

***The Housing Bank  
For Trade & Finance***

**A PUBLIC SHAREHOLDING LIMITED COMPANY  
(P.L.C.)**

**THE MEMORANDUM AND  
ARTICLES OF ASSOCIATION**



***MEMORANDUM OF ASSOCIATION***

# ***MEMORANDUM OF ASSOCIATION***

## **A PUBLIC SHAREHOLDING COMPANY P.L.C.**

**Article (1): Name of the Company/**  
Housing Bank For Trade & Finance

**Article (2): Type of the Company/**  
Public Shareholding Company (P.L.C).

**Article (3): Headquarter of the Company.**  
Headquarter of the Company is situated in the City of Amman.  
The Board of Directors may open branches and/ or offices inside and outside the Hashemite Kingdom of Jordan and move or cancel all or part of such branches or offices as may be required by the interest of the Company subject to the laws and regulations in effect.

**Article (4): Capital of the Company:**  
The capital of the Company is formed of JD 315,000,000 (Three hundred and fifteen million Jordanian Dinars ) divided into 315,000,000 shares (Three hundred and fifteen million shares) with a value of one Jordanian Dinar per share.

**\*Article (5): Purposes and Objectives of the Company:-**

**Main purposes:**

The Company may carry on all the banking business permitted to be carried out by banks in conformity with the provisions of the Law of Banks, other banking legislations and regulations and the instructions of the Central Bank of Jordan (CBJ) in force. Such Business includes but is not limited to:-

- 1- Acceptance of deposits and trusts and opening accounts of different forms and kinds, with or without interest, whether in Jordanian Dinar and/ or in any foreign currency, under the conditions it may deem proper.
- 2- Payment of bills and orders issued by its customers and dealers.

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\* Amended and added to it pursuant to Article (37) of the banking law No. 28/2000

- 3- Borrowing, creation and obtaining of money, directly or through the issue of corporate bonds or any similar debt instruments with or without security as well as refunding or paying their value on or before their maturity.
- 4- Lending and advancing money in Jordanian Dinar and foreign currency as well as granting all generally accepted direct and indirect bank facilities of all kinds and forms.
- 5- Discount, purchase, deal in, collect and issue of cheques, promissory notes, coupons, transfers, guarantees, bills of lading, corporate bonds and all payment instruments including bank drafts, payment and credit cards, travelers cheques and any other bills and/ or bonds with or without commission, whether such bonds are negotiable or not.
- 6- Maintaining all kinds of money, precious metals and bonds in a safe place in addition to lease safes as well as management and safe custody for financial securities and precious things.
- 7- Dealing in gold and silver bullions as well as other minted coins and valuables in such a way as may be permitted by the instructions of Central Bank of Jordan (CBJ).
- 8- Dealing in foreign currencies of different kinds by way of buying and selling in the spot and forward markets, in accordance with the laws, regulations and instructions in effect.
- 9- Investing the sources of its funds by all ways and means and carrying out any banking or investing business authorized by the effective laws, regulations and instructions of CBJ.
- 10- Owning, possessing and issuing of bonds, shares, securities, Government debt instruments, bonds and shares of companies of different kinds.
- 11- Exchanging loans and advances, collecting and transferring money and Guarantees.
- 12- Management of financial securities, issuing or underwriting or distribution and dealing in them as well as dealing in financial securities listed at stock markets for its account and/ or owning financial securities for the account of its portfolios within the ratios and limits stipulated by the laws and regulations of CBJ in force, as well as granting credit facilities related to financial securities.
- 13- Carrying on brokerage at stock markets directly or through establishing a company for this purpose in compliance with the effective instructions of CBJ.

- 14- Performing all financial and banking operations necessary for financing and investing in development, agricultural, commercial, industrial, real estate and tourist activities and projects of different kinds and forms.
- 15- Dealing with banks and financial institutions inside and outside the Kingdom by way of accepting or giving a power of attorney or any other way in accordance with the laws and regulations in force.
- 16- Borrowing from banks and other financial institutions as well as any other party inside and outside the Kingdom with a view to achieving its purposes, providing securities, mortgaging its movable and immovable property as security for its debts and liabilities.
- 17- Working on the attraction of Arab and foreign capital to contribute to financing the building, development and investment movement in the Kingdom.
- 18- Carrying out service of managing the real estate of customers under an authorization or power of attorney in accordance with the instructions of CBJ in effect.
- 19- Giving loans and advances of different terms for the finance of residential projects of different kinds whether to public or private sectors provided that agreement shall be reached on the conditions of granting such loans with the competent official authorities in the case they are granted on soft terms i.e special conditions.
- 20- Performing any other banking business permitted by banking laws and legislations and the instructions of CBJ.
- 21- Providing payment and collection services.
- 22- Providing Lease finance.
- 23- Providing management and consultation services for investment portfolios and investment trust services, including funds management and investment for the accounts of others.
- 24- Providing financial agent or financial consultant services.
- 25- Buy and sell debts with or without the right to recourse.

**Supplementary purposes:**

- 1- To purchase, have and undertake all or some of the businesses of : property, good will or obligations of any person, company or corporation performing the business which this Company is authorized to do, possessing any real estate or right consistent with any of the purposes of this Company.

- 2- To conclude agreements with any natural person or corporate body , or with any body, authority, government, municipality or association which serves and realizes the objectives and purposes of the Company or any of them. It may obtain from the said parties any contracts, licenses, decrees, rights, concessions or patents which the Company requires to achieve its purposes and considers necessary for the performance of its business. It may further use, implement and commence such agreements, contracts, licenses, rights and concessions.
- 3- To buy, purchase, rent, let, substitute, own, and register under its name or in any other way any movable or immovable property, rights or concessions deemed by the Company necessary or appropriate to its purposes in compliance with the applicable laws in effect.
- 4- To construct, purchase, own, sell, rent, rebuild, improve, develop, renew, maintain, run and furnish, real estate and buildings necessary for its business and for the housing and service of its employees and servants.
- 5- To import, export, sell and purchase the materials, machinery and tools necessary for achieving its purposes.
- 6- To purchase, sell, improve, run, invest, develop, substitute, let, rent and mortgage the property and rights it owns. It may also carry out all kinds of necessary acts in conformity with the applicable laws and regulations in effect.
- 7- To pay and receive the price of any property, rights, services, movable or immovable property which it purchased, sold or otherwise disposed of for any consideration of any kind, in cash, by installments or otherwise, for shares or portions in any registered company or institution, as well as any other consideration deemed proper and decided by the Company. Furthermore, the Company shall have the right to own, dispose of and deal in any way in the shares, portions or financial bonds which it owned in the manner mentioned before, in compliance with the enforceable laws, regulations and instructions.
- 8- To invest inside and outside the Kingdom in all economic areas by way of the incorporation of companies and/ or contribution to and/ or participation in their capitals and by way of administering and/ or owning any company, project, establishment of whatever kind or purpose in accordance with the laws, regulations and instructions in force.

- 9- To own and purchase lands and real estates of different kinds for the use of managing its businesses or residing its servants and employees and serving them or paying its debts.
- 10- To enter with any person, corporation or company into a profit-sharing arrangement and co- operate in respect of joint projects, mutual concessions and agencies with local, Arab and foreign companies and corporations in accordance with applicable banking laws and legislations in force.
- 11- To invest and dispose of its movable and immovable property in the method and way which the company may decide from time to time. It shall have the right to offer its services, purchase and sell in cash, on credit, by installments or exchange, lease, rent, sublet, open accounts with local, Arab and foreign banks, deal in different means of payment and carry out activities required by its interests including signing of contracts, acceptance, endorsement, issue of bills of exchange, drafts, transfers, guarantees, deeds etc.
- 12- To contribute to and/ or participate in the capital of any company whose purposes wholly or in part are in agreement with those of this Company and/ or merge in any form with any company having similar purposes, in compliance with the enforceable laws, regulations and instructions.
- 13- To enter into investment and partnership contracts as well as any contracts deemed to be essential and important for achieving the Company's interests of exploiting its property and the property of others, in accordance with the banking laws and legislation in force.
- 14- To do all activities and acts assisting to carry out any of its purposes and in addition to any activities and acts considered necessary and essential for the implementation of such purposes, in accordance with the provisions of enforceable laws and regulations.
- 15- To do all or any of the above - mentioned matters by itself or through agents whether it is alone or in association with others according to the applicable laws and regulations in force.

**Article (6): The administration of the Company:**

The administration and the running of the company's affairs shall be assumed by a Board of Directors formed of thirteen members provided that governments, its public corporations and public corporate bodies shall be represented in the Board of Directors pro-rata to their stake of shareholding in the Company's capital if that stake of shareholding entitles them for one or more



memberships in the Board, and in this case they shall not participate in the election of other Board members. If their stake of shareholding is less than the percentage that grants them membership in the Board then they shall use their right to nominate and participate in electing the members of this Board just like any other shareholder. In all cases the person representing any of same in the Board shall enjoy all the membership rights and bear its responsibilities. The remaining members shall be elected by General Assembly of shareholders save the parties nominated above, to represent the rest of shareholders in accordance with the articles of Association of the Company and the laws and regulations in effect. The Board shall carry out the duties and responsibilities of running the business of the Company for a period of four years starting from the date of election.

**Article (7): Authorized Signatories:**

Signing on behalf of the Company shall be performed by the person/s elected by the Board of Directors out of its members by a resolution to be taken from time to time. The Board may delegate this power to the Chairman of the Board and/ or General Manager.

**Article (8): Duration of the Company:**

Unlimited

**Article (9): The liability of shareholders:**

It shall be limited to the value of shares held by them in the capital of the Company.



# ***ARTICLES OF ASSOCIATION***

# ***ARTICLES OF ASSOCIATION***

Whereas the Extraordinary General Assembly of the Company decided at its meeting held on 2/5/1997 the adoption of the Memorandum of Association and Articles of Association, as amended, of the Company, the shareholders agree to the following Articles of Association and to their replacement of the previous internal (basic) Articles of the Association of the Company.

**Article (1):** The terms and expressions set out in these Articles shall have the meanings assigned hereunder, unless the context indicates otherwise:-

- The Company : The Housing Bank For Trade & Finance
- The Kingdom : The Hashemite Kingdom of Jordan
- The Minister : The Minister of Industry & Trade.
- Controller : Companies Controller
- Shareholders : The founders of the Company and every person, corporation, institution or company which may hold shares of the Company at any time or inherit, hold or buy any one or more of its shares in accordance with these Articles.
- Law : The Jordan Law of Companies in force.
- The person : A natural person or corporate body .
- The market : The Stock Market (Amman stock exchange and/ or the market defined by the Law of Securities.
- The Board : The Board of Directors of the Company.
- The Chairman : The Chairman of the Board of Directors of the Company.
- The General Manager : The General Manager of the Company.
- The Register : The register of shareholders kept in accordance with Companies Law and/ or the Law of Securities.

The words mentioned in singular shall include the plural and vice versa.

The words mentioned in masculine shall include the feminine and vice versa.

**Article (2): Name of the Company:**

The Housing Bank For Trade & Finance Public Shareholding Company ( P.L.C).

**Article (3): Headquarter of the Company:**

The main Headquarter of the Company is situated in the city of Amman.

The Board may open branches and/ or offices inside and outside the Hashemite Kingdom of Jordan, move or cancel all or some of these branches and offices as may be required by the interest of the Company subject to the laws and regulations in force.

**\*Article (4): Purposes and Objectives of the Company:-**

**Main purposes:-**

The Company may practice all the banking businesses permitted to be carried out by banks in conformity with the provisions of the Law of Banks, other banking legislations and regulations and the instructions of the Central Bank of Jordan (CBJ) in force. Such Business includes but not limited to:

- 1- The acceptance of deposits and trusts and opening accounts of different forms and kinds with or without interest, whether in Jordanian Dinars and/ or in any foreign currency under the conditions it may deem proper.
- 2- The payment of bills and orders issued by its customers and dealers.
- 3- Borrowing, creation and obtaining of money, directly or through the issuance of corporate bonds or any similar debt instruments with or without security as well as refunding or paying their value on or before maturity.
- 4- Lending and advancing money in Jordanian Dinar and foreign currency as well as granting all generally accepted direct and indirect bank facilities of all kinds and forms.
- 5- Discount, purchase, deal in, collect and issue of cheques, promissory notes, coupons, drafts, guarantees, bills of lading, corporate bonds and of all payment instruments including bank drafts, payment and credit cards, travelers cheques and any other bills and/ or bonds, with or without commission whether such bonds are negotiable or not.
- 6- Maintaining all kinds of money, precious metals and bonds in a safe place in addition to lease safes, as well as undertaking management and safe custody for financial securities and precious things.

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\* Amended and added to it pursuant to Article (37) of the banking law No. 28/2000

- 7- Dealing in gold and silver bullions as well as other minted coins and valuables in such a way as may be permitted by the instructions of (CBJ).
- 8- Dealing in foreign currencies of different kinds by way of buying and selling in the spot and forward markets, in accordance with the laws, regulations and instructions in effect.
- 9- Investing the sources of its funds by all ways and means and carrying out any banking or investing business authorized by the effective laws, regulations and instructions of CBJ.
- 10- Owning, possessing and issuing of bonds, shares, commercial papers, Government debt instruments, bonds and shares of companies of different kinds.
- 11- Exchanging loans and advances, collecting and transferring money and securities.
- 12- Management of financial securities, issuing or underwriting or distribution and dealing in them as well as dealing in financial securities listed at stock markets for its account and/ or owning financial securities for the account of its portfolios within the ratios and limits stipulated by the laws and regulations of CBJ in force, as well as granting credit facilities related to financial securities.
- 13- Carrying on brokerage at stock markets directly or through establishing a company for this purpose in compliance with the effective instructions of CBJ.
- 14- Performing all financial and banking businesses necessary for financing and investing in development, agricultural, commercial, industrial, real estate and tourist activities and projects of different kinds and forms.
- 15- Dealing with banks and financial institutions inside and outside the Kingdom by way of accepting or giving a power of attorney or any other way in accordance with the laws and regulations in force.
- 16- Borrowing from banks and other financial institutions as well as any other party inside and/ or outside the Kingdom in order to achieve its purposes, providing securities, mortgaging its movable and immovable property as security for its debts and liabilities.
- 17- Working on the attraction of Arab and foreign capital to contribute to financing the building, development and investment movement in the Kingdom.

- 18- Performing management services of the real estate of the customers according to their authorization or power of attorney in accordance with the instructions of CBJ in application.
- 19- Giving loans and advances for different maturities dates to finance the residential provided of different kinds whether to public or private sectors provided that agreement shall be reached on the conditions of granting such loans with the competent official authorities in the case they are granted on soft terms i.e. special conditions.
- 20- Performing any other banking businesses permitted by banking laws and legislations and the instructions of CBJ.
- 21- Providing payment and collection services.
- 22- Providing Lease finance.
- 23- Providing management and consultation services for investment portfolios and investment trust services, including funds management and investment for the accounts of others.
- 24- Acting as financial agent or financial consultant.
- 25- Buy and sell debts with or without the right to recourse.

**Supplementary purposes:-**

- 1- To purchase, have and undertake all or some of the businesses of property, good will or obligations of any person, company or corporation performing the businesses which this Company is authorized to do, or, on the other hand, possessing any real estate or right consistent with any of the purposes of this Company.
- 2- To conclude agreements with any natural person or corporate body, or with any body, authority, government, municipality or association this serves and realizes the objectives and purposes of the Company or any of them. It may obtain from the said parties any contracts, licenses, decrees, rights, concessions or patents which the Company requires achieving its purposes and considers necessary for the performance of its businesses. It may further use, implement and commence such agreements, contracts, licenses, rights and concessions.
- 3- To buy, purchase, rent, let, substitute in any other way any movable or immovable property, rights or concessions deemed by the Company necessary or appropriate to its purposes in compliance with the applicable laws.

- 4- To construct, purchase, own, sell, rent, rebuild, improve, develop, renew, maintain, run and furnish, real estate and buildings necessary for its businesses for the housing of its employees and servants, and for their service.
- 5- To import, export, sell and purchase the materials, machinery and tools necessary for achieving its purposes.
- 6- To purchase, sell, improve, run, invest, develop, substitute, let, rent and mortgage the property and rights it owns. It may also carry out all kinds of necessary acts in conformity with the applicable laws and regulations.
- 7- To pay and receive the price of any property, rights, services, movable or immovable property which it purchased, sold or otherwise disposed of for any considerations of any kind, in cash, by installments or otherwise, or for shares or portions in any registered company or institution, or for any other financial bonds of any registered company or institution, as well as any other consideration deemed proper and decided by the Company. Furthermore, the Company shall have the right to own, dispose of and deal in any way in those shares, portions or financial bonds which it owned in the manner mentioned above, in compliance with the enforceable laws, regulations and instructions.
- 8- To invest inside and outside the Kingdom in all economic areas by way of the incorporation of companies and/ or contribution to and/ or participation in their capitals and by way of administering and/ or owning any company, project, establishment of whatever kind or purpose in accordance with the laws, regulations and instructions in force.
- 9- To own and purchase lands and real estates of different kinds for the use of managing its businesses or residing its servants and employees and serving them or for paying its debts.
- 10- To enter with any person, corporation or company into a profit-sharing arrangement and co-operate in respect of joint projects, mutual concessions and agencies with local, Arab and foreign companies and corporations in accordance with applicable banking laws and legislations.
- 11- To invest and dispose of its movable and immovable property in the manner and way as the company may decide from time to time. It shall have the right to offer its services, purchase and sell in cash, on credit, by installments or exchange, lease, rent, sublet, open accounts with local, Arab and foreign banks, deal in different means of payment and carry out activities required for its interests including signing of contracts,



acceptance, endorsement, issue of bills of exchange, drafts, transfers, guarantees, deeds, etc.

- 12- To contribute to and/ or participate in the capital of any company whose purpose wholly or in part are in agreement with those of this Company and/ or merge in any form with any company having similar purposes, in compliance with the enforceable laws, regulations and instructions.
- 13- To enter into investment and partnership contracts as well as any contracts achieving the Company's interests of exploiting its property and the property of others, in accordance with the provisions of enforceable laws and regulations.
- 14- To carry out all activities and acts helping achieve any of its purposes and considered necessary and essential for the implementation of such purposes, in agreement with the provisions of enforceable laws and regulations.
- 15- To carry out all or any of the above- mentioned matters by itself or through agents whether it is alone or in association with others in accordance with the applicable laws and regulations.

**Article (5): Duration of the Company:**

Unlimited

**Article (6): Liability of shareholders:**

It shall be limited to the value of shares held by them in the capital of the Company.

**Article (7): Capital of the Company:**

The capital of the Company is formed of JD 315,000,000 (Three hundred and fifteen million Jordanian Dinars) divided into 315,000,000 shares (Three hundred and fifteen million shares) with a value of one Jordanian Dinar per share.

**Article (8): Increase or decrease of the capital of the Company:**

**1- Increase of the capital of the Company**

(a) The Company may increase its capital to the extent required by its interest, providing that the measures thereof shall be taken in compliance with the law and the Securities Law in the following ways:

- 1- By putting the shares to subscription or covering them by the shareholders or others.

- 2- By adding the Voluntary reserve, the accumulated retained earnings or both to the capital of the Company.
  - 3- By capitalizing the debts of the Company or any part thereof with the written consent of the creditors.
  - 4- By converting convertible corporate bonds into shares in accordance with provisions of the law.
  - 5- By any other way approved by the General Assembly of the Company.
- (b) New shares may be issued at a premium to be determined under the provisions of the law and the law of Securities. The premium resulting from the difference between the new issue value of a share and its nominal value shall be credited to a special account called (Premium Reserve Account). It shall be subject to the special provisions stipulated by law.
- (c) The resolution relating to the increase of the capital shall contain the period and conditions of subscription, the value of a share and the method of payment thereof subject always to the provisions of the law. The new shares shall be subject to the same provisions as the old ones.

## **2- Decrease of the capital of the Company:**

- (a) The Company may decrease its capital if it is in excess of its need or if the Company sustains a loss lead it to decide reduction of its capital to the extent of such loss or part thereof providing that the resolution and its procedures shall observe the rights of third party stipulated by the law.
- (b) No decrease of the capital of the Company shall be made without the approval of CBJ, provided that such decrease shall not be less than the minimum stipulated by law and the law of banks.
- (c) All measures and ways of handling the decrease of the Company's capital, shall be carried out in conformity with the provisions stipulated by the law and the law of Banks.

## **SHARES:**

- Article (9):**
- 1- Shares shall be issued at their nominal value. They shall not be issued at a lesser value.
  - 2- The shares of the Company shall be in cash and their value shall be paid as required by the law and under these Articles or “in kind to be given against “in kind” advances valued in cash in accordance with the law.
  - 3- The shares of the Company are equal in rights and obligations without discrimination.

**Article (10):** The value of shares shall be paid and treated according to the measures stipulated by the law.

**Article (11):** A share is not divisible but the heirs may jointly own one share by reason of succession to their devisor. This provision shall also apply to them if they jointly own more than one share of the estate of their devisor providing that they shall in both cases elect one of them to represent them towards and with the Company. If they fail to do so during the period defined by the Board of Directors, the Board then shall appoint one of them.

**Article (12):** The Company shall have the right to consider the registered holder of any share as the sole holder of such share. The Company shall not recognize any rights, claims or relation of any other person to such share unless as stipulated in these Articles.

- Article (13):**
- (a) The Board may issue certificates to each shareholder proving the shares he holds in the Company in the manner it may deem fit. Such certificates shall be imprinted with the stamp of the Company and signed by those authorized to sign for it, provided that these certificates shall contain the following details:
    - 1- The name and headquarter of the Company.
    - 2- The name of the shareholder as well as the number of the shares held by him and their serial numbers.
  - (b) The certificate of shares registered in the names of more than one shareholder shall be handed over to the one first named and registered in such shares in the register of shareholders. The Company shall not be liable to issue to the joint shareholders more than one certificate of the same shares.

- (c) If the shareholding deed or the certificate of shares is lost or damaged, the holder registered in the register of the Company, shall be entitled to apply for a deed or certificate in place of the lost or damaged one, providing that he shall take the measures stipulated by the law, provide the relevant guarantees and information and pay the fees required by the Board.

**Article (14):** The Company may purchase and sell its own shares, in accordance with the Jordan's securities law, regulations and instructions issued thereof as well as other related laws in effect.

**Article (15):** The shareholders shall only be liable for as much as the value of their shares. Consequently they shall not be demanded to pay in excess thereof.

**Article (16): Shareholders Register**

- 1- The Company shall keep one register or more to write in it the names of its shareholders, the number of shares held by each one of them, the transfers made thereon and any other particulars relating to the shares and the shareholders. The Company may deposit a copy of these registers with any other party to follow up the shareholders affairs and authorize such party to maintain and organize the registers for the purpose of following up the said affairs.
- 2- Any shareholder of the Company or any other one having relation or interest shall have access to the registers of shareholders in accordance with the provisions of the law.

**Article (17): Mortgage and attachment of the shares:**

**(a) Mortgage of shares:**

- 1- The shares in the company may be mortgaged, provided that such mortgage shall be put down in the registers of the Company, or in the registers of the party maintaining the registers of the Company or in the certificate of shares in compliance with the measures stipulated in the applicable laws.
- 2- The share mortgage contract must provide for all the relevant conditions, especially the party to the contract to whom the dividends will be paid during the period of mortgage.

- 3- Mortgage mark shall not be lifted unless after the registration of a written declaration by the mortgagee in the Company's register stating the receipt of his/ its rights by virtue of the mortgage contract or by virtue of a final judgment unless it is sold at a public auction in execution of a judicial decision.

**(b) Attachment of shares:**

- 1- If a judicial decision or an order of attachment is passed by a competent official authority, an attachment mark shall be placed on any one of the shares of the Company which are entered in the register of shareholders. Such mark of attachment shall only be lifted by virtue of a decision issued by a competent official authority or under a final judicial judgment.
- 2- If attachment on a share is decided or any other charge is levied on it in a way preventing disposal thereof, by a judicial decision and/ or administrative order, the Company shall, before executing the decision, inquire from the market to make sure that the said share's title has not yet been transferred at the market to another holder before the date on which the judicial decision or administrative order was served on the Company.
- 3- All the resolutions of the General Assembly of the Company shall apply to the attacher and mortgagee of the shares as well as to the mortgagor and the attachee.

**Transfer and Assignment of Shares:**

**Article (18):** Subject to the provisions of the company law and stock market (securities law):

- 1- A share could be circulated at the market under the Law and the stock market law in force.
- 2- The rights and obligations of the seller and buyer shall arise in accordance with the provisions and bases stipulated by the Companies law and the law of securities.
- 3- The transfer of title of the shares shall be made after the market notifies the Company of the relevant contract within a maximum period of three days as from the date of signing same.

- 4- The Company shall register at its registry the transfer of the sold shares within a maximum period of three days from the date of receiving the sale contract, the shares shall be deemed registered by the lapse of three days of such received.

**Article (19):** The acceptance, assignment, transfer or circulation of shares of the Company at the market shall be null and void in any of the following cases:

- 1- If the share is mortgaged, attached or marked with any charge which prevents disposition thereof.
- 2- If the certificate of the share/s is lost or replacement thereof is not yet issued.
- 3- In any other case where the applicable laws and regulations prohibit the circulation of this share at the market.

**Article (20):** 1- Anyone to whom the ownership of a share is transferred due to the death or bankruptcy of its holder shall have the right to obtain the same dividends and other profits as if the share was registered in his name. However, he shall not be entitled to exercise the same right as a shareholder of the Company with regard to the attendance of General Assembly meeting before he is registered as a shareholder of the Company owning such share.

- 2- In the case of inheritance, Shares shall be transferred and registered in accordance with the shares selling registration rules by an application submitted by the heirs, their attorneys or guardians to the market. The shares are to be divided among the heirs under the Religious provisions and the laws in effect.
- 3- It shall by no means be permissible to assign and/ or transfer the ownership of a fraction of a share.

**Article (21): Corporate Bonds**

- (a) The Company shall have the right, with the consent of the Board, to issue negotiable corporate bonds of all forms and kinds.
- (b) The Company shall have the right, with the consent of the extraordinary meeting of the General Assembly, to issue corporate bonds which are convertible into shares. Such consent shall be considered as consent to the increase of the capital of the Company.
- (c) Corporate bonds shall be issued in conformity with the provisions of the law.

## **THE ADMINISTRATION OF THE COMPANY**

### **Article (22): Board of Directors:**

- (a) The powers of the present Board of Directors referred to in Article 2/c of law No. (16) for the year 1997 abolishing the Housing Bank law, shall come to an end as soon as these Articles are approved and adopted by the Extraordinary General Assembly and new Board of Directors is elected under the provisions thereof.
- (b) 1- The administration and the running of the company's affairs shall be assumed by a Board of Directors formed of thirteen members provided that governments, its public corporations and public corporate bodies shall be represented in the Board of Directors pro-rata to their stake of shareholding in the Company's capital if that stake of shareholding entitles them for one or more memberships in the Board, and in this case they shall not participate in the election of other Board members. If their stake of shareholding is less than the percentage that grants them membership in the Board then they shall use their right to nominate and participate in electing the members of this Board just like any other shareholder. In all cases the person representing any of same in the Board shall enjoy all the membership rights and bear its responsibilities. The remaining members shall be elected by General Assembly of shareholders save the parties nominated above, to represent the rest of shareholders in accordance with the articles of Association of the Company and the laws and regulations in effect. The Board shall carry out the duties and responsibilities of running the business of the Company for a period of four years starting from the date of election
- 2- The Board must call the General Assembly of the Company to hold a meeting during the last three months of its term, in order to elect a new board to replace it from the date of election. The existing Board shall continue to administer the Company's affairs until a new board is elected in case its election is delayed for any reason whatsoever, provided that the delay shall not in any case exceed three months as from the end of term of existing board.

**\*Article (23): Conditions of Board chairmanship or membership:**

- 1- A member shall not be less than twenty five years old.
- 2- He shall be of good conduct and reputation
- 3- He shall not be an employee of the government or any public official corporation.
- 4- He shall be the owner of or a representative of a corporate body owning at least (10,000) shares of the company.
- 5- His shares shall not be under attachment, mortgage or any other encumbrance preventing unconditional disposal thereof.
- 6- He shall not be a member of another company's board of directors that have similar business or purposes or competes with the company, that he represents, in its activities.
- 7- He shall not be a member of the board of directors or a general manager or a regional manager or an employee in another bank unless the other bank is a subsidiary of the Company.

- Article (24):**
- 1- The quorum of the shares of the Directors qualifying for membership shall remain attached during the term of their membership until the lapse of six months as from the date of end of their membership. They shall not be negotiable during such period. Such attachment is considered as mortgage in the interest of the Company.
  - 2- The membership of any Director shall automatically be dropped in the case of decrease of the number of shares he shall hold by virtue of these Articles. It shall also be dropped if attachment thereon is confirmed by a final judicial or if they are mortgaged during the term of membership unless the decreased shares are completed within a maximum period of thirty days.

- Article (25):** If a shareholder of the Company is a corporate body other than public corporate bodies it shall have the right to be elected for a number of seats in the Board, in proportion to its shareholding stake in the Company's capital and if elected, it shall nominate a natural person to represent it in accordance with the law during ten days from the date of its election provided that he shall satisfy the conditions and qualifications of membership save his ownership of the shares qualifying for the Board membership. It shall lose its membership if it fails to nominate its representative within one month of its election. It may replace him with another natural person to represent it during the Boardterm.

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\* Added to it pursuant to Article (22) of the banking law No. 28/2000.



**Article (26):** If a person is elected as Director during his absence, he shall announce acceptance or rejection of his position within ten days from the date of his notification of the result of the election. His silence is considered as acceptance of the position of Director.

**Article (27):** No one shall be a director if he was convicted of :

- 1- Any punishment for or immoral felony or misdemeanor such as bribe, misappropriation, theft, falsification, breach of trust, false testimony or any other crime in violation of morals and public manners, or if he lacks civil capacity or was adjudicated bankrupt unless he is rehabilitated.
- 2- Any punishment stipulated by the applicable law which prohibits his nomination to the membership of the Board.

**Article (28):** (a) Within seven days after the date of its election the Board shall elect by secret balloting out of its members its Chairman and his Deputy who will assume the duties and functions of the Chairman during his absence. It shall also elect one Director or more who will be entitled to sign severally and jointly on behalf of the Company in accordance with the decision of the Board in this respect and within the limit of powers authorized to them.

(b) The Board may authorize any employee of the Company to sign for it in compliance with the powers authorized to him.

(c) The Board may authorize the power stated in paragraph (b) above to the Chairman of the Board and/ or the General Manager.

(d) The Company shall supply the Controller with a copy of the resolutions of the election of the Chairman, his Deputy, the Directors and the authorized persons within seven days after the date of taking such resolutions.

**\*Article (29): Loss of the membership of the Board:**

The Chairman of the Board and any Director shall lose their membership in the following cases:

- 1- If he absents himself without legitimate excuse from attending four consecutive meetings of the Board.
- 2- If he absents himself even with legitimate excuse six consecutive months from attending the meeting of the Board.
- 3- If he becomes bankrupt.

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\* Added to it pursuant to Article (23 & 30) of the banking law No. 28/2000.

- 4- If he becomes insane, mentally disordered or incapacitated.
- 5- If he resigns his position by a written notice.
- 6- If he, solely or in association with others, performs any business which would involve competition with or speculation against the Company as well as obstruction of the progress of its work.
- 7- If he violates any of the conditions of the Board membership set out in the provisions of the law or these Articles.
- 8- If there are justified reasons for his deposition, for the interest of depositors or shareholders and the central bank approves his deposition upon the board request.
- 9- If he cannot repay his debts due to the bank.

- Article (30):**
- 1- (a) If the position of a Director becomes vacant, it shall be occupied by a member to be elected by the Board among the shareholders having the qualifications of membership. The corporate body shall participate in such election and such procedure shall be followed whenever a position on the Board becomes vacant. Such appointment shall remain temporary until it is presented to the General Assembly at the first meeting it holds wherein it shall approve it or elect someone else to fill the vacancy. In the latter case, the new member shall complete the term of his predecessor in the membership of the Board.
  - (b) If the temporary member is not approved nor the election of other member is made by the General Assembly in the first meeting it holds, then the temporary membership is over and the board must appoint a new member provided he will be presented to the General Assembly in its first subsequent meeting, according to the provisions of the this article.
  - 2- The number of directors appointed on the Board by virtue of this Article shall not exceed half of the number of the Directors of the Board. If the position of a Director becomes vacant subsequently, the General Meeting shall be convened to elect a new Board of Directors.

## **The Powers and Duties of the Board of Directors:**

**\*Article (31): (a)** The Board shall exercise all the powers and functions necessary for administering and running its affairs in accordance with the law and the provisions of these Articles. It shall abide by the resolutions and directions of the General Assembly. The Board shall be entitled to lay down all internal regulations and rules as well as the instructions necessary for the organization of the activities of the Company. Furthermore, it shall have the right to borrow money, mortgage the real estate, give guarantees and issue corporate bonds or any other negotiable debt bonds.

And it shall in particular assume the following duties and powers:

- 1- Set goals and lay down plans, which the executive management of the bank shall be obliged to follow.
- 2- Select executive management that is capable for managing the bank's business efficiently.
- 3- Adopt a written credit & investment policy which sets the bases and conditions for granting credit facilities and principles of investment provided that CBJ shall be given a copy and any amendments thereof.
- 4- Monitor the implementation of the bank's policies and to assure the soundness of the procedures followed for that.
- 5- Make sure that any member of the board or any employee of the top management shall not gain personal benefit at the expense of the bank's interests.
- 6- Take measures that ensure the accuracy of information provided to CBJ according to its law and the banking law provisions.
- 7- Take all measures that ensure the compliance with Banking law provisions and any other legislations related to the bank's business & activities.
- 8- Lay down internal regulations and rules as well as the instructions that define the duties of its different divisions and their powers which ensure administrative & financial control of its business.

**(b)** The Board may delegate to the Chairman or the General Manager any of its powers to organize the activities of the Company stipulated in this Article.

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\* Added to it pursuant to Article (21) of the banking law No. 28/2000.

- Article (32):** (a) The Board shall prepare the following information within a maximum period of two months after the end of the fiscal year of the Company.
- 1- The general annual balance sheet, the profit and loss statement and the cash flow statement and the explanations thereabouts in comparison with the former fiscal year, all approved by the auditor of the Company.
  - 2- Its annual report on the business of the Company during the past year and its future expectations for the next year.
- (b) These statements together with the report of the auditor shall be sent to every shareholder by ordinary mail accompanied by an invitation to attend the ordinary General Assembly Meeting.
- (c) A copy of all these statements mentioned above shall be sent to the Controller, the Market and the auditors at least twenty one days before the date set for the convention of the General Assembly Meeting.

**Article (33):** The Board shall publish the general balance sheet of the Company, its profit and loss account, a sufficient summary of the Board's annual report and the report of the auditors within a maximum period of thirty days after the convention of the General Assembly Meeting.

**Article (34):** The Company shall prepare a report every six months. This report shall include its financial position and the result of its activities, profit & loss account, cash flow statement and notes to financial statements, authenticated by the Company's Auditor with a copy thereof to each of the Controller and the Market within sixty days after the end of the period.

- Article (35):** (a) The Board shall, at least three days prior to the date set for the convention of the General Assembly Meeting of the Company at its Headquarter, provide a detailed statement for the awareness of the shareholders, with a copy to the Controller, including the following information:
- 1- All the amounts received by the Chairman and the Directors from the Company during the fiscal year including charges, fees, salaries, allowances, awards etc.
  - 2- The benefits obtained by the Chairman and the Directors from the Company.

- 3- The amounts paid to the Chairman and Directors during the financial year as travel expenses and transport charges inside and outside the kingdom.
  - 4- Donations in detail paid by the Company during the financial year and the parties receiving same.
  - 5- A list of the names of Board Members, numbers of shares owned by each and his membership duration.
- (b) The Chairman and the Directors shall be held responsible for the execution of this Article and for the truth of the information submitted thereunder for perusal of the shareholders.

### **Chairman of the Board of Directors:**

- Article (36):** 1- The Chairman of the Board shall represent the Company and sign for it with third party and before all parties and authorities, including competent judicial ones and may authorize any representative to represent him before such parties and exercise the powers vested in him under these Articles, the law and the applicable regulations in addition to such other powers as may be authorized to him by the Board. He may authorize or appoint whoever he may wish to act for him in performing any of the matters of the Company.
- 2- (a) The Chairman may devote full time for assuming the activities of the Company with the consent of two thirds of the Directors providing the Board shall determine clearly the powers and responsibilities which he is entitled to exercise. The Board shall also determine his fees and the allowances which he deserves on condition that he shall not be a full - time chairman of the board of, or general manager of, any other shareholding company.
- (b) The regulations of the personnel affairs of the Company and the resolutions of the Board shall apply to the Chairman of the Board in the case he is a full - timer in respect of any awards, leaves, travel and medical treatment charges, service benefits and all other rights and services in respect of what is not stated explicitly in the resolution of the Board electing him as full - timer.
- (c) In the case he is a full - timer, the Chairman of the Board shall preside over the departments of the Company. He shall run the affairs of the Company, supervise it including all financial and administrative aspects. He

shall represent the Company in signing contracts and he may delegate any of the employees of the Company to do same. He shall be responsible to the Board for the work progress of the Company, its management, implementation of the policy laid down by the Board with a view to achieve the objectives and purposes of the Company. He shall be the main executor of the policy and administration of the Company. He shall exercise all the powers and responsibilities entrusted to the Company and not limited to the Board, or the powers authorized to him by the Board in accordance with the law or these Articles.

(d) The full - time Chairman may delegate all or some, of his powers authorized to him under the rules, regulation, instructions and the resolutions of the Board, to the General Manager or any of the employees of the Company. Such delegation shall be under instructions issued by him or letter sent by him to the person delegated.

- 3- The Chairman of the Board or any Director shall have the right to assume any job or position in the Company in return for consideration, remuneration or award in the cases required by the nature of work and approved by the Board by a majority of two thirds of its members provided that the person involved shall not vote.

### **Procedures of the Board of Directors**

**Article (37):** 1- The Board shall meet upon invitation in writing of its Chairman or his Deputy, or at the request of at least a quarter of its members stating the reasons for the meeting. If the Chairman or his Deputy does not address an invitation to attend the meeting within seven days after he receives a copy of the request, then the members who submitted the request may convene the meeting of the Board.

2- The absolute majority of the members of the Board shall be present so that its meetings and resolutions may be legal.

3- The Board shall hold its meetings at the main Headquarter of the Company or any other place inside the Kingdom if the meeting cannot be held at the Headquarter. It shall have the right to hold two meetings a year in maximum outside the Kingdom if so required by the nature of business.

- 4- The Board shall organize its meetings as necessitated by the interest of the Company provided that it shall held at least six meetings per year and that no period of two months shall pass without holding a meeting, with a copy of the invitation to the controller.

**Article (38):** The Board shall appoint one of the company's employees as the Board's secretary, and assess his remunerations. He shall organize meetings, prepare its agenda and record its minutes of meetings and resolutions in a special register on serial - numbered pages, to be signed by the Chairman and Members of the Board who attended the meetings. Each page shall be stamped the Company's stamp.

- Article (39):**
- 1- The resolutions of the Board shall be issued by absolute majority of the votes of the present members. When the votes are equal, the Chairman shall have a casting vote.
  - 2- No voting by proxy or correspondence shall be permitted at the meetings of the Board.

- Article (40):**
- 1- Minutes of each session shall be organized and entered in a special register to be signed by the Chairman and the Directors who attended the session and imprinted by the stamp of the Company.
  - 2- A dissenting member shall register the reason for his dissension in writing above his signature.
  - 3- A member may be given a copy of the minutes signed by the Chairman.

### **The General Manager:**

- Article (41):**
- 1- The Board shall appoint a well qualified General Manager of the Company, determine his duties, responsibilities, salary and rights and authorize him to generally manage the Company in cooperation with the Board and its Chairman, in conformity with the policy laid down by the Board provided that he shall not be general manager of more than one Shareholding Company.
  - 2- The Board and its Chairman may delegate to the General Manager all or some of its powers as may be required by its interest.

- 3- The regulations of personnel affairs of the Company and the resolutions of the Board shall apply to the General Manager with regard to the awards, leaves, travel and medical treatment charges, service benefits and other rights and services in respect of what is not stipulated explicitly in the decision of his appointment.
- 4- The Board shall inform the Controller, the Market and CBJ in writing about the appointment and termination of service of the General Manager within ten days as from taking the decision.

- \*Article (42):**
- 1- The Chairman of the Board or any of its Directors may be appointed as General Manager of the Company, his assistant or deputy by a resolution issued by two thirds of the members of the Board providing the one interested shall not vote.
  - 2- The following conditions shall be required by the person who shall be appointed as a general manager (during the whole term of his work).
    - A: He shall be of good conduct and reputation.
    - B: He shall not be a member of other Bank's Board of directors unless the other bank is a subsidiary of the bank.
    - C: He shall be a full – time manager of the bank.
    - D: He shall have competence and banking experience that is required for the bank's business.
  - 3- The general manager shall definitely lose his position if he is convicted from a competent court of any immoral felony or misdemeanor or if he issues a cheque with no sufficient funds or if he fails to repay his debts due to the bank.

**Article (43):** (a) In the case there is no full time Chairman of the Board of Directors, the General Manager shall preside over the departments of the company. He shall run the affairs of the Company; supervise it including all financial and administrative aspects. He shall represent the company in signing contracts and he may delegate any of the employees of the Company to do same. He shall be responsible to the Board for the work progress of the Company, its management, implementation of the policy laid down by the Board with a view to achieve the objectives and purposes of the company. He shall be the main executor of the policy and administration

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\* Added to it pursuant to Article (25 & 30) of the banking law No. 28/2000.



of the company. He shall exercise all the powers and responsibilities entrusted to the company and not limited to the board, or the powers authorized to him by the Board in accordance with the law or these Articles.

- (b) In the case the full time Chairman is absent from his job center for any reason, the General Manager shall exercise all the work and powers stipulated in paragraph (a) hereof.

**Article (44):** The General Manager shall have the right to delegate all or some of the powers entrusted to him under the regulations, rules, instructions and decisions of the Board to any of the employees of the Company. Such delegation shall be in accordance with instructions issued by or letters in writing given by the General Manager to the person delegated.

**Company's General Assembly:**

**Ordinary General Assembly:**

**Article (45):** The Ordinary General Assembly convenes once a year upon the invitation of the Board at the place and on the time appointed by agreement with the Controller providing that the time of the meeting shall not exceed four months following the end of the Company's financial year.

**Article (46):** The powers of the ordinary General assembly at its ordinary annual session include the consideration and discussion of all the matters of the Company and taking the decisions appropriate thereto, especially the following:

- 1- The Minutes of the previous ordinary General Meeting.
- 2- The Board's report on the Company's activities during the year and its future plan.
- 3- The Company Auditors' report on its balance sheet, other final accounts, its financial conditions and situation.
- 4- Annual balance sheet, profits and loss account and fixing the profits which the Board proposes to be distributed including reserves and appropriations stipulated to be deducted under these Articles and the law.
- 5- The election of the Board's members.
- 6- The election of the Company's auditors for the next financial year, fixing their fees or authorizing the Board to do so.
- 7- Any other subject included by the Board on the meeting Agenda.

- 8- Any other matters proposed by the General Assembly to be included on the Agenda and put forward at the ordinary General Assembly Meeting according to the provisions of the law, provided that the inclusion of such proposal on the agenda shall be attended by the approval of a number of shareholders representing at least 10% of the shares represented at the meeting.

- Article (47):**
- 1- The first session of the Ordinary General Assembly shall not be considered legal unless it is attended by a legal quorum of shareholders representing more than half of the Company's shares.
  - 2- If no quorum is present at the first session one hour after the assigned time on the date of the meeting, the meeting shall be postponed to another session to be held within ten days from the date of the first meeting at the same place and time appointed to it. This shall be announced in two local daily newspapers at least three days before the meeting date in which case, the second session shall be considered legal regardless of the number of shares represented.

#### **Extraordinary General Assembly:**

- Article (48):** The extraordinary General Meeting shall convene pursuant to the invitation of the Board of Directors directly or at the request in writing notified to the Board by shareholders holding at least a quarter of the shares of the Company and in any other case stipulated by law.

- Article (49):**
- 1- The extraordinary General Assembly session shall not be legal unless attended by a number of shareholders representing more than a half of the shares of the Company.
  - 2- If a legal quorum is not present at the first session after the lapse of one hour from the date set for the meeting, the meeting shall be postponed to another session to be held within ten days as of the date of the first meeting at the same place and time assigned thereto. This shall be announced at least in two local daily newspapers at least three days before the date of the meeting. The second meeting shall be legal if attended by shareholders representing at least 40% of the shares of the Company. If no quorum is present at the second session, the meeting shall be canceled regardless of the reasons of invitation to it.

- 3- In the case of liquidation or merger of the Company with another one, the shares represented at the meeting shall not be less than two thirds of the shares of the Company.

**Article (50):** (a) In its extraordinary session, the General Assembly shall only consider the discussion of the following issues:

- 1- Amendment to the Memorandum and Articles of Association.
  - 2- Merger and acquisition of the Company.
  - 3- Liquidation and termination of the Company.
  - 4- Discharge of the Board or the Chairman or a Director of the Board.
  - 5- Sale of the Company or entire acquisition of another one.
  - 6- Increase or decrease of the capital of the Company.
  - 7- Issue of corporate bonds which are convertible into shares.
  - 8- Allow employees to own shares of the Company's capital.
  - 9- Purchase and sale by the company of its own shares, in accordance with the law and other legislations in effect.
- (b) The issues set out in clause (a) of this Article may not be discussed unless they are explicitly mentioned in detail in the invitation addressed to the shareholders.
- (c) The resolutions of the General Assembly at its Extraordinary General Meeting shall be issued by a majority of (75%) of the total shares represented at the Meeting. Such resolutions shall be subject to the procedures of approval, registration and publication stipulated by law except as mentioned in items (4) of Clause (a) of this Article.

**Article (51):** The General Assembly at its Extraordinary General Meeting may discuss the issues falling within its powers, in which case it shall issue its resolutions by absolute majority of the shares represented at the meeting.

**Article (52):** 1- The General Assembly may, at an extraordinary session held by it remove the Chairman of the Board or any Director from office, except the members of the Board representing the shares of the Governments or any public corporate body at a request signed by shareholders holding at least (30%) of the shares of the Company. Such request for removal shall be submitted to the Board with a copy thereof to the Controller. The Board shall invite the General Assembly to hold an

extraordinary session within ten days as from the date of submission of the said request so that the General Assembly will consider it and issue the suitable resolution thereon. If the Board fails to convene the General Assembly, the Controller shall convene it at the expense of the Company.

- 2- The General Assembly shall discuss the application for removal and hear the statement of the person to be removed, after which voting thereon shall be conducted by secret balloting.

### **General Rules of the General Assembly Meeting:**

**Article (53):** (a) The Board shall address an invitation to attend the General Assembly Meeting to:

- 1- The shareholders of the Company, it shall be sent to them by ordinary mail. It may be delivered to the shareholder by hand against a signature of receipt, or by any other way permitted by law, at least fourteen days before the convention of the meeting.
- 2- The Controller and auditor of the Company at least fifteen days before the date of the Meeting. Any session held by the General Assembly Meeting shall be void if not attended by the Controller or his deputy.

- (b) The invitation shall be announced in two local daily newspapers for two consecutive times before a period not exceeding fourteen days as of the date of the meeting and in one of audio or visual media for one time three days at the most in advance. The invitation shall state the place, day and hour of the meeting.

**Article (54):** The invitation shall enclose the agenda of the General Assembly Meeting, the report of the Board, the annual balance sheet and final accounts of the Company, the report of the auditor and the other required statements.

**Article (55):** 1- Any shareholder who was registered in the registers of the Company three days before the date set for any meeting, shall have the right to attend the sessions of the General Assembly Meetings, participate in the discussion of the issues in question and vote on its resolutions.

- 2- Every shareholder shall have a number of votes equaling the number of the shares held by him in person and by proxy and according to the ratio specified by law.

- Article (56):**
- 1- Any shareholder may delegate another shareholder to attend the sessions held by the General Assembly Meetings on his behalf under a power of attorney in writing as per the form designed for this purpose. A shareholder may further appoint any person to act for him under a notary power of attorney in attending the meeting on his behalf.
  - 2- The form shall be filed at the Head Office of the Company at least three days before the date assigned for the meeting. It shall be checked by the Controller or his representative.
  - 3- The power of attorney shall be valid for the attorney to attend any other meeting to which the General Assembly Meeting is postponed.
  - 4- The form of the appointment of an attorney may be as per the formula stated below or by any other formula decided by the Board and approved by the Controller:

<p>To the Housing Bank For Trade &amp; Finance Public Shareholding Company P.L.C</p> <p>I _____ in my capacity as shareholder of the Housing Bank For Trade &amp; Finance Public Shareholding Company P.L.C hereby appoint _____ of _____ as my attorney and representative at the Ordinary and/ or Extraordinary Meeting, as the case may be, which will be held by the Company on _____ of the month of _____ in the year _____ and at any other meeting to which such meeting may be postponed.</p> <p>Issued on:     /     /</p> <p style="text-align: center;"><b>Witness                      Witness                      Principal's Signature</b></p>		
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- 5- The form of appointment of the attorney shall be subscribed by the signature of the principal or his legal attorney who is duly authorized in writing to do so. If the principal is a registered institution, the said form shall be imprinted by the stamp of the institution or signed by its officials or its authorized agent.

**Article (57):** The attendance of the father, guardian attorney of a natural person or a corporate body, or the representative of who is a shareholder of the Company shall be considered as legal attendance of the principal at the General Assembly Meeting even if these persons are not shareholders of the Company.

- Article (58):** 1- When the General Assembly Meeting is held, an attendance list shall be prepared containing the names of the shareholders present and the number of votes represented by every one of them in person and by proxy. They shall sign this list which shall be kept with the Company.
- 2- A shareholder shall be given a card to attend the meeting showing the number of votes borne by him and imprinted by the stamp of the Company and signed by the Controller or his representative supervising the registration of the shareholders.

- Article (59):** 1- The General Assembly Meeting shall be presided over by the Chairman of the Board or the Deputy thereof in case of his absence or by the person delegated by the Meeting in case they are both absent.
- 2- The Board should attend the General Assembly Meeting by a number not less than the number required for the validity of the Board's convention, and no absence shall be allowed without an accepted excuse.

- Article (60):** 1- The Chairman of the General Assembly Meeting shall appoint a clerk from among the shareholders or the Company's employees to put down the minutes of the Meeting, and, further, he shall appoint at least two controllers to collect and count the votes. The controller or the representative thereof shall declare the result of voting.
- 2- A report of the Minutes of the Meeting should be drawn up. It should include the legal quorum of the Meeting and the issues discussed thereof as well as the resolutions taken thereon, in addition to the number of the votes in favor or against each resolution, the votes in abstention, and the deliberations required by the shareholders to be put down in the report, which should be signed by the Chairman of the Meeting, the controller or the representative thereof, and the Clerk.
- 3- This report should be documented in a special record prepared at the company for this purpose, and the Board shall send a signed copy thereof to the controller within 10 days as of the date of the General Assembly Meeting convention.
- 4- The Controller shall be entitled to give an authenticated copy of the minutes of the General Assembly Meeting to any shareholder in return for the fees imposed under the provisions of the law.

## **Accounts of the Company:**

### **The Financial year:**

- Article (61):**
- 1- The Financial year of the Company shall begin as of the first day of January of each year and end at the 31st. of December of the same year.
  - 2- The Company shall organize its accounts and keep regular accounting books and records according to the international accounting and auditing standards, certified according to the provisions of the law.

### **Distribution of Dividends and Remuneration:**

- Article (62):**
- 1- The Company may not distribute any dividends among its shareholders except from the net profits thereof after the allotment of the required legal deductions.
  - 2- (10%) of the net annual profits shall be deducted and appropriated for the statutory reserve and this should continue until this reserve is equal to the Company's capital.
  - 3- The statutory reserve may not be distributed among the shareholders.
  - 4- A part of the profits may be appropriated for the account of the voluntary reserve, providing that it does not exceed (20%) of the annual net profits. This reserve shall be used for the purposes decided by the Board, and the General Assembly shall be entitled to distribute all of this reserve or a part thereof among the shareholders as profits, if not used for the said purposes.
  - 5- The Company may deduct any rate of the annual profits according to the proposal of the Board and by approval of the General Assembly for the account of any other reserve as required by the best interest of the Company and the work progress thereof, regardless of the nomination of these reserves or the purposes thereof.
- Article (63):** The Company should appropriate at least (1%) of its annual net profits to be spent on scientific research and vocational training therein, and may offer such provisions to the other concerned entities to carry out this task on behalf of the Company. In case this provision is not spent, it shall be used according to the provisions of the law.

- Article (64):**
- 1- The remuneration of the Chairman and the other Directors shall be determined at the rate of (10%) of the net profit to be distributed among the shareholders after the deduction of all the reserves and the taxes with a maximum amount of JD 5000 for each Director per year, as stipulated by law.
  - 2- In the event that the Company suffers losses after the realization of profits, the Chairman and Directors shall each be paid, for their efforts in administering the company, an average amount of (JD 20) for each of the Board's sessions or any meeting of its sub - committees, provided that such remuneration shall not exceed (JD 600) a year for each Director.
  - 3- The transport and traveling allowances of the Chairman and the Directors shall be determined by the Board from time to time.

- Article (65):**
- 1- The shareholder shall be entitled to the annual profits of the Company upon the distribution of such profits which shall be decided by the General Assembly.
  - 2- The said profits shall be due to the shareholders registered in the Company's records on the date of the convention of the General Assembly at which the distribution of the profits is agreed upon.
  - 3- The Company shall pay the dividends determined to be distributed among the shareholders within forty five days as of the date of the General Assembly Meeting. In case of violation of the aforesaid, the Company shall pay to the shareholder an interest at the current interest rate prevailing on time deposits during the delay period providing that this delay does not exceed 6 months as of the date of maturity.

**The Auditors:**

- Article (66):**
- 1- The General Assembly shall elect one or more licensed auditors to audit the Company's accounts for one renewable year, and shall regulate their duties and authorities under the provisions and texts stipulated by law and the agreed upon standards in auditing, and determine their fees, or authorize the Board to determine it.



- 2- The Auditor may not impart to the shareholders or to non-shareholders at General Meeting's location or at any other location or time, any of the Company's secrets known by him by reason of his work thereat, otherwise he shall be removed and demanded to pay compensation.

### **Saving Fund:**

**Article (67):** The Company may, in accordance with the provisions of the law, establish a special savings fund for its employees and workers. This Fund will enjoy independent artificial personality administratively and financially under a special system issued by the Board.

### **Dissolution and Liquidation:**

**Article (68):** **The Company shall be dissolved in the following cases:**

- 1- If a resolution is passed by the General Assembly of the Company to dissolve and liquidate it in an extraordinary meeting with a majority of (75%) of the votes of the present shareholders, provided that the legal quorum of this meeting is not less than two thirds of the Company's shares.
- 2- In the other cases stipulated by the Companies' Law as well as the Banks' Law or the other observed laws.

**Article (69):** With regard to Company's liquidation and settlement of its debts the rules stipulated by law shall be applied.

### **Announcements and Notices:**

**Article (70):** The Company shall send announcements, notices and notifications to each shareholder either by ordinary mail at his registered address, or at the address given by him to the Company in the Kingdom if he does not have a registered address therein. Once the announcement, notice, or notification is sent by mail, it shall be deemed as if it was delivered to him if the envelope containing same is addressed, having the due stamps stuck thereupon and placed at the post office. It shall be considered as being served on the date on which surface mail is usually distributed, unless the shareholder has proved otherwise.

**Article (71):** If the Company's shareholder does not have an address in the Kingdom registered at the Company, and has not given to the company an address of his own to receive the announcements and notices, the publication of these announcements and notices in the local newspapers shall be deemed an adequate notification to him as of the date to the publication of the announcement or the notice.

**Article (72):** The Company is allowed to deliver the announcements and notices to the joint shareholders of the Company by sending same to the person whose name comes first in its records concerning this share.

**Article (73):** The Company is allowed to deliver the announcements, notices and notifications to the persons who become entitled to the shares thereof as a result of a member's death, bankruptcy, or liquidation by sending same by ordinary mail in an envelop bearing the due post stamps and addressed to them in their names or in their capacity as the representatives of the deceased member or the proxies of the bankrupt person, or in any other similar capacities at the addresses provided to the Company by those claiming the entitlement to Company's shares, if there are such addresses, or to deliver the announcements or notices by any possible means of delivery, if the shareholder was not dead or bankrupt, until an address for delivery in the Kingdom is given.

**Article (74):** The invitation to attend the General Assembly Meeting shall be sent by the above - mentioned method to:

- 1- Every shareholder of the Company.
- 2- Any person having right to a Company's share as a result of the death or bankruptcy of the shareholder who, having not been dead or bankrupt, would be entitled to receive an invitation to the Meeting.

None else shall be entitled to receive an invitation to attend the sessions of the General Assembly Meeting.

### **General Provisions:**

**Article (75):** The Chairman and each of the Directors as well as the General Manager and each of the chief managers of the Company should submit to the Board at the first meeting held after being elected, a declaration in writing showing what he, his wife and minor children own in the shares of the Company and in the other

companies, if the Company has shares in those companies, and of any change occurring to such statements within 15 days as of the date of the occurrence of that change. The Board should provide the Controller and the Market with copies of these statements and of any change occurring thereto within 7 days as of the submittal thereof.

- Article (76):**
- 1- Neither the Chairman of the Board nor any of its Directors, the General Manager, or any of the Company's employees may have any direct or indirect interest in the contracts, projects and undertakings concluded with or for the account of the Company.
  - 2- An exception to this is the contracts works and undertakings as well as the general tenders which allow all competitors to take part therein on equal terms. If the optimum bid is offered by any one of those mentioned in Clause (1) of this Article, then approval by two thirds of the Directors of that offer is required, provided that the member tenderer shall have no right to vote on this issue. Approval is renewed annually.
  - 3- Any one, of the persons referred to in clause (1) hereof, violates the provisions of this Article shall be removed from his office or job at the Company.

**Article (77):** The Company shall execute the resolutions taken by Board and the actions thereof within its authority. Further, the Company shall indemnify any damage resulting from the work or acts carried out by any of the Directors in administering the Company or in its name. It shall have recourse to him for the indemnity value it incurs.

**Article (78):** The Directors as well as the Managers, Auditors, the members of the committees, and the Company's employees undertake to preserve the secrets concerning all the Company's transactions with the customers thereof, they are further bound to refrain from disclosing any information or statements that come to their knowledge during the practice of their duties, or by reason of their positions at the Company under penalty of removal and claim of compensation for the damage to the Company. Excluding the information which laws and regulations in effect allow to be published, the approval of the General Assembly shall not release the Chairman and the Directors from this responsibility.

- Article (79):** 1- Nothing in these Articles shall annul any of the resolutions, instructions, or actions taken prior to their execution.
- 2- The Provisions of the companies' law and the Banks' law and the instructions issued by its virtue shall have the priority in applications on the provisions of these articles, if any contradiction or discrepancy appears.

**Article (80): Prevailing Text.**

It is agreed that should any discrepancy be established between the Arabic text to the Memorandum and Articles of Association and this translation, the Arabic text shall always prevail.