

البنك الأهلي  
ahlibank



## Memorandum and Articles of Association

**Note:** this is an English translation of the original Arabic copy of “Ahli Bank QSC Memorandum and Articles of Association” issued on 20<sup>th</sup> October 2014, authenticated by Ministry of Justice and approved by Ministry of Economy and Trade in State of Qatar. If there is any contradiction or conflict between the English translation and the Arabic version, the Arabic version shall prevail.

**[ahlibank]**  
**Qatari Shareholding Company**  
**Amended Memorandum of Association**  
**As per the authenticated Memorandum of**  
**Association no. 13119/2013 dated 11/04/2013**

Whereas the Ahli Bank of Qatar, a Qatari Shareholding Company was established according to the Decree No. (40) of the year 1983 dated 16/6/1983, and whereas the shareholders in their Extraordinary General Meeting, dated 28/4/2004 approved the following amendments to the Memorandum of Association.

**Article (1)**

Shareholders agreed to amend this Memorandum of Association pursuant to the provisions of the Commercial Companies Law No.(5) of the year 2002, and the attached Articles of Association.

**Article (2)**

The Name of the Company is:

[البنك الأهلي ش.م.ق.]

[ahlibank QSC]

**Article (3) Prior to Amendment**

The purpose of the Company is:

- a) to practice, in Qatar or abroad, for its own account or for others, all types and kinds of banking and financial activities, and all ancillary works thereto, including any works that may become relevant or ancillary or company carry out its activities, excluding business for its own account in real estate, precious metals and gems, according to the applicable laws and regulations and Qatar Central Bank's instructions.
- b) Accept different deposits for deposit or investment, to open current or term accounts and all other kinds, credits and the likes.
- c) Lend or advance monies against or otherwise without property, personal joint securities, against or otherwise without negotiable instruments or third party debts, other accounts, insurance policies, bonds, drawing authorizations, letters of credit, payment orders, promissory notes, company's shares, and all other different bonds and securities usually accepted by banks as securities for credit transactions, and to issue and accept all bails and securities, including real estate securities and insurance of goods, real-estate and hypothecation mortgages.
- d) Conduct all securities, negotiable instruments, trade, marketing, transfer and exchange liabilities, deal in monies, discount works and bails.
- e) Deal for the account of others in all precious metals including its sale, purchase and import, sell and buy gold, silver or other precious metal bars and currencies.
- f) To sell and purchase, for its own account or for the account of others, promissory notes, equity shares, bills of exchange, drafts, bonds, guarantees, insurances, bails, bills of lading and all other financial or commercial negotiable instruments.
- g) Deduct interest coupons of loans, public and private offerings, and pay the value thereof prior to the due date.
- h) Contract to furnish public and private loans, negotiate and participate with other firms to obtain or offer such loans.

- i) Work as agent in all financial and banking affairs for the State, Governmental agencies, private institutions or individuals, and shall transact all financial and banking works required for the purposes of the said agencies.
- j) Own immovable and dispose with them in all kinds of disposal as its interest may require, and shall own the immovable only for its own account.
- k) Supervise the issue of shares and bonds that cover public or private loans and subscriptions in shareholding company's shares, and accept deposit of shares allocated to guarantee the liability of members of the Board of Directors-Deal in shares and bonds, guarantee the same and advance monies required for all such transactions.
- l) Subscribe in companies shares and securities.
- m) Act on behalf of others in import and export through documentary reedits, settlement of the same, and issue of sureties and guarantees.

The company may have interest in companies working in similar fields, or which may assist the company in achieving its purpose, inside Qatar or abroad. Also it may become a party in any way, with the said firms, amalgamate with, buy or annex the same in accordance with the applicable rules and regulations of the State of Qatar.

In general, the company may do all normal functions of the banks and financial institutions.

### **Article (3) After Amendment**

#### **As per the Resolution of the Extra-ordinary General Assembly held on 25/02/2014**

The purpose of the Company is:

- a) to practice, in Qatar or abroad, for its own account or for others, all types and kinds of banking and financial activities, and all ancillary works thereto, including any works that may become relevant or ancillary or company carry out its activities, excluding business for its own account in real estate, precious metals and gems, according to the applicable laws and regulations and Qatar Central Bank's instructions.
- b) Accept different deposits for deposit or investment, to open current or term accounts and all other kinds, credits and the likes.
- c) Lend or advance monies against or otherwise without property, personal joint securities, against or otherwise without negotiable instruments or third party debts, other accounts, insurance policies, bonds, drawing authorizations, letters of credit, payment orders, promissory notes, company's shares, and all other different bonds and securities usually accepted by banks as securities for credit transactions, and to issue and accept all bails and securities, including real estate securities and insurance of goods, real-estate and hypothecation mortgages.
- d) Conduct all securities, negotiable instruments, trade, marketing, transfer and exchange liabilities, deal in monies, discount works and bails.
- e) Deal for the account of others in all precious metals including its sale, purchase and import, sell and buy gold, silver or other precious metal bars and currencies.
- f) To sell and purchase, for its own account or for the account of others, promissory notes, equity shares, bills of exchange, drafts, bonds, guarantees, insurances, bails, bills of lading and all other financial or commercial negotiable instruments.
- g) Deduct interest coupons of loans, public and private offerings, and pay the value thereof prior to the due date.
- h) Contract to furnish public and private loans, negotiate and participate with other firms to obtain or offer such loans.

- i) Work as agent in all financial and banking affairs for the State, Governmental agencies, private institutions or individuals, and shall transact all financial and banking works required for the purposes of the said agencies.
- j) Own immovable and dispose with them in all kinds of disposal as its interest may require, and shall own the immovable only for its own account.
- k) Supervise the issue of shares and bonds that cover public or private loans and subscriptions in shareholding company's shares, and accept deposit of shares allocated to guarantee the liability of members of the Board of Directors-Deal in shares and bonds, guarantee the same and advance monies required for all such transactions.
- l) Subscribe in companies shares and securities.
- m) Act on behalf of others in import and export through documentary reedits, settlement of the same, and issue of sureties and guarantees.
- n) **Marketing insurance products for insurance and re-insurance companies inside and outside Qatar and also avail stereotypes insurance services.**

The company may have interest in companies working in similar fields, or which may assist the company in achieving its purpose, inside Qatar or abroad. Also it may become a party in any way, with the said firms, amalgamate with, buy or annex the same in accordance with the applicable rules and regulations of the State of Qatar.

In general, the company may do all normal functions of the banks and financial institutions.

#### **Article (4)**

The head office and the legal place of business of the Company is Doha City, State of Qatar and the Board of Directors may authorize the establishment of branches, offices or agencies inside Qatar or abroad.

#### **Article (5)**

The term of the Company is fifty (50) years commencing from the date of expiry of its current registration. Any extension of this term shall be approved by an extraordinary general assembly.

#### **Article (6) Prior to Amendment**

The issued capital of the company is QR 1,270,750,020 (one billion two hundred seventy millions, seven hundred and fifty thousand and twenty) Qatari Riyal, distributed into 127,075,002 (one hundred twenty seven million seventy five thousand and two) shares, the nominal value of each is ten (10) Qatari Riyal, as follows:

Name	Number of Shares	Nominal value of shares
Qatari firms & individuals and others	67,276,002	672,760,020
Qatar Foundation for Education, Science and Community Development	37,374,000	373,740,000
Qatar Holding Company	22,425,000	224,250,000
<b>Total</b>	<b>127,075,002</b>	<b>1,270,750,020</b>

#### **Article (6) After Amendment**

#### **As per the Resolution of the Extra-ordinary General Assembly held on 25/02/2014**

The issued capital of the company is QR 1,651,975,030 (one billion six hundred and fifty one million, nine hundred and seventy five thousand and thirty) Qatari Riyal, distributed into

165,197,503 (one hundred sixty five million one hundred ninety seven thousand and five hundred three) shares, the nominal value of each is ten (10) Qatari Riyal, as follows:

<b>Name</b>	<b>Number of Shares</b>	<b>Nominal value of shares</b>
Qatari firms & individuals and others	87,452,303	874,523,030
Qatar Foundation for Education, Science and Community Development	48,592,700	485,927,000
Qatar Holding Company	29,152,500	291,525,000
<b>Total</b>	<b>165,197,503</b>	<b>1,651,975,030</b>

#### **Article (7) Prior to Amendment**

The capital of the Company is distributed as follows:

<b>Name</b>	<b>Number of Shares</b>	<b>Nominal value of shares</b>
Qatari firms & individuals and others	67,276,002	672,760,020
Qatar Foundation for Education, Science and Community Development	37,374,000	373,740,000
Qatar Holding Company	22,425,000	224,250,000
<b>Total</b>	<b>127,075,002</b>	<b>1,270,750,020</b>

#### **Article (7) After Amendment**

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Qatar Foundation for Education, Science and Community Development	48,592,700	485,927,000
Qatar Holding Company	29,152,500	291,525,000
<b>Total</b>	<b>165,197,503</b>	<b>1,651,975,030</b>

#### **Article (8)**

Ahli United Bank (BSC) is committed not to dispose of its shares by cede or sell whether to others or any of its subsidiaries unless after the lapse of three years from the date of its contribution to the company, or after obtaining the approval of the Board of Director of ahlibank (QSC) on this dispose.

Ahli United Bank (BSC) may dispose of all or part of its shares in the company after the expiration of three years from the date of contribution by submitting the same to the Board of Director of the company for offering it to the existing shareholders at similar offers terms of price and quantity, within three months from the date of submission to the Board of Director of the company. In case of the unwillingness of the shareholders to buy that shares, Ahli United Bank (BSC) has the right to sell the shares to any individuals or any Qatari or non-Qatari companies, if the Qatari laws allow this, and the approval of Qatar Central Bank is obtained.

**Article (9)**

The Board of Directors undertake to obtain the required legal instrument to enable the non-Qatari investor to subscribe in the company shares, and carry out required procedure to amend the Memorandum and Articles of Association of the Company, and take the legal procedures, fulfill the required documents to register this memorandum and the attached Articles of Association.

**Article (10)**

All fees and expenses till the final completion of this Memorandum shall be added to the general expenses of the company.

**Article (11)**

The attached Articles of Association is considered an integral part of this.

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## **Qatari Shareholding Company**

### **Amended Article of Association**

**As per the authenticated Memorandum of  
Association no. 13119/2013 dated 11/04/2013**

## **Chapter one**

### **Incorporation of the Company**

#### **Article (1)**

In accordance with the provisions of the Commercial Companies Law No (5) of the year 2002, and this Articles of Association, a Qatari Shareholding Company was established among the shareholders and in accordance with the provisions set hereunder.

#### **Article (2)**

The Name of the Company is:

[البنك الأهلي ش.م.ق.]

[ahlibank QSC]

#### **Article (3) Prior to Amendment**

Purpose of the company:

- a) to practice in Qatar or abroad, for its own account or for others, all types and kinds of banking and financial activities, and all ancillary works thereto, including any works that may become relevant or ancillary or complementary to banking activities in the future, in any place where the company carry out its activities, excluding business for its own account in Real Estate, precious metals and gems, according to the applicable laws and regulations and Qatar Central Bank instructions.
- b) Accept different deposits for deposit or investment, to open current or term accounts and all other kinds, credits and the likes.
- c) Lend or advance monies against or otherwise without property, personal joint securities, against or otherwise without negotiable instruments or third party debts, other accounts, insurance policies, bonds, drawing authorizations, letters of credit, payment orders, promissory notes, company's shares, and all other different bonds and securities usually accepted by banks as securities for credit transactions, and to issue and accept all bails and securities, including real estate securities and insurance of goods, real-estate and hypothecation mortgages.
- d) Conduct all securities, negotiable instruments, trade, marketing, transfer and exchange liabilities, deal in monies, discount works and bails.
- e) Deal for the account of others in all precious metals including its sale, purchase and import, sell and buy gold, silver or other precious metal bars and currencies.
- f) To sell and purchase, for its own account or for the account of others, promissory notes, equity shares, bills of exchange, drafts, bonds, guarantees, insurances, bails, bills of lading and all other financial or commercial negotiable instruments.
- g) Deduct interest coupons of loans, public and private offerings, and pay the value thereof prior to the due date.
- h) Contract to furnish public and private loans, negotiate and participate with other firms to obtain or offer such loans.

- i) Work as agent in all financial and banking affairs for the State, Governmental agencies, private institutions or individuals, and shall transact all financial and banking works required for the purposes of the said agencies.
- j) Own immovable and dispose with them in all kinds of disposal as its interest may require, and shall own the immovable only for its own account.
- k) Supervise the issue of shares and bonds that cover public or private loans, and subscriptions in shareholding company's shares, and accept deposit of shares allocated to guarantee the liability of members of the Board of Directors-Deal in shares and bonds, guarantee the same and advance monies required for all such transactions.
- l) Subscribe in companies shares and securities
- m) Act on behalf of others in import and export through documentary reedits, settlement of the same, and issue of sureties and guarantees.

The company may have interest in companies working in similar fields, or which may assist the company in achieving its purpose, inside Qatar or abroad. Also it may become a party in any way, with the said firms, amalgamate with, buy or annex the same in accordance with the applicable rules and regulations of the State of Qatar.

In general, the company may do all normal functions of the banks and financial institutions.

### **Article (3) After Amendment**

#### **As per the Resolution of the Extra-ordinary General Assembly held on 25/02/2014**

The purpose of the Company is:

- a) to practice, in Qatar or abroad, for its own account or for others, all types and kinds of banking and financial activities, and all ancillary works thereto, including any works that may become relevant or ancillary or company carry out its activities, excluding business for its own account in real estate, precious metals and gems, according to the applicable laws and regulations and Qatar Central Bank's instructions.
- b) Accept different deposits for deposit or investment, to open current or term accounts and all other kinds, credits and the likes.
- c) Lend or advance monies against or otherwise without property, personal joint securities, against or otherwise without negotiable instruments or third party debts, other accounts, insurance policies, bonds, drawing authorizations, letters of credit, payment orders, promissory notes, company's shares, and all other different bonds and securities usually accepted by banks as securities for credit transactions, and to issue and accept all bails and securities, including real estate securities and insurance of goods, real-estate and hypothecation mortgages.
- d) Conduct all securities, negotiable instruments, trade, marketing, transfer and exchange liabilities, deal in monies, discount works and bails.
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In general, the company may do all normal functions of the banks and financial institutions.

#### **Article (4)**

The head office of the company and its legal place of business shall be in Doha City, State of Qatar; the Board may decide to establish branches, offices or agencies inside Qatar or abroad.

#### **Article (5)**

The fixed term of the company shall be (50) Gregorian years, commencing from the date of the current registration of the company, such term may be extended through an extra ordinary Shareholders General Assembly resolution.

## **Chapter Two**

### **The Capital**

#### **Article (6) Prior to Amendment**

The issued capital of the company is QR 1,270,750,020 (one billion two hundred seventy millions, seven hundred and fifty thousand and twenty) Qatari Riyal, distributed into 127,075,002 (one hundred twenty seven million seventy five thousand and two) shares, the nominal value of each is ten (10) Qatari Riyal, as follows:

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## **Article (6) After Amendment**

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<b>Total</b>	<b>165,197,503</b>	<b>1,651,975,030</b>

### **Article (7)**

The value of each original or increase in capital shares is paid in full at the time of entry of the amendments to the Articles of Association in the Commercial register of the company.

### **Article (8)**

Any natural or nominal person is not allowed to subscribe in more than (2%) of the bank capital or to own at any time more than this percentage except by inheritance or by legacy, excluding of this are Qatar Foundation for Education, Science and Community Development and Qatar Holding Company.

### **Article (9)**

The shares are nominal.

### **Article (10)**

Shareholders are bound only by their shares value and it is not allowed to increase the commitments of any shareholder unless the shareholder approval is obtained.

### **Article (11)**

Shareholding means acceptance of this article of association and the ordinary and extra- ordinary General Assembly resolutions.

### **Article (12)**

Shares certificates shall be issued by the company stating the name of the shareholder, number of his shares and the value of the shares.

Such certificates shall be of serial number record, signed by two Board members and sealed by the company seal.

Such certificate shall specifically state the date of license, date of registration in the commercial registry, date of publication in the official gazette, the capital, the number of shares, its description, objects, head office and the term of the company.

### **Article (13)**

The company shall keep a special register of the shareholders recording the names of shareholders, nationalities, places of residence, shares, the paid part of the share value, and the Ministry of

Economy and Commerce shall have the right at any time to inspect such register and obtain a copy thereof.

The company may deposit a copy of the register with any third party to follow up the shareholders' affairs, and may authorize such party to regulate and keep such registry if it so wishes.

Each shareholder is entitled to free inspection of such record.

Any legally entitled person has the right to ask for amendment of the registry or deletion.

A copy of such registry and all amendments thereto shall be sent to the Commercial Affairs Administration Dept. at least two weeks before distribution of dividends.

Where the company wishes to be listed in Qatar Exchange (formally, Doha Securities Market), the procedures and rules provided in the laws, regulations and directions regulating trading of shares in the state shall be observed.

#### **Article (14)**

Shares may be transferred by entry in the shareholders' registry and such transfer of shares shall not be binding on the company or third parties, unless after being entered in the registry.

However the company shall not enter a transfer of shares if:

1. Such transferred contravenes the Commercial Companies Law or this Articles of Association.
2. The transferred shares are under mortgage or lien by order of a court or deposited as security for Board of Directors membership.
3. The share certificates were lost and no replacement documents thereof have been issued.

#### **Article (15)**

The share is indivisible, but should several persons own collectively a share or number of shares, they shall elect one of them to represent them in enjoying the right attached to the share; joint owners of a share are jointly responsible for the liabilities resulting from this shareholding only in the limit of the share value.

#### **Article (16)**

Subject to article (8) herein, shares may be sold, provided that such sale will not be binding to the company, unless after being registered in the special registry referred to in above article (14) herein.

Such registration shall be in a sale meeting to be attended by both contracting parties or their nominees and the representative of the company.

Shares may be mortgaged, temporary certificates issue, gift with, or any other disposal, on which case the provisions of the preceding paragraph shall apply.

#### **Article (17)**

Shares may be mortgaged by delivering a certificate of share ownership to the Creditor-Mortgagee. The Creditor-Mortgagee shall be entitled to receive dividends and enjoy the rights attached to the shares unless otherwise agreed in the mortgage contract.

#### **Article (18)**

The company assets shall not be attached for the satisfaction of debts owed by a shareholder, but the shares and related dividends of that shareholder may be attached. Any entry of attachment in respect of the shares shall be made in the company's shareholders register as provided in article (159) of the Commercial Companies Law.

#### **Article (19)**

The execution creditor and the mortgagee shall be bound by all the resolutions passed by the General Assembly equally with the shareholder whose shares are attached or mortgaged. Notwithstanding, the beneficiary of attachment or the creditor mortgagee may not attend or participate in the deliberations of the General Assembly or passing of its resolutions, nor may either of them be entitled to the rights of membership of the company.

#### **Article (20)**

Heirs of a shareholder or creditors may not request to put seals on the company books, records or property, nor request the sale or division of the company, whereas it is impossible to divide the company. They are also not permitted to involve themselves in managing the company. They should depend on the company's inventory, closing balances and the General Assembly decisions while using their rights.

#### **Article (21)**

Each share entitles its holder for rights equivalent to other shares rights, without discrimination, in relation to ownership of the company assets, and the dividends distributed in the manner stipulated herein.

#### **Article (22)**

The last registered shareholder of a share in the company's registry is entitled to receive the due amounts of the said share being dividends or a part in the assets.

#### **Article (23)**

Subject to the provision of articles (188) and (190) of the Commercial Companies Law no (5) for the year 2002, the share capital of the company may be increased, by issuing new shares at a nominal value equal to the original share value.

Such increase may be made only through an extra ordinary General Assembly indicating the increased value, the nominal value of the shares, shareholders priority to subscribe in the new shares, provided that they will be granted a (15) days period from the date of commencement of subscription.

The Board of Directors shall publish a statement in two local daily Arabic newspapers announcing to the shareholders their subscription priority rights, the opening and closing date, and the price of the new shares.

#### **Article (24)**

The new shares shall be issued at a nominal value equal to the original share value, notwithstanding, the extra ordinary General Meeting may approve a premium on nominal value of shares and may determine the amount thereof, subject to the approval of the Commercial Affairs Dept.

This share premium shall be added to the legal reserve.

#### **Article (25)**

Subject to the provisions of articles (201) and (202) of the commercial companies law, the capital of the company may be reduced by a resolution of the extra ordinary General Assembly, after hearing the auditor's report and the approval of Commercial Affairs Dept. in one of the following two cases :-

- 1- Where the share capital is in excess of company requirements.
- 2- Where the company incurs losses.

The capital may be reduced by one of the following two means:-

- 1- Reducing the nominal value of the share by repay part of the value to the shareholder, canceling the shareholders liability to pay the installment which has not been called up.
- 2- Reducing the nominal value of the share equal to the loss incurred by the company.
- 3- Purchasing a number of shares equal to the amount of required reduction and canceling the same.

## **Chapter Three**

### **The Bonds**

#### **Article (26)**

Subject to the provisions of articles (168) to (176) of the Commercial Companies Law (5) of the year 2002, the General Assembly may decide to issue bonds of whatever kind, the resolution shall determine the amount and terms of such bonds and its ability to be transferred to shares; the General Assembly may authorize the Board of Directors of the company to issue the bonds without notifying the General Assembly by maximum limit not exceeding the total equity audited by the external auditor.

#### **Article (27)**

The provisions of articles (177,178 and 179) of the Commercial Companies Law (5) for the year 2002 shall apply in case of loss or spoil of shares or bonds certificates.

## **Chapter Four Management of the Company**

#### **Article (28)**

The company shall be managed by a Board of Directors of eight members for a renewable three years term, six members to be elected by the Qatari shareholders as per their contribution to the capital, Qatar Foundation for Education, Science and Community Development shall appoint two members as per its contribution to the capital.

A member may be elected to be appointed for more than one term.

#### **Article (29)**

The following regulations shall apply in respect of any member of the Board of Directors:

- 1- Shall not be less than 21 years of age.
- 2- Not been sentenced in a criminal conviction or in breach of honor or trust, or one of the crimes referred to under articles (324) and (325) of the Commercial Companies Law (5) for the year 2002, unless been rehabilitated.
- 3- Must own not less than 1% of the company's capital, to guarantee the rights of the company, shareholders, creditors and third parties, concerning the liability of the members of the Board of Directors.

The Board of Directors members appointed by Qatar Foundation for Education, Science and Community Development are excluded from the provision of the above paragraph (3), provided that Qatar Foundation for Education, Science and Community Development shall deposit not less than 20% of its share in the capital as guarantee for its representatives in the Board of Directors.

Such shares shall not be eligible for negotiation, mortgage or lien till the end of the member term, and approval of the last financial year performed by the member. In case the member didn't provide the guarantee as abovementioned, its membership becomes null and void.

#### **Article (30)**

The membership of the Board of Directors is considered vacant in any of the following:-

- 1- If the member resigned
- 2- If the member died, or suffered a permanent physical or mental disability preventing him/her to perform the membership duties.
- 3- If the member is prohibited to work as a Board member by virtue of the provisions of Qatar Central Bank Law No (13) of the year 2012 and any amendment thereto.

If a vacancy occurs on the Board of Directors, it shall be filled by the shareholder with the highest number of votes among those who didn't succeed in being appointed to board at the board membership election. Should anything prevent him from assuming office, the next in order shall fill the office, and the new member shall only complete the term of office of his predecessor.

However in the event that the vacant post reaches one quarter of the original posts, the Board of Directors shall call for a General Assembly to be convened within two months of the last post falling vacant, in order to elect new members to fill the vacant offices.

The shareholder who appointed a representative in the Board of Directors shall have the right to remove such representative and appoint a replacement thereto. Such appointment or removal must be notified to the Board of Directors by the considered with effective from the date of sending of such notice.

#### **Article (31)**

Qatar Foundation for Education, Science and Community Development may appoint in writing a member of the Board to represent its percent of contribution to the capital, such appointment or replacement is effective from the date of being notified to the company. Also such appointment may be withdrawn at any time by a written notice, valid from the date of being notified to the company. Presence of the member is valid when considering the quorum, and shall have the right to vote. Any member who can't attend the meeting of the Board of Directors, may appoint another to be his/her proxy for the purpose of such meeting only:

One member of the Board shall not represent more than one other member.

The votes of proxies, in all case, shall not represent more than one third of the membership of the Board.

#### **Article (32)**

Directors shall elect by secret ballot the Chairman and Vice Chairman for a period not more than three years.

#### **Article (33)**

The Board of Directors shall have the widest powers to manage the company and carry out all acts required by the objects of the company, such powers may not be limited except with a provision of the law, these Articles or the General Assembly resolutions.

The Board of Directors shall not without the approval of the General Assembly sell, mortgage or execute loans, except such actions is by its nature is part of the company purposes.

#### **Article (34)**

The Chairman, Vice Chairman and the Managing Director or the delegated members collectively or individually may sign on behalf of the company, as the Board may decide.

The Board of Directors may appoint a manager or several managers of the company, and also may delegate them to sign on behalf of the company collectively or individually.

The Board of Directors may appoint a secretary exclusively for their work, who can be replaced.

#### **Article (35)**

Where a Board member absents himself for three consecutive meetings of the Board or five non-consecutive meetings without an excuse that was accepted by the Board, the absenting Board member will be deemed to have resigned from the Board.

#### **Article (36)**

The Board of Directors and sub committees shall convene in the head office in Doha unless otherwise agreed. The Chairman shall call for a board meeting whenever the interest of the company requires so. The Board shall convene at least six times during every financial year. The Board meeting shall decide a provisional date for the next meeting. One Board meeting must be held at least once every two months.

At the end of each meeting the Board of Directors may agree on the temporary date of next meeting; additional meetings can be held upon the discretion of the Chairman or at the request of any two members of the Board of Directors.

#### **Article (37)**

Unless otherwise agreed by all members of the Board, all the Board meetings shall convene (even for which a provisional date is decided as stipulated in above (Article 36)) upon a call made by the Chairman or the Vice Chairman in the absence of the first, or if requested by two members, through notice of the two members to each member in his/her address registered in the company's records at least (15) days prior to the date of the proposed meeting, starting the date, timing and the place of the meeting, the notice must contain a summary of the proposed agenda of the meeting, and if possible copies of any documents relating to the agenda of the meeting shall be distributed to the members, sufficient time before the date of the meeting.

#### **Article (38)**

The Board meeting is legally valid despite being convened in a lesser notice period than specified in above (Article 37) if so agreed in writing by each member or a proxy as the case may be.

#### **Article (39)**

The required quorum for a Board meeting will be five (5) members and / or proxies authorized to vote.

In case the required quorum is not available, the meeting shall be adjourned to the next seventh working day (at the same place and timing).

#### **Article (40)**

The resolutions of the Board of Directors shall be passed by the simple majority of the attending members and / or proxies, in case of a tie, the side of the Chairman's vote will be decisive for the resolution.

Voting through correspondence is not allowed.

The dissenting member is entitled to record his/her opinion in the minutes.

#### **Article (41)**

The Board of Directors may not discuss any proposed resolution unless it is included in the agenda of the meeting, or approved by the Board of Directors.

#### **Article (42)**

The Board of Directors keeps a special record of all deliberations and resolutions of the Board, names of attending members, such record shall be signed by the Chairman, the Managing Director (if any) and the Director or the staff who is acting as the Secretary of the Board.

#### **Article (43)**

The Board of Directors may elect through secret ballot one or more Managing Directors who may sign on behalf of the company jointly or individually as the Board may decide.

#### **Article (44)**

The Chairman of the Board is the President of the company, and represent the company, before the Courts and third parties, execute the resolutions of the Board and adhere to its directions.

The Vice Chairman shall replace the Chairman when absent. In case both of them are absent the Board shall choose one of its members to preside over the meetings of the Board and the General Assembly.

#### **Article (45)**

The Board of Directors shall for every financial year prepare the company's balance sheet, a statement of profits and losses, a statement of the cash flow and explanations, to be compared with the preceding financial year and audited by the company's auditors, together with a report on the company activities and its financial position during the past financial year, and the future plans for the next year. The Board shall prepare such statement and papers within a period not exceeding three months from the expiry of the company fiscal year, and these shall be presented to the shareholders General Assembly, which shall be convened within a maximum period of four months after the expiry of the company fiscal year.

#### **Article (46)**

Three days before the General Assembly meeting is called upon to consider the company's balance sheet and the Board of Directors report, the Board shall make available for inspection by the shareholders a detailed statement to include the following information:-

- 1- All amounts received by the Chairman and every member of the Board during the fiscal year by way of remuneration, fees, salaries, attendance in Board meetings bonus, money in lieu of expenses, also amounts which any of them has received in his capacity as a technical or administrative officer, or in consideration for any technical, administrative or consultative work rendered by him for the company.
- 2- Benefits in kind enjoyed by the Chairman of the Board and every member of the Board during the year.
- 3- The proposed Directors' remuneration to be distributed among the Board members
- 4- Amounts allocated for each member of the Board and former members of the Board as salary, reserve or compensation for end of service.
- 5- Any transactions in which a member of the Board or a manager has had an interest in conflict with the interest of the company.
- 6- Amounts actually spent in any form of advertisement with details for every amount.
- 7- Donations, stating the details of the recipients thereof and detailed reasons for such duration.



For banks and other finance companies, a report from the auditor shall be enclosed with this statement stating that monetary loans, credit facilities and securities that may have been granted to the Chairman and members of the Board of Directors during the fiscal year, were made without violating the provision of article (109) of the Commercial Companies Law (5) of the year 2002.

The detailed aforesaid statement shall be signed by the Chairman and a member of the Board of Directors. The Chairman and the members of the Board shall be responsible for the implementation of the provisions of this article and for the correctness of the statements stated in all the documents that are required to be prepared.

#### **Article (47)**

The ordinary General Assembly shall determine the remunerations of the Board members, which shall not exceed 10% of the net profit after deduction of reserves and legal rebates, and distribution of profit among the shareholders not less than 5% of the capital.

The ordinary General Assembly may determine lump sum remuneration for the Board Members if the company didn't make profits, and the Ministry of Economy and Commerce may determine a maximum for such sum.

### **Chapter Five**

#### **Article (48)**

The General Assembly shall convene upon an invitation by the Board of Directors once every year, within the four months subsequent to the end of the fiscal year, the procedures prescribed in Commercial Companies Act. No (5) of the year 2002 or this Article shall be followed to convene and govern the General Assembly.

The General Assembly shall deliberate on the reports of the Board and financial comptroller, the balance sheet and statement of profit and loss of the subsequent year, discharge the members of the Board and decide the percent of dividends to be distributed to the shareholders, elect the Board members, appoint the financial comptrollers for the period ending at the end of the ordinary General Assembly, and their remuneration, and any issues in its agenda, other than the issues stipulated in Article (137) of Commercial Companies Law No (5) of the year 2002 or otherwise.

#### **Article (49)**

All issues stipulated for in Article (137) of the Commercial Companies Act No (5) of the year 2002, or other issues which must be approved through a special resolution is to be referred to an extra-ordinary General Assembly. All extra ordinary General Assembly resolutions shall be entered into the Commercial Register, relating to issues stipulated for in Article (137) of the Commercial Companies Law (5) of the year 2002 or otherwise.

#### **Article (50)**

All General Assembly meetings shall be convened in Doha – Qatar.

#### **Article (51)**

The Board of Directors shall send the invitations for the General Assembly meeting to shareholders by registered mail and publish the same in two daily local Arabic newspapers, at least fifteen days (15) before the date of the General Assembly meeting, the invitation may be handed to the shareholder provided he shall sign a receipt; the invitation shall contain the meeting agenda and if possible copies of the documents relating to the agenda may be sent to the shareholders before the meeting.

### **Article (52)**

The General Assembly meeting to be valid must be attended by shareholders representing not less than half of the share capital. If such quorum is not present, notice shall be given for a second General Assembly meeting, to be held within fifteen days from the date of the first meeting. The notice shall be published at least three days before the date of the meeting in two daily local Arabic newspapers. The second meeting shall be valid regardless of the members of shares represented therein.

The Board of Directors may call for a General Assembly whenever necessary, and shall call for a General Assembly meeting whenever, the auditor requests such, or by a number of shareholders holding not less than 10% of the capital. The Commercial Affairs Dept. may call for a General Assembly Meeting (after obtaining the consent of the Minister of Economy and Commerce if the Board fails to call for the meeting after thirty days of the arise at the cause to hold the meeting, or if the Board members number became less than seven provided that the auditor or the shareholders shall have genuine reasons. In all cases the company shall be liable for the expenses of the meeting.

### **Article (53)**

The General Assembly meeting is legally valid despite being convened in lesser notice period than specified in the previous Article, if so agreed in writing by all shareholders or their representatives.

### **Article (54)**

An extraordinary General Assembly may be called either at the instance of the Board of Directors or on a request in writing which details the proposed agenda of the meeting made to the Board by a number of shareholders holding at least 25% of the company's capital. The Board of Directors shall call a meeting within fifteen days from the presentation of such request.

### **Article (55)**

The extraordinary General Assembly meeting shall not be valid unless attended by shareholders representing at least three quarters of the company's capital, should such quorum fail, an invitation for a second meeting of the Assembly to be held within thirty days of the date of the first meeting, shall be made. The second meeting shall be valid if attended by shareholders representing one half of the company's capital.

Should the said quorum fail in the second meeting, an invitation for a third meeting of the Assembly, to be held within thirty days of the second meeting shall be made ? The third meeting shall be valid regardless of the number of the attendees.

If the matter relates to the company dissolution, change of classification or merger, any meeting shall only be valid if attended by shareholders holding at least three quarters of the Company's Capital.

The Board of Directors shall declare the resolutions of the extraordinary General Assembly if such resolutions include amendment to the Company's Article of Association.

### **Article (56)**

Every shareholder has the right to attend the General Assembly personally or through a proxy, in accordance with Article (128) of the Commercial Companies Act, unless otherwise agreed by the shareholders, each shareholder shall have one vote for each share he/she owns.

### **Article (57)**

The resolutions of the ordinary General Assembly shall be passed by the simple majority of the shares represented in the assembly.

The resolutions of the extraordinary General Assembly shall be passed by two thirds majority of the shares represented in the assembly.

### **Article (58)**

The General Assembly shall not discuss any matter not included in the Agenda. Nonetheless, the General Assembly may deliberate on important issues that are discovered during the meeting, or if a number of shareholders representing at least one tenth of the total share capital of the company requested certain matter to be listed in the agenda.

### **Article (59)**

Every shareholder has the right to attend the General Assembly personally or through a proxy. Minors and persons placed under guardianship shall be represented by their legal representatives.

Proxies may attend the General Assembly, provided the proxy is himself a shareholder, and that the appointment is in a special written power of attorney. No shareholder shall delegate a member of the Board of Directors to attend the General Assembly on his/her behalf. In all cases it is not permitted to appoint a proxy who shall represent in excess of 5% of the company share capital.

Nevertheless, excluding juristic persons, no shareholder representing himself or as a proxy shall have more than 25% of the votes of the shares represented in the meeting.

### **Article (60)**

Each natural or juristic shareholder may authorize any person to represent him/her in any General Assembly; the authorized person shall have the same authorities enjoyed by the authorizing shareholders.

### **Article (61)**

A special minute of the General Assembly shall be made, to include, attendance, quorum, and the presence of Commercial Affairs Dept representatives, and shall include also a sufficient summary of the deliberations, resolutions of the assembly, the number of assenting and dissenting votes, and all that shareholders or Commercial Affairs Dept. representative may ask to be included in the minutes, the Chairman, Secretary. Vote counters and financial comptroller shall sign the said minutes, and shall be responsible for the correctness of the particulars thereof.

A copy of the minutes shall be sent to the Commercial Affairs Dept. within one month of the date of the Assembly.

### **Article (62)**

Resolutions of the General Assembly (ordinary or extraordinary) are binding for all shareholders notwithstanding they are present or absent in the meeting where such decisions were taken, or whether they approved or objected such resolutions. The Board of Directors shall carry out the resolutions as soon as they are passed, and send a copy to the Ministry within fifteen days from the dated of issuing of such resolutions.

## **Chapter Six**

### **Auditors**

### **Article (63)**

The company shall have one or more auditors to be appointed, and their remuneration fixed by the General Assembly annually. The General Assembly may reappoint the auditors provided that their term shall not exceed five consecutive years.

The auditor must be registered in the Auditors Register provided for in the Law No (7) of the year 1974 and must have experience of ten consecutive years.

#### **Article (64)**

The auditor shall comply with all legal obligations and responsibilities, and shall be accountable for the correctness of the information included in his report in his capacity as agent of all shareholders. Where the company has two or more auditors, they will be jointly responsible for all work.

#### **Article (65)**

The auditor shall, at all times, review the company's books, records, documents, and request the information he deems necessary. Also he may ascertain the company assets and liabilities, and if for any reason the auditor fails to exercise these functions, he shall present a written report to the Ministry; a copy shall be sent to the Board of Directors, and if the Ministry fails to resolve such reasons, then the matter shall be referred to the General Assembly.

#### **Article (66)**

The auditor shall attend the General Assembly and present a report on all matters relating to his work, particularly the company's balance sheet.

Such report shall include all information provided for in the commercial companies law, and each shareholder is entitled to discuss and request clarifications in the contents of the report.

### **Chapter Seven**

#### **Finance**

#### **Article (67)**

The company's fiscal year shall commence in 1 January and end on 31 December every year.

#### **Article (68)**

The Board of Directors shall present, at least two months before the General Assembly meeting, the company's balance sheet, profit and loss account, the activities of the company during the year and its financial situation.

All such reports shall be signed by the chairman, the Vice Chairman and the Managing Director (if any).

#### **Article (69)**

Subject to the approval of Commercial Affairs Dept. the company may publish half yearly financial reports in the daily local Arabic newspapers, for shareholders review provided that such reports shall be reviewed by the auditor.

#### **Article (70)**

The Board of Directors shall determine a percent of the gross profit to compensate for depreciation or impairment of the assets value, such fund shall be used to buy materials, machines, plants and maintenance thereof, and shall not be distributed among shareholders.

#### **Article (71)**

Net profit shall be distributed as follows:-

- 1- 10% of the net profits of the company shall be deducted every year and allocated to a legal reserve. Such deduction may discontinue if the reserve reaches 100 % of the paid capital; but if the legal reserve falls below the said percentage, the deduction shall be resumed.
- 2- The General Assembly shall approve to deduct part of the profits to cover the liabilities of the company to employees as per the Labour Laws.

- 3- The General Assembly shall, upon a recommendation by the Board of Directors, decide to deduct part of the net profits to a voluntary reserve account which can be used to provide to different categories upon the decision of the General Assembly.
- 4- Sufficient amount to distribute first part of profits to the shareholders (at least 5% of the paid capital) provided that if the profits of any fiscal year are not sufficient to distribute such percentage, then it may not be claimed from subsequent profits.
- 5- After deduction of depreciations, reserves and the profits distributed as per the preceding paragraph, 10% of the remaining profit shall be allocated for the remuneration of the members of the Board of Directors.
- 6- The remaining profit shall be distributed to the shareholders as additional profit or, upon the recommendation of the Board of Directors, be carried forward to the subsequent year or be allocated to form reserve fund or a fund for abnormal depreciation.

#### **Article (72)**

The Board of Directors shall effect the payment of dividends to the shareholders within thirty days from the date of the General Assembly resolution to distribute such dividends, in the place and date prescribed by the Board.

#### **Article (73)**

No action affecting the public or common interest of the company may be brought against the Board of Directors or any of the Board members, except where it is initiated in the name of the entire shareholders and pursuant to a resolution of the General Meeting and whoever among the shareholders wants to file such a case shall so notify the Board of Directors at least one (1) month before the convening of the next General Assembly and the Board of Directors shall place such proposal on the agenda of the General Meeting.

### **Chapter Eight**

#### **Termination and Liquidation**

#### **Article (74)**

The shareholding company may be terminated by any of the following:-

- 1- End of authorized term unless renewed as provided herein.
- 2- End of the work for which it was formed or if it becomes impossible to be achieved.
- 3- Transfer of the shares to number of subscribers less than the legally required number.
- 4- Judicial judgment for dissolution of the company.
- 5- Merger into another company or corporate entity.
- 6- Unanimous decision of the shareholders to resolve the company prior to the specified term unless the Memorandum of Association provides for fewer majorities.
- 7- Qatar Central Bank cancelled the license of the company.

#### **Article (75)**

If the company sustains loss of one half of its capital, the Board of Directors shall call for an extraordinary General Assembly to decide prior termination of the company, reduction of the capital or take other appropriate arrangement if the Board of Directors fails to call the extraordinary General Assembly or fails the required quorum or refrains to dissolve the company or it is not possible to

issue a resolution on the subject for whatever reason then any shareholder may request the competent civil court to dissolve the company.

**Article (76)**

In the event of liquidation of the company the method of liquidation of the company shall be in accordance with the provision of the Commercial Companies Law.

**Chapter Nine**

**Final Provisions**

**Article (77)**

No resolution by the General Assembly may extinguish claim under civil liability against the members of the Board of Directors in respect of faults committed by them in the course of performing their duties, if the act giving rise to liability is reported to the General Assembly by the Board of Directors report or the auditors report, then such claim extinguish after five years from the date of the General Assembly resolution approving the Board of Directors report. However if the act attributed to the members of the board of directors constitute a felony or misdemeanor, the civil liability claim will extinguish only when the criminal liability extinguish.

**Article (78)**

All matters not provided for herein shall be governed by the provisions of Commercial Companies Law, all amendments to the law shall be considered as complementary or amending this articles as the case may be, without need for any procedure other than to enter in the commercial register matters that may require such entry.