

Commercial Bank International
Amendments to the Memorandum of Association
(DRAFT)

Preamble:

Pursuant to the Emiri decree No. (7) of 1975, dated 2/4/1975, of His Highness Ruler of the Emirate of Ras Al Khaimah, Al Sahel Al Arabi Bank was incorporated as a Public Limited Company.

Pursuant to the Emiri decree No. (20) of 1980, dated 24/11/1980, the name of the bank was changed to Al Sahel Al Arabi Bank, Public Stock Company.

Pursuant to the Emiri decree No. (5/91), the name of the bank was changed to Commercial Bank International, Public Stock Company.

And pursuant to previous General Assembly/s resolutions upon which decisions were taken to amend and/or add and/or alter some of the provisions of the AOA till 31/3/2015, and in view of Law No (2) for the year 2015 concerning Corporate Companies Law, the AOA has been mended as below:

- (1) The name of this company shall be: **Commercial Bank International PJSC.**
- (2) Company' head office and legal habitat shall be in the Emirate of Ras Al Khaimah, United Arab Emirates. The Board of Directors may establish branches or agencies inside the United Arab Emirates or abroad.
- (3) Duration of the Company: (100) Gregorian years starting from date of Amiri Decree to establish the Company to be automatically renewed unless AGM resolved via Special Resolution to amend company term or dissolve it.
- (4) The objectives of establishing the Company shall be:

“To perform all financial banking activity services, financing, lending and management businesses. To achieve its purposes, the Company may conduct all acts, transactions and contracts required thereto; including for example but not limited to:

1. Perform all acts and transactions, and conclude all kinds of contracts related to its purposes and required to achieve them or those which may assist in achieving and implementing its purposes or adding value to its assets, properties or rights or in generating thereto greater profits either directly or indirectly, subject to the provisions of Federal Law No. (10) of 1980 concerning the Central Bank and amendments thereto.
2. Receive funds in the form of deposits on demand or notice or time deposits.
3. Place loan bills or deposit certificates to use them fully or partially in granting loans and advances after obtaining approval of the competent bodies in charge of issuing such bills.
4. Grant and obtain loans and provide various banking facilities with or without guarantee, and perform and accept mortgage and be mortgaged according to the applicable laws and prevailing norms.
5. Open, modify, extend, revoke and reaffirm various letters of credit of all kinds and forms; issue, renew, extend and revoke the various bank guarantee letters, and issue guarantees and provide the various securities.
6. Issue and collect various cash checks, sell travelers' checks and issue credit cards in accordance with the applicable laws.
7. Offer public and private loans and organize stock subscription processes.
8. Trade in its name and for its account, and in the name and for the account of a third party in foreign currencies and precious metals in terms of sale and purchase of all kinds securities, whether local or foreign, in its name and for its account and in the name and for the account of a third party through a licensed commissioner or broker according to the relevant laws.
9. Acquire, sell, purchase, lease, rent and mortgage movable and immovable assets and all kinds of rights to the extent permitted by the applicable laws including Federal Law No. (10) of 1980 concerning the Central Bank and the Monetary System and amendments thereto.
10. Discount, purchase and deal in all kinds of bills, bills of exchange, checks, transfers, policies, as well as all kinds of commercial and financial securities.
11. Lease safe boxes and accept the different kinds of deposits.
12. Establish and manage Investment Funds practice all other activities which fall under its jurisdiction and which it deems necessary to achieve all or any of its purposes.
13. Practice all other activities which fall under its jurisdiction and which it deems necessary to achieve all or any of its purposes.
14. Establish companies which may assist the bank in achieving its purposes. The bank may have an interest or participate in any way whatsoever with other entities, companies, banks or financial institutions which practice similar activities or which may assist it in achieving its purposes in the United Arab Emirates or abroad. It may acquire, affiliate with or enter into partnership with such entities, companies, banks or institutions. The bank may also participate in the establishment and

creation of Islamic funding and investment companies in accordance with the relevant laws and regulations in force in the United Arab Emirates.

15. Manage funds for its account or for the account of a third party either directly or through brokers.
16. Engage in any banking or financial activity for its account or for the account of a third party subject to the provisions of Federal Law No. (10) of 1980 regarding the Central Bank and in accordance with the standing laws and prevailing norms.

The Company shall not practice any activities within or out of the UAE which requires regulator's approvals unless such approvals obtained and submitted to SCA and Concerned Authority.

- (5) Company's issued capital is (AED 1,737,383,050) One Billion, Seven Hundred Thirty Seven million, Three Hundred Eighty Three thousand and Fifty Dirham, distributed over One Billion, Seven Hundred Thirty Seven million, Three Hundred Eighty Three thousand and Fifty shares, at a value of one Dirham per each share; all are cash shares and paid in full.

Shares in same category shall be deemed equal in rights and obligations.

- (6) This Memorandum of Association and the constitutive regulations shall be governed by the requirements and regulations of Federal Law No. (10) of 1980 concerning the Central Bank as well as to the financial bylaws, banking regulations and amendments thereto, and any regulations issued there under, and the implementation of the above by the Central Bank, its Board of Directors and officers, which apply to the Company and here referred to collectively as "bylaws of the Central Bank". In case of conflict between these Memorandum of Association with the bylaws of the Central Bank, the bylaws of the Central Bank shall take effect and be in force.
- (7) The Articles of Association attached to this Memorandum shall be complementary thereto and an integral part thereof.
- (8) This Memorandum of Association and following Articles of Association are made in Arabic and English languages. In case of discrepancy between the Arabic and the English texts, the provisions of the Arabic text shall prevail.

Amended Articles of Association

Preamble:

This Company established in accordance with Law No (2) of 2015 concerning Commercial Companies and following Articles as a Public Joint Stock Company. The AOA of the Company shall be binding to all shareholders after being registered before Concerned Authority.

(1) Definitions:

In this AOA, the following terms shall have the meaning as specified thereto unless it is otherwise clearly mentioned:

State: United Arab Emirates

CCL: Commercial Companies Law No (2) for 2015 concerning commercial Companies and any related amendments.

SCA: UAE Securities & Commodities Authority.

Concerned Authority: the authority concerned of commercial companies in the related Emirate.

CB: Central Bank of the United Arab Emirates.

Market: the licensed Securities market by SCA where Company shares are listed.

Board of Directors: Company Board of Directors.

Corporate Governance: the rules and regulations of corporate governance regulate relationships within the Company and approved by the Board of Directors in line with CBUAE guidelines upon which responsibilities and duties of Directors and senior management are defined taking in mind shareholder's and stakeholders rights.

Special Resolution: a resolution taken by AGM and supported by not less than 75% of shareholders attending General Assembly meeting.

Accumulative Voting: each shareholder shall have a number of votes equivalent to number of shares it holds wherein these shares can be voted for one nominee to the board or distributed among its chosen nominees provided that number of votes granted should not exceed number of shares held.

Conflict of Interest: a situation in which the impartiality of the decision-making is affected because of a physical or moral interest, where the interests of the related parties overlap with the interests of the Company as a whole, and if professional or official capacity is exploited in such way to achieve personal interest.

Controlling Party: the ability to influence and control – directly or indirectly in the appointment of a majority of Directors or decisions made by the Board of Directors or General Assembly through ownership of shares quotas or by agreement or other arrangement leads to the same effect.

Related Parties:

- Chairman, Directors of the Board and Senior management of the Company and other Companies that any of them holding a controlling stake not less than 30% of its capital or the capital of any affiliated, sister or allied companies.
- First degree relatives of the Chairman, Director or senior management.
- Natural or legal person who was holding – in the previous year before the transaction – 10% of the Company or a member of its Board or its parent company or its subsidiaries.
- The person who has control over the company.

(2) The name of this company shall be: **Commercial Bank International PJSC.**

(3) Company's head office and legal habitat shall be in the Emirate of Ras Al Khaimah, United Arab Emirates. Board of Directors may establish branches, offices or agencies inside the United Arab Emirates or abroad.

(4) Duration of the Company: (100) Gregorian years starting from date of Amiri Decree to establish the Company to be automatically renewed unless AGM resolved to amend company term or dissolve it.

(5) The objectives of establishing the Company shall be:

To perform all financial banking activity, services, financing, lending and management businesses. To achieve its purposes, the Company may conduct all acts, transactions and contracts required thereto; including for example but not limited to.

1. Perform all acts and transactions, and conclude all kinds of contracts related to its purposes and required to achieve them or those which may assist in achieving and implementing its purposes or adding value to its assets, properties or rights or in generating thereto greater profits either directly or indirectly, subject to the provisions of Federal Law No. (10) of 1980 concerning the Central Bank and amendments thereto.
2. Receive funds in the form of deposits on demand or notice or time deposits.
3. Place loan bills or deposit certificates to use them fully or partially in granting loans and advances after obtaining approval of the competent bodies in charge of issuing such bills.
4. Grant and obtain loans and provide various banking facilities with or without guarantee, and perform and accept mortgage and be mortgaged according to the applicable laws and prevailing norms.

5. Open, modify, extend, revoke and reaffirm various letters of credit of all kinds and forms; issue, renew, extend and revoke the various bank guarantee letters, and issue guarantees and provide the various securities.
6. Issue and collect various cash checks, sell travelers' checks and issue credit cards in accordance with the applicable laws.
7. Offer public and private loans and organize stock subscription processes.
8. Trade in its name and for its account, and in the name and for the account of a third party in foreign currencies and precious metals in terms of sale and purchase of all kinds securities, whether local or foreign, in its name and for its account and in the name and for the account of a third party through a licensed commissioner or broker according to the relevant laws.
9. Acquire, sell, purchase, lease, rent and mortgage movable and immovable assets and all kinds of rights to the extent permitted by the applicable laws including Federal Law No. (10) of 1980 concerning the Central Bank and the Monetary System and amendments thereto.
10. Discount, purchase and deal in all kinds of bills, bills of exchange, checks, transfers, policies, as well as all kinds of commercial and financial securities.
11. Lease safe boxes and accept the different kinds of deposits.
12. Establish and manage Investment Funds practice all other activities which fall under its jurisdiction and which it deems necessary to achieve all or any of its purposes.
13. Practice all other activities which fall under its jurisdiction and which it deems necessary to achieve all or any of its purposes.
14. Establish companies which may assist the bank in achieving its purposes. The bank may have an interest or participate in any way whatsoever with other entities, companies, banks or financial institutions which practice similar activities or which may assist it in achieving its purposes in the United Arab Emirates or abroad. It may acquire, affiliate with or enter into partnership with such entities, companies, banks or institutions. The bank may also participate in the establishment and creation of Islamic funding and investment companies in accordance with the relevant laws and regulations in force in the United Arab Emirates.
15. Manage funds for its account or for the account of a third party either directly or through brokers.
16. Engage in any banking or financial activity for its account or for the account of a third party subject to the provisions of Federal Law No. (10) of 1980 regarding the Central Bank and in accordance with the standing laws and prevailing norms.

The Company shall not practice any activities within or out of the UAE which requires regulator's approvals unless such approvals obtained and submitted to SCA and Concerned Authority

- (6) Company issued capital is (AED 1,737,383,050) One Billion, Sven Hundred Thirty Seven Million, Three Hundred Eighty Three Thousand and Fifty Dirham, distributed at One Billion,

Sven Hundred Thirty Seven Million, Three Hundred Eighty Three Thousand and Fifty shares, at a value of one Dirham per each share; all are cash shares paid in full.

Shares in the same category shall be deemed equal in rights and obligations.

- (7) All shares of the Company are nominal, and the percentage of shareholding by UAE nationals, either natural or legal persons, shall not fall below fifty one per cent of the capital at any time during the existence of the Company.
- (8) Shareholders not committed to any obligations or losses except to the extent of their contributions in company or unpaid amounts from the value of shares owned by them. It is not allowed to increase shareholders obligations without obtaining their collective consent.
- (9) Holding a share means that shareholder accepted Company's Articles of Association and the Resolutions of its General Assembly. Shareholder may not recover his contribution in the capital.
- (10) The share shall be indivisible. However, if the ownership of a share transferred to several heirs or owned by multiple persons, then they have to choose among themselves someone to represent them and they shall be jointly liable for any obligations arising from such ownership. If they fail to nominate a representative, then any one of them may refer the matter to the competent court to appoint himself as a representative and notify the Company and Security Market of related court judgment.
- (11) Each share entitle its holder to an equal share of another shareholder without discrimination in ownership of the Company's assets when it is liquidated, dividends distributed in the manner indicated hereafter and attending general assembly meetings and voting.
- (12)
 1. Shares can be sold, assigned, pledged and disposed share subject to compliance with sale and purchase and clearing and settlement regulations followed by Securities Market.
 2. In case of the death of one of the shareholders, legal heirs shall have the right in dividends and other benefits that were of the deceased and after being registered in the Company shall have same rights as a shareholder, which were granted to the deceased in respect of these shares. The legacy of the deceased shareholder may not be exempted from any obligation in respect of any shares that belonged to the time of death.
 3. Any person becomes entitled to any shares in the company as a result of the death or insolvency of any shareholder or under judicial reservation issued by any competent court shall within thirty days, do the following:

- A) Provide burden of proof for this right to the Board of Directors.
 - B) Choose either to be registered as a shareholder or nominate someone to be registered as a shareholder in respect of that share.
4. Company may purchase a portion of its shares not exceeding 10% of the capital in order to re-selling them. Purchased shares with the intention of selling shall have no right to vote at the General Assembly or in any dividends until it is sold again in accordance with terms and conditions resolved by SCA.
- (13) Shareholder's heirs or creditors may not under any pretext demand to affix the seals on the Company's books or properties, or demand to divide them or sell them as a whole due to indivisibility. They are not allowed to interfere in any way whatsoever in the Company's management. They shall upon using their rights rely on the Company's inventory lists and final accounts and the General Assembly Resolutions.
- (14) Dividends payable per share shall be paid to its last shareholder whose name is registered in the Company's registrar in accordance with Securities Market regulations and concerned authority instructions. He alone shall have the right to some of the amounts payable for the share whether they are shares in the dividends or a share in the Company's assets whenever it is liquidated.
- (15)
1. After obtaining the approval of SCA and Competent Authority the Company may increase share capital by issuing new shares at the same nominal value of the original shares or adding a premium to nominal value. Company may also reduce its capital.
 2. New shares must not be issued for less than nominal value.
 3. If it is decided to add a premium to the nominal value of the share, this premium shall be added to the legal reserve, even if it exceeds half of company's capital.
 4. Decision to Increase or reduce Company capital shall be taken via Special Resolution of the General Assembly upon recommendations of the Board of Directors in both cases, and after receiving external auditor's report in case of any reduction. In case of capital increase the Resolution shall provide for the increased amounts and share price, while in reducing capital Resolution shall provide for the reduction amount and the method of implementation.
 5. Shareholders shall have priority subscription rights to the new shares, and subscription regulations for original shares shall apply to new shares subscription. However, priority right to subscribe in new shares will be excluded in the following cases:
 - A) Staff motivation program through a motivated program aimed to motivate employee's performance and increase profitability of the company by allowing staff to own Company shares.
 - B) Converting bonds or instruments issued by the Company into shares.

In all cases mentioned above Company must obtain SCA and Central Bank approvals and comply with all conditions and regulations issued by the SCA in this regard.

(16)

1. The Company via Special Resolution approved by General Assembly after obtaining SCA and CBUAE approvals may decide to issue bonds, Islamic Sukuk or any debt securities of any kind, and such Resolution should clearly mention bonds or Sukuk value, conditions of issuance and if it is convertible into shares and authorize the Board of Directors to determine date of issuance which should not be later than one year from the date of General Assembly approval.
2. The bond or Sukuk must be nominal and shall not be issued for holder.
3. Bonds or Sukuk issued on the occasion of one loan shall grant its owners equal rights. Any contradicting conditions shall be considered as null and void.

(17) Bonds and Sukuk shall not be converted to shares unless it is stipulated in agreements, documents or issuance prospectus. And if it is convertible then the owner of the bond or Sukuk shall have the sole right to accept conversion or receiving nominal value of the bond or instrument unless issuance agreements, documents or prospectus mandates conversion of bond into shares. In this case, the bonds Sukuk shall be converted to shares based on prior approval upon signing issuance documents by both parties.

(18)

1. Company shall be managed by Board of nine (9) members . General Assembly shall elect Board members by secret Accumulative Voting. Majority of directors – including the Chairman – must be UAE citizens subject to Article 151 of the Federal Law No. (2) for the year 2015.
2. Board of Directors sets out the Corporate Governance regulations, and form committees and permanent divisions in accordance with the provisions of the laws and regulations issued by competent concerned authorities. Board may also form other related committees to follow up, study or implement any projects at its sole discretion.
3. Formation of committees shall be in accordance with the procedures and regulations of corporate governance which includes terms of reference mainly duties, term, authorities of the committee and the method of monitoring by the Board. The committee shall report in writing to the Board of actions taken, results and recommendations in absolute transparency and Board shall follow up on all committees to verify whether they are performing their duties properly.
4. Board may appoint specialized consultants who they deemed fit as members of the Board or the sub-committees and define their responsibilities and remunerations.

(19) Nominees for Board membership shall provide the Company with the following:

1. CV showing nominee qualifications, expertise and nomination capacity (executive / non-executive / independent).
2. Acknowledgement of his obligations to the provisions of Commercial Companies Law and related regulations and AOA of the company and his diligence to work performance.

3. List of companies and establishments he works at or being a member of its Board and any other business he practices either directly or indirectly and that might be competing with Company.
4. Acknowledgment letter stating that nominee has not committed any breaches with Article (149) of Commercial Companies Law.
5. For legal person representatives, the nominee shall submit an official letter from such entity showing names of his nominees to the Board membership.
6. Statement of his ownership or partnership in commercial companies and number of shares and stakes owned by him.
7. Statement showing number of shares he or the nominating party holds in the Company with an undertaking to refrain from selling the minimum number of 50 thousand shares they hold as per Article 21 of this AOA during his membership in the Board of Directors and shall notify Securities Market that he will not sell or dispose these shares by any means whatsoever till he resign or his membership ends and Security Market shall be officially notified by a letter from SCA.
8. Company shall prepare list of nominees for board membership before enough time of AGM date and send it to the Economic Department to ensure that nominees has the integrity, good reputation, qualification and complying with corporate governance standards, and any action contrary to that to be considered null and void. Voting at AGM shall be restricted to list of nominees approved by RAK Economic Department and Concerned Authority.

(20) Membership to the Board of Directors shall be three years. At the end of this period, the Board shall be re-formed by election and members with expired tenure may be reappointed.

The Board of Directors may appoint new members to the seats that become vacant during the year, provided that such appointment to be presented to the General Assembly at its first meeting to approve their appointment or appoint others. If the vacant seats become equal to one quarter of the number of the board of directors during the year, the Board of Directors shall call the General Assembly meeting within a maximum period of (30) days from the date the last seat becomes vacant in order to elect candidates to fill the vacant seats. In all cases, the new member shall complete the term of his predecessor.

(21) A member of the Board of Directors shall hold a minimum of fifty thousand shares of the Company's shares or shall be representative of a legal person holding such number of shares. If a person is elected as member to the Board of Directors and does not hold such number of shares, he shall be required to hold fifty thousand shares within three months following his election.

(22) Board of Directors shall elect by secret ballot a Chairman and Deputy Chairman for a term of three years, renewable. The Chairman of the Board shall be a national of the State. The Chairman of the Board shall represent the Company before others and all official departments and shall execute the Resolutions issued by the Board. The Deputy Chairman shall act for the Chairman in his absence for any reason.

(23) Board of Directors may appoint from its members one or more managing directors. The Board shall determine their powers and remunerations.

(24) Board of Directors shall have all the powers to manage the Company and carry out all its functions required by its purpose, and such power shall not be curtailed except by the provisions of Federal Law No. (2) of 2015 concerning Commercial Companies and the amending laws thereto or by these Articles of Association or by Resolutions of the General Assembly.

The Board of Directors may sell the bank's real estate, mortgage its funds, release its debtors from their liabilities fully or partially, or enter into reconciliation and agree to arbitration.

Board of Directors shall set up the bylaws related to administrative and financial affairs and personnel and their financial transactions. The Board shall also set up by-laws regulating its functions, meetings and distribution of powers and responsibilities.

(25)

1- Chairman of the Board and his deputy are singly authorized signatories of the Company. The Board may delegate any of the Directors as well.

2- CEO shall be authorized to represent the Company before judicial bodies and third parties.

3- Chairman may delegate some of his powers to any other board member.

4- Board of Directors may not delegate all its powers or responsibilities to the Chairman.

Chairman and/or vice chairman and/or CEO may appoint lawyers or third parties in order to take all kind of legal actions in the name and on behalf of the Company that may be necessary to exercise Company business and achieve its targets. and to represent the Company before official and non-official bodies, courts, arbitrators, entities, companies, person or any third party in the UAE and abroad.

(26) Board meetings to be held whenever needed at Company head quarters based on chairman invitation or request of two board members. Board of Directors shall meet at least four times per a year.

Board may hold its meetings outside head quarters as it deemed appropriate.

(27) Board of Directors' meetings shall not be valid unless attended by the majority of its members. A member of the Board of Directors may designate another member to vote on his behalf; in such case the designated member shall have two votes. A member of the Board of Directors may not represent more than one member and the number of board members present shall not be less than half of the total number of Board members.

Resolutions of the Board must be approved by majority votes of the attending members and representatives. In case of a tie in the votes, the side to which the Chairman or his representative voted shall prevail.

A special register shall be maintained for recording the minutes of the meetings of the Board. The minutes of meeting shall be signed by the members who attended the meeting and the Board Secretary. Directors may request recording their objections in meeting minutes.

Board members may attend Board meeting through new telecommunication technologies, taking in consideration related rules and guidelines issued by SCA.

- (28) Taking in account minimum number of board meetings as expressed in article 27 of the AOA, Board may take decisions by circulation whenever it is necessary, and such decisions will be valid and effective as if it is taken at duly invited and convened meeting subject to:
- a. Maximum decisions taken by circulation not exceeding four decisions.
 - b. Approval of Majority of directors that the subject matter is urgent and requires decision to be taken by circulation.
 - c. All Directors shall receive draft resolution supported with all related documents to be reviewed.
 - d. Majority shall approve resolutions sent by circulation and such approval to be ratified at the next Board meeting and recorded in minutes.
- (29) If a member of the Board of Directors fails to attend more than three consecutive meetings or five meetings intermittently without an excuse acceptable to the Board, then he will be considered as resigned.
- (30) Board of Directors shall have the right to appoint a manager, several managers or authorized agents for the Company and specify their powers.
- (31) Directors of the Board shall not assume any personal liability in regard to the Company's undertakings due to performing their functional tasks within the limits of their powers.
- (32) Chairman and members of the Board of Directors shall be responsible towards the Company, the shareholders and third parties for all acts of fraud, abuse of power and any violation of Federal Law No. (2) of 2015 concerning Commercial Companies and the amending laws thereto or any other law or these Articles of Association as well as for any mismanagement.
- (33) Remunerations of the Board of Directors shall be defined as a lump sum amount per director based on proposal presented by the Board and approved by AGM. In all cases such remunerations shall not exceed 10% of year net profit after deducting reserves and depreciation.

Company may pay additional expenses or monthly compensation as approved by the Board of Directors to any member if he is a member in a committee or he exerts special efforts or

additional works in favor of the Company in addition to his usual duties as a member and as permitted by concerned authorities and applicable laws and regulations.

- (34) Board may appoint a Chief Executive Officer, General Manager, Managers and Authorized Agents and define their duties, terms of engagement, compensations and remunerations. The CEO or GM shall not hold same position of another public joint stock company.
- (35) The properly formed General Assembly shall represent all shareholders, and it shall not convene except in the Emirate of Ras Al Khaimah, unless the Board of Directors decides to convene in any other place.
- (36) Each shareholder shall have the right to attend the shareholders' General Assembly, and he shall have a number of vote's equivalent to the number of his shares. The shareholder may designate someone other than a member of the Board of Directors to attend the General Assembly on his behalf unless the shareholder is a legal person, in which case the member of the Board of Directors who represents him may attend the General Assembly on his behalf.

This designation shall not be valid unless it is established by a written special power of attorney which shall be documented or the signatures thereon are endorsed if the representative is not a shareholder. In all cases, with the exception of legal persons- the number of shares held by the representative in such capacity shall not exceed 5% of the Company's capital shares. Those incompetent or lacking complete competences shall be represented by their legal representatives.

- (37) Invitation to the shareholders to attend the General Assembly shall be extended by an advertisement in two local daily newspapers, one of which is published in Arabic, and by registered mail at least twenty-one days before the meeting scheduled date. The invitation shall include the agenda.
- (38) Board of Directors shall prepare the agenda of the General Assembly. In cases where the General Assembly may be held at the request of the shareholders, the auditors or the Securities and Commodities Authority, the agenda shall be prepared by the party which requested convening the General Assembly.
- (39) Shareholders wishing to attend the General Assembly shall register their names in a special register prepared for this purpose at the Company's head office before the date scheduled for convening the General Assembly. Registration shall include name of shareholder, number of shares he holds, number of shares he represents and name of owners of such shares he represents together with a power of attorney.

The shareholder or the representative shall be given a card to attend the meeting containing the number of votes he is entitled to in his name or by proxy.

- (40) A quorum shall be achieved in the meeting of the General Assembly by the attendance of shareholders holding or being represented by proxy, at least fifty (50%) percent of the capital

of the Company. If no quorum is achieved in the first meeting, the General Assembly shall be called for another meeting to be held after elapse a period of not less than five (5) days but not in excess of fifteen (15) days from the date of first meeting. The postponed meeting shall be deemed valid irrespective of the number of attendees.

- (41) General Assembly shall be chaired by the Chairman of the Board of Directors and in his absence, by the Deputy Chairman of the Board of Directors or by the Board member appointed by the Board of Directors for such purpose.

The Chairman shall appoint a rapporteur for the meeting and two verifiers approved by the General Assembly for sorting the votes.

- (42) Resolutions by the General Assembly shall be adopted by way of Accumulative Voting wherein each shareholder shall have a number of votes equivalent to the number of shares it owns. Voting shall be conducted by secret ballot if it concerns election, dismissal or interrogation of Board members.

(43)

1. Board members shall not vote in respect of resolutions by the General Assembly in relation to discharging their liabilities in connection with their management, their personal interest, conflict of interest or an existing dispute between them and the Company. If a Board member represents a legal person, the shares of such legal person shall be excluded.
2. Any person eligible to attend the General Assembly meetings may not vote for himself or for the person whom he represents in matters concerning a personal interest or an existing dispute between him and the Company.

- (44) Board of Directors may call for convening the General Assembly whenever it deems appropriate. The General Assembly shall convene at least once a year at the invitation of the Board of Directors within the four months following the end of the fiscal year at the time and place specified in the meeting invitation.

General Assembly shall have the power to review and adopt a resolution in respect of the following matters:

1. Board of Directors' report on the Company's activities and financial standing during the year or the auditor's report and ratify the same.
2. The balance sheet of the Company and the profit and loss account.
3. Election of Board members when necessary.
4. Appoint auditors and determine their fees.
5. Proposals by the Board of Directors related to distribution of dividends, whether cash dividends or bonus shares.
6. Proposal by the Board of Directors in relation to the remuneration of the Board Members and its determination.

7. Release Board members or remove them and file liability claim against them, as the case may be.
8. Release the auditors or remove them and file liability claim against them, as the case may be.

General Assembly shall have the power to address all matters in relation to the Company. The General Assembly shall not deliberate matters not listed in the agenda, unless requested by shareholders who represent at least ten (10%) percent of the capital to include a particular matter before starting the discussion of the agenda.

(45)

1. Board of Directors shall invite the General Assembly to convene whenever so requested by the Company's auditor or by any shareholder holding at least 20% of share capital. In both cases, the invitation for convening the General Assembly shall be sent within five (5) days from the date of submitting such request. The meeting shall be convened during a period of not less than fifteen (15) days and not exceeding thirty (30) days from the date of invitation for the meeting.
2. SCA may request the chairman of Board of Directors, or any person acting in the same capacity, to invite the General Assembly to convene in those events set out in Article (176) of Companies Law no 2 for 2015. If the invitation to convene a General Assembly meeting is not made within five (5) days from SCA's request, SCA shall send invitation for the meeting on the Company's expenses.

(46) Subject to the provisions of Federal Law No. (2) of 2015 concerning Commercial Companies and the amending laws thereto, the General Assembly may amend the Articles of Association of the Company regardless of its provisions including increasing or reducing the capital, extending or reducing the Company's term, changing the percentage of loss which entails dissolving the Company or merging the Company with another company, or dissolving it or selling the enterprise which the Company established or disposing with it in any other way, provided that the subject of the amendment was detailed in the invitation notice.

(47) Resolutions at the General Assembly shall be adopted by the majority of shares represented in the meeting, unless the law requires a Special Resolution to be issued with a higher percentage. The provisions of these Articles of Association shall be binding on all shareholders including those absent and those with objections.

(48) Company shall have one or more auditors appointed by the General Assembly for a period of one year, renewable, and the General Assembly shall decide his remuneration. The auditor shall monitor the accounts of the financial year for which he is appointed.

The appointed auditor must be registered with SCA and licensed to practice the profession, and shall be qualified in accordance with all terms stipulated in the relevant laws and regulations.

- (49) Auditor shall have the power and bear the liabilities provided for in Federal Law No. (2) of 2015 concerning Commercial Companies and the amending laws thereto. He may in particular examine the Company's books, records and documents and other documents at all times, demand any explanations he deems required for conducting his task. He may also investigate the Company's assets and liabilities. If he could not use such powers, he shall include that in writing in a report to the Board of Directors. If the Board of Directors fails to enable the auditor to perform his task, the auditor shall send a copy of the said report to SCA and Concerned Authority and present it to the General Assembly.
- (50) Auditor shall submit to the General Assembly a report containing the particulars provided for in Article (246) of Federal Law No. (2) of 2015 concerning Commercial Companies and the amending laws thereto. He shall attend the General Assembly meetings and express his opinion in the meeting about any matter relevant to his work, particularly: the Company's balance sheet. In his capacity as the representative of all the shareholders, the auditor shall be responsible for the correctness of the data provided in his report. Any shareholder may discuss the auditor's report during the General Assembly meeting and request him to give clarification on its contents.
- (51) Company's fiscal year shall begin on the first of January and end on 31 December of every year.
- (52)
- 1- Board of Directors shall prepare for every fiscal year at least one month before the annual meeting of the General Assembly the Company's balance sheet and the profit and loss account. Board shall also prepare a report on the Company's activities during the fiscal year, its financial standing at the end of the said year and the manner it proposes for distributing the net profits. A copy of the balance sheet, the profit and loss account and Board of Directors' report shall be sent to the shareholders together with the agenda of the Annual General Assembly.
 - 2- Company shall submit copies of audited financials and auditor's report to SCA and Concerned Authority within seven days following General Assembly meeting which approves it.
 - 3- Company shall invite the Concerned Authority to attend AGM and such presence must be recorded in meeting minutes.

- 4- Company must publish its financials including Profit & Loss report in two daily newspapers one of it must be in Arabic within 15 days from date of AGM and copies to be submitted to SCA and Concerned Authority.
- (53) A percentage to be decided by the Board of Directors shall be deducted from the annual gross profits for the depreciation of the Company's assets or in compensation of devaluation of such assets. These monies shall be disposed with pursuant to a Resolution of the Board of Directors and may not be distributed to the shareholders.
- (54) The Company's net annual profits shall be distributed, after deducting all general expenses and other costs, as follows:
1. 10% shall be deducted for allocation to the statutory reserve account. This deduction shall cease when the total reserve reaches at least 50% of the Company's paid capital. If such reserve falls below the said limit, deduction shall be resumed.
 2. Another 10% shall be deducted for allocation to the statutory reserve account. Such deduction shall cease by a Resolution of the General Assembly pursuant to the recommendation of the Board of Directors, or if such reserve reaches 50% of the Company's paid capital. This reserve shall be used for the purposes identified by the General Assembly upon the suggestion of the Board of Directors.
 3. After making the above deductions, 10% of the remaining profits shall be allocated for remuneration to the Board of Directors.
 4. Based on proposal by the Board of Directors and approval by the General Assembly, the net profit remaining, after making the above deductions, shall be distributed to the shareholders, carried forward to the next year, or allocated to establish an extraordinary reserve fund.
- (55) The reserve funds shall be disposed with upon the Resolution of the Board of Directors in the areas that serve the Company's interests. The statutory reserve may not be distributed to the shareholders, but its funds in excess of half of the paid capital may be used to secure distribution of dividends not more than 10% of the paid capital to the shareholders in the years that allow distributing such percentage. The statutory reserve may not be used for any other proposes than it is allocated for except by a Resolution of the General Assembly.
- (56) Dividends shall be paid to the shareholders pursuant to the regulations, decisions and circulars issued by SCA in this regard.
- (57) No Resolution by the General Assembly shall result in extinguishing the civil liability against the members of the Board of Directors for the errors they committed in the course of performing their functions. If the liability entailing action was presented to the General Assembly by a report of the Board of Directors or the auditor and was approved by it, the

liability claim shall abate upon the elapse of one year from the date of convening the General Assembly.

However, if the act attributed to the members of the Board of Directors is a penal crime, the liability claim shall not abate except by extinguishment of the public claim.

- (58) The Company shall be dissolved for one of the following reasons:
1. Expiry of the Company's term unless it is renewed in accordance with the rules contained herein.
 2. Expiry of the purpose for which the Company was incorporated.
 3. Loss of all or most of the Company's assets so that investment in the remaining would not be feasible.
 4. A Special Resolution taken by the General Assembly to terminate the Company's term.
 5. A judicial order to dissolve the Company.
 6. Company Merges with another company.
- (59) Company shall be dissolved before the expiry of its term in case it loses half of its capital, unless otherwise decided by the General Assembly.
- (60) Upon the expiry of the Company's term or in case of its dissolution before the specified date, the General Assembly shall, at the request of the Board of Directors, determine the manner of liquidation and appoint one or more liquidators and identify their powers. The mandate of the Board of Directors shall terminate upon the appointment of the liquidators. However, the powers of the General Assembly shall continue throughout the liquidation period until the liquidators are discharged of their responsibility.
- (61) These Articles of Association and the Memorandum of Association shall be governed by the requirements and regulations of Federal Law No. (10) of 1980 concerning the Central Bank as well as the financial bylaws, banking regulations and amendments thereto and any regulations issued there under, and the implementation of the above by the Central Bank and its Board of Directors and officers, which apply to the Company and here referred to collectively as "bylaws of the Central Bank". In case of conflict between these Articles of Association and the Memorandum of Association with the bylaws of the Central Bank, the bylaws of the Central Bank shall take effect and be in force.
- (62) The provisions of Federal Law No. (2) of 2015 concerning Commercial Companies and the amending laws thereto shall apply to any matter not specifically provided for in the Memorandum of Association or in these Articles of Association.