

**Articles of Association
Of
The Invest Bank PSC 2019**

**As Amended Subject to the Federal Law No. 2 of 2015 on the
Commercial Companies**

First Section Company Establishment

Invest Bank PSC for trading and financing was established in 1975 as public joint Stock Company, in the Emirates of Sharjah subject to Amiri Decree issued by His Excellence the Ruler of Sharjah No. 153/02/1975. Memorandum of Association and Articles of Association (herein after referred to as “Articles”) were concluded by and between the settlers of the Company in accordance with the provisions of the Federal Law No. (2) of 1984 concerning Commercial Companies and its amended laws. Invest Bank PSC was registered in the Commercial Register NO. 61581 in Sharjah Economic Development Department (SEDD).

Subject to the Memorandum of Association and Articles of this Bank, in accordance with the provisions of the Federal Law No. (2) of 2015 concerning Commercial Companies and its amended laws and pursuant to this Articles by and between the stakeholders (herein after referred to as Public Joint Stock Company (PSC) and whereas the Federal Law No. (2) of 2015 concerning Commercial Companies issued on 25/3/2015 provided the abolition of the Federal Law No. (8) of 1984 regarding the Commercial Companies and its amended laws, and committed the public joint stock companies to amend their Articles in accordance with the provisions of the Commercial Companies Act and to take in consideration the Articles Model issued by the Securities and Commodities Authority, whereas the Company’s General Assembly was convened on 29 / 2 / 2016 and approved, according to special decree, the amendment of provisions of Company’s Articles to comply with the provisions of Federal Law No. (2) of 2015 concerning Commercial Companies, as follows:

Recitals

This Company is “Invest Bank” and in all cases, it shall be added to “public joint stock Company” phrase. The legal form of the Company shall be specified in addition to its due capital and number of registration in the commercial register in its drafts, documents and publications.

1 / 1 Several amendments were conducted in accordance with the fundamental decisions of its General Assembly dated on 10 / 2 / 1977, 16 / 4 / 1980, 15 / 3 / 1982, 12 / 4 / 1987, 20 / 6 / 1990, 15 / 2 / 1995, 18 / 2 / 1998, 28 / 2 / 1999, 20 / 2 / 2001, 17 / 2 / 2003, 17 / 3 / 2003, 15 / 2 / 2004, 9 / 2 / 2005, 28 / 2 / 2006, 18 / 2 / 2008, 25 / 3 / 2009, 11 / 2 / 2012, 20 / 2 / 2013, 2 / 3 / 2014, 16 / 2 / 2015 respectively regarding the increasing of its issued and paid capital to (1, 588, 125, 000.00 AED) one billion and five hundred and eighty-eight million and one hundred and twenty-five thousand AED.

1 / 2 on 31 / 1 / 1996, extraordinary General Assembly decided to amend the name of the Company to “Invest Bank” after the central bank approved this amendment in letter No. 13/2409/95 dated 13 / 12 / 1995. It also decided to adopt this Articles to be the Articles of Association of this Bank.

1 / 3 the Company shall apply decree No. (32 / R) of 2007 issued by Securities and Commodities Authority concerning the governance controls of public joint stock companies, standards of institutional discipline and any decisions that may be issued to amend or replace it. This decree shall be an integral part of the Articles of the Company and supplementary of it.”

1 / 4 Based on the aforementioned, this Articles was made in accordance with applicable laws and regulations, in particular, provisions of Commercial Companies Act and Banking Act and provisions of this Articles set out below. This recital shall be an integral part of the Memorandum of Association of the bank and its Articles of Association.

Article No. (1)

Terms and meanings mentioned below in this Articles shall refer to:

- 1. State: United Arab Emirates**
- 2. Law: Federal Law No. (2) of 2015 concerning Commercial Companies, and any modification of it.**
- 3. Central Bank: Central Bank of the UAE.**
- 4. Authority: Securities and Commodities Authority.**

- 5. Competent Authority: the competent local authority concerned to affairs of companies in the concerned emirate.**
- 6. Market: Securities and commodities exchanges in which Company's shares shall be incorporated.**
- 7. Board of Directors: Board of Directors.**
- 8. Management: the Executive Management of the Company which shall include General Manager / Executive Director and Chief Executive Officer or Managing Director authorized by the board members and their deputies in Company's management.**
- 9. Independent Director: the Director who does not a member of Executive Management of the Company neither his spouse nor relatives within the latest two years and none of them have had a relation that resulted in a significant financial relationship with the Company. The Director shall not be considered an independent Director in any of the following cases including, but not limited to:**
 - If he is an employee of one of parties related to the Company within the latest two years.**
 - If he is associated with a Company acting in advisory works or providing consultations to the Company or any of the parties associated with it.**
 - If he has made any personal services contracts with the Company or any of the parties associated with it or its Executive Management personnel.**
 - If he is associated with any non-profit organizations that receive significant funding from the Company or any of the parties associated with it.**
 - If he holds an executive position in another Company, the executive employees of the Company shall work in the other Company as Directors.**
 - If he is associated with or works with any of current or last auditors of the Company or with any of the parties associated with it.**

- 10. Executive Director:** the Director who is a full time employee in the management of the Company or receives a monthly or yearly salary from the Company.
- 11. Non-Executive Director:** the Director who is not a full time employee in the management of the Company nor receives a monthly or yearly salary from the Company.
- 12. Companies Governance:** A group of controls, standards and procedures achieving the institutional discipline in the management of the Company subject to international standards and manners by specifying responsibilities and duties of Directors and members of Executive Management of the Company taking into account the protection of shareholder and stakeholder rights.
- 13. Listing Rules:** disclosure rules and requirements set out in the law, regulations, decisions issued hereupon and internal regulations of the market.
- 14. Disclosure Rules:** disclosure rules and requirements set out in the law, regulations and decisions issued hereupon.
- 15. Internal Audit:** processes and procedures undertaken by the Company to verify their compliance with laws, decisions and regulations governing its work.
- 16. Essential Information:** any event or incident or decision or information that may affect directly or indirectly the Securities price or the circulation or have an impact on a person's decision to buy the Securities or keep or sell or dispose them.
- 17. Relatives:** father, mother, husband, wife, children, brothers and sisters.
- 18. Stakeholders:** Each person has an interest with the company, such as shareholders, employees, creditors, customers, suppliers, and potential investors.
- 19. Parent Company:** the company which holds the task of establishing and supervising another company.
- 20. Subsidiary Company:** the company that is owned by at least half the capital of another company.
- 21. Sister Company:** the company that follows the same group that is followed by another company.

- 22. Affiliate Company:** the company associated with another company by the cooperation and coordination contract.
- 23. Cumulative Voting:** this term means that each shareholder shall have a number of votes equal to the number of shares owned, so he shall vote out for one candidate for membership of the Board of Directors or distribute them among the selected candidates, provided that the number of votes granted to the candidates selected by him be the number of his votes in any case.

Conflict of Interest: a situation in which the impartiality of the decision-making is affected because of a physical or moral interest personal that interfere or appear to interfere the interests of related parties with the interests of the Company as a whole or upon the exploitation of professional or official capacity in some way to achieve personal benefit.

Related Parties:

- **Chairman of the Board of Directors, Board of Directors, members of the Senior Executive Management of the Company, employees, companies in which any of those holds shares not less than 30 % of its capital and subsidiary, sister, affiliate companies.**

Article No. (2)

The Company's main headquarters and legal office shall be in the city of Sharjah, Emirate of Sharjah, United Arab Emirates. The Board of Directors may establish branches of this Company in and out of the United Arab Emirates subject to the approvals legally owed. The Board of Directors may appoint agents and correspondents of the Company overseas.

Article No. (3)

The duration of the company is “(50) years commencing on the date of its registration on the Commercial Registry of the concerned

authority". Under a special decision, the duration may be extended or shortened if the purpose of the company so requires.

Article No. (4)

The Purpose of this Company shall be conducting the work of commercial banks and bank processes as defined and specified in accordance with the provisions of the Banking Act and in accordance with the regulations and instructions issued or to be issued from time to time by the Central Bank, and in accordance with the provisions of the Commercial Transactions Law. whereas it is widely known that it shall be considered one of commercial banks works and without prejudice to the generality of the foregoing, the Company shall: -

- A. Receive the funds from the public in the form of demand deposits or pending a notification or for interest or not and open current accounts, savings accounts and others.**
- B. Invest bonds, loans, certificates of deposit to be used in whole or in part in the granting of loans and borrowing for its own account and on its own responsibility and deposit funds in other banks internal or external guaranteed by commercial bonds with specific due amount.**
- C. Open credits, letters of credit and acceptance credits and issue and receive guarantees, warranties, money orders, bills, bonds, checks and implement bank transfers.**
- D. Launch general and private loans.**
- E. Trade in foreign currencies and precious metals.**
- F. Lend, credit, grant banking facilities, and discount commercial bond on or without bail or by ensuring the Securities or mortgage movable and immovable property including lending Company employees.**
- G. Collect of the value of remittances, bills of exchange, financial instruments, bonds, bills and other documents on behalf of clients or third parties.**
- H. Receive subscriptions from the public in the capital of joint stock companies, cash commissions against that, buy, sell stocks, and bonds on behalf of companies or third parties.**

- I. Act as a Secretary, save money, precious metals and objects, bonds, Securities and rent lockers and places for its conservation.**
- J. Conclude a contract with insurance companies to facilitate absolving borrowers.**
- K. Purchase and own real states for necessary for the exercise of its business or for the accommodation of their employees or for their entertainment.**
- L. Conduct any works, banking or commercial processes, services, physical actions or rights that are complementary to or necessary to achieve the purposes of the Company, or be associated with, or related or result in a benefit or profit for the Company lawfully and as the applicable laws and regulations may permit.**
- M. Provide ATM services according to the conditions set by the Company.**

The Company may have an interest or participate in any way with other authorities or companies that engage in similar activities or that may cooperate to achieve its purpose in the United Arab Emirates and abroad. It may have the right to buy those authorities or companies wholly or partially or to make them affiliate to it.

4 / 2 The Company may conduct all transactions and enter into contracts and agreements, including the guarantee contract, mortgage, security and get any benefits or rights in the ownership of real estate (to the extent permitted by the laws and regulations relating thereto) and movable and / or franchises, trademarks, patents, and licenses in order to achieve the objectives mentioned above. It may also purchase shares or loan bonds in Commercial Companies up to 25% of the company's own funds unless it has been obtained by the Company in the form of repayment of a due debt provided that it shall sell what excess that figure within two years from the date of acquisition.

4 / 3 The Company shall exercise its purposes, powers and validities within the United Arab Emirates and abroad.

4 / 4 The purposes and the validities mentioned above shall be explained in its broadest sense and without restriction, and the

company shall have the right to change or modified them from time to time upon a decision of the General Assembly and in accordance with the laws and regulations in force.

**Second Section
Capital of the Company
Article No. (5)**

1.The Authorised Capital of the Company shall be (6,300,000,000 AED) six billion and three hundred million Dirhams.

2.The issued Capital of the Company shall be (3,180,982,143 AED) three billion one hundred eighty million nine hundred eighty two thousand and one hundred forty three Dirhams distributed over (3,180,982,143) three billion one hundred eighty million nine hundred eighty two thousand and one hundred forty three shares with a nominal value of (1) one Dirham for each fully paid share and all of which are cash shares.

Article No. (6)

All of the Company's shares are nominal and negotiable subject to any instructions issued by the Central Bank regarding the ownership of commercial banks. The participation rate of citizens of the United Arab Emirates shall not be less than at any time throughout the duration of the Company's survival 80 % (eighty percent) of the capital of the Central Bank unless the Central Bank put the other ratio.

Article No. (7)

7 / 1 The shareholder shall not be committed with any obligations in the Company except to the extent of unpaid amount - if any - of the shares owned by him. It is not permissible to increase shareholders' obligations without their unanimous approval.

7 / 2 The shareholder shall not be required to refund what it paid for the Company as the price of its shares.

Article No. (8)

If the Company issued fully unpaid shares, it shall fulfill the remaining value of each share during no more three years from the date of issuance of the General Assembly resolution of the Company on approving issuance of shares on dates and in the manner specified by the Board of Directors. These dates shall be declared prior to their due times by fifteen days at least in two local newspapers published in Arabic. The paid amounts shall be registered in the certificates of shares, and all shares shall marked in right way indicating to fulfillment of the amounts payable invalidate share trading.

If each amount payable as a fulfillment to the rest of shares delayed to the deadline, it shall result in a benefit in favor for the Company according to the ratio set by the Board of Directors from the due date to the date of fulfillment of its value. The Board of Directors may dispose of the share by reminding the shareholder with the due payment through a registered letter stating the necessity of the due installment within thirty days. If the shareholder did not fulfill the due installment within this specified period, the Board of Directors shall purchase this share at public auction on behalf of the Late shareholder under his responsibility with no need for a formal alert or any legal proceedings. the price of this share shall fulfill over all creditors premiums the installments not paid, the benefits, expenses and the rest shall be given to the shareholder, if the sale price did not enough, the company may obtain on the rest from to the shareholder's own money.

Article No. (9)

The Company shall follow the laws, regulations, decisions in force in the financial market in which listed regarding the issuance and registration of the Company's shares, trading and transfer of

ownership, mortgaging and any rights resulting thereof. The Company's shares may not be assigned or disposed or encumbered in any way, if such assignment or disposal or mortgage violating the provisions of this Articles or the regulations, rules issued by the Board of Directors in this regard.

Article No. (10)

Company's Capital shall consist of shares of equal value and all the company's shares shall have equal rights and subject to equal obligations. The company may not issue shares granting their owners the privilege of any kind.

Each share shall entitle its owner the right to have an equivalent share of the share of other shareholders without distinction in the ownership of the Company's assets at liquidation and in dividends distributed in the manner specified later and in the presence of General Assembly meetings and vote on its decisions.

Article No. (11)

The share shall not be divided, however if the ownership share has been obtained by inheritance to several heirs or has been owned by multiple persons, it shall be necessary to choose one of them representing them before the Company and such persons shall be jointly responsible for the obligations arising from the ownership of the share.

Article No. (12)

The ownership of the shares shall result in the acceptance of Company Articles and decisions of its General Assembly.

Article No. (13)

The Company shall register shareholders 'names, nationalities, country of residence, shares numbers owned by each of them and the

paid amount of this value in a certain register called “Shares Register” in accordance with controls issued by the Authority and Financial Market in which Bank ‘s shares listed.

Article No. (14)

Without prejudice to any controls or decisions issued by the Authority on the distribution of profits to shareholders in public joint stock companies, the due dividends shall be paid to the last owner whose name is registered in the share register of the Company. This owner shall have the sole right to receive the due amounts of the shares, whether they are stocks in the profits or a quota in the assets of the Company upon liquidation.

Article No. (15)

- A. Selling, assignment, mortgage, disposal, or conducting of the shares of the Company shall be subject to the regulations of selling, purchasing, clearing, settlements and registration followed by the market.**
- B. In the case of the death of a shareholder, his successor shall be the only person that the Company shall agree that it has ownership rights or interest in the shares of the dead person. His successor shall also have the right in dividends and other benefits that the dead person has had. After registering this successor in the Company, it shall have the same right in accordance with the provisions of the rights of this Articles as a shareholder in the Company which was exercised by the dead with respect to these shares. The legacy of the dead shareholder shall not be exempt from any obligation in respect of any shares owned upon death.**
- C. Any person having any share in the Company as a result of death or bankruptcy of any shareholder by a warrant of attachment issued by competent court shall within thirty days:**
 - Provide evidence on this right to the Board of Directors.**

- **Choose either to be registered as a shareholder or appoint someone to be registered as a shareholder in respect of that share.**
- D. The shares shall be indivisible. However, if shareholding is transferred to several heirs or owned by several persons, they shall elect one of them to represent them before the company. If they fail to elect a representative, any one of them may resort to the competent court to be appointed as a representative.**

Article No. (16)

The heirs or creditors of the shareholder may not, by any pretext, request to put seals on the Company's books or property nor may request to divide or sell them in bulk because the dividing shall not be permissible. They shall not intervene in any way in the management Company. They shall rely on the inventories, final accounts of the Company and the decisions of the General Assembly.

Article No. (17)

17 / 1 The funds of the Company may not be restrained because of accumulative debts of one of the shareholders. However, the creditors of the shareholder may restrain its shares and dividends and mark the share in the share register upon legal warrant.

17 / 2 The shares may be encumbered by delivering them to mortgagee creditor and marking mortgage in the share register. The mortgagee creditor shall receive dividends and use rights related to the share, unless otherwise agreed upon in the Mortgage Contract.

Article No. (18)

Taking into consideration that the Company's Capital

- 1. May be increased upon payment of its issued capital in full.**
- 2. The authorized capital may be increased with the consent of the Authority under a special Decision issued by the General Assembly.**

- 3. The Board of Directors may increase the issued capital of the company within the limit of the authorized capital previously approved by the General Assembly, in accordance with such terms laid by the Authority in this respect.**
- 4. The Decision to increase the issued capital shall state the amount of such increase and the price of the new shares issued.**
- 5. If the increase of the capital of the company involves contributions in kind, the provisions related to valuation of the contributions in kind as contained in this Law.**
- 6. If there is no authorized capital, the decision to increase the issued capital may delegate the Board of Directors of the company to determine the date to execute the increase Decision, provided that such date shall not exceed one year from the date of issue thereof, otherwise the Decision shall be deemed void ab initio.**

The capital of the company may be increased by any of the following ways:

- 1- Issue of new shares;**
- 2- Capitalize the reserve; or**
- 3- Convert the bonds or Sukuk issued by the company into shares.**

The shares from increase of the capital of the company shall be issued under a nominal value equal to the nominal value of the original shares. However, the company may under a special Decision, subject to the consent of the Authority, resolve to add a premium to the nominal value of the share and determine the amount of such premium. Such premium shall be added to the legal reserve; even if the reserve exceeds half the capital thereby, and the Board of Directors of the Authority shall issue a Decision determining the method of calculation of the premium.

Without prejudice to the articles No. 223,224,225,227 and 283 from “CCL” 2 of 2015; the shareholders shall have priority to subscribe to the new shares. Any provision to the contrary in the Articles of Association of the company or the Decision to increase the capital shall be void.

Moreover, a shareholder may sell the pre-emption right to another shareholder or to third parties with a material consideration. The

Board of Directors of the Authority shall issue the Decision regulating the conditions and procedures of selling the pre-emption right.

The subscription to new shares shall be governed by the rules of subscription to the original shares.

Nevertheless, The Board of Directors shall publish a summary for the pre-emption rights issue accredited by the Authority in two local daily newspapers, one of them published in Arabic, to notify the shareholders of their pre-emption right in subscription to the new shares.

The new shares shall be distributed to the shareholders who provide applications for subscription to shares, according to the number of shares held by them provided that this does not exceed the requests of each.

The balance shares shall be distributed to the shareholders who provide applications for subscription to shares in excess of the number of shares held by them, subject to Article No.197/2 from "CCL" 2 of 2015 Any balance shares thereafter shall be offered for public subscription, in accordance with such conditions as determined by the Authority.

Under a special Decision, the reserve may be merged in the capital of the company by creating bonus shares to be distributed to the shareholders pro rata to the shares held by each of them, or by the increase of the nominal value of the shares pro rata to the percentage of urgent increase in the capital. The shareholders shall not bear any financial obligation as a result thereof.

In regards the Conversion of Deeds or Sukuk to Shares; The Bonds or Sukuk shall be converted to shares according to the prospectus and conditions as approved by the Authority. The approval by the Central Bank shall be obtained in the event of companies licensed by it.

The capital of the company may not be decreased without the consent of the Authority and issuing a special decision upon hearing the

report of the auditor. The capital may be decreased in either of the following cases:

- 1- If it exceeds the needs of the company;**
- 2- The company suffers such loss that cannot be compensated by future profits.**

The capital may be decreased by any of the following methods:

- 1- To decrease the nominal value of the shares, either by refunding part of its value to the shareholders or to discharge them from the value of the share or any part thereof;**
- 2- To decrease the value of the shares by the cancellation of part of such value equal to the loss incurred by the company;**
- 3- To forfeit a number of shares equal to the amount of the capital decided to be decreased; or**
- 4- To purchase a number of shares equal to the part proposed to be decreased and forfeited.**

The Board of Directors shall, upon decrease of its capital shall follow certain procedures:

- a. Publish an announcement in two daily local newspapers, one of them issued in Arabic, 30 (thirty) days prior to the date scheduled to decrease the capital, provided that the announcement includes the amount of the capital before and after the decrease, the value of every share and the effective date of the decrease. The creditors shall provide to the company such documents in support of their debts within 30 (thirty) days from the date of publication of the announcement.**
- b. That the majority of the Board members of the company at least execute an undertaking on the determined effective date of the decrease, stating that the company is able to pay its debts on that date, or that all the creditors of the company have agreed to the decrease.**
- c. If, upon execution of the undertaking by the majority of the Board members of the company that the company is capable to repay its debts on that date, any of the creditors of the company objects to the decrease and it is established that the company is unable to repay the debts, the members executing the undertaking shall be jointly liable as between themselves to repay the debt of the objecting creditor, to**

be calculated on the basis of the assets, rights and obligations of the company if it were liquidated on the day preceding the date of execution of the undertaking.

d. Any other requirements as decided by the Authority.

However, If the decrease of the capital is by the repayment of part of the nominal value of the shares to the shareholders or discharge of the shareholders to the extent unpaid of the value of the shares or any part thereof, such decrease shall not be effective against the creditors who provided their demands on the date as set forth in clause (A), unless such creditors have received their due debts or obtained the securities adequate for the repayment of the debts not due by then.

The Board of Directors of the company shall, within 5 (five) working days from the effective date of the decision to increase or decrease its capital, enter such decision with the Authority, the competent authority and the registrar.

Article No. (19)

Shareholders shall have the priority right to subscribe to new shares issued in the event of Capital increase and negate each condition otherwise. The Shares shall be distributed to shareholders requesting subscription according to proportion to the shares they own but not more than as requested by each of them and the rest of the shares shall be distributed to shareholders who have requested more than the percentage of shares they own. The remaining shares shall be put for public subscription.

Article No. (20)

Each decision taken by the General Assembly that would prejudice the rights of the shareholder derived from the provisions of the Law or the Company's Articles is null and void.

Third Section Loan Bonds

Article No. (21)

21 / 1 Taking into consideration the provisions of the Commercial Companies Act, the General Assembly of the Company shall decide to issue loan bonds of any kind bonds under a certain decision.

- 1. The decision shall show the total value of the issuance, the value of each bond, conditions of issuance and the extent to which the bonds convertible into shares unless the General Assembly authorized the Board of Directors in determining the date of the issuance of bonds no later than a year from the date of approval of the authorization.**

21 / 2 the bonds shall be nominal or bearer shares and the bond shall remain nominally until its value is fully fulfilled. In case of issuance the bearer shares, it is required that their value shall be paid fully.

Article No. (22)

The following provisions shall be taken into consideration upon issuance of loan bonds:

- 1. The Company may not issue loan bonds before fulfillment the full Capital from the shareholders.**
- 2. The value of the loan bonds shall not exceed the paid Capital according to the latest approved budget unless it is permissible to the Company by its establishment resolution or if the bonds are guaranteed by the state of one of its banks.**
- 3. The bonds that issued on one loan shall grant their owners equal rights without any preference or priority to each other.**
- 4. The Board of Directors may not issue bond with shares unless through a decision by the competent authority.**

Article No. (23)

The decisions of the General Assemblies of the shareholders shall be applied on bondholders, however, the mentioned Assemblies may not adjust assessments set for owners of bonds without the approval

issued by them in their own Assembly in accordance with the provisions set in the General Assembly of the shareholders.

Article No. (24)

The bond may not be converted to shares unless it is required by the conditions of the loans and in accordance with the Article mentioned above.

If the conversion is permitted, the owner of this bond shall choose the acceptance of the conversion or receiving the nominal value of the bond.

Article No. (25)

If a nominal bond is lost or damaged, its owner who is registered in the bondholder register shall request a new instrument instead of it. If the objection is not submitted to the Company within thirty days from the date of publishing, the Company shall deliver the owner a new certificate stating that it is instead of the lost or damaged certificate. The certificate shall grant its bearer all rights and it shall result in all obligations relating to the lost or damaged certificate.

Fourth Section

The Company 's Board of Directors

Article No. (26)

The Board of Directors shall undertake the management of the Company consisting of seven Directors to be constituted in accordance with applicable laws and regulations. the position of Chairman of the Board of Directors of the Company may not be combined with the position of Managing Director. The Majority of the Board of Directors shall be in all cases citizens of the country including the Chairman of the Board of Directors.

Article No. (27)

The Directors of the Board of Directors shall be elected for three years and at the end of this period, the Board of Directors shall be reformed. The Directors whose period is over may be elected again.

The Board of Directors shall appoint Directors in positions that happen to be vacant within a year provided that this position shall be reviewed by the General Assembly in its first meeting to approve appointment of these Directors or to elect others. If the vacant positions exceed the quarter of the Directors of the Board, the remaining Directors shall call the General Assembly to convene within thirty (30) days from the date of the latest vacant position for the election of those who fill these positions.

Article No. (28)

- A. A Director of the Board of Directors shall not be sentenced to death for the crime against the honor or trust unless he has been rehabilitated or pardoned by the competent authorities.**
- B. A candidate for membership of the Board of Directors shall provide for the Company as follows:**
 - 1. CV, explaining the practical experiences and academic qualification together with specifying the capacity of the Director (executive / non-executive / independent).**
 - 2. Admission of its commitment to the provisions of the Commercial Companies Act and its implementing decisions and the Articles of Association of the Company, as well for the Union Law No. 10 for 1980 concerning the Central Bank, Monetary System , and Organization of Banking. and that he will make a careful attention in the performance of its work.**
 - 3. Names of the companies and institutions in which he works or holds a the position of a Director in them as well as any work conducting by him directly or indirectly that may be considered a competition for the Company.**

4. **Acknowledgment of non violation of the Article No. 149 of the Commercial Companies Act as well for the Union Law No. 10 for 1980 concerning the Central Bank, Monetary System , and Organization of Banking.**
5. **In the case of representatives of legal entity, it is required to attach a formal letter from the legal entity specifying names of his candidates' representatives for membership of the Board of Directors.**
6. **Statement of Commercial Companies in which he has a share or participates in its the ownership and the number of shares or stocks in them.**

Article No. (29)

The Board of Directors shall elect from among its Directors a Chairman of the Board of Directors and vice president provided that the Chairman of the Board of Directors shall be a citizen of the country, as well as a majority of the Board of Directors.

The Company's Chairman of the Board shall represent the Company before the courts, it shall implement the decisions issued by the Board, and the Vice President shall act as President in his absence or if he has any excuse.

Article No. (30)

The Board of Directors may appoint one of its Directors as one or more Managing Director in the management. The Board shall determine his powers and rewards. The Board of Directors shall form a committee or more of its Directors to grant it its powers or to assign the supervision of the work continuity in the Company and to implement the decisions of the Board.

Article No. (31)

The Board of Directors shall have all powers to manage the Company and do all the work required for its purpose. This power may not be

restricted unless what is defined by the Companies Act or this Articles or the General Assembly's decisions.

The Board of Directors may hold loan for periods exceeding three years, sell, mortgage real estate of the Company, dissolve the debtors from their obligations, and make a conciliation or arbitration. The board of Directors shall set regulations relating to the administrative and financial affairs, personnel and their financial transactions. It also shall put a private regulation organizing its work and meetings and distributing of competences and responsibilities.

Article No. (32)

The Chairman of the Board of Directors, Deputy Chairman of the Board of Directors, Managing Director or any Director or party authorized by the Board shall individually have the right to sign on behalf of the Company.

Article No. (33)

The board of Directors shall hold its meetings at the head office of the Company or in any other place approved by the Board of Directors at least four (4) times during the fiscal year or as required upon a written invitation from the Chairman or his Deputy in his absence or upon a written request of two-thirds at least. This invitation shall be addressed at least a week ahead of schedule together with the agenda, and each Directors shall have the right to add any subject it deems necessary discussed in the meeting.

Article No. (34)

34 / 1 The Board meeting may not be true unless through the presence of a majority of its Directors. The Director may be represented by other Directors of the Board to vote. In this case, this Director shall have two votes. The Director may not be represented by more than one Director. The number of Directors shall not be less than half of the Directors of the Board attending by themselves. The

voting shall not be permitted by correspondence. The Managing Director shall vote for the absent Director, according to what has been specified in the representation bond.

34 / 2 In addition to the Board's commitment to the minimum number of its meetings mentioned in Article No. (33) of this Articles, it may issue decisions by approving in case of emergency. These decisions shall be considered correct and applicable as if they are made at the meeting duly invited for and hold assets, taking into account the following:

- A. These decisions shall be issued in accordance with the decision of the Authority in this regard.
- B. The cases of decision issuance by approving shall not exceed four times a year.
- C. The approval of the Directors of the Board by majority that the case that calls for the decision is emergent.
- D. All Directors of the Board of Directors shall be delivered the decision in writing for approval accompanied by all the necessary documents for reviewing.
- E. Any decision issued by approving together with necessity to be proposed in the next meeting of the Board shall be approved in writing by the majority to be included in the minutes of the meeting.

The decisions of the Board of Directors shall be issued by the majority of votes of the attending Directors or the representatives. If the votes are equaled, the part of a Chairman or his representative may be approved.

The details of the matters considered or the decisions made shall be registered in the minutes of the Board's Meetings including any reservations of the Directors or any dissenting views they expressed. The copies of these minutes shall be sent to the Directors after accreditation to retain them. The minutes of meetings of the Board of Directors and its committees shall be kept the Board of Directors by a rapporteur Board of Directors. If the Director refuses to sign, he shall prove his objection on the minute and write the reasons of the objection. The signatories of these minutes shall be responsible for the

validity of the information contained therein, and the company shall commit to the controls issued by the Authority in this regard.

It may participate in the meetings of the Board of Directors through modern technology taking into consideration the procedures and controls issued by the Authority in this regard.

Article No. (35)

- 1. The Board of Directors shall hold at least four (4) meetings during the fiscal year.**
- 2. Such meetings shall be held upon a written invitation by the Chairman of the Board of Director or upon a written request submitted by at least two Directors. The invitation shall be given at least one week before the specified date and shall be supported with the agenda of the meeting.**
- 3. In case a Director is absent from three consecutive sessions, or five intermittent sessions, of the Board meetings within the term of the Board of Directors without providing an excuse acceptable by the Board, such Director shall be deemed to have resigned.**

Article No. (36)

The Board of Directors shall have the right to appoint a manager, several managers or authorized agents of the Company and shall define their powers.

Article No. (37)

- A. The Directors shall not be personally responsible for the matters related to the Company's obligations resulting from fulfilling their duties in their capacities as Directors to the extent that they do not exceed the limits of their powers.**
- B. The Company shall be responsible for the works proceeded by the Board of Directors within the scope of its specialization, it shall also claim the remuneration for the damages resulting**

from illegal acts by a chairman and/or a Director in the Company management.

Article No. (38)

- 1. In case it was found that there is a conflict of interest for one of the senior shareholders or a Director regarding a certain issue, it shall be heard by the Board of Directors; and in case the Board of Directors decided that such issue is an essential one, it shall issue its decision in the presence of all Directors and the interested director may not participate in voting on such decision. In exceptional cases, such issues may be handled through committees emanating from the Board of Directors and established for this purpose under a decision by the Board of Directors.**
- 2. In case one of the above-mentioned has defaulted in notifying the Board of Directors in accordance with the provisions of Paragraph (A) of this Article, the Company – or any of its shareholders – may refer to the competent court to terminate the Contract or oblige the defaulting party to pay to the Company any profit or interest achieved by it due to such Contract.**
- 3. The Related Parties shall not make use of the information made available to them due to being Directors or holding a position in the Company for achieving an interest for itself and/or any third parties notwithstanding the results of transacting in the Company's Securities and other transactions. In addition, none of them shall have a direct or indirect interest with any entity conducting operations aiming at affecting the prices of Securities issued by the Company.**
- 4. The Company may only make transactions with the Related Parties upon the approval of the Board of Directors regarding the amounts not exceeding 5% of the Company's capital, and upon the approval of the Company's General Assembly regarding the amounts exceeding 5% of the Company's capital. In all cases, the transactions shall be evaluated by an evaluator**

approved by the Securities and Commodities Authority. The report of the auditor of the Company's accounts shall include a statement of the transactions that conflict with the interests and financial dealings made between the Company and any of the Related Parties as well as the procedures made in this regard.

Article No. (39)

- A. 39 / 1** The Chairman of the Board of Directors together with the Directors shall be responsible before the Company, shareholders and third parties for all acts of fraud, abuse of authority and each breach of the Companies Act, any other law or this Articles as well as for the mistakes in management. Any and every other provision otherwise stipulating shall be null and void.
- B.** The responsibility provided for in Paragraph (A) of this Article shall be burdened by all the Directors in case the mistake was due to a decision issued unanimously. However, in case the concerned decision was issued through the majority of votes, then the dissenting votes shall not be responsible for it as long as they have registered their dissenting in the minutes of the session; in case one of the Directors was absent from the session in which the decision was issued, the responsibility of such Director shall not be eliminated except if it was proven that such Director was unaware of the decision or aware of it but cannot dissent it.
- C. 39 / 2** The Chairman of the Board of Directors shall be responsible for the following tasks and responsibilities, including, but not limited to:
- 1.** Ensure that the Board of Directors effectively proceeds in its works, fulfills its responsibilities and discusses all of the main and concerned issues on a timely basis.
 - 2.** Setting and approving the agenda of each meeting of the Board of Directors, taking into consideration any matters proposed by the Directors to be listed in the agenda. The Chairman of the Board of Directors may delegate this

responsibility to a certain Director or to the rapporteur of the Board of Directors.

3. Encouraging all Directors on full and effective participation to ensure a Board of Directors' conduct to the best interest of the Company.
4. Working on taking the proper procedures to guarantee effective communication with shareholders and conveying their points of view to the Board of Directors.
5. Facilitating the effective participation of the Directors, especially the non-executive ones, as well as developing fruitful relations with the executive and non-executive Directors.

Article No. (40)

40 / 1 Each Director who has an interest conflicting with the interest of the Company in any transaction submitted to the Board of Directors to be approved shall inform the Board of this and register its acknowledgement in the minutes of the session. Such Director may not participate in voting on the decision of such transaction.

40 / 2 No Director or Manager against whom a sentence was issued in a crime of theft, abuse of credit, fraud, embezzlement or issuance of checks without balance may continue or remain in office.

40 / 3 No Director or Manager in the Company may, without obtaining a permit, undertake the management of another commercial bank or hold a director position in it.

40 / 4 The Directors of the Company shall assume the following responsibilities, including, but not limited to:

1. Each Director shall, upon undertaking its duties, disclose to the Company the nature of the positions he holds in the public companies and institutions and the other important commitments as well as defining the terms of them and any change made to them promptly.
2. With respect to the implementation of the governance controls and criteria of the institutional discipline issued by the Securities and Commodities Authority, the Directors shall be

committed – during practicing his powers and assuming his duties – to act honestly and sincerely taking into consideration the interests of the Company and its shareholders as well as exerting his best efforts in the similar circumstances and complying with the provisions of the applicable laws, regulations decisions, Company’s Articles of Association and Company’s bylaws.

- 3. The majority of the Directors may request obtaining the opinion of an external consultant in any of the Company-related matters at the Company’s expense, subject to the lack of conflict of interest.**
- 4. The duties of the non-executive Directors shall include, but not limited to:**
 - A. Participation in the meetings of the Board of Directors so as to provide independent opinion with regard to the strategic, political, performance-related, accounting-related, resources-related, basic appointment-related and labor standards-related issues.**
 - B. Considering the priority of the interests of the Company and its shareholders in case there is a conflict of interest.**
 - C. Participation in the Company’s audit committees.**
 - D. Auditing the Company’s performance so as to achieve its agreed upon objectives and purposes as well as observing the performance reports.**
 - E. Setting procedural rules for the Company’s governance and supervising and controlling the application of the same without prejudice to the provisions of this decision.**
 - F. Empowering the Board of Directors and the different committees to take advantage of their skills, experiences and diverse specializations and qualifications through regular attendance, effective participation, attendance in the General Assembly meetings and formation of a balanced understanding of the shareholders’ opinions.**
- The management shall provide the newly appointed Director with a comprehensive indoctrination tour for all of the Company’s departments and divisions as well as providing**

him with all required information to ensure his proper understanding of the Company's activities and works and full awareness of his responsibilities and all acts he could fully undertake under the applicable laws and regulations, the other regulatory requirements and the policies of the Company in its field.

- The management shall provide the Board of Directors and the committees emanating from the Board of Directors with the sufficient information in full and documented manner on time for the purpose of enabling it to take the decision on sound bases and to perform its duties and assume its responsibilities to the fullest. The Board of Directors may, when necessary, conduct additional investigations so as to base its decisions on sound bases.
- The Board of Directors shall set written rules with regard to the dealings of the Company's Directors and employees in the Securities issued by the Company, the Parent Company, subsidiary companies or sister companies.
- The management shall set development programs suitable for all Directors in order to develop and update their knowledge and skills to ensure effective participation in the Board of Directors.

Article No. (41)

The Board of Directors shall establish the following Permanent Committees:

A. Auditing Committee:

- The Board of Directors shall establish an Auditing Committee composed of the non-executive Directors, provided that the majority of the Committee members shall be independent Directors and the number of its members shall not be less than three Directors. The members of the Auditing Committee shall include an expert in the accounting and financial affairs. In case

there is no sufficient non-executive Directors, an external member or more may be appointed.

- **No former partner on the auditing office appointed to audit the accounts of the Company may be a member in the Auditing Committee for one year as of the date of ceasing to be a partner or having a financial interest in the auditing office, whichever is later.**
- **The Committee shall hold its meetings at least once per three months or whenever necessary. The minutes of the Committee meetings shall be kept by the rapporteur. The drafts of the Committee meetings minutes shall be reviewed by all of its members prior to being approved, provided that the final copies of the minutes shall be sent to them after being approved for the purpose of keeping the same.**
- **The Company shall provide the Auditing Committee with the sufficient resources to perform its duties, including the license to seek the services of the experts whenever necessary.**
- **The Auditing Committee shall assume the following tasks and duties:**
 - 1) **Setting and applying the policy of contracting with external auditors as well as submitting a report to the Board of Directors specifying the issues it deems necessary to take procedures in them together with providing its recommendation of the steps to be taken.**
 - 2) **Following up and observing the independence and objectivity of the external auditor as well as discussing the nature, scope and effectiveness of the auditing process in accordance with the approved auditing criteria.**
 - 3) **Controlling and reviewing the integrity of the financial statements and (annual, semi-annual and quarterly) reports of the company as part of its normal activities within the year and after the accounts closing at any quarter. It shall, particularly, focus on the following:**

- Any changes in the accounting policies and practices.
 - Highlighting the aspects subject to the evaluation of the Board of Directors.
 - The substantial amendments resulting from the auditing.
 - Assuming the continuity of the Company's activities.
 - Compliance with the accounting standards prescribed by the Securities and Commodities Authority.
 - Compliance with the rules of listing and disclosure and the other legal requirements on the preparation of financial reports.
- 4) Coordination with the Company's Board of Director, the executive management and the financial manager or the manager in charge of the same tasks in the Company in the context of assuming its tasks. The Committee shall hold meetings with the Company's auditor at least once per year.
 - 5) Consideration of any important or extraordinary items listed – or shall be listed – in such reports and accounts. It shall also give necessary attention to any matters raised by the Company's financial manager, the manager in charge of the same tasks, compliance officer or auditors.
 - 6) Review of the financial control regulations, internal control regulations and Company risk management regulations.
 - 7) Discussion of the internal control regulations with the management together with ensuring that it properly assumes its duties with regard to the establishment of an effective system of the internal control.
 - 8) Review of the findings of the main investigations made into the internal control issues and assigned to it by

the Board of Directors or initiated by the Committee upon the approval of the management.

- 9) Ensuring the proper coordination between the Company's auditors and the external auditor as well as ensuring that the materials required for the internal auditing system and for the review and control of such system's effectiveness are available.**
 - 10) Review of the financial and accounting procedures and policies in the Company.**
 - 11) Review of the external auditor's letter and action plan as well as any substantial inquiries posed by the auditor to the executive management with regard to the accounting records, financial accounts or the control systems and its reply and adoption of all of that.**
 - 12) Ensuring the timely reply of the Board of Directors to the inquiries and substantial questions posed in the letter of the external auditor.**
 - 13) Setting the controls that would enable the Company's employees to secretly report any possible irregularities in the financial reports, internal controls or other issues as well as the necessary procedures for conducting independent and fair investigations in such irregularities.**
 - 14) Controlling the compliance of the Company with the code of professional conduct.**
 - 15) Ensuring the application of the labor rules related to its tasks and powers granted to it by the Board of Directors.**
 - 16) Submitting a report to the Board of Directors on the issues provided for in this Item.**
 - 17) Consideration of any other items specified by the Board of Directors.**
- In case the Board of Directors did not approve the recommendations of the Auditing Committee with regard to the selection, appointment, resignation or dismissal of**

the external auditor, the Board of Directors shall ensure that the governance report contains a statement explaining the recommendations of the Auditing Committee and the reasons for which the Board of Directors did not approve them.

B. Follow Up and Remunerations Committee:

The main tasks of the Follow Up and Remunerations Committee shall be as follows:

- Ensuring the continuous independence of the independent Directors.**
- Making and annually reviewing the policy of giving remunerations, benefits, incentives and salaries throughout the Company.**
- Setting the Company needs of the competencies on the level of senior executive management and employees as well as the criteria of selecting them.**
- Setting the policy of human resources and training in the Company as well as controlling its application and reviewing it annually.**

**** Committees shall be composed of not less than three of the non-executive Directors, provided that at least two of them shall be of the independent Directors and the Committee shall be chaired by one of them. The Chairman of the Board of Directors may not be a member in any of such Committees. The Board of Directors shall select the non-executive Directors in the Committees assuming the responsibility for the tasks from which conflict of interest cases could result, such as ensuring the integrity of the financial and non-financial reports, reviewing the transactions entered into by and between the stakeholders, selecting the executive Directors and setting the remunerations.**

**** The Board of Directors may establish a number of other specialized committees reporting to it.**

**** The Committees shall be established in accordance with procedures specified by the Board of Directors, provided**

that such procedures shall specify the Committee's task, term, powers and how the Board of Directors would control it. the Committee shall submit a written report to the Board of Directors including the procedures, results and recommendations it achieves in absolute transparency. The Board of Directors shall ensure the follow up of the Committees works to guarantee its compliance with the tasks assumed by them.

**Fifth Section
The General Assembly
Article No. (42)**

- A. The Company shall adopt a strict system for internal control aiming at setting an evaluation of the methods and procedures of risk management in the Company as well as properly applying the governance rules in it.**
- B. The internal control system shall be issued by the Board of Directors after discussion with the executive management. The application of such system shall be assumed by an internal control department.**
- C. The Board of Directors shall set the purposes, tasks and powers of the internal control department.**
- D. The Board of Directors shall conduct an annual review to ensure the effectiveness of the internal control system in the Company and its affiliate companies together with citing the findings reached by the shareholders in its annual report on the Company governance.**

**** The annual review shall comprehensively include the following items:**

- Items of the basic control, including the control of the financial affairs, operations and risk management;**
- Changes made, since the last annual review, to its nature, scope of the main risks and the ability of the Company to respond to the changes in its activities and external environment;**

- **Scope and type of the continuous control by the Board of Directors on the risks, internal control system and internal auditors;**
 - **Number of notifications to the Board of Directors or its Committees of the findings of the control activities in order to evaluate the status of the internal control in the Company and the effectiveness of risk management;**
 - **Defined cases of failure or weakness in the control system or the unforeseen circumstances that have substantially affected, or could substantially affect, the Company's performance or financial status; and**
 - **The effectiveness of the Company's operations with regard to the preparation of financial reports and compliance with the listing and disclosure rules.**
- E. The Board of Directors shall disclose in the Company governance report the extent to which the Company is complying with the internal control system throughout the report term; such disclosure shall include the following:**
- **The procedure taken by the Company to define, evaluate and manage the big risks;**
 - **Any additional information to assist in understanding the risk management processes and the internal control system in the Company;**
 - **Acknowledgement by the Board of Directors that it assumes the responsibility of the Company's internal control system and the duty of reviewing and effectiveness of the same;**
 - **The procedure taken by the Company to review the effectiveness of the internal control system; and**
 - **The procedure taken by the Company to deal with the substantial internal control aspects for any big problems disclosed in the annual reports and accounts.**
- F. The Board of Directors shall ensure that the Company disclosures provide useful and high-level information and do not give a misleading impression to investors and are fully in compliance with the rules of disclosure.**

Article No. (43)

- 1. The remuneration of the Directors shall be a percentage of the net profit as provided for in Article No. (65) of this Articles. The Company may pay expenses, additional fees or monthly salary to the extent decided by the Board of Directors for any Director in case such Director was working in any Committee, exerting special efforts or conducting additional works for the service of the Company in excess of his normal duties being a Director. In all cases, the remuneration of the Directors shall not be more than 10% of the net profit after the deduction of the depreciations, reserve and distribution of a dividend not less than 5% of the capital among the shareholders.**
- 2. The fines that have been imposed on the Company by the Securities and Commodities Authority or the competent authority due to the violations of the Commercial Companies Act or the Company's Articles of Association by the Board of Directors throughout the ended fiscal year shall be deducted from such remuneration. The General Assembly may not deduct all, or some, of such fines in case that it has found that such fines are not resulting from a default or mistake by the Board of Directors.**

Article No. (44)

The invitation shall be directed to shareholders to attend the meetings of the General Assembly by a notice in two daily local newspapers, one of them issued in Arabic, under registered letters or according to the method of notification as determined by the Authority in this respect, at least 15 (fifteen) days prior to the scheduled date to hold the General Assembly.

The notification of the invitation shall include the agenda. A copy of the papers of the invitation shall be sent to the Authority and the competent authority

Article No. (45)

48 / 1 The Board of Directors shall prepare the agenda of the General Assembly. In the cases that the General Assembly may be held upon a request by the shareholders, auditors or the competent authority, the agenda shall be prepared by the party that requested the holding of the General Assembly.

48 / 2 The General Assembly may not deliberate in issues other than those listed in the agenda, however the General Assembly may deliberate in the serious events that are disclosed during the meeting. In case the Securities and Commodities Authority or at least a number of shareholders representing tenth of the Company's capital the listing of certain issues in the agenda, then the Board of Directors shall do that, otherwise the General Assembly shall be entitled to decide to discuss such issues, provided that the controls issued by the Securities and Commodities Authority in this regard shall apply.

Article No. (46)

- A. The shareholders who wish to attend the meeting of the General Assembly shall register their names in the electronic register prepared by the Company management for this purpose in the meeting location at a sufficient time prior to the date specified for the meeting.**
- B. The register of shareholders shall contain the names of the shareholders or their representatives, the number of shares they hold and the number of shares they represent together with the names of their holders as well as the agency bonds; and the shareholder, or the representative, shall be given a card for attending the meeting in which the number of votes it represent, whether originally or by agency.**
- C. A printed extract shall be given from the register of shareholders detailing the number of shares represented in the meeting and the attendance percentage. Such extract shall be signed by the rapporteur, the chairman of the meeting and the Company's auditor; and a copy of which shall be given to the**

observer representing the Securities and Commodities Authority and another copy shall be attached to the General Assembly meeting minutes.

- D. The registration for attending the meetings of the General Assembly shall be closed upon the chairman of the meeting's announcement that the quorum specified for such meeting has, or has not, been achieved. After that, no shareholder or representative may be registered to attend such meeting and their votes or opinions shall not be taken into consideration with regard to the issues raised at this meeting.

Article No. (47)

The General Assembly shall be concerned with the consideration of all issues related to the Company. The quorum of the General Assembly meeting shall be achieved through the attendance of shareholders owning, or representing through an agency, not less than (50%) of the Company's capital. In case the quorum was not achieved in the first meeting, the General Assembly shall be invited to a second meeting to be held after a period not less than five (5) days and not more than fifteen (15) days as of the date of the first meeting; the adjourned meeting shall be deemed valid notwithstanding the number of attendees.

Except for the decisions that shall be issued by virtue of a special decision in accordance with Article No. (53) of this Articles of Association, the decisions of the Company's General Assembly shall be issued through the majority of the shares represented in the meeting.

Article No. (48)

The General Assembly shall be chaired by the Chairman of the Board of Directors; in case the Chairman of the Board of Directors, it shall be chaired by the deputy Chairman of the Board of Directors or the Director appointed for this purpose by the Board of Directors.

The Chairman shall appoint a rapporteur and votes collectors, provided that the General Assembly shall approve the appointment of all of them.

Article No. (49)

The voting in the General Assembly shall be made in the manner specified by the Head of the General Assembly, unless the General Assembly had specified a certain manner of voting. In case the voting was related to the election, dismissal or questioning of a Director, the manner of voting shall be secret cumulative voting, i.e. each shareholder shall have a number of votes equals the number of shares it holds, in case the voting was for one candidate or distributing such votes among the candidates it chooses, provided that the number of votes it gives to the chosen candidates shall not in any case exceed the number of shares it holds.

Article No. (50)

50 / 1 The parties having the right to attend the General Assembly may not participate in voting for themselves or the parties they represent in the issues related to a benefit for them or a conflict between them and the Company.

50 / 2 The Directors may not participate in voting on the decisions of the General Assembly related to exonerating them from the liability for their respective management or related to a benefit for them or a conflict between them and the Company.

Article No. (51)

The Board of Directors shall invite to held the General Assembly whenever it deems necessary. It shall be held once per year as an annual assembly upon the invitation of the General Assembly within the four months following the end of the fiscal year in the place and time specified in the invitation for meeting.

The Company's Annual General Assembly shall be, specifically, concerned with the consideration of, and taking decisions in, the following matters:

- A. The Board of Directors' report on the Company's activity and financial status during the year, the Auditors' report and the Internal Sharia Control Committee's report, in case the Company was practicing its activities in accordance with the rules of the Islamic Sharia; as well as the approval of the same;**
- B. Company's balance sheet and profit and loss account;**
- C. Election of the Directors, when necessary;**
- D. Appointment of the members of the Internal Sharia Control Committee, in case the Company was practicing its activities in accordance with the rules of the Islamic Sharia;**
- E. Appointment of the auditors and setting their fees;**
- F. Suggestions of the Board of Directors with regard to the distribution of dividends, whether such dividends were in cash or bonus shares;**
- G. Suggestion of the Board of Directors with regard to the remuneration of the Directors;**
- H. Exoneration of the Directors' liability or dismissing them and raising a claim of liability against them, as applicable; and**
- I. Exoneration of the auditors' liability or dismissing them and raising a claim of liability against them, as applicable.**

Article No. (52)

The Board of Directors shall invite the General Assembly to a meeting whenever requested to do so by the auditor or a shareholder or more possessing at least 20% of the capital for serious reasons. In both cases, the invitation shall be extended within five (5) days as of the date of requesting. In case the Board of Directors did not extend the invitation upon the request of the auditor, such auditor may directly extend the invitation. In case the Board of Directors did not extend the invitation upon the request of the shareholders as provided for in this Article, the Securities and Commodities

Authority may extend the invitation upon the request of the stated shareholders.

Article No. (53)

Issuance of the Special Decision

The General Assembly shall issue a special decision through the majority of shareholders' votes possessing not less than three fourths of the shares represented in the Company's General Assembly meeting in the following cases:

- A. Raising or reducing the capital;**
- B. Issuing loan bonds instruments;**
- C. Providing voluntary contributions for the purposes of society servicing;**
- D. Dissolving the Company or merging it into another company;**
- E. Selling, or otherwise disposing of, the project for which the Company was established;**
- F. Extending the term of the Company;**
- G. Amending the Articles or Memorandum of Association; or**
- H. In the cases in which the Commercial Companies Act requires a special decision to be taken.**

In all events, in accordance with the provisions of Article No. (139) of the Commercial Companies Act, the Company's Board of Directors shall obtain the prior consent of the Securities and Commodities Authority and the and the Central Bank on the issuance of the special decision, before being reviewed by the General Assembly, upon which its Articles and Memorandum of Association shall be amended.

Article No. (54)

- A. The Directors may not participate in voting on the decisions of the General Assembly related to exonerating them from the liability for their respective management, related to a benefit for them, a conflict of interests or a conflict between them and the Company.**

B. In case the Director represents a legal person, the shares of such legal person shall be excluded. The parties having the right to attend the meetings of the General Assembly may not participate in voting for themselves or the party they represents in the issues related to a benefit for them or a conflict between them and the Company.

Article No. (55)

During the meeting of the General Assembly, a minutes of the names of the shareholders or their representatives, the number of shares they hold, whether originally or by agency, together with the number of votes specified for them and the issued decisions as well as the agreeing and dissenting votes and an executive summary of the discussions made at the meeting.

Article No. (56)

The minutes of the meetings of the General Assembly shall be regularly recorded after each session in a special record in compliance with the rules issued through a decision of the Securities and Commodities Authority and shall be signed by each of the General Assembly's Head, rapporteur and auditor. The persons who sign the minutes of the meetings shall be responsible for the validity of the information stated therein.

Article No. (57)

The decisions of the General Assembly in accordance with CCL 2 of 2015 shall be binding to all shareholders, whether they were attending, or absent from, the meeting in which such decisions were issued and whether they agreed upon them or dissented them. A copy of such decisions shall be sent to each of the Securities and Commodities Authority, the financial market in which the shares of the Company are registered and the competent authority in

accordance with the rules issued by the Securities and Commodities Authority in this regard.

**Sixth Section
Auditor
Article No. (58)**

- A. The Company shall have one or more auditors to be appointed, and the fees of which to be set, by the General Assembly upon a nomination by the Board of Directors. The auditor shall be registered at the Securities and Commodities Authority and licensed to practice the profession.**
- B. The auditor shall be appointed for one renewable year and shall control the accounts of the fiscal year regarding which he was appointed, provided that his appointment shall not exceed three consecutive years.**
- C. The auditor shall undertake his tasks as of the end of the meeting of such General Assembly until the end of the meeting of the next Annual General Assembly.**

Article No. (59)

- 1. The auditor shall not combine between his work and participation in the Company establishment, the Directorship or holding any permanent technical, administrative or consultative position in the Company; he also shall not be a partner or an agent of any of the Company founders, Directors or a relative of any of them to the fourth degree.**
- 2. The auditor shall be independent from the Company and its Board of Directors and shall not have any relationship of any kind – whether directly or indirectly – with the Company or its Directors.**
- 3. Throughout the term of assuming the review / auditing of the Company's accounts, the auditor shall not conduct any additional or consultative works which may affect his decisions**

and independency and which are related to the works he assumes.

Article No. (60)

- 1. The auditor shall provide the General Assembly with a report containing the data and information provided for in the Commercial Companies Act and shall include in his report and the Company's balance sheet the voluntary contributions made by the Company throughout the fiscal year for the purposes of society servicing, if any, and shall specify the entity benefiting from such voluntary contributions.**
- 2. The auditor shall attend the meeting of the General and read his report in the General Assembly, explaining any obstacles or interferences by the Board of Directors while carrying out his work. His report shall be independent and impartial. He shall give his opinion in the meeting with regard to all matters related to his work, in particular the Company's balance sheet and his notes on the Company's accounts and financial status and any violations thereto. The auditor shall be responsible for the validity of the information stated in his report and all shareholders may, during the meeting of the General Assembly, discuss the auditor's report and request clarification for its contents.**

Article No. (61)

The auditor shall notify the regulatory authorities of any substantial violations or obstacles and the details of the same in case the Board of Directors has not taken the proper decision in this regard.

Article No. (62)

The balance sheet of the fiscal year shall be audited at least one month prior to the annual meeting of the General Assembly. The Board of Directors shall prepare a report on the Company's activity

and financial status at the end of the fiscal year as well as the method it suggests to distribute the net profits. A copy of the balance sheet and the profit and loss account together with the auditor's report, the Board of Directors' report and the governance report to the Securities and Commodities Authority and a draft of the invitation to the meeting of the Annual General Assembly shall be sent to the Company's shareholders to approve the publication of the invitation in the daily newspapers fifteen (15) days prior to the date of holding the meeting of the General Assembly.

Article No. (63)

The auditor shall have the powers and assume the obligations provided for in the Organization of Banking Profession Act, in particular Article No. (246) thereof, and the Commercial Companies Act. He shall have, in particular, the right at all times to review all of the Company's books, registers, documents and other papers and shall request the clarifications he deems necessary for the conduct of his duties as well as he shall have the right to verify the Company's assets and liabilities.

In case the auditor could not practice these powers, he shall prove the same in writing in a report raised before the Board of Directors. In case the Board of Directors did not empower the auditor to assume his tasks, the auditor shall send a copy of the report to the central bank and the Securities and Commodities Authority and to view the same before the General Assembly.

Article No. (64)

The governance controls decision, the standards of institutional discipline and the decisions implementing the provisions of the Commercial Companies Act as well as for the Central Bank governance standards shall apply on the Company and shall be deemed an integral part of the Company's Articles of Association.

Seventh Section
Company's Financial Affairs
Article No. (65)

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

- A. Ten percent (10%) of the net profits shall be deducted and dedicated to the legal reserve account and such deduction shall cease whenever the total amount of the reserve has reached at least fifty percent (50%) of the Company's paid capital and in case the reserve decreased, the deduction shall apply again.**
- B. A percentage not more than ten percent (10%) of the net profit of the ended fiscal year shall be dedicated, after the deduction of each of the depreciations and reserves, as remuneration for the Directors. The fines imposed on the Company by the Securities and Commodities Authority – due to the Board of Directors' violations to the Commercial Companies Act or the Company's Articles of Association – within the ended fiscal year shall be deducted from such remuneration. The General Assembly may not deduct all, or some, of these fines in case it has found that they have not been due to a default or mistake by the Board of Directors.**

The legal reserve may not be distributed among the shareholders, but the part of it exceeding half of the paid capital may be used to ensure the distribution of profits not more than (50%) of the paid capital among the shareholders within the years in which the distribution of such percentage is not allowed. The legal reserve may not be used in purposes other than those specified for it unless through a decision by the General Assembly.

Article No. (66)

The profits shall be paid to the shareholders in accordance with the laws, decisions and circulars issued by the Securities and Commodities Authority in this regard.

Eighth Section
Conflicts
Article No. (67)

No decision issued by the General Assembly may result in the dismissal of the claim of civil liability against the Directors due to the mistakes made by them in the context of practicing their activities. In case the act upon which the liability has been based was viewed and approved by the General Assembly through a report by the Board of Directors or the auditor, then the claim of liability shall be dismissed after one year as of the General Assembly meeting date. However, in case the act attributed to the Directors constitutes a criminal offense, then the claim of liability shall not be dismissed unless if the general claim was dismissed.

Ninth Section
Dissolution and Liquidation of the Company
Article No. (68)

The Company shall be dissolved for any of the following reasons:

- 1. Expiry of the term specified for the Company, unless renewed in accordance with the provisions provided for in this Articles;**
- 2. End of the purpose for which the Company has been established or the impossibility to achieve its objectives;**
- 3. Issuance of a special decision by the General Assembly on terminating the term of the Company prior to its expiry date, provided that a prior authorization by the central bank shall be obtained;**
- 4. Merger of the Company into another company after obtaining a prior authorization from the central bank; or**
- 5. Issuance of a decision from the central bank to remove the Company from the banks registry pursuant to the provisions of the Union Law No. 10 for 1980 concerning the Central Bank, Monetary System , and Organization of Banking.**

Article No. (69)

In case the losses of the Company reached half of its issued capital, the Board of Directors shall – within thirty (30) days as of the date of disclosure for the Securities and Commodities Authority of the periodic or annual financial statements – invite the General Assembly to hold a meeting to take a special decision on the dissolution of the Company prior to its expiry date or on the continuity of the Company’s activity.

Article No. (70)

Upon the expiry of the Company term or the dissolution of the Company prior to its expiry date, the General Assembly shall – upon the request of the Board of Directors – define the method of liquidation, appoint a liquidator or more and define their powers. The authority of the Board of Directors shall cease upon the dissolution of the Company. However, the Board of Directors shall continue to be responsible for the management of the Company and shall be deemed by the third parties as a liquidator until the appointment of a liquidator. The authority of the General Assembly shall continue throughout the term of liquidation until the completion of all of the liquidation activities.

Article No. (71)

71 / 1 Upon the dissolution of the Company for any of the above stated reasons, the General Assembly shall appoint a liquidator or more and define their powers unless the dissolution was made upon a court decision, in which case the court that issued the decision of dissolution shall appoint the liquidator(s) and the authority of the Board of Directors shall cease upon the appointment of the liquidators.

71 / 2 The Company shall – throughout the term of the liquidation – reserve its legal capacity to the extent necessary for the liquidation activities.

The Company may not conduct any acts not provided for in its purposes, but its activities shall be limited to the procedures and measures necessary for the purposes of liquidation. The statement ‘Under Liquidation’ shall be added to the name of the Company on all of its documents and publications and shall be written in a prominent way.

Article No. (72)

72 / 1 In case of Bank liquidation, an announcement of such liquidation shall be published in the Official Gazette and at least in two daily local newspapers.

72 / 2 The announcement of the liquidation shall feature the following:

- A. Providing a grace period not less than three months so as for the Bank customers to take the necessary measures to keep their rights; and**
- B. The name of the liquidator designated to return the remaining deposits and the current transactions after the final closure of the Bank offices regarding which the Bank customers have not instructed the Bank.**

**Tenth Section
Closing Provisions
Article No. (73)**

The provisions of the Commercial Companies Act and the Union Law No. 10 for 1980 concerning the Central Bank, Monetary System , and Organization of Banking, shall apply to the matters regarding which no special provisions have been provided for in the Memorandum of Association or this Articles. In case of conflict between the provisions provided for in these Articles and any of the provisions provided for in the Commercial Companies Act or the laws, decisions and circulars for the implementation thereof, these provisions shall apply.

Article No. (74)

All correspondences and warnings sent to the Company by any shareholder or Director shall be directed to its P.O. Box No. 1885, Sharjah or to its fax No. 06 5546683.

Article No. (75)

This Articles shall be deposited at the concerned parties and the Commercial Register and shall be in force as of the date of approval by the Securities and Commodities Authority, the competent authority and the central bank as well as after being registered in the margin of the register at the central bank.

Chairman of the Board of Directors