

**QATAR INTERNATIONAL ISLAMIC BANK  
(QSIIB)**

**ARTICLES OF ASSOCIATION**

**CHAPTER I**  
**ESTABLISHMENT OF THE COMPANY**

## **Article 1**

A Qatari joint stock company is established among the shareholders in accordance with the provisions of Commercial Companies Act and this Articles of Association as per regulations described below:

## **Article 2**

The name of the Company is  
QATAR INTERNATIONAL ISLAMIC BANK (Q.S.C.)

## **Article - 3**

### **Objectives:**

The Company whether for its own sake or for others or in collaboration with others at home as well as abroad, will carry out all the aspects of banking, investment and financial activities by working in the belowmentioned fields, but not restricted to these:

### **(1) Banking activities:**

- a) Accepting all sorts of deposits and opening various accounts.
- b) Opening and confirming letters of credit.
- c) Issuing securities and letter of guarantees.
- d) Dealing in foreign currencies and financing foreign trade
- e) Issuing or participating in the issuing of credit cards, travellers' cheques and any other financial instruments.

### **(2) Investment activities:**

- (a) Holding or establishing or participating in investment projects in different sectors, whether existing or under consideration such as Islamic Banks and Insurance and Cooperative Re-insurance companies.
- (b) Purchase of tangible assets in order to hire or sale on hire purchase.
- (c) Placements of the surplus funds of banks and financial establishments.
- (d) Issuing bonds to participate in various projects.
- (e) Management of banking and real estate portfolios for individuals and establishments.

**(3) Financing activities:**

- (a) Taking up all sorts of financing works for different sectors and economic activities, whether it is short, mid or long-terms financing and whether it is directly or through banking groups or issuing security bonds.
- (b) To provide necessary financing for individuals and establishments on Islamically acceptable principles.
- (c) Financing of projects.

The company may have an interest in the firms with similar or connected activities, or those firms which may assist the Company in achieving its objectives in Qatar or abroad. The Company may also cooperate with these firms in any aspect or merge in them or buy them, or annex them to it. The Company in all its dealings shall abide by the provisions of Islamic Shariah and shall not confront with it in any way.

**Article - 4**

The life of the Company is limited to be fifty Gregorian years with effect from the date of Decree authorizing the establishment of the Company. This period can be extended through a resolution by Extra-Ordinary General Body.

**Article - 5**

The Headquarters and Registered Office of the Company shall be in Doha, State of Qatar. The Board of Directors may establish branches, offices, or agencies for the Company in Qatar or Abroad.

**CHAPTER II  
CAPITAL OF THE COMPANY**

#### **Article 6**

The capital of the Company is fixed to be QR 100,000,000 (One hundred million Qatari Riyals) of 1,000,000 (One million) shares at a par value of QR 100 (One hundred Qatari Riyals) per share.

#### **Article - 7**

The founder members signed on this Memorandum subscribed the capital of the Company with 200,000 (Two hundred thousand) shares having a par value of QR 20,000,000 (Twenty million Qatari Riyals). The shareholders have paid 50 (Fifty) percent of the value of each share at the time of subscription to Qatar Islamic Bank which has been approved by the Minister of Economy & Commerce.

The founders are not permitted to transact their shares before a period of two years from the final establishment of the Company. However, heirs of a deceased founder may transact his shares during this period.

#### **Article - 8**

The remaining 800,000 (Eight hundred thousand) shares having a value of QR 80,000,000 (Eighty million Qatari Riyals) are placed for public subscription. The shares will be at par and subscriber shall pay at the time of application fifty per cent of the cost of subscribed shares.

No ordinary person or proxy can subscribe more than 2,000 (Two thousand) shares, nor submit more than one application for subscription. No person can at any time own more than two per cent of Company's capital, unless it is by inheritance or will.

#### **Article - 9**

The balance of cost of each share should be paid up on due date within a maximum of five years from the date of issue of Decree authorizing the establishment of the Company in the mode prescribed by the Board of Directors. These dates will be announced at least fifteen days before due. The paid up amount will be entered on the share certificates issued by the Company in accordance with the Article 123 of Commercial Companies Act. Any certificate that does not clearly indicate the payment of due amount is not at all negotiable.

In the event of non-payment of due instalments on the due dates, the Board of Directors have the right to place the shares for auction, at the expense, liability and responsibility of the defaulted shareholder, after notifying him to pay it within thirty days from the date of notification. The share documents that are sold in this way

are finally cancelled and instead new documents bearing the same numbers of the old documents are delivered to the buyers.

The Board of Directors shall collect the due instalments and expenses in full from the proceeds of the sale. Any excess amount if found is returned to the shareholder, whose shares are sold. But if any deficit is found, the difference is collected from him.

#### **Article - 10**

The Company shall issue temporary certificates at the time of subscription. Name of the shareholder, number of subscribed shares, amount paid, and the instalments due are entered in the certificates. It takes the place of equity shares until replaced by shares when all the instalments are paid up. The shares are delivered within three months, from the date of payment of the last instalment or its total value. The shares are taken out from a register having coupons serially numbered and signed by two directors. The Company's seal is also affixed therein.

The share should state particularly date of Decree authorizing establishment of the Company, date of publication in the Official Gazette, capital, number of disbursed shares and their features, and the objective, headquarters, and terms of the Company.

The shares will have coupons serially numbered containing the share number also.

#### **Article - 11**

A Shareholders' Register is maintained at the Headquarters of the Company, with their names, nationality, address, profession, number of shares owned by each, serial numbers of shares, paid up amount for each share, date of registration of each member, date of his quitting the Company, and mode of quitting.

The transactions undergone by the shares or the temporary certificates representing the shares, are also entered in the above Register.

The title of shares is transferred when the surrender is confirmed in writing in the above mentioned Register, after submitting a signed statement by the assignee. The Company has the right to ask for legalizing the signatures of both parties and to prove their competency by legal means. Despite the surrender and recording it on the Company's Register, the original subscribers and the subsequent assignors are jointly responsible alongwith the assignees for the remaining amount till the cost of shares are paid up. The assignor's liability for this joint venture will be dropped after two years from the date of surrender and two members of the Board

of Directors affix their signatures on the certificates confirming the entry of shares in the Title Transfer Register.

#### **Article - 12**

The shareholders are not liable except for the cost of each share and their liabilities shall not be increased.

#### **Article - 13**

The title of share inevitably involves acceptance of Articles of Association of the Company and decisions of the General Body.

#### **Article - 14**

The share is indivisible, but two or more persons can share one or more shares, provided one person will represent them at the Company.

The partners of one or more shares are considered jointly responsible for the consequent liabilities of this title.

#### **Article - 15**

In compliance with the provisions of Article (10) of this Articles of Association, the shares and temporary certificates can be sold, but the sale is not considered valid with respect to the Company unless it is entered in the Register referred to in Article (11) therein. This can be registered at a sale tribunal in the presence of both parties or their representatives and the representative of the Company.

The buyer should be a Qatari citizen if the shares or temporary certificates are owned by a Qatari.

The shares and the temporary certificates can be mortgaged, given as gift and transacted in any other way, but the provisions of the above para shall be effective on the transaction.

The class of the creditor mortgagee will be fixed from the date of entering the mortgage in the register maintained for the purpose.

The creditor mortgagee can receive the share profits and exercise the rights pertaining to it unless otherwise agreed upon in the mortgage deeds.

#### **Article - 16**

The heirs of a shareholder or his creditors can by no means request to affix the seal on the ledgers, stationeries or properties of the Company, nor can they ask to divide it or to sell it totally, when division is impossible, nor can they interfere in any way in the administration of the Company. In exercising their rights, they should

rely on the inventory ledgers, and final accounts of the Company, and on the decisions of the General Body. The properties of the Company cannot be confiscated for the liabilities of a shareholder, but the shares and profits of an indebted shareholder may be confiscated. The confiscation should be entered alongwith the share particulars in the shareholders' register.

#### **Article - 17**

Each share accords the holder the right for an equal dividend like others, without discrimination on the ownership of the assets of the Company and on the profits divided as explained later.

#### **Article - 18**

The last holder of the share whose name is entered in the Company's Register has the right to receive the due amounts whether it is dividend or a portion of Company's assets.

#### **Article - 19**

In compliance with the provision of Article (130) of the Commercial Companies Act, the capital of the Company can be increased by issuing new shares with the same par value as that of the original ones.

This increase should be based on a decision by an Extra-Ordinary General Body meeting upon the proposal of Board of Directors with the details of extent of increase, rate of issue of shares, and scope and right of old shareholders with regard to the preference of subscription.

New shares shall not be issued at less than par value. If issued at more than par value, the difference by all means shall be added to the lawful reserves.

#### **Article - 20**

The Extra-Ordinary General Body can decide to reduce the capital of the Company, if it exceeds the need or if a loss is incurred and the Company decided to reduce the capital to the actual value.

The reduction is made by either of the following methods:

- a) Reducing the par value by cancelling a part of this value equal to liability of instalments not due.
- b) Reducing the par value by cancelling a part of this value equal to the loss if incurred by the Company or by reducing a part of the value if the Company finds the capital more than necessary.

## **CHAPTER III COMPANY MANAGEMENT**

#### Article - 21

Board of Directors comprising of seven members elected by Ordinary General Body by secret ballot shall assume the management of the Company for three years, except for the first Board of Directors which is appointed by the founders. The first Board of Directors is selected as follows:

- |  |                   |
|--|-------------------|
| 1. Sh. Ahmad bin Saif Al Thani             | Chairman          |
| 2. Sh. Ali bin Saud Al Thani               | Vice Chairman     |
| 3. Mr. Faisal Mohammed Ghanim Al Sulaiti   | Managing Director |
| 4. Sh. Faisal bin Qasim Al Thani           | Director          |
| 5. Sh. Ali bin Abdullah bin Thani Al Thani | Director          |
| 6. Mr. Rashid Faisal Al Nuaimi             | Director          |
| 7. Mr. Abdul Rahman Muftah Al Muftah       | Director          |

A Member of the Board of Directors should own at least two thousand Company shares. This number of shares is specified in order to safeguard the rights of the Company, shareholders, creditors and third party towards the responsibility vested on the Members of the Board of Directors. It should be deposited in an approved bank within 60 days from the date of notification of his election. The deposit shall continue and remain non-negotiable till the membership expires and the Balance sheet for the last fiscal year of his term is approved. If the member fails to furnish the aforesaid security, his membership is revoked.

#### Article - 22

Members of the Board of Directors will be elected for a period of renewable three years. The first Board of Directors will hold office for a period of five years.

#### Article - 23

A Chairman and a Vice Chairman will be elected by the Board of Directors through secret ballot for a period of three years. The Board may elect by secret ballot one or more Managing Directors for the Management. With regard to the first Board of Directors, the founders have appointed Sh. Ahmad bin Saif Al Thani as Chairman, Sh. Ali bin Saud Al Thani as Vice Chairman, and Mr. Faisal Mohammed Ghanim Al Sulaiti as Managing Director.

The Chairman of the Board of Directors is the Chairman of the Company. He has to implement the decisions of the Board and is bound by its recommendations. The Vice Chairman takes his post in his absence.

#### **Article - 24**

When a post of member of the Board of Directors falls vacant, he will be succeeded by the one who got more votes among the shareholders contested but could not get elected to the Board of Directors. If there is any objection, the next man assumes the post. The new member completes the term of his predecessor only. But if the number of vacant positions falls one fourth of the original posts, the Board of Directors shall call an Ordinary General Body to be held within two months from the date of arising the last vacancy in order to fill up the vacant positions.

The Board of Directors assigns the work among all the members in accordance with the nature of the Company's activities. They can depute a member to carry out a particular task or more or to supervise an aspect of Company's activities.

#### **Article - 25**

The Board of Directors has vast authorities to manage the Company. They can take up all the works required for this management to suit its objectives. Only the Law, Articles of Association, or General Body decisions can curb this authority.

The Board of Directors has no power to sell or to mortgage the real estates of the Company or to conclude loan deeds unless it is permitted by General Body as long as these transactions, by nature, do not come under the objectives of the Company.

#### **Article - 26**

The Chairman of Board of Directors, Vice Chairman and Managing Director(s) have the power to sign for the Company jointly or individually. They can also represent the Company before judiciary or others, in accordance with the decision made by the Board of Directors in this regard. The Board of Directors may appoint one or more Managers and may empower them also with the rights to sign for the Company individually or jointly.

#### **Article - 27**

1) The Chairman or at least two members of the Board of Directors can call Board of Directors meeting. There should be at least four meetings in a fiscal year. The meeting will not be valid unless at least half of the members are present provided a minimum of three members should attend the meeting. There should be at least one meeting in a period of three months.

- 2) The Board of Directors will meet in the Headquarters of the Company. Meeting may be held outside also provided all the members are present or represented in the meeting and it is held in Qatar.
- 3) A member of the Board of Directors may depute if necessary one of his colleagues in the Board. In this case, this member will have two votes. The same member cannot represent more than one member of the Board of Directors. Only members of the Board of Directors can represent in this way.
- 4) Resolutions of the Board of Directors are adopted by majority votes of the present members. If votes are equal, the side of Chairman or his In charge will prevail. The opposing member can record his dissenting note in the minutes.

#### **Article - 28**

The minutes of the Board of Directors meetings are recorded in a special register and are signed by Chairman, Managing Director and the Director or the employee who assumes the works of Board's Secretariat.

#### **Article - 29**

Remunerations of the members of the Board of Directors are fixed by Ordinary General Body. The total of these remunerations should not exceed 10% of the net profit after deducting depreciations and reserves, and distribution of a minimum of 5% dividend to the shareholders.

**CHAPTER IV  
GENERAL BODY**

**Article - 30**

A genuinely constituted General Body will represent all the shareholders and it will be held in the city of Doha only.

**Article - 31**

The founders will prepare the Agenda for the first General Body meeting, and the Board of Directors shall prepare Agenda of Ordinary and Extra-Ordinary General Body meetings.

Under the circumstances allowing to hold the General Body meeting at the behest of a number of shareholders, Auditor, or Companies Control Section, the agenda is prepared by those who requested to hold the General Body meeting. No issues other than tabled in the agenda can be discussed.

**Article - 32**

Every shareholder who acquires ten shares has the right to attend the General Body meeting in person or by proxy. The invalid and minors will be represented by their lawful proxies. A proxy can be appointed to attend the General Body. The proxy will be authentic only if it is registered through a relevant written Power of Attorney, and the Attorney should be a shareholder. A shareholder cannot appoint a member of the Board of Directors as a proxy to attend the General Body meeting. In any case, the number of shares held by a proxy in this capacity should not exceed 5% of the Company's shares. The invalid and minors will be represented by their lawful proxies.

Every shareholder will have votes equal to the number of shares, however, except for corporate bodies, no shareholder whether original or proxy is not entitled for more than 25% of the votes prescribed for shares in the meeting.

The Board of Directors should be represented in the General Body by not less than the numbers fixed for its sittings. In any case, the Chairman, Vice Chairman, or any of the Managing Directors should be present in the General Body.

Members of the Board of Directors cannot participate in voting on a General Body resolution regarding absolution of their liabilities.

**Article - 33**

The voting in the General Body meeting will be by raising hands, or by any way specified by the General Body. The voting will be by secret ballot, if the resolution is regarding election or removal of members of the Board of Directors or lodging a complaint against them, or if it is requested by the Chairman of the Board of

Directors, or by shareholders representing at least one tenth of present votes in the meeting.

#### **Article - 34**

The General Body meeting will be presided by the Chairman or Vice-Chairman or whoever deputed by the Board of Directors for this purpose. The Chairman appoints a secretary for the meeting and checkers for sorting of votes provided their appointment is ratified by the General Body.

#### **Article - 35**

All the shareholders are bound by the resolutions adopted by the General Body in accordance with the provisions of the Law, and this Articles of Association, whether they are present or absent in the meeting that adopted these resolutions, and whether agree or disagree with it. The Board of Directors should implement it as soon as it is adopted.

#### **Article - 36**

Within 30 days from the closing of subscription, the founders should call the subscribers to hold the first General Body meeting. A copy of the notification is sent to Companies Control Section. If this period is elapsed without issuing this notification, Companies Control Section should do it. The first General Body shall be attended by shareholders representing at least half the capital of the Company. The meeting is presided by a founder member elected by the General Body. The founder's report on the establishment activities, election of the first Board of Directors, Auditors, and final announcement of Company's establishment will be discussed. The resolutions will be adopted by absolute majority of the represented shares.

#### **Article - 37**

Ordinary General Body meeting will be held at the Headquarter of the Company at least once in a year, within the six months following the end of Company's fiscal year. The Board of Directors may call the General Body whenever necessary and shall call the meeting whenever requested by the Auditor and shareholders representing at least one tenth of the capital. The Companies Control Section may call the General Body meeting, on the approval by the Minister of Economy & Commerce, if one month expired on the cause that necessitated to hold the meeting, but the Board of Directors did not call the meeting, or if the members of the Board of Directors falls below five or if requested by Auditor or shareholders representing at least one tenth of the capital, provided the Auditor or shareholders have strong reasons to justify it.

#### **Article - 38**

Ordinary General Body meeting will not be valid if not attended by shareholders representing at least half of the capital. If this quorum is not fulfilled, notification for a second meeting within 60 days from the date of first meeting will be issued. The second meeting will be valid whatever may be the number of members attended.

#### **Article - 39**

Extra-Ordinary General Body meeting will be held on the basis of a notification by the Board of Directors or a written request to the Board of Directors from the shareholders representing at least one quarter of shares. In this case, the Board of Directors should call the Extra-Ordinary General Body meeting within one month from the date of receipt of request. On the approval of the Minister of Economy & Commerce, the Companies Control Section may call an Extra Ordinary General Body meeting in accordance with the provisions of Article 162 of Commercial Companies Act.

#### **Article - 40**

1. The Extra-Ordinary General Body meeting will not be valid unless attended by shareholders representing at least three quarters of the capital. If this quorum is not fulfilled, notification is issued for a second meeting to be held after 30 days from the first meeting. This meeting will be valid if attended by shareholders representing more than half of the capital.
2. If the quorum is not fulfilled in the second meeting, notification is issued for a third meeting to be held after two months from the second meeting. The third meeting will be valid whatever may be the number of members attended and resolutions are adopted with the majority votes of members attended, which will be in force only after the approval of the Minister of Economy & Commerce.

#### **Article - 41**

Decisions on the following issues should not be taken except by Extra-Ordinary General Body meeting:-

1. Amendment to Company's Memorandum & Articles of Association.
2. Increasing or reducing the capital of the Company.

3. Sale or transaction in any other way of the whole project for the sake of which the Company is established.
4. Dissolving the Company or merging in any other company or organization.

If a decision is taken to approve any of the above issues, it is entered in the Commercial Register.

## CHAPTER V

### AUDITING

#### Article - 42

The Company may have one or more auditors. The General Body appoints them and fixes their fees, the auditor should be one of the Chartered Accountants as specified by Act 7 of 1974 organizing the trade of auditors. He should have practised this profession for a continuous period of ten years at least. The auditor is responsible for the genuineness of the statement made in his report in the capacity of an attorney for all the shareholders.

Auditors, if more than one, are jointly responsible for the auditing works. The auditor has the right to see the ledgers, registers and documents of the Company at any time and request for details which he finds necessary. He has to ascertain the assets and liabilities of the Company. If he could not exercise this rights he has to put it in writing in a report presented to the Board of Directors and tabled before the General Body meeting.

The auditor should be present in the General Body meeting and has to offer his views on all matters concerned with his job especially on the Balance Sheet of the Company and to read it in the General Body. The report should be comprehensive of all details specified in the Article 174 of Commercial Companies Act. Every shareholder has the right to discuss it and demand clarifications on the points mentioned therein.

**CHAPTER VI**  
**FINANCE OF THE COMPANY**

#### **Article - 43**

The fiscal year of the Company commences on 1st January and closes on 31st December of every year.

The fiscal year will be comprised of the period following the date of announcement of the Company's establishment finally upto 31st December of the next year.

#### **Article - 44**

A percentage fixed by the Board of Directors for the depreciation of the Company's assets is deducted from the gross profit of the Company annually. These funds are used to purchase materials, tools and necessary firms or to repair them. These funds should not be disbursed to shareholders.

#### **Article - 45**

The net profit is disbursed as follows:

1. 10% of the net profit is annually deducted for Compulsory Reserve Account. This deduction may be stopped if the Reserve fund reaches 50% of par capital of the Company. When the Compulsory Reserve fund falls short of the above percentage, the deduction is resumed till that percentage is reached. The Compulsory Reserve account should not be disbursed to shareholders, but in a year when the Company's profits do not safeguard disbursement of 5% of dividend to the shareholders, this account may be used to ensure disbursement of 5% dividend.
2. A part of the profit decided by the General Body will be deducted to meet the liabilities incumbent upon the Company in accordance with the Labour Rules.
3. On the basis of a proposal from the Board of Directors, the General Body may decide to deduct a portion of net profit to the Optional Reserve Account. This Reserve is used for the purposes as decided by the General Body.
4. Funds necessary to disburse the first instalment of 5% of profit to the shareholders on the paid up share value.
5. After the deduction of depreciations, reserves and dividend to be disbursed in accordance with the above para, an amount not exceeding 10% of the net profit is allocated for the remunerations of members of the Board of Directors.
6. The balance of the profit will be disbursed to the shareholders as additional dividend or will be carried over to the next year on the proposal made by the

Board of Directors or appropriated to establish an Extra Ordinary Reserve or Depreciation Fund.

**Article - 46**

The dividends are paid to the shareholders at the time and place decided by the Board of Directors.

**CHAPTER VII  
EXPIRY AND LIQUIDATION OF THE COMPANY**

**Article - 47**

The Company will cease to exist in the event of one of the following:

1. Expiry of the term specified for the Company.
2. Completion the task for which the Company is established.
3. Issuing a Court Verdict dissolving it.
4. Company is declared bankrupt.
5. Dissolving the Company or merging it in any other company or organization.
6. If the Company lost half of its capital, the Board of Directors should hold Extra-Ordinary General Body meeting to decide whether it is necessary to dissolve the Company before expiry of the specified term or to reduce the capital, and to take other necessary measures. If the Board of Directors defaults to hold Extra-Ordinary General Body meeting, or if it is not held for want of quorum, or the General Body rejected to dissolve the Company, any shareholder may approach the Civil Court with a request to dissolve the Company.

**Article - 48**

The Company will be liquidated when it ceases to exist in accordance with the provisions specified in Articles 182, 183, 184, 185, and 186 of Commercial Companies Act.

**CHAPTER VIII**  
**CONCLUDING REGULATIONS**

**Article - 49**

The Board of Directors will seek the assistance of a religious supervisory committee for religious consultancy in matters connected with banking activities.