows:

Article One:

The Secretary-General of the Organization shall, in accordance with Article (13), Paragraph (B) of the Organization’s Convention, call the Council of Ministers for an extraordinary session to take the necessary steps to start the Company’s activity. This meeting of the Council of Ministers shall be considered a meeting of the Company’s Constituent General Assembly, hereinafter referred to as the Constituent General Assembly.

Article Two:

The meeting of the Constituent General Assembly shall be presided over by the representative of the Headquarters State of the Company, and the Headquarters State shall take the necessary measures to hold the meeting of the Constituent General Assembly in it.

Article Three:

The Constituent General Assembly shall appoint the first Board of Directors and the primary auditors.

Article Four:

The Constituent General Assembly shall call upon the Member States to pay the value of their shares, and an account shall be opened in the name of the Company with the banking institutions which shall be designated by the Constituent General Assembly.

Article Five:

The Constituent General Assembly shall declare the final incorporation of the Company and shall delegate the Board of Directors to take all necessary supplementary measures for the Company to start its activity.

This Annex shall enter into force simultaneously with the entry into force of the Convention.

Done in Kuwait City on 14 Dhul-Qa'dah 1319 A.H., corresponding to 8 December 1973, consisting of one copy to be deposited with the Ministry of Foreign Affairs of the State of Kuwait, which shall send an approved copy thereof to all ratifiers and in the future to all acceding parties.

For the Government of Abu Dhabi

For the Government of the State of Qatar

For the Government of the State of Bahrain

For the Government of the State of Kuwait

For the Government of the Kingdom of Saudi Arabia

For the Government of the Libyan Arab Republic

For the Government of the Republic of Iraq

For the Government of the Arab Republic of Egypt

**Annex No. (3)**

That the governments of the Member States of the Organization of Arab Petroleum Exporting Countries and signatories to the Convention on the Incorporation of the “Arab Shipbuilding and Repair Yard Company”, with reference to Article Twenty-One thereof, and wishing to ensure the work of the provisions of that Convention.

Have agreed as follows:

Article One

Any dispute over the interpretation or implementation of the Convention shall be subject to the provisions of this Annex, until the formation of the judicial commission stipulated in Article (21) of the Organization’s Convention.

Article Two:

If any dispute or conflict arises out of the interpretation or implementation of the Convention, and fails to be settled amicably, it shall be referred to two arbitrators appointed by each of the parties to the dispute or conflict, and then these two arbitrators shall appoint a final arbitrator.

Article Three:

Each party to the dispute or conflict shall appoint an arbitrator within a maximum period of sixty days, starting from the date on which that party receives a written request from the other party or parties. This request shall be hand-delivered to the party required to appoint or to his embassy’s headquarters in the Headquarters State. A true copy of this request shall also be sent by registered mail. The appointment by the party required to make it shall also be in writing and hand-delivered to the party requested to appoint, or to his embassy’s headquarters in the Headquarters State.

 A true copy of this appointment shall also be sent to him by registered mail. If the requested party does not appoint an arbitrator within the period of sixty days, it shall be permissible to appoint an arbitrator for him by the Secretary-General of the League of Arab States, at the request of the party requesting the appointment of the arbitrator. If the arbitrators appointed by the parties to the dispute are unable to agree on a final arbitrator within a period of sixty days, starting from the day on which one or more parties to the dispute receive the letter of appointment of the last arbitrator to the arbitrators or any one of them. The final arbitrator shall not be a national of any of the States involved in the dispute or have previously been employed by them, unless all parties to the dispute agree to this in writing.

Article Four:

If one of the arbitrators or the final arbitrator dies, resigns, refuses to work, or is unable to carry it out before the issuance of the decision, another arbitrator shall be appointed in his place in the same appointment manner as the original one stipulated in the previous Article Three.

Article Five:

The final arbitrator shall determine the place and time of arbitration and its procedures, including the arbitration expenses to be deposited by each party, and he shall have the right to determine the legal basis for the settlement of the dispute or conflict.

Article Six:

The decision of the arbitrators shall not be effective unless it is unanimous. If this is not possible, the decision of the final arbitrator shall be deemed final and binding on the parties to the dispute, and it shall not be permissible to appeal before any authority.

Article Seven:

The arbitrators or the final arbitrator shall, when issuing the decision, specify a specific time for its implementation. Any party that does not implement the decision after the lapse of that period, shall be considered in breach, and the concerned parties shall then have the right to take whatever they deem appropriate to protect their rights.

The authority that issued the decision shall have the authority to rule upon its interpretation and implementation, at the request of each concerned party.

Article Eight:

This Annex shall enter into force simultaneously with the entry into force of the Convention.

Done at Kuwait City on 14 Dhul-Qa'dah 1319 A.H., corresponding to 8 December 1973, consisting of one copy to be deposited with the Ministry of Foreign Affairs of the State of Kuwait, which shall send an approved copy to all ratifiers and in the future to all acceding parties.

For the Government of Abu Dhabi

For the Government of the State of Qatar

For the Government of the State of Bahrain

For the Government of the State of Kuwait

For the Government of the Kingdom of Saudi Arabia

For the Government of the Libyan Arab Republic

For the Government of the Republic of Iraq

For the Government of the Arab Republic of Egypt