



# **Qatar Islamic Bank**

**Qatari Public Shareholding Company (Q.P.S.C)**

## **Memorandum of Association**

**“This is a translation of QIB MOA, In case of any discrepancies,  
the Arabic version shall prevail”**

**Qatar Islamic Bank**  
**(Qatari Public Shareholding Company (Q.P.S.C))**

**Articles of Association**

**Chapter One**

**Incorporation**

**Article (1)**

A Qatari Public Shareholding Company (Q.P.S.C) has been incorporated under Decree 45 of 1982, pursuant to Qatari Commercial Companies Law No. 5 of 2002. The Extraordinary General Meeting approved on 21/02/2018 to settle the Company's conditions in accordance with the provisions of the Commercial Companies Law No. 11 of 2015.

**Article (2)**

Name of the Company is: «Qatar Islamic Bank (Q.P.S.C) »

**Article (3)**

The purpose of establishing this Company is to carry out the following activities:

**First: Banking:**

Exercising all kinds of banking activities, for its own as well as for third parties' account, whether in Qatar or abroad, on a non-usury-taking basis. The said activities will comprise:

1. Opening credits, current and deposit accounts, debit and credit.
2. Accepting various forms of cash deposits whether as custody or for investment purposes.
3. Dealing in stocks, bonds, orders, promissory notes, drafts, bills of lading and other negotiable instruments or commercial papers.
4. Undertaking Forex transactions on spot basis.
5. Accepting subscriptions in IPOs of stock companies and trade in stocks for the account of the Company and/or third parties.
6. Issuing Bank Guarantees and Letters of Guarantee.
7. Offering Safe-keeping services for all kinds of money, precious metals, bonds and parcels and hiring private safes.
8. Purchase and sale of gold bullions
9. Properties Management services Agency basis against agreed fees
10. Making private studies on behalf of customers and offering various advisory and data services.

**Second: Financing and Investment:**

Undertaking all kinds of financing and investment activities on an interest-free basis, through the following tools:

1. Total or partial investment funding of contracting construction projects and related engineering industries/ electrical and mechanical works.
2. Short-term financing against financial papers or other securities.
3. Invest customers' funds in common with the bank funds, on Mudaraba basis or as agreed between the two parties.
4. Direct investments of its funds in various projects in conformity with the provisions of this Memorandum and the Articles of Association.
5. Establishment of commercial companies and trading with their stocks (purchase and sale).
6. Establishment of banks and various kinds of investment companies.
7. Performing all types of agricultural investment.
8. Purchasing lands for construction purposes in order to resell all or parts of such properties or leasing them furnished or not under the following controls:
  - a. No dealing in lands which are not registered in the Real Estate Registry.
  - b. Limit of the Company's investments in this field shall not exceed %20 of the Company's Paid Capital and Reserves.
  - c. Investments carried on by the Bank under this item must be in line with the State's general development plan related to building & reconstruction.
9. Undertaking all forms of Import-Export transactions in various commodities.
10. Buying commodities and other movable assets for reselling or leasing purposes.
11. Performing of all activities related to maritime/ air and land transportation.
12. Storage of commodities and crops in general.
13. Acquiring the proprietorship of trade marks, patents, and other rights, certificates and concessions which the Company deems necessary or proper for running its activities and disposal of same through all forms of legal actions.
14. Developing adequate cooperative systems compatible with Islamic Sharia principles to secure funds, fixed and movable assets acquired or traded by the Company, and establishment of insurance bodies to achieve that purpose.
15. Undertaking all marketing activities of the insurance products of licensed insurance establishments & companies in both local and international markets.

**Third:**

Subject to the provisions of the Commercial Companies Law, the General Meeting may decide to issue instruments of any kind. Capital instruments eligible for listing may also be issued as additional capital in accordance with the requirements and conditions of Qatar Central Bank. This decision clarifies the value of instruments or capital instruments, the terms of their issuance and the extent to which they are convertible into shares.

**Fourth: Social Services:**

All activities aiming at consolidating links and clemency among different groups and individuals including:

1. Providing the good loan for use in various fields.

2. Establishment and management of Funds specifically intended for serving the various social needs in accordance with the provisions of the prevailing laws in Qatar.
3. Assume, in coordination with concerned official bodies, the task of Elected Custodian for the management of estates and execution of wills in compliance with Islamic Sharia precepts and prevailing Law.

**Fifth:**

In all above cases, the Company may have interests with its counterparts which may assist the Company in realizing its objectives at both domestic and foreign levels. The Company may further enter under any form of partnership with said establishments through merger, acquisition or take over. The Company is bound in all such activities to observe the rules of Islamic Sharia and not to deviate from such rules under any circumstances.

**Article (4)**

The Head Office of the Company shall be located in the city of Doha. However, the Board of Directors may establish branches, offices or agencies of the Company in Qatar or abroad.

**Article (5)**

Term of the Company shall be Fifty (50) years from the date of issue of the Incorporation Decree. Any extension of said term has to be based on a resolution adopted by the Company's Extraordinary General Meeting.

**Chapter Two**

**Capital of the Company**

**Article (6)**

The Company's capital shall be (2.362.932.000) two billion three hundred and sixty-two million nine hundred and thirty-two thousand Qatari riyals subdivided into (2.362.932.000) two billion three hundred and sixty two million nine hundred and thirty-two thousand shares; each share's value shall be one Qatari riyal

**Article (7)**

Upon subscribing, subscribers shall pay 25 % of the share's value.

**Article (8)**

The remaining value of each share must be paid in full within five years of the date of issue of the Incorporation Decree. Such payment must be made according to schedules and ways approved by the Board of Directors, provided such schedules be announced at least 15 days in advance.

Paid amounts must be recorded on the shares certificates. Any share not bearing a note of due payment of the payable amounts will definitely not be negotiable.

In the event any due instalments are not paid on due dates, the Board of Directors shall be entitled to sell such shares through public auction for the account of the defaulting subscriber at latter's own cost and liability upon the lapse of a one-month notice for payment.

Share certificates so resold shall be definitely cancelled. New share certificates shall be handed over to the buyers in replacement and shall bear the same numbers assigned to the former documents.

The Company shall advertise for such public auction sale of shares in at least two daily newspapers 20 days before the sale date. The relevant advertisement must comprise proper details on the date and place of such an auction in addition to the number and serial numbers of such shares.

On completion of the sale, the Board of Directors shall deduct any amounts claimed by the Company whether unpaid instalments or expenses and refund the balance to the shareholder in question who will be, however, claimed to pay the difference in case sale proceeds prove to be less than claimed amounts.

#### **Article (9)**

1. Shares shall be nominal and paid in full.
2. Save the cases where shares title is transferred to a person by way of inheritance, the number of shares acquired by a single shareholder, was it a natural or judicial person, shall under no circumstances whatsoever, not exceed 5 % (Five percent) of the Company's Share Capital. Except with approval of Qatar Central Bank, and provided that it does not exceed the percentage determined by it, excluding all the bodies specified by the regulatory and supervisory authorities.
3. Subject to the provisions of the above section, Shareholders will have the priority to subscribe in newly issued shares. A shareholder may not assign this priority right to any specific person. If the shareholder wants to waive the right of first refusal, this requires the approval of the competent department (Corporate Control Department) and a decision by the extraordinary general meeting by a three-fourths majority of the company's capital.
4. Non-Qataris may own shares of the Bank, provided that the percentage does in no case exceed 49% of the shares.

#### **Article (10)**

The shares or share certificates shall be: extracted from a counter foiled book, given serial numbers and then signed by two Board members and stamped with the Company' seal.

A share must in particular bear the date of the Incorporation Emiri Decree date of publication in the Official Gazette, Capital and aggregate number and types of relevant shares, purpose, headquarters and term of the Company, in addition to the regular date of its ordinary Board of Directors meetings.

Shares will have coupons bearing serial numbers and also the share numbers.

#### **Article (11)**

After submission of an acknowledgment signed by both the assignor and the assignee, transfer of shares title shall be ascertained in writing in a register maintained for that purpose called "Shares Title Transfer Record".

The Company may however request the parties to cause their signatures to be authenticated and prove their legal capacity.

Nevertheless, original subscribers and successive assignors shall remain jointly and severally liable inter se and jointly with their respective assignees for unpaid balances until shares value is paid in full.

Assignor's obligation under such joint liability shall be scheduled over two years from the date of his assignment. Two Board Members shall sign-proof on the testaments evidencing the recording of the nominal shares in the Shares Title Transfer Record.

#### **Article (12)**

The shareholder may submit a request to the Board's Secretariat to clarify any matter relating to their rights as a shareholder, provided that such clarification does not result in any damage to the company or any shareholder. Shareholders shall only be liable for the value of each of their shares value. Their obligations may not be increased.

#### **Article (13)**

Ownership of a share shall definitely entail acceptance of the Company's Articles of Association.

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

Shares are indivisible. However, two or more persons may commonly hold one or more share(s), provided only one person will represent them before the Company. Such partners in shares titles shall be jointly liable for incumbent liabilities only within the share's value.

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

Heirs and creditors of a shareholder may not, on any plea, request placing seals on the Company's books, printed documents or properties, nor may they request the division or wholesale of the Company as such is impossible. They may not as well interfere in any way in the management of the Company. Upon exercising their rights, they shall rely on the Company's inventory lists and closing accounts in addition to the General Meeting's resolutions.

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

Each share entitles his holder to a quota indiscriminately equal to any other shareholder in the ownership of the Company's Assets and Dividend as will be hereafter clarified.

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

In case of distribution of the Company's assets, accrued dividend and other payable amounts shall be paid solely to the latest holder of shares having his name recorded in the Company's records.

### **Article (18)**

Subject to the provisions of Commercial Companies Law, Capital of the Company may be increased by issuing a new Public Offering at the same original nominal value. This offering must be made upon a resolution of an Extraordinary General Meeting indicating the amount of the increase, share price and stating that original shareholders shall have the priority in subscribing. Shareholder will be given a lapse of at least 15 days from the date of opening. A shareholder shall not be entitled to assign such priority right to any specific person. The Board of Directors shall publish the call to such public offering in two local daily newspapers issuing in Arabic language, in which shareholders should be notified of their priority right, opening and closing dates and price of the new issuing.

### **Article (19)**

Without prejudice to the provisions of Commercial Companies Law, the Extraordinary General Meeting may decide to reduce the Company's Capital after hearing the Auditor's Report and getting and approval of the competent department (Corporate Control Department) thereon in any of the two following cases:

1. Over-capitalization
2. Loss incurred by the Company

Capital decrease may take place by either of two means:

1. Reduce the number of shares by canceling some thereof equivalent to the value to be reduced
2. Reduce the number of shares equivalent to the loss incurred by the company.
3. Purchase a number of shares equivalent to the amount required to be reduced and cancelled.
4. Impair the nominal value of shares.

## **Chapter Three**

### **Management of the Company**

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

Management of the Company shall be ensured by a Board of Directors consisting of Nine members elected by the General Meeting in the manner prescribed by law, regulatory and supervisory authorities.

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

Term of Office of the Board of Directors shall be for three years, at expiry of which a new board is elected. In the event no such an election takes place, the then existing board shall continue discharging the Company's affairs to the date of the AGM.

## **Article (22)**

A Board Member must fulfil the following conditions:

1. Age: not less than 21 and to be eligible legally.
2. Unless rehabilitated, not to have been convicted in a criminal sanction, an attempt to morals crime, a dishonesty crime, or in one of the crimes mentioned or to be convicted in any of the offenses referred to in Article (40) of Law No. (8) of 2012 concerning Qatar Financial Market Authority, or to be convicted in any of the offenses referred to in Articles (334 & 335) of the Commercial Companies Law No. (11) of 2015, or to be prohibited from practicing any business in the entities subject to the control of the Authority under Article (35), Section (12) of referred Law No. (8) of 2012 or have been sued for bankruptcy.
3. To be shareholder and owner, when elected or within 30 days, of nos. 2.500.000 of the Company's shares, to be allocated as security to the rights of the Company, shareholders, creditors and third parties for any liabilities incumbent on Board members. Such shares shall, within sixty days from membership starting date, be and remain deposited with one of the approved banks but may not be traded, mortgaged, or retained, till completion of the membership term, and the ratification of the Balance Sheet for the last year during which such a member was in office. If a Board member does not produce the guarantee as aforesaid, his membership shall be nullified. The independent member (if any) shall be exempted from this condition.

One third of the Board of Directors members may be experienced independent members other than the shareholders who are defined in the Governance Regulation and those shall be exempted from the condition of shares ownership provided for in Clause (3) of this Article. And if a Board of Directors member losses any of these conditions, he shall cease to be a member from the date of condition loss.

A candidate for membership of the Board of Directors shall submit a written declaration confirming that he will not take any position that is legally prohibited to hold at the same time with the membership of the Board, whether those mentioned in the Companies Law or in the Governance Regulation.

If a Board member does not produce the guarantee as aforesaid, his membership shall be nullified.<sup>13</sup>

## **Article (23)**

Should a member's post become vacant; he shall be succeeded by the shareholder with the highest number of votes among the non-board members or, by the next highest-ranking non-member shareholder. The new member will only complete his predecessor's term. However, if it happens that vacant posts reach the limit of 25% of the total original posts, the Board shall continue with the remaining number of members, unless the number is less than five members, then the Board shall be committed to call for a General Meeting to be held within two months

from date of the occurrence of the latest vacancy date or decrease the remaining number than five members to elect substitute members.

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

The Board of Directors shall elect, by a secret vote, a Chairman and a Deputy Chairman for a period of three years. It may elect, by a secret vote as well, one or more Managing Director(s). The so elected executives shall have the right to sign, jointly or severally, on behalf of the Company as stated in the relevant Board Resolution. Upon forming the Board, the majority of the members shall be non-executive members. The Board shall, upon its election and at its first meeting, establish the necessary committees to supervise, follow-up and evaluate the activities of the Bank in accordance with the laws, the Corporate Governance Regulation and the instructions of Qatar Central Bank.

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

The Board of Directors' Meeting shall be held by an invitation of its President in accordance with the conditions stipulated in Articles of Association of the Company, and the President shall invite the Members of the Board to meet, if at least two of its members, so request. The Chairman's invitation to each member is to be made at least one week prior to the meeting and should include the meeting agenda. Moreover, any member shall be entitled to add one or more items to the agenda. The number of meetings shall not be less than six, during the same fiscal year. Accordingly, the quorum of meeting of Board of Directors shall be valid only if attended by the majority of members, provided that the Chairman or Vice-Chairman shall be present. It shall not be admissible that two whole months pass without a Board meeting is held. Participation in the meeting shall be by any means secured by modern technology which enables the participant to listen and participate actively in the Board works. Meetings shall be held in the Company's Headquarters. The Board may however; invite its members to meet somewhere else provided such meetings are inside Qatar and, that all Board members or their representatives be present.

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

A detailed Statement including the following data shall be put under the disposal of the shareholders by the Board members for the former perusal a week at least before General Meeting is convened to consider the Company's Balance Sheet and the Board of Directors Statement:

1. All the amounts cashed by the Chairman and each Board member throughout the Company's financial year including salaries, remunerations and bonuses for attending Board sessions and allowances for any expenses suffered, in addition to any other sums received by any of them in his capacity as a technical or administrative executive or in compensation for any technical, management-wise or advisory task he extended to the Company.
2. All In-kind privileges allocated to the Chairman and each Board member during the Company's Financial Year.
3. All bonuses the Board proposes to distribute to the Board members.

4. All amounts allocated to any present or former Board member as pension, reserve or end-of-service remuneration.
5. The transactions in which a Board member or a Manager has an interest that contradicts the Company's interest.
6. The amounts effectively spent under any form of advertisement and publicity along with the full breakdown of such amounts.
7. All donations along with details on the parties to whom they were extended, reasons and details of such donated funds.
8. Shall be enclosed with the above Statement, an Auditors' Report in which the Company's Auditor shall state that the cash loans, L/G's or securities that might have been extended to the Chairman or any Board member during the Company's Financial Year, have been in compliance with Article (110) of the Commercial Companies Act. The afore-mentioned detailed Statement shall be signed by the Chairman and a Board member. The Chairman and the Board members shall be responsible for the implementation of the provisions of this Article as well as for the integrity of the data given in all the documents that must be prepared according to said Statement. The Board of Directors shall also guarantee to the shareholder the freedom to exercise his rights without causing damage to interests of the company and the other shareholders. This shall be done through a request to the Board secretariat to present it to the Board for discussion.

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

In case of necessity, a Board member may mandate one of his counterparts in the Board. The so-mandated member shall have two voting rights. Chairman of the Company is not entitled to represent more than one member. Total number of such delegations should not exceed one third of total votes.

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

In case a Board member does not attend three consecutive, or four non-consecutive meetings without excuse, then he shall be considered as resigning. Board resolutions shall be taken based on majority votes of attending members or their representatives. In case of a deadlock, the group comprising the Chairman / his representative shall have the Casting Vote. The Board may, if necessary, issue some of its decisions by passing, provided the written approval of all members shall be obtained, to be presented at the Board's next meeting, in order to be included in the minutes of its meeting. All minutes of meetings of each session shall be registered regularly in a special record. These records shall be signed by the Board's Chairman and the Secretary (Board Secretary).

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

The Board of Directors shall assume all the functions by the Company's management functions, in compliance with the Company's goals to achieve the interests of its shareholders.

To this end, it is authorized to take loans and mortgage the Company's properties, sale and purchase, and all actions and works that achieve the company purpose.

Authorities of the Board of Directors shall be limited solely by the provisions of the Law, the Company's Articles of Association or the resolutions adopted by the Company's General Meeting.

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

The Chairman of the Company shall represent it before the Judiciary, whether the Company is Plaintiff or Defendant. The Chairman shall represent it before third parties, implement the decisions of the Board and abide by its recommendations. A member may delegate other members of the Board with some of their powers and the Vice Chairman may replace the Chairman if absent. He also shall undertake to perform his duties in a way that does not conflict with the law.

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

The Chairman, the Managing Directors and any other Board member delegated by the Board for that purpose, shall be entitled to sign individually on behalf of the Company.

The Board shall further have the right to appoint more than one director or authorized agent and to empower them jointly or severally to sign on behalf of the Company. The Board shall also issue a resolution appointing a Secretary of the Board (Secretary).

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

The remunerations of the Board of Directors shall be constituted of the percent ratio provided in the present Articles of Association, in addition to the attendance allowance determined by the General Meeting year to year.

Apart from the Managing Director, the aggregate amounts earned by a Board member in his capacity shall be considered as a lump sum salary to be paid off regardless of the Company's profits or losses, or as an Attendance Allowance and shall not exceed the limit of QR 20,000 [Twenty Thousand]

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

The Board of Directors shall call all Shareholders to attend the General Meeting's meeting. This invitation shall be made by registered mail, and an advertisement in two local daily newspapers issuing in Arabic on the website of the Financial Market and on the website of the Bank at least 15 days prior to the meeting date. The invitation may be delivered by hand to the shareholder against his signature.

The meeting Agenda shall be attached to the invitation along with the documents mentioned in Articles of Association and the Company Auditors Report. A copy of all previous papers shall be sent to the Competent Department (Companies Control Department) at the same time as sent to the shareholders.

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

Each Board member has the right to attend the General Meeting personally or by proxy. Minors and individuals placed under guardianship shall be represented by their respective guardians.

Proxy is permissible for the attendance of General Meeting's meetings provided it is evidenced in writing and provided that the proxy to be himself a shareholder. A shareholder shall not be permitted to delegate a Board member to attend the General Meeting's meeting on his behalf. In all cases, the limit of shares held by a proxy in its capacity as Proxy to a shareholder shall not exceed 5% of the Company's Capital. Save for Juridical persons, each shareholder shall have a number of voting rights equal to the shares held by him within, however, a maximum of 25% of the stated votes represented in the meeting. The Board of Directors also guarantees the shareholder the right to obtain information that preserves its rights in a way that does not conflict with the interests of the company and the rights of the other shareholders.

### **Chapter Four**

#### **The General Meeting**

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

The Chairman, his Deputy or the Executive commissioned by the Board of Directors for that purpose shall assume the presidency of the General Meeting meetings. If the said fails to attend the meeting, the General Meeting shall appoint from the Board of Directors members or shareholders a chairman for this meeting. The Assembly shall appoint a rapporteur for the meeting. If the General Meeting is considering a matter relating to the meeting chairman, ... the General Meeting shall select the chairman from the shareholders. The Chairman shall appoint a secretary and two auditors for the segregation of the votes, provided such an appointment is consented by the Board of Directors.

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

The Ordinary General Meeting shall convene at least once a year, throughout the four months following the end of the Company's financial year in the place and on the date designated in the invitation notice for such a meeting. The main objects of the meeting shall be:

1. Hearing the Board of Directors 'Report on the Company's activities and financial position during the year.
2. Hearing the Auditors' Report on the Company's financials and on the accounts submitted by the Board of Directors.
3. Ratification of the Company's financials and the Profit & Loss Account Statement.
4. Sanctioning the Dividends that shall be distributed to shareholders.
5. Considering the discharge of Board members.

6. Electing members of the Board of Directors.
7. Appointing the Company's Auditors and determining their fees for the following fiscal year.
8. Hearing the Report of the Sharia Supervisory Committee.
9. Discuss and approve the Governance Report
10. Discussing any other proposals listed by the Board in the meeting agenda.

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

Voting in the General Meeting's meeting shall be on absolute majority basis. Secret vote must be conducted if the resolutions to be taken pertain to the election, destitution of Board members or laying claims against any of them, or if the Chairman or a number of shareholders representing one tenth of the attending votes so request.

Board members shall not participate in the voting on the General Meeting's resolutions related to the determination of their wages or remunerations or relieving their obligations and discharging them from their management responsibilities.

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

The Ordinary General Assembly shall be held at the Company's Headquarters, at least, once a year during the four months following the end of the Company's fiscal year. In addition, the Board of Directors may invite the Ordinary or Extraordinary General Assembly, whenever, the need arises. Furthermore, it shall invite them to hold a meeting, whenever, requested by the Auditor or a number of shareholders representing not less than ten (10) percent of capital in case of the Ordinary General Assembly, and a number of shareholders representing not less than twenty-five percent (25) of the Company's capital in incase of the Extraordinary General Assembly, in accordance with the procedures prescribed by Law and governing Regulations

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

The Auditors may, in cases of extreme necessity, call for a General Meeting. In such a case, Auditors shall themselves lay the meeting Agenda. Copies of that agenda shall be sent, simultaneously, to the Company's Control Department and to shareholders.

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

A General Meeting shall be considered as legal if 50% at least of the Company's capital is represented in the meeting. If such a quorum is not satisfied, a second meeting should be called for during the next 15 days upon an invitation in accordance with the provisions of Article (33) of this Law at least three days prior to the proposed date for such a meeting.

Such a second meeting shall be considered as legal regardless of the number of shares represented therein. General Meeting's Resolution shall be issued on absolute majority of the shares presented in the meeting. For the meeting validity, invitation shall be directed to the competent department (Corporate Control Department) to send a representative to attend the

meeting, as well as the auditor shall appear and Qatar Central Bank shall also be invited to the meeting as an observer.

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

The General Meeting shall only deliberate on the issues listed in the meeting Agenda. Nevertheless, it may discuss serious matters that may arise during the deliberations or if a specific issue is included in the Agenda on the request of a number of shareholders representing at least 10% of the Company's capital.

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

Resolutions of the General Meeting issued in compliance with these Articles of Association shall be binding to all shareholders, even if absent or disagreeing. The Board of Directors shall implement them as soon as they are issued and a copy thereof shall be submitted to the Department within fifteen days from the date of issue.

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

Resolutions on the following issues shall only be taken in Extraordinary General Meeting meetings:

- 1) Alteration of the Company's Memorandum or Articles of Association,
- 2) Increase or decrease of the Company's capital,
- 3) Extension of the Company's term,
- 4) Dissolution, liquidation, transformation of the Company's activity or merging it with another Company or acquisition thereof.
- 5) Selling the whole project for which the Company has been established or disposal of the same in any other way.

Any of the above resolutions must be noted in the Commercial Register if approved. Notwithstanding the above, the General Meeting may not make any changes in the Articles of Association of the Company which may result in increasing the shareholders' financial obligations or amending the basic objectives of the Company or its nationality or transferring its headquarters to another country. Any provisions to the contrary shall be invalid. The Extraordinary General Meeting shall meet in accordance with the provisions of the Companies Law.

## **Chapter Five**

### **Auditor**

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

The Company shall have one or more Auditor(s) to be appointed by the General Meeting which shall determine their fees. The General Meeting may renew its appointment to the same Auditor(s) for a maximum term of five consecutive years.

The Auditor must be recorded in the Auditors Register pursuant to the provisions of Law regulating the Auditors' profession and must have practiced auditing for a minimum of ten years and shall carry out its business in a manner that does not violate the Companies Law.

## **Chapter Six**

### **Inventory- Closing Account**

#### **Reserve- Dividend**

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

The financial year of the Company shall begin on the first of January and shall end on the thirty first of December of each calendar year. The first fiscal year shall, however, include the period from the Company's Date of Incorporation up to the end of the next fiscal year.

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

Upon the consent of competent department (Corporate Control Department), the Company shall issue semi-annual financial reports that shall be published in the daily newspapers issued in Arabic to inform shareholders, provided such reports to be revised by the Company's Auditors.

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

At least two months prior to the General Meeting's annual meeting, the Board of Directors shall submit to the Auditors, a statement on the Company's financials, Profit & Loss Accounts, a report on the Company's performance over the expired fiscal year and its financial position. All said documents must be signed by the Chairman and a Board member.

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

Annual Net Profit of the Company shall be distributed as follows after deduction of the General and Other Expenses, as follows:

1. Firstly, the equivalent of 20% of the Profit is allocated for the Statutory Reserve. Such a deduction is automatically suspended whenever the total of this reserve becomes equal to the Company's total nominal capital. Deduction is resumed whenever such a reserve suffers any shortage.
2. Secondly, a minimum of 5% of the capital shall be deducted for distribution to shareholders, as a first batch of the distributable profit. If in any year however; results do not permit such a distribution, shareholders may not claim it from the profits of any subsequent years.

3. Thirdly, a maximum of 5% of the balance is allocated to the Board of Directors' remuneration. The remaining amount is either redistributed to shareholders as an extra dividend, brought-forward to the following year upon a proposal from the Board of Directors or, shall be allocated as a provision for the constitution of a non-statutory capital or a depreciation reserve.

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

Reserve funds shall be utilized in the channels decided by the Board of Directors.

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

Dividends are paid to shareholders at the place and on the dates specified by the Board of Directors.

### **Chapter Seven**

#### **Disputes**

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

Without prejudice to the legally established shareholders rights, disputes affecting the Company's public and common interests against the Board of Directors, or one or more of its members, shall be raised only in the name of the whole shareholders upon a General Meeting's resolution.

Any shareholder wishing to raise such a dispute must notify the Board of Directors at least one month prior to the date of the following General Meeting's meeting. The Board must enroll such a proposal in the General Meeting's meeting Agenda.

Should the proposal be rejected by the General Meeting, it may not be submitted again in any other shareholder's name. If accepted, then the General Meeting shall be bound to commission one or more delegate(s) to handle the case.

#### **Article (52)**

The Stock Company shall cease to exist in any of the following events:

1. Expiry of term specified to the Company, unless extended as provided in the present Articles.
2. Completion of or, impossibility to achieve the purpose for which the Company has been established.
3. All shares titles having been transferred to a number of shareholders less than the minimum number required by Law.
4. Issue of a Court judgment to dissolve the Company or declare it as bankrupt.
5. The Company merging with another Company or corporation.

6. If shareholders unanimously decide an early dissolution, unless the Company's Memorandum of Association stipulates a specific majority in that respect.
7. Depreciation of all or most of the company's funds, so that the remaining thereof cannot be invested in a worthwhile investment.

## **Chapter Eight**

### **Dissolution- Liquidation of the Company**

#### **Article (53)**

In case losses of the Company are up to 50% of its capital, the Board of Directors shall call for an extraordinary General Meeting to decide whether the case implies a premature winding-up of the Company, reducing its capital, or any other proper action.

Should the Board of Directors not invite Extra-ordinary General Meeting due to lack of quorum, or in case the General Meeting refuses dissolution, or if a resolution to this effect cannot be taken for any reason, then each shareholder or interested party shall have the right to apply to the Civil Court requesting the dissolution of the Company.

#### **Article (54)**

Upon the expiry of the Company's term or, in case of a premature dissolution upon a General Meeting's resolution, the General Meeting shall, whether in an ordinary or extraordinary meeting, determine the form of dissolution and shall appoint one or more liquidator(s) and define their authorities. In case a resolution to this effect cannot be reached, the Court shall then appoint the liquidators and the Board of Directors' power shall cease upon such an appointment. The General Meeting' authority shall continue in effect during the liquidation period until liquidators are discharged of their custody.

## **Chapter Nine**

### **Conclusive Provisions**

#### **Article (55)**

A committee named «The Sharia Supervisory Board» shall be constituted of three or more members selected from Islamic Sharia Scholars. This Sharia Board shall be commissioned to extend its advisory services and ensure supervision over all the matters pertaining to the application of Islamic Sharia principles.

#### **Article (57)**

The Company may seek the assistance of an advisory board of experts selected by the Board of Directors. Such experts shall be entitled to attend the Board of Directors meetings if so invited, without having, however, the right to participate in any voting.

**Article (58)**

The Board of Directors shall be commissioned to lay a chart for the establishment of a «Zakat» Fund to be reporting to the Company. Said Fund shall have independent management and accounts. The purpose of said Fund shall be to collect «Zakat» from shareholders and depositors and spending it in compliance with Islamic Sharia principles. The Board of Directors shall prescribe the rules and regulations governing the administration of the Fund.

**Article (59)**

The provisions of the Commercial Companies Law No. (11) of 2015 shall apply to all that has no specific provision herein. All amendments to this Law shall be regarded as supplementary or amending clauses to this Law.

**Jassim Bin Hamad Bin Jassim Bin Jaber Al-Thani**

Chairman of Qatar Islamic Bank