

FORM (B-1-3)

ARTICLES OF ASSOCIATIONS PUBLIC JOINT STOCK COMPANY LISTED IN FINANCIAL MARKET

PREAMBLE

The company is incorporated as a Public Joint Stock Company in the emirate of....., United Arab Emirates, subject to approval of competent authorities and under trade license No.....issued by the Department of Economic Development in the emirate of..... and the Minister of Economy' Resolution No....., under the Company's Memorandum and Articles of Association dated.....and in accordance with Federal Law No. 8 of 1984 on Commercial Companies and its amending laws;

Whereas, the Federal Law No. 2 of 2015 concerning Commercial Companies, promulgated on 25/03/2015, provides for the cancellation of Federal Law No. 8 of 1984 on Commercial Companies and its amending laws and requires the existing public joint stock companies to amend their respective articles of associations to reflect the provisions of the new law;

On --/---, the Company's General Meeting was held and resolved under a special resolution approving the amendment of the Company's Articles of Association to reflect the provisions of the Federal Law No. 2 of 2015 concerning Commercial Companies, as follows:

PART 1 Article (1) Definitions

In these Articles of Association, the following terms and expressions shall have the following meanings assigned to them respectively, unless the context otherwise indicates:

UAE means the United Arab Emirates;

Commercial Companies Law means the Federal Law No. 2 of 2015 concerning Commercial Companies and any amendment thereto;

SCA means the UAE Securities and Commodities Authority;

Competent Authority means the Department of Economic Development in the respective emirate;

Stock Exchange means the securities market licensed in the UAE by the SCA where the Company's stocks are listed;

Founder means every subscriber to the Company's Memorandum of Association who holds a cash share of capital or provided non-cash shares upon incorporation of the Company;

Board means the Company's Board of Directors;

Corporate Governance means the set of rules and regulations that govern the corporate discipline in relations and management in accordance with the international standards, through defining the roles and responsibilities of the Directors and Senior

Executive Management, taking into consideration the protection of rights of shareholders and stakeholders;

Special Resolution means a resolution that has been passed by a majority of three quarters of the shares represented at the Company's general assembly;

Accumulated Voting means that every shareholder shall have a number of votes equal to the number of shares held by such shareholder who may use such votes for a single candidate to the Board of Directors or divide them among more than one selected candidate, provided that the number of votes given to candidates shall in no way exceed the number of votes held by such shareholder;

Conflict of Interest means where the neutrality of decision-making is compromised by a material or moral personal interest that overlaps or seems to overlap the interest of related parties with the interests of the Company as a whole or when the professional or official capacity is used in somehow to gain a personal benefit;

Control means the ability to influence or control, directly or indirectly, the appointment of majority of directors or resolutions passed by the board or general assembly by holding a certain percentage of shares or under another agreement or arrangement that has the same effect.

Related parties are:

- Board chairman and directors and members of the senior executive management of the Company and any company where any of them holds a controlling share, parent company, affiliates, sister companies or associates of the Company;
- The immediate family members of the chairman, directors or senior executive management members;
- A natural or legal person who was, in the year preceding the transaction, a holder of 10% or more of the Company's shares or a director of the Company, its parent company or affiliates;
- A person who has control over the Company.

Article (2)

Name of the Company

The name of this Company shall be a Public Joint-Stock Company (the "Company").

Article (3)

The Head Office

The head office and legal place of business of the Company shall be in..... The Board of Directors may open branches or offices in the United Arab Emirates and abroad.

Article (4)

Term

The term of this Company shall be (.....) calendar years commencing on the date of registration in the commercial register. Thereafter, the term of the Company shall be renewed automatically for similar consecutive terms unless a resolution of the General Assembly is passed to either extend the term or terminate the Company.

Article (5)

Objects of the Company

The objects of the Company shall be in accordance with the laws and resolutions applicable in the United Arab Emirates.

The objects of the Company are:

- 1.....
- 2.....
- 3.....
- 4.....

The Company may have an interest or participate in any way with other companies, corporations and entities that carry on similar business or which may assist it in achieving its objectives inside or outside the UAE.

The Company may only carry on any business which requires a license from the regulatory body that oversees such business in the UAE or abroad after obtaining such license and providing a copy of the same to SCA and competent authority.

PART 2 **Share Capital**

Article (6) **Issued Capital**

The share capital of the Company shall be AED..... (.....), divided into (....) shares of AED..... (.....) each. All shares of the company shall be of the same class and equal in rights and obligations.

Article (7) **Shareholding**

All shares of the company are nominal and the shareholding of the United Arab Emirates nationals shall not be less than 51% of the capital, while the shareholding of non-nationals may not be more than 49%.

NOTE: Under the GCC Agreement, the Company may amend Article 7 to read as follows: All shares of the company are nominal and the shareholding of the United Arab Emirates nationals, GCC nationals, natural persons or body corporates fully owned by GCC nationals at any time throughout the Company's term shall not be less than 51% of the capital, while the shareholding of non-nationals may not be more than 49%.

Article (8) **Shareholder Liability**

The shareholders' liability for the Company's obligations or losses shall be limited to their respective shares in the Company.

Article (9)

Compliance with Articles of Association and General Assembly's Resolutions

Each share shall confer upon the holder acceptance of the Articles of Association and the general assembly's resolutions. No shareholder may request that the amount they subscribed be refunded.

Article (10) **Indivisibility of Shares**

A share shall be indivisible. However, in the event ownership of a share devolves by inheritance upon several heirs, or was held by several persons, they should select one of them to represent them towards the Company. Those persons shall be jointly responsible for the obligations resulting from the shareholding. If they cannot agree to select their representative, any of them may seek a relief from the competent court for its appointment. The court order shall be advised accordingly to the Company and financial market.

Article (11)
Holding of Shares

Each share provides its respective shareholder with an equal right to a share of the Company's assets at the time of liquidation and a share of profits as illustrated hereinafter and to attend general meetings and vote on any of its proposed resolutions.

Article (12)
Dealing with Shares

The Company shall comply with the laws, regulations and decisions which are applicable in the financial market on which the Company is listed on in relation to issuance and registration of the Company's shares, trading and transfer of those shares and any rights arising therefrom. No transfer of, dealing in or pledging of shares in the Company shall be recognized if such transfer, dealing or pledge would result in contravention of these Articles of Association or rules and regulations issued by the Board of Directors in this regard.

Article (13)
Heirs and Creditors of a Shareholder

Heirs or creditors of a shareholder, may not, for any reason whatsoever, require that seals be placed on the books or assets of the Company nor require that they be distributed or sold as a whole because of the impossibility of division, nor can they interfere in any manner whatsoever in the management of the Company, and upon the exercise by them of their rights they must rely on the inventories of the Company, its final accounts, and the resolutions of the General Assembly.

Article (14)
Capital Increase or Reduction

- a. Subject to approval of SCA and competent authority, it shall be permissible to increase the capital of the Company by issuing new shares at the same nominal value as the original shares or adding an issuance premium to the nominal value of the share. The capital may also be reduced.
- b. It shall not be permissible to issue new shares at less than their nominal value, and if they are issued at a great value, the difference shall be added to the statutory reserve even if such reserve thereby went beyond the half capital of the company.
- c. An increase or reduction in the share capital shall be by resolution of the General Assembly of the shareholders and upon a proposal of the Board of Directors. After the report of the auditor of accounts has been reviewed in the case of any reduction, and provided that in the event of increasing the capital, the amount of such increase as well as the share issuance price shall be stated. In the event of a reduction, the amount thereof and the manner of its implementation shall be stated.

d. Shareholders shall be given the priority to subscribe to the new shares. The rules governing the subscription to the original shares shall apply to subscription to the new shares. The following shall be excluded from the priority right to subscription to the new shares:

- i. **Admit a strategic partner** that would benefit the Company and increase its profitability;
- ii. **Convert the Company's cash debts** payable to the Federal Government, local governments, authorities, public organizations in the UAE, banks and financial institutions into shares in the Company;
- iii. **Set up an employee incentive scheme** to encourage outstanding performance and increase the Company's profitability;
- iv. **Convert the securities or bonds** issued by the Company into shares therein;

In all cases, the SCA approval should be obtained and the SCA requirements should be met.

Article (15)

Shareholder's Right to Access to the Company's Books and Records

A shareholder shall be given access to the Company's books, records and any documents relating to any transaction concluded by the Company with any related party with the permission of the Board or by a resolution from the General Assembly.

PART 3 **LOAN DEBENTURES**

Article (16)

Issuance of Loan Debentures and Sukuk

Subject to SCA approval, the Company may, by a special resolution to be passed by the General Assembly, resolve to issue varied loan debentures or Islamic sukuk, and to determine the conditions of issue thereof, and the extent of their convertibility into shares. It may also issue a decision authorizing the Board of Directors to determine the date of issuance of debentures or sukuk, provided that such date will not be later than one year from the date of authorization approval.

Article (17)

Trading of Debentures or Sukuk

- a. The Company may issue tradable debentures or sukuk whether convertible or unconvertible into shares in the Company with equal values for every issue.
- b. Debenture or sukuk shall be nominal and no bearer debentures or sukuk may be issued.
- c. Debentures or sukuk issued for a single loan give their holders equal rights. Any provision to the contrary shall be null and void.

Article (18)

Convertible Debentures or Sukuk

Debentures or sukuk may only be converted into shares under written agreements, issue documents or prospectus. If the conversion is decided, the holder of debenture or sukuk shall have the sole right either to accept the conversion or collect the nominal value of the debentures or sukuk, unless the agreements, issue documents or

prospectus include the mandatory conversion, in which case the debentures or sukuk shall be converted upon prior approval of both parties upon issuance.

PART 4 **THE BOARD OF DIRECTORS OF THE COMPANY**

Article (19)

Management of the Company

- a. The management of the Company shall be vested in a Board of Directors comprised of (...) Directors who shall be elected by the general assembly by secret ballot using the cumulative voting procedure.
- b. In all cases, the majority of the Directors, including the Chairman must be United Arab Emirates nationals.

Article (20)

Director's Term of Office

- a. Each member of the Board of Directors shall be appointed for a term of three (3) years, and upon the expiration, the Board of Directors shall be reconstituted. It shall be permissible to elect the members whose tenure has expired.
- b. The Board of Directors of the Company may appoint members to positions which become vacant during the year; such appointment must be presented to the ordinary general assembly at its first meeting for confirmation of their appointment or to appoint others.
- c. Except for the directors appointed by federal or local government under its contribution to the Company's capital under Article 148 of the Commercial Companies Law, if the number of positions becoming vacant during the year reaches one quarter of the number of Directors or more, the Board of Directors must invite the general assembly to convene within thirty (30) days from the date of the last vacancy, in order to elect persons to fill the vacant positions. In all cases, the new Directors shall complete the term of his predecessor.
- d. The Company shall have a Board's rapporteur. The rapporteur shall not be a director.

Article (21)

Appointment of Directors by the General Assembly

Notwithstanding the mandatory mechanism for nomination for the Board membership, which should precedes the General Assembly's meeting to be held to elect the directors in accordance with Article 144.2 of the Commercial Companies Law, the General Assembly may appoint a number of qualified directors, other than the shareholders, subject to not exceeding one quarter of the number of directors as defined in the Articles of Association, in any of the following cases:

- a. Unavailability of the required number of candidates during the period of nomination to the Board, resulting in a shortage in the number of directors from the required minimum;
- b. The appointment of directors to vacancies is approved by the Board; or
- c. The directors resigned in the General Assembly's meeting and a provisional board has been appointed to run the Company, pending the opening of nomination to the board's membership.

Article (22)
Nomination Requirements

A candidate to the Board shall provide the Company with:

1. Biography that shows the practical experience, qualification and the capacity for which he/she runs (executive/non-executive/independent).
2. Declaration of compliance with the provisions of the Commercial Companies Law, its executive resolutions and the Company's Articles of Association, and that he/she will take the due diligence of a wise man in performing his/her duty.
3. List of companies/corporations where he/she works or acts as a director and also any business carried out directly or indirectly that may be competitive to the Company.
4. Declaration that the candidate is not in violation of Article 149 of the Commercial Companies Law.
5. In case of representatives of a legal person, an official letter from the legal person should be provided to list the names of its candidates for the Board membership.
6. List of commercial companies in which he/she holds a share or interest and number of shares held by him/her.

NOTE: the below item shall be added if the Articles of Association require a director or his representative to hold a share in the Company's capital.

7. A statement that shows the number of shares held by the director or his/her nominee in the Company and a declaration that the director shall not sell such shares during his/her tenure and shall notify the financial market that he/she will only deal with such shares in any way of transfer after expiry of his/her tenure or resignation and provide the market with a letter from the SCA to that effect.

Article (23)
Election of Chairman and Deputy Chairman

- a. The Board of Directors shall elect from amongst the Directors a Chairman and a Deputy Chairman. The Deputy Chairman shall assume the role of the Chairman in his absence or if he is unable to act.
- b. The Board of Directors may appoint a Managing Director from amongst the Directors and whose powers and remuneration shall be specified by the Board of Directors. The Board of Directors may also form from amongst the Directors one or more committees, to which it may delegate some of its own powers or entrust such committees with the power to monitor the progress of work at the Company and to implement the resolutions of the Board.

Article (24)
Powers of the Board of Directors

- a. The Board of Directors shall have all the powers and rights to perform all acts and things on behalf of the Company as the Company may be permitted to do for the management of the Company, and to engage in all actions and exercise all the necessary powers to achieve its objects. Such powers and actions shall not be limited except as provided by the Commercial Companies Law, and these Articles of Association as powers to be exercised by the general assembly exclusively.

- b. The Board of Directors shall lay down the rules relating to the administrative and financial matters, employee affairs and their entitlements, and shall likewise lay down regulations governing its business and meetings, and the distribution of functions and responsibilities amongst Directors.

NOTE: An item may be added in relation to conclude loan agreements for more than 3 years, make reconciliation and arbitration agreements, as follows:

- c. The Board of Directors shall be authorized to make loans for more than 3 years, sell the Company's property or store, mortgage the Company's movable or immovable property, discharge the debtors of their obligations, make reconciliation or agree to arbitration.

Article (25)

Representation of the Company

- a. The Chairman of the Board of Directors, the Deputy Chairman or any Director duly authorized by the Board shall individually have the right to sign on behalf of the Company to the extent provided in Board resolutions.
- b. The Chairman of the Board of Directors shall be the legal representative of the Company before courts and third parties.
- c. The Chairman of the Board of Directors may delegate part of his powers to any Director.
- d. The Board of Directors may not absolutely authorize the Chairman in all of their powers and responsibilities.

NOTE: The Company may replace the word "Chairman" in item (b) of this Article with "General Manager" or "Chief Executive Officer".

Article (26)

Venue of Board Meetings

The Board of Directors shall hold its meetings at the Company's head office or at any other place approved by the Directors.

Article (27)

Quorum for Board Meetings and Voting on Resolutions

- a. A meeting of the Board of Directors shall not be valid unless attended by a majority of the Directors in person. A Director may authorize any other Director to vote on his behalf, and in this case the latter shall be entitled to two votes. A Director may not represent more than one other Director and the number of Directors who are present in person may not be less than the half of the number of Directors.
- b. Remote voting shall not be permitted. A representing Director shall vote on behalf of the absent Director in such manner as stated in the proxy instrument.
- c. Resolutions of the Board of Directors shall be adopted by a majority of the members present, in person or by proxy. In the case of a tie, the Chairman or acting Chairman shall have a casting vote.
- d. Details of discussions made and resolutions taken, including any objections or other opinions expressed by the Directors in the minutes of the meetings of the Board of Directors. Draft minutes of the Board meetings shall be signed by all present Directors before they are approved. Copies of such minutes must be sent to the Directors for their safekeeping. Such minutes shall be kept with the secretary of the Board of Directors. If a Director refuses to sign, he/she shall

record his/her objection in the minutes and give the reasons for such objections, if any. The signatories to the minutes shall be responsible for the accuracy of the information contained therein. The Company shall comply with the SCA's regulations in that regard.

- e. Subject to the SCA's procedures and regulations in that regard, participation in the Board meetings of the Company may be made using modern technologies.

Article (28)

Board Meetings and Calls for Convention

1. The Board of Directors shall convene at least 4 times in the fiscal year.
2. The meeting shall be upon a written invitation from the Chairman or at a written request made by at least two directors. The invitation shall be made at least one week before the meeting date and shall specify the agenda.
3. If a director is absent from the Board meetings three consecutive times or five non-consecutive times during the Board's tenure without an excuse acceptable to the Board, such director shall be deemed to have resigned.

Article (29)

Written Resolutions

In addition to the requirement of minimum Board meetings in accordance with Article 28, the Board may, in urgent circumstances, adopt resolutions in writing by circulation. Such resolutions shall be valid and effective as if they had been adopted at a meeting duly convened and held, subject to the following:

- a. the resolutions by circulation do not exceed four times per year;
- b. the majority of the Directors agree that the case entailing a resolution by circulation is urgent;
- c. the resolutions are delivered to all the Directors in writing and accompanied by all the supporting documents and papers as necessary for reviewing; and
- d. Any resolution by circulation must be adopted in writing by majority of the Directors and must be submitted at the next Board of Directors' meeting to be included in the minutes of such meeting.

Article (30)

A Director's Engagement in Competitive Business

Unless with the approval of the Company's General Assembly to be annually renewable, no Director may engage in any business that would compete the Company or trade for his/her own account or for third parties in an activity carried out by the Company. Such director may not disclose any information or data belonging to the Company. Otherwise, the Company shall have the right to claim such director for compensation or consider the profitable business carried out by the Director as if it was done for the account of the Company.

Article (31)

Conflict of Interests

- a. Any Director who has a personal interest in any business or matter presented in the Board for discussion or approval must disclose such interest to the Board, and this must be recorded in the minutes. Such Director may not vote on the resolution pertaining to the relevant business or matter.

- b. If the Director fails to notify the Board as per item (a) of this Article, the Company or any shareholder may apply to the competent court to invalidate the contract or require the violating Director to pay any profit or benefit gained from such contract.

Article (32)
Loans to Directors

1. The Company may not furnish loans to any Director nor make or provide any guarantees relating to any loans given to the Directors. In accordance with the Commercial Companies Law, any loan extended to the Director's spouse, children or any relative until the second immediate family shall be considered as loan extended to the Director himself.
2. No loan may be extended to a company where the Director, his/her spouse, children or any relative until the second immediate family holds more than 20% of its capital.

NOTE: In case of commercial banks and financial institutions, the above text shall be modified as follows: "Subject to Federal Law No. 10 of 1980 concerning the Central Bank, Monetary System and Regulation of Banking Profession, as amended, and all regulations, resolutions and circulars issued by the UAE Central Bank, the Company may not furnish loans, advances or credit facilities to its directors, managers or equivalent nor make or provide any guarantees relating to any loans given to them, unless with a prior permission from the Board of Directors. Such permission is to be renewed each year. This prohibition does not include rebate of commercial bonds, guarantees or letters of credit."

Article (33)
Dealing of Related Parties with the Company's Securities

No related party may utilize any information that comes to his/her attention by virtue of being a Director or officer in the Company to gain a benefit of whatsoever as a result of dealing in the Company's securities or other transactions. A related party may also not have any direct or indirect interest with any person carrying out transactions intended to make impact on the rates of the Company-issued securities.

Article (34)
Transactions with Related Parties

The Company may only hold transactions with related parties with the approval of the Board of Directors and in a maximum of 5% of the Company's capital and with the approval of the General Assembly in any transaction that exceeds such percentage. In all cases, the transactions shall be assessed by an assessor approved by the SCA. The report of the Company's auditor shall include a list of dealings that involve conflict of interest and financial transactions done between the Company and any related party and the actions taken in that regard.

Article (35)
Appointment of CEO or General Manager

The Board of Directors may appoint a CEO, one or more general managers or authorized agents and determine their powers and conditions of their services, remuneration and rewards. A CEO or General Manager of the Company may not be a CEO or general manager of any other public joint stock company.

Article (36)
Directors' Liability for the Company's Obligations

- a. The Directors shall not be personally liable for the Company's obligations resulting from them acting as Directors; to the extent they do not exceed the limits of their powers.
- b. The actions taken by the Board of Directors within their powers shall be binding upon the Company. The Company shall be liable to remedy any damage resulting from any illegal acts by the Chairman and Directors.

Article (37)

Liability of Directors towards the Company, Shareholders and Third Parties

- a. The Directors shall be liable towards the Company, shareholders and third parties for all acts of fraud, abuse of authority and any violations of the Companies Law and these Articles of Association as well as mismanagement. Any provision to the contrary shall be null and void.
- b. Liability of the directors referred to in the previous paragraph of this Article shall be jointly if the mismanagement resulted from a unanimous resolution of the Directors. However, where the relevant resolution was adopted by a majority vote, the dissenting Directors shall not be liable provided that they have recorded their objection in the minutes of the meeting. A Director who was absent from the meeting in which the resolution was adopted shall not be relieved from liability unless it can be proven that he had no knowledge of the resolution or that he knew about the resolution but had not been able to object to it.

PART 5
GENERAL ASSEMBLY

Article (38)
Meetings of General Assembly

- a. The Company's General Assembly shall be convened at the emirate of..... and each shareholder shall have the right to attend a general assembly and shall have a number of votes equivalent to the number of his shares. A shareholder may authorize another person who is not a Director to attend the general assembly on his behalf. Such authorization shall be considered valid if it confirmed by a special written proxy. The number of shares held by the representative as a proxy for several shareholders may not exceed 5% of the Company's share capital, and incapacitated shareholders shall be represented by their legal representatives.
- b. A corporate person may delegate to a representative or those in charge of its management pursuant to a resolution of its board of directors or its equivalent the power to represent such corporate person in a general assembly. The authorized person shall have such powers as determined in the authorization resolution.

Article (39)
Notices of General Assembly Meetings

Notice to the shareholders to attend meetings of the general assembly shall be published in two daily newspapers published in the United Arab Emirates and at least one of which must be in the Arabic language, and shall be sent by registered mail or as may be specified by the Authority, at least (15) fifteen days prior to the meeting.

The notice shall include the agenda for such meeting. Copies of the invitation documents must be provided to the SCA and the Competent Authority.

NOTE: The sentence “and to the UAE Central Bank” or “to the Insurance Authority” if the Company is regulated by any of them.

Article (40)

Call for General Assembly Meeting

- a. The Board of Directors shall call for the General Assembly within the four months following the end of fiscal year and at any time as deemed necessary by the Board.
- b. The auditor or one or more shareholders holding at least 20% of the Company's capital may, for serious reasons, apply to the Board of Directors for convening the General Assembly. In which case, the Board shall call for a general assembly within 5 days after the date of such application.

Article (41)

Powers of Annual General Assembly

The Company's annual general assembly shall consider and take decision in the following matters in particular:

- a. The Board of Directors report on the Company's activity and financial position within the year, the auditors' report and Sharia Supervisory Board report, if the Company carries out its activity according to Sharia principles, and approve them;
- b. The Company's balance sheet and account of profits and losses;
- c. Elect members of the Board of Directors, when necessary;
- d. Appoint members of the Sharia Supervisory Board, if the company carries out its activity according to Sharia principles;
- e. Appoint auditors and determine their fees;
- f. Board of Directors proposals for profit distribution, either cash dividends or grant shares;
- g. Board of Directors' proposal on Directors' remuneration and specify it;
- h. Discharge the Directors' liability or remove them and decide to initiate proceedings against them, as the case may be; and
- i. Discharge auditors' liability or remove them and decide to initiate proceedings against them, as the case may be.

Article (42)

Registration of Shareholder attendance at General Assembly Meetings

- a. Shareholders who desire to attend a general assembly shall register their names in the electronic register prepared by the Company for this purpose in the meeting venue enough time before the meeting.
- b. The shareholder register should include the name of shareholder or his representative, number of shares he holds, number of shares he represents, names of their owners, in addition to submitting the proxy instrument. The shareholder or his representative shall be given a card to attend the meeting, in which the number of votes he is entitled to personally or through proxy.
- c. A printed summary of the number of shares represented during the meeting and attendance percentage shall be extracted from the shareholder register. The summary shall be signed by the meeting secretary, chairman and the Company's auditor. A copy shall be delivered to the auditor representing SCA

and another copy shall be attached to the minutes of the general assembly meeting.

- d. Registration for attending the general assembly meeting shall be closed when the meeting chairman announces the existence or absence of the quorum set for the meeting. It may not thereafter be permissible to accept the registration of a shareholder/his proxy for attending such a meeting, nor shall his vote/motion counted in respect of the issues raised therein.

Article (43) **Shareholder Register**

The register of the Company's shareholders who have the right to attend the general assembly meetings and vote on its resolutions shall be in compliance with the system of trading, clearing, settlements, ownership transfer, security keeping and the relevant rules applied in the stock exchange where the Company shares are listed.

Article (44) **General Assembly Meeting Quorum and Voting on Resolutions**

- a. The general assembly shall consider all matters relating to the Company. The quorum at the general assembly meeting shall be achieved when shareholders who hold or represent by proxy no less than (50%) of the Company's capital are present. In the event the quorum is not met in the first meeting, the general assembly shall convene for a second meeting after no less than (5) five days and no more than (15) fifteen days since the date of the first meeting. The postponed meeting shall be valid regardless of the number of attendees.
- b. Except for the resolutions passed by a special resolution as per article (48) of the Article of Association, the Company's general assembly shall pass resolutions by the majority of shares represented in the meeting. The general assembly resolutions shall be binding for all shareholders, whether or not they are present in the meeting during which the resolutions are passed and whether or not they agree to these resolutions. A copy of the resolutions shall be sent to SCA, the stock exchange where the Company shares are listed and the concerned authority according to the controls issued by SCA in this regard.

Article (45) **General Assembly Chairman and Recording Meeting Minutes**

- a. The general assembly shall be chaired by the Company Chairman, or in his absence, by the Deputy Chairman, or in their absence, by any shareholder so elected by the other shareholders by way of voting by any means as determined by the general assembly. The general assembly shall appoint a secretary for the meeting. In the event the general assembly considers a matter relating to the Chairman of the meeting, the general assembly must select a shareholder to chair the meeting during such time. The Chairman shall appoint a vote collection to be approved by the general assembly.
- b. Minutes of general assembly meetings shall be recorded, including the names of present shareholders or representatives, number of shares they hold personally or through proxy, number of their votes, resolutions passed, number of positive and negative votes and a brief summary of the discussions held during the meeting.

- c. The minutes of the general assembly meetings shall be regularly recorded after each meeting in a special record that complies with the controls on which a resolution from SCA is issued. These shall be signed by the general assembly Chairman, secretary, vote collector and auditor. Signatories to the minutes shall be responsible for the accuracy of the information contained therein.

Article (46)

Voting Method

Voting at a general assembly shall be in such manner as specified by the chairman of the meeting, unless the general assembly decides on a different manner of voting. Voting must be by secret ballot using cumulative secret voting procedure if it relates to the election, dismissal, impeachment or appointment of Directors in the cases where this may apply in accordance with the provision of article (21) of the Articles of Association.

Article (47)

Voting of the Director on General Assembly's Resolutions

- a. Directors may not participate in voting on the general assembly's resolutions on exonerating them from liability for management or conferring a private benefit upon them or which relate to a conflict of interest or dispute between them and the company.
- b. Where a director is a representative of a body corporate, the shares of such person shall be excluded. Whoever has the right to attend the general assembly meetings, may not participate in the vote for himself or whom he represents in the matters related to a private benefit or dispute between them and the company.

Article (48)

Passing a Special Resolution

The general assembly shall pass a special resolution on the majority of votes of shareholders who own no less than three quarters of the shares represented in the meeting of the Company's general assembly in the following cases:

- a. capital increase or decrease;
- b. issue loan securities or bonds;
- c. present voluntary contributions for serving society;
- d. company dissolution or integration into another company;
- e. sell the project carried out by the Company or its disposal by any other means;
- f. extend the Company's term;
- g. amend Memorandum or Articles of association; or
- h. the cases where the Commercial Companies Law requires passing a special resolution;

In all cases, in accordance with the provision of article (139) of Commercial Companies Law, the Company's Board of Directors shall obtain the prior approval of SCA and the concerned authority to pass the special resolution, according to which the Memorandum or Article of Association shall be amended before presentation to the general assembly.

Article (49)

Enlisting an item on the Meeting Agenda of the General Assembly

- a. It shall not be permissible for the general assembly to deal with any matter other than those set out in the agenda.

b. With the exception of item (a) of this Article and in compliance with the controls issued by SCA in this regard , the general assembly shall have the following powers:

1. The right to discuss important matter revealed during the meeting.
2. Enlist an additional item in the agenda of the general assembly, in accordance with the controls issued by SCA in this regard, as per a request submitted by SCA or a number of shareholders representing at least (10%) of the Company's capital. The general assembly Chairman shall enlist the additional item before discussing the agenda or presenting the subject to the general assembly, to decide whether or not to add the item to the agenda.

PART 6 **THE AUDITOR**

Article (50) **Appointment**

- a. The Company shall have one or more auditors, appointed by the general assembly upon a recommendation of the Board of Directors. An Auditor must be licensed and registered with the SCA.
- b. Auditors are appointed for a renewable period of one year for a maximum of three consecutive years, and shall audit the accounts of the fiscal year for which he has been appointed.
- c. Auditors shall take over their duties from the end of the general assembly till the end of the following general assembly.

Article (51) **Obligations of Auditors**

Auditor shall:

- a. Comply with the provisions of the Commercial Companies Law, and the implementing regulations, decrees and circulars thereof.
- b. Be independent from the Company and the Board of Directors.
- c. Not be a business partner
- d. Not be a Director or hold any technical, administrative or executive position in the company.
- e. Not be a Business partner, agent or relative (up to second degree) of any incorporator or Director of the company.

Article (52) **Powers of Auditors**

- a. The Auditor shall, at all times, have the right to examine all of the books, records and papers of the Company and other documents, and to request any explanations he deems necessary to perform his duties. He shall likewise have the right to verify the assets and liabilities of the Company. In the event that the auditor was unable to exercise such powers, he shall confirm this in a written report to be presented to the Board of Directors. If the Board of Directors fails to enable the auditor from performing his task, the auditor shall send a copy of the report to SCA, Competent Authority and present the same to the general assembly.
- b. Auditor shall audit the accounts of the company; review the balance sheet and P&L account; review the company transactions with related parties; monitor the

compliance with the provisions of Commercial Companies Law and these Articles; submit a report of such review to the general assembly and copy thereof to SCA and the Competent Authority. When preparing his report, auditor shall ensure:

- Accuracy of the accounting records kept by the company.
- Consistency of the company's accounts with the accounting records.
- c. If no facilitations are provided to the auditor to perform his duties, the auditor shall indicate this in his report and submit the same to the Board of Directors. If the Board of Directors fails to enable the auditor from performing his task, the auditor shall send a copy of the report to SCA.
- d. For the purpose of auditing, subsidiaries and their auditors shall provide such information and clarifications as requested by the auditor of the holding company.

Article (53)
Auditor's Annual Report

- a. The auditor shall present to the general assembly a report containing the particulars provided for in Commercial Companies Law, and indicate in such report and in the balance sheet the voluntary contributions(if any) made by the company for the service of the community during the fiscal year and state the beneficiary entity of such contributions.
- b. The auditor must attend the general assembly, recite his report to the general assembly and indicate any challenges or interventions from the Board of Directors during the performance of his duties. Auditor's report must be independent and objective. During such meeting, auditor shall express his opinion on everything concerning his work, and in particular the balance sheet of the Company, and give his remarks on the accounts and financial position of the company and any violations thereto. The auditor shall be responsible for the accuracy of the particulars set out in his report and each shareholder shall, during the general assembly, have the right to discuss the auditor's report, and to seek clarification from him on the matters contained therein.

PART 7
THE COMPANY'S FINANCE

Article (54)
Company's Accounts

- a. Company shall hold regular accounts in compliance with international accounting principles and standards, that fairly and accurately reflect the profits or losses of the company and its position by the end of fiscal the year. Such accounts shall comply with any requirements under the Commercial Companies Law or the implementing regulations thereof.
- b. Company shall apply the international accounting principles and standards when preparing its interim and annual accounts and selecting divisible profits.

Article (55)
The Company's Fiscal Year

The financial year of the Company shall commence on 1st January and end on 31st December in each year.

Article (56)
Balance Sheet of Fiscal Year

The Balance sheet must be prepared at least one month before the annual general assembly .The Board must also prepare a report concerning the activities of the Company during the financial year, its financial standing as at the end of that year, and the manner in which it proposes that the net profits shall be distributed. A copy of the balance sheet, the profit and loss account, auditor's report, Board of Directors report, and governance report must be sent to SCA attached with a draft of the invitation of the annual general assembly to shareholders to approve the publication of the invitation on daily newspapers, at least fifteen days prior the general assembly meeting.

Article (57)
Optional Reserve for Depreciation and Impairment of Assets

A percentage of the gross annual profits (%) shall be deducted for the depreciation of the Company's assets or impairment. These amounts shall be disposed of in accordance with a resolution by the Board of Directors, and may not be distributed to the shareholders.

Article (58)
Profits Allocation

The net annual profits of the Company shall, after the deduction of all general expenses and other costs, be distributed as follows:-

- a. Ten per cent (10%) is deducted and allocated for the statutory reserve account. Such deduction may be ceased if the statutory reserve reaches at least one half of the paid up share capital, and if the reserve becomes less than one half of the paid up share capital, deduction shall be proceeded.
- b. The remaining net profits shall be distributed among shareholders or carried forward to the next year upon a recommendation of the Board of Directors, or allocated to create a voluntary reserve for the following purposes:

Such reserve may not be used for other purposes without a resolution by the general assembly of the company.

- c. After deducting depreciations and statutory reserve, a percentage not exceeding 10% shall be deducted from the net profit for the ending year for the remuneration of the Board of Directors. Any sanctions that may be imposed against the company by SCA or the Competent Authority resulting from any violations to the Commercial Companies Law or to the Articles of Association for ending year shall be deducted from such remunerations. General assembly may refuse to deduct all sanctions or part thereof if it is satisfied that such sanctions are not resulted from any omission or failure from the Board of Directors.

Article (59)
Use of Voluntary and Statutory Reserve

The voluntary reserves shall be dealt with as may be resolved by the Board of Directors in such ways to achieve the interests of the Company. The statutory reserve may not be distributed to the shareholders. However, the surplus exceeding one half of the paid up capital may be used to distribute dividends to the shareholders in the years in which the Company does not achieve net profits for distribution, provided

that such distribution shall not exceed (...) of the statutory reserve surplus amounting (%50) of the issued share capital of the company.

Article (60)
Profits of Shareholders

Profits shall be paid to shareholders in accordance with the regulations, decrees and circulars issued by the SCA in this regard.

PART 8
DISPUTES

Article (61)
Time Limitation

No resolution of a general assembly releasing the Board of Directors of liability shall result in the lapse of any claim of civil liability because of mistakes committed by any of them in exercising their functions, but if the act giving rise to liability has been placed before and approved by the general assembly, the claim of liability shall lapse upon the expiration of one year from the date of the convening of the general assembly. Nevertheless, if the act attributed to the Directors amounts to a criminal offence, the claim of liability shall not lapse unless the criminal liability suit ceases to be effective.

PART 9
DISSOLUTION AND LIQUIDATION OF THE COMPANY

Article (62)
Dissolution of the Company

The Company may be dissolved for any of the following causes:

- a. The expiration of the specified duration of the Company, unless it is renewed in accordance with the rules set out in these Articles;
- b. The expiration of the objects for which the Company was established; or
- c. Loss of all or substantial part of the company funds that make the investment of the remaining funds unfeasible.
- d. Merger under the provisions of Commercial Companies Law.
- e. The term of the Company is terminated by a Special Resolution of the general assembly.
- f. A Court order is issued to dissolve the company

Article (63)
Loss of Half of Share Capital

In the event the Company's losses reach half of the issued share capital of the Company, the Board of Directors must, within thirty (30) days of the date of disclosure of the Company's interim or annual financials to the Authority, invite the general assembly to convene to adopt a Special Resolution to dissolve the Company before the expiry of its term or its continuation.

Article (64)
Liquidation

Upon the expiration of the duration of the Company or in the event that it is dissolved prior to the specified term, the general assembly shall, upon the request of the Board of Directors, determine the manner of liquidation and shall appoint one or more liquidators and determine his/their powers, and the authority of the Board of Directors shall end upon the liquidation of the company. However, the Board of Directors shall remain in office and shall be deemed as the liquidators until the appointment of a liquidator, and the authority of the general assembly shall remain effective throughout the liquidation period, until the liquidation is completed.

PART 10 **FINAL PROVISIONS**

Article (65) **Voluntary contributions**

After the lapse of two fiscal years of the date of incorporation and generating profits, the company may, by a Special Resolution, provide voluntary contributions for the service of the community, provided that such contributions do not exceed (%2) of the net profits of the company during the two fiscal years preceding the year when such contributions are provided.

Article (66) **Governance Rules**

The company is subject to Governance Rules, Corporate Discipline Standards and executive resolutions to the Commercial Companies Law. Such rules are an integral part of these Articles and complement it.

Article (67) **Facilitating Regular Inspections made by SCA Inspectors**

Board of Directors, CEO, directors and auditors shall assist the inspectors assigned by SCA; provide them with all required data and information and grant them access to all business, books, documents or records kept by any branch, subsidiary or auditor of the company, whether in UAE or abroad.

Article (68) **Contradiction**

If the provisions set forth herein are contradictory with the provisions of Commercial Companies Law or the implementing regulations, decrees and circulars thereof, these Articles shall apply.

NOTE: If the Articles of Association are executed in Arabic and English languages, the below clarifying item shall be added to the Article above

b. These Articles are executed in Arabic and English Languages. In case of discrepancy, the Arabic version shall prevail.

Article (69) **Publication**

These Articles of Association shall be deposited and published in accordance with the Law.