

ARTICLE OF ASSOCIATION

IRANIAN STUDENTS' FINANCE AGENCY (ISFA)

Affiliated to Academic Center of Education, Culture and Research (ACECR)

This fund has been founded to perform public benefits services, develop and propagate Islamic culture in any type and quality and to help students, university staff, ACECR Staff and researchers' needs and provide them with financial contribution through interest free loans, deposits and money given to the fund by trustees, members of fund, ACECR and other natural persons and legal entities and temporary and unlimited or limited contributions within the rules and regulations of Islamic Republic of Iran and within the resolutions of Board of Trustees of the ACECR.

Chapter one: Name, nationality, duration, center, subject and capital:

Article 1- This institute is called Iranian Students Interest Free Fund; hereinafter in this article of association is briefly called Fund.

Article 2- The nationality of the Fund is Iranian.

Article 3- The duration of the fund is unlimited.

Article 4- The head office of the Fund is in Tehran. The fund is allowed to establish branches or Franchises and internet branches(virtual space) in Tehran or other places inside and outside the country by receiving agreement of board of directors and observing the governing rules and regulations.

Article 5- The subject of fund is to perform public benefits in universities, higher education and research centers in non-beneficiary form as follows:

- A. To pay interest free loan and credits to natural persons including students, researches, university staffs and ACECR students and staff as well as legal entities in academic rank or related to research and sciences as found qualified according to the regulations of the fund and religious terms.
- B. To pay free contributions to qualified applicants.
- C. To receive credits and interest free loans from local and foreign sources, ministries, banks, institutes, organizations and natural persons or legal entities to progress the goals of the fund.
- D. To accept gifts, free contributions, charities and endowments from natural persons and legal entities.
- E. To collect amounts and deposits of people and to accept representation and proxy.
- F. To take actions for propagating and publishing Islamic culture in giving interest free loans in any manner and quality, to perform public and charity affairs to proceed with the Islamic culture goals (any publication will be made by receiving the permit of ministry of Islamic guidance and publication license and full observation of press media law).
- G. To open saving and current accounts or any other accounts for members.
- H. To perform operations such as running properties of others including movable and immovable properties, to protect, safeguard, act as guardian or representative.
- I. Since all goals and activities of the fund are directed towards charity and only for God's satisfaction and serving Moslem society, it is allowed to conclude religious agreements to fund the conventional expenses of the fund and its quality should be in accordance with jurisprudential laws and state rules as well as internal memos.

Note 1. Execution of clause B is due to approval of board of directors and according to internal by-laws of the fund.

Note 2- Plans and other activities as predicted in the article of association, if they relate to the duties of one of the ministries or governmental organizations, could be executed after receiving the agreement of the ministry or relevant governmental organization.

Note 3- The fund and its members are subjects of constitution of Islamic Republic of Iran.

Article 6- The initial capital of fund is 1,000,000 Rials, as funded by founders and shareholders.

Chapter two: Foundations of the Fund

Article 7- The foundation of fund is: Board of trustees, board of directors and inspectors, all follow the general rules of article of association.

Article 8- The board of trustees consists of minimum 25 members, elected by founders in first time and after that, they will be elected or substituted according to article 9 of this article of association and their order will be issued by the head of board of trustees. This council is the highest rank of fund and in any event and case is the substitute of founders.

Note – The then Head of ACECR is always the chairman of board of trustees of the fund and in case of appointing new Head, the previous Head could remain as member of board of trustees if he wishes so and by the positive view of two third of members in the meeting. In which case, one member will be added to the number of members of board of trustee (in article 8).

Article 9- Each member of board of trustees should introduce a substitute while he is alive. The substitute should be a religious and trusted individual with moral qualification. The substitute should take place of the member after the decease of the latter. The member should be accepted by minimum three fourth of members of board of trustees. In the same way, any person who is appointed as member of board of trustee should introduce his substitute in this manner so the duties and tasks set forth in this article of association could continue without interruption.

Note 1- the substitute should be from members of ACECR, faculty member of universities or charity benefactors of this fund.

Note 2- If any of the members of board of trustee does not introduce a substitute or quit membership for any reason, the board of trustees nominate a qualified and trustworthy person among candidates by chairman of the board of trustees and majority of votes to be a member of the board of trustees.

Note 3- Refrain or absence from meetings, if done through an informative letter in writing forwarded to the board of trustees will be justified; otherwise, the board of trustees will send a notice to the member and if the member does not wish to cooperate or continue his duty as a member of board of trustees or fails in giving justified reason, within 15 days he will be considered as resigned from the board and upon suggestion of the chairman and approval of members of board of trustees, decisions will be made to elect a substitute.

Note 4- If the majority of members of board vote to lack of moral and religious qualification a member or his substitute or if there will be any changes in the member, the board will introduce a qualified and trusted individual and by recommendation of chairman of board and majority of vote, the nominee could become a member of the board.

Note 5- If majority of members of board of trustees resign and withdraw from cooperation, if they give their written resignation to the chairman of the board, or some of members lose their qualification at the same time, as per notes 3 and 4 of this article, the substitution of new members will be performed by the recommendation of chairman of board of trustees and approval of three fourth of remaining members of the board of trustees.

Article 10- The board of trustees holds session at least once a year to investigate fund's affairs. Calling the members will be made by chairman or vice chairman of the board of directors. In

necessary cases, the managing director, members of board of trustees or board of directors or inspectors may call the board of trustees.

Note: The meetings of board of trustees will be official by presence of at least two third of members.

Article 11- The call for board of trustees will be made via post, telephone or any other means. The lapse between notification of the call and meeting will be minimum 5 days.

Article 12- The decisions of board of trustees will be valid by the vote of two third of attendants in the meeting.

Article 13- The duties and powers of board of trustees are as follows:

To investigate balance sheet and inventory, to hear reports of inspectors, to elect, discharge or reelect members of board of directors and inspectors, to determine daily for publishing the notices of the fund, to amend article of association, to determine and approve macro policies to facilitate financial sources and determining policy of fund, to supervise the functions of board of directors, to dissolve and liquid the fund.

Article 14- The board of directors have minimum 5 principal members and 2 alternate members, elected by board of trustees from members or outside the fund for two years. The orders will be issued by chairman of board of trustees.

Note 1- Minimum two members of board of directors should be from members of board of trustees.

Note 2- The cultural deputy of the ACECR in this time will be a member and chairman of board of directors of the fund. After his appointment as cultural deputy, legal formalities will be met for his election as member of board of directors by board of trustees and as chairman of board of directors. These formalities will be met by board of directors and necessary registrant processes will be made.

Note 3- To facilitate and accelerate the fund's affairs in provinces and regions, the independent units and branches of provincial board of directors, unit, regional board or branches will be held under supervision and according to the by-law approved by central board of directors to perform duties within the scope as determined by central board of directors.

Article 15- In its first session which will be held maximum one week after election, the board of directors elects a chairman of board of directors (note 2, Art 14) and a member as vice-chairman of the board. It could also appoint other members a title.

Article 16- Participation of the members of the board of directors in the meetings of the board is a necessity and absence of any member without any justified excuse or previous information up to three (3) continues meetings will be considered as resignation of the absent member.

Article 17- In case of resignation, decease or disqualification of any members of board of directors, the alternate members will act as principal members for the remaining term of office. In case of resignation or disqualification of majority of members of board of directors, the board of trustees holds session as per last part of Article 10 to settle the case.

Article 18- The documents, notes and binding papers will be valid by bearing the joint signatures of chairman or vice chairman of board of directors and managing director or his substitute (if such title is appointed) and the seal of fund.

Article 19- The signature rights in funds branches could be assigned to other members of board of directors or outside the board upon approval of central board of directors. In addition, in the branches, the branch seal will be sued in binding and negotiable papers and documents.

Article 20- There is no restriction for the re-election of any principal and alternate members.

Article 21- In addition to regular and monthly meetings, the board of directors might hold extraordinary general meeting upon written or verbal call by phone as to be made by chairman or

vice-chairman or managing director and/or two members of board of directors. The lapse between the call or phone call and meeting of board of directors is minimum two and maximum ten days.

Article 22- The meetings of board of directors will be valid and official if participated by minimum two third of members. Any decisions will be valid by positive votes of two third of participants in the meeting of board of directors.

Article 23- Duties and rights of board of directors:

Representation before third parties, governmental and private institutes, to appoint or discharge agents and employees of fund, to determine job, promotion or degradation, to perform employment conditions, to design and approve organizational chart and to determine and approve budget and funds sources, to determine polices and models to save funds and capital, to manage investments, to develop and approve by-laws and executive regulations, to determine and approve different types of accounts at the fund, to give loans and to determine facilities rates, to supervise the performance of board of directors and executive managers of provinces, regions, units and branches, to assign duties to board of directors and executive managers of provinces, units, branches and departments, to open current and any other accounts at governmental and private banks or other companies and financial or credit institutes, to collect claims and to pay the debts of fund, to accept endorsement or acceptance of any transactions, to conclude contracts, to divide, change, cancel, redeem or execution of transactions, to perform transactions of movable and immovable properties, documents, lease contracts, cancellation or redeem of lease, to change and defend them, to put the properties in lien or mortgage, to file petitions, to defend claims, to withdraw from claim or reconcile, to have full authorities in all stages of prosecution in public courts, supreme court and other tribunals, to council or continue the case, to appoint attorney with substitution right, to claim forgery, to reject the documents, to return documents, to refer the case for arbitration, to appoint arbitrator and attorney with substitution rights frequently, to claim damages, to execution of registration in any courts, to determine attorney fee, to appoint experts, to sign affidavits on any affairs, to claim damage compensation and indemnity, to arrest third party and defend, to defend counter claims, to apply for execution writ in justice administration courts or registration departments, to follow up executive operations, to receive judgment amount, to accept or reject gifts or interest free amounts, endowments and charity, to have full powers to consume them, to select, discharge or elect managing director, to appoint power to the managing director and other managers and employees.

Article 24- The board of directors should appoint an Iranian, Moslem and good fame natural person as the managing director and determine his scope of power, fee and term of office. Managing director is the highest executive rank and within the scope of powers as set by board of directors, it is the representative of the fund and could sign for the fund. The managing director's order is issued by chairman of board of trustees.

Article 25- If managing director is a member of board of directors as well, his term of office should not exceed his membership at the board; however, there is no restriction in his reelection, according to the regulation of this article of association,

Note: Managing director should remain in his position until election of his substitute.

Article 26- The managing director may appoint deputies, substitute, and by accepting the full responsibility, assign them his powers, partially or entirely.

Article 27- the board of trustees elects a principal inspector and an alternate inspector for one year from amongst itself or outside.

Article 28- The inspector should give the inventory list and report on the performance of fund and give his view on the information and reports provided for the board.

Article 29- In case of decease, resignation or disqualification of principal inspector, the alternate inspector will take his place.

Article 30- Inspector may check the fund's operation in any period and study the documents and to ask for extraordinary general meeting of board of trustees.

Article 31- The board of directors and inspectors should remain in their office while their substitute is not appointed.

Article 32- The personnel of fund are subject of ACECR 0Regulations in terms of labor law and social affairs.

Note: In special cases, the board of directors should make decisions.

Chapter three: Fiscal year, dissolution and liquidation

Article 33- The fiscal year of the fund starts on March 21st of each year and ends on March 20th of the next year. The first fiscal year of the fund starts on registration date and ends on March 20th.

Article 34- If for any reasons the board of trustees decides to dissolve the fund, with majority of three fourth of participants' votes, it elects five members of liquidation board among itself or outside.

Article 35- The Liquidation Board assesses the accounts, clears the debts, determines the debts and liquidities, including movable and immovable properties and collects the remaining claims and assets of the fund by approval of board of trustees.

This article of association consisting three chapters, thrity five articles and fifteen notes was approved by the board of trustees on February 7, 2008 and replaces previous article of association from that date on.

Signatures

Organization for the Reg. of D. & R.E. – Islamic Republic of Iran

Seal

Certified to be a true translation from the Persian text.

June 11, 2009