

**Executive Council Resolution No. (41) of 2022**  
**Approving the**  
**Articles of Association of the Salik Company PJSC<sup>1</sup>**

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**We, Hamdan bin Mohammed bin Rashid Al Maktoum, Crown Prince of Dubai,  
Chairman of the Executive Council,**

After perusal of:

Federal Law No. (4) of 2000 Establishing the Emirates Securities and Commodities Authority and Market and its amendments;

Federal Law by Decree No. (32) of 2021 Concerning Commercial Companies;

Cabinet Resolution No. (12) of 2000 Regulating the Listing of Securities and Commodities and its amendments;

Law No. (3) of 2003 Establishing the Executive Council of the Emirate of Dubai;

Law No. (17) of 2005 Establishing the Roads and Transport Authority and its amendments;

Law No. (22) of 2006 Concerning the Traffic Toll in the Emirate of Dubai, its amendments, and its Implementing Bylaw;

Law No. (12) of 2022 Establishing the Salik Company PJSC;

Decree No. (3) of 2021 Concerning the Listing of Stocks of Joint Stock Companies on the Securities Markets in the Emirate of Dubai;

Resolution No. (3) of 2022 Concerning Representation of the Government of Dubai in the Companies it Owns;

Executive Council Resolution No. (19) of 2010 Approving the Fees and Fines Prescribed by the Traffic Toll Law of the Emirate of Dubai; and

Executive Council Resolution No. (34) of 2022 Forming the Board of Directors of the Salik Company PJSC,

**Do hereby issue this Resolution.**

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*<sup>1</sup>Every effort has been made to produce an accurate and complete English version of this legislation. However, for the purpose of its interpretation and application, reference must be made to the original Arabic text. In case of conflict, the Arabic text will prevail.*

**Approval of Articles of Association  
Article (1)**

Pursuant to this Resolution, the Articles of Association of the Salik Company PJSC attached to this Resolution, inclusive of the rules and procedures set forth therein, are approved.

**Commencement and Publication  
Article (2)**

This Resolution comes into force on the day on which it is issued, and will be published in the Official Gazette.

**Hamdan bin Mohammed bin Rashid Al Maktoum**  
**Crown Prince of Dubai**  
**Chairman of the Executive Council**

Issued in Dubai on 30 June 2022  
Corresponding to 1 Thu al-Hijjah 1443 A.H.

## **Articles of Association of the Salik Company PJSC**

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### **Introduction:**

After perusal of: Law No. (12) of 2022 Establishing the Salik Company, a public joint-stock company (PJSC) owned by the Government of Dubai, and having legal personality, financial and administrative autonomy, and the legal capacity required to conduct its activities and achieve its objectives, in accordance with the above-mentioned Law No. (12) of 2022, and these Articles; and

Securities and Commodities Authority Board of Directors Chairman Resolution No. (3/C.B.) of 2020 Approving the Joint-stock Companies Governance Guide and its amendments,

**These Articles of Association of the Salik Company PJSC are hereby issued.**

### **Definitions Article (1)**

The following words and expressions, wherever mentioned in these Articles, will have the meaning indicated opposite each of them unless the context implies otherwise:

UAE:	The United Arab Emirates.
Emirate:	The Emirate of Dubai.
Government:	The Government of Dubai.
SCA:	The Securities and Commodities Authority.
Executive Council:	The Executive Council of the Emirate of Dubai.
Competent Authority:	An authority responsible for licensing economic activities in the Emirate.
Founder:	The Government, in its capacity as the sole owner of the Company.
Financial Market:	Any of the financial markets in which the Company shares are listed.
Companies Law:	Federal Law by Decree No. (32) of 2021 Concerning Commercial Companies or any other superseding legislation.

Law:	Law No. (12) of 2022 Establishing the Salik Company PJSC.
Traffic Toll System:	A system for collecting the Traffic Toll prescribed by the above-mentioned Law No. (22) of 2006, and the resolutions issued in pursuance thereof, from the Road Users who pass through any of the Traffic Toll Gates.
Traffic Toll Gate:	The locations where special technical equipment is installed, allowing the deduction of the Traffic Toll prescribed by the above-mentioned Law No. (22) of 2006, and the resolutions issued in pursuance thereof, from the credit balance of the Traffic Toll Tag of any Vehicle passing through these locations without the need to stop the Vehicle.
Traffic Systems:	A set of electronic and electrical devices which are connected to centralised systems and servers through a telecommunications network, comprising specialised engineering programmes and applications that are used to monitor, manage, and control traffic on the Road network.
Government Shareholder:	The Department of Finance, in its capacity as the holder of the Government share in the Company.
Shareholder:	A natural or legal person who holds shares in the Company where the share capital of the Company is increased or where the Founder sells a percentage of his shares by offering them for Public Subscription.
Company:	The Salik Company PJSC.
Governance Rules:	A set of regulations and procedures issued by the SCA, which ensures achievement of corporate discipline in all the Company affairs, including the responsibilities and duties of the Chairperson, the Directors, and the Management, as well as the rights of Shareholders.
Subsidiary:	Any company or corporation whose majority shares are owned directly or indirectly by the Company.
Special Resolution:	A resolution passed by majority vote of the Shareholders holding at least three quarters (3/4) of the shares represented in the General Assembly.

Board of Directors:	The board of directors of the Company.
Chairperson:	The chairperson of the Board of Directors.
Director:	A member of the Board of Directors.
CEO:	The chief executive officer of the Company.
Management:	The executive management of the Company, comprising the CEO; his/her assistants; and the administrative, finance, and technical employees of the Company.
Secretary:	The secretary of the Board of Directors or any of its committees.
Auditor:	An auditor of the Company appointed by the General Assembly.
Cumulative Voting:	A voting process pursuant to which each Shareholder has a number of votes equal to the number of shares held by that Shareholder; and whereby, when voting on the election of Directors, these votes are cast in favour of a single candidate or distributed among more than one (1) candidates, provided that the number of votes cast by a Shareholder does not exceed the number of the votes held by that Shareholder.
Listing Rules:	The rules and requirements of listing set forth in the Companies Law and the Cabinet resolutions issued in pursuance thereof, the resolutions issued by the SCA, and the regulations applicable to the Financial Market.
Related Party:	Any person, entity, or body designated as Related Party by the SCA pursuant to the relevant resolutions it issues.

**PART ONE**  
**GENERAL PROVISIONS**  
**Company Name**  
**Article (2)**

The Company is named the Salik Company PJSC.

**Head Office of the Company**  
**Article (3)**

The head office of the Company will be located in the Emirate of Dubai. The Board of Directors may establish branches and offices of the Company within and outside of the Emirate.

**Term of the Company**  
**Article (4)**

The term of the Company is ninety-nine (99) Gregorian years, automatically renewable for the same period unless a Special Resolution is issued by the General Assembly modifying the term of the Company or dissolving the Company before the end of the term.

**Objectives and Functions of the Company**  
**Article (5)**

- a. The Company will have the following objectives:
1. to operate, manage, and develop the Traffic Toll System exclusively in the Emirate; and implement the legislation regulating the Traffic Toll, including the above-mentioned Executive Council Resolution No. (19) of 2010, in accordance with the franchise agreement concluded with the Roads and Transport Authority;
  2. to manage, develop, and operate the Traffic Systems pursuant to the agreements concluded by the Company with the entities in charge of these systems within and outside of the Emirate;
  3. to provide consultancy services in the field of Traffic Systems and Traffic Toll;
  4. to coordinate with the Roads and Transport Authority with a view to conducting studies on the site plans and locations of Traffic Toll Gates; and
  5. to invest in the field of Traffic Systems and Traffic Toll.
- b. For the purpose of achieving the objectives mentioned in paragraph (a) of this Article, the Company may:
1. contract with third parties to achieve its objectives;
  2. establish wholly-owned companies or hold shares in existing companies that are related to its objectives within and outside of the Emirate;

3. own, possess, take lease of, and lease out land and other real property as required for the achievement of its objectives;
4. invest and use its property in any commercial, financial, service, or industrial fields;
5. borrow funds, with or without security, in accordance with the legislation in force in the Emirate;
6. grant usufruct rights and any other real rights in the land owned by the Company to any entity or company engaged in the field of Traffic Systems, including Traffic Toll Systems; and
7. conduct any other business or activity that is related to the achievement of its objectives and does not contradict the provisions of the Law, the Companies Law and the resolutions issued in pursuance thereof, these Articles, or other legislation in force in the Emirate.

**PART TWO**  
**SHARE CAPITAL OF THE COMPANY**  
**Capital and Shares**  
**Article (6)**

- a. The issued share capital of the Company is seventy-five million dirhams (AED 75,000,000.00), divided into seven billion and five hundred million (7,500,000,000) shares. The nominal value of each share is 0.01 dirham (one fils).
- b. Unless the General Assembly decides, pursuant to a Special Resolution, to issue different classes of shares, all the shares of the Company will be nominal and equal in rank and rights with one another in all aspects.

**Government Shareholding**  
**Article (7)**

The percentage of Government shareholding of the Company must not be less than sixty percent (60%) of the share capital of the Company at all times.

**Public Subscription Offering**  
**Article (8)**

Subject to the provisions of Article (7) of these Articles, the shares of the Company will be offered for public subscription in accordance with the relevant percentages prescribed by the Executive Council.

**Payment of Share Nominal Value**  
**Article (9)**

One hundred percent (100%) of the total nominal value of the shares will be paid up in full on subscription.

**Assuming and Increasing Liabilities**  
**Article (10)**

Shareholders will be responsible for the Company's liabilities and losses only to the extent of any amount unpaid in respect of the shares held by them. The extent of liability of the Shareholders may be increased only with their unanimous consent.

**Effect of Ownership of Company Shares**  
**Article (11)**

The ownership of any share in the Company will be deemed an acceptance by the Shareholder to be bound by these Articles and by the resolutions of the General Assembly. A Shareholder may not request a refund of the amounts paid to the Company in consideration of his/her shareholding in the share capital.

**Indivisibility of Shares**  
**Article (12)**

The shares are not divisible, which means that a share may not be co-owned by more than one (1) person.

**Shareholder Rights**  
**Article (13)**

Each share entitles its holder to a proportion equal to that of the other shares without distinction. A Shareholder is entitled to:

1. ownership of the assets of the Company, upon dissolution, in proportion to the value of the shares he/she holds;
2. the profits of the Company, in proportion to the value of the shares he/she holds;
3. attend General Assembly meetings; and
4. vote on the resolutions of the General Assembly.

## **Listing and Disposition of Shares**

### **Article (14)**

- a. The Company will list its shares on any Financial Market licensed in the Emirate. The Board of Directors may list the Company shares on Financial Markets outside of the Emirate or the UAE. In issuing, registering, trading in, transferring, and creating rights in the Company shares, the Board of Directors must comply with the rules stipulated in the Companies Law, the above-mentioned Federal Law No. (4) of 2000 and Cabinet Resolution No. (12) of 2000, the resolutions issued in pursuance thereof, these Articles, the regulations applicable to the relevant Financial Market, and the legislation in force in the Emirate.
- b. The Company shares may be sold, transferred, pledged, or otherwise legally disposed of, in accordance with the provisions of these Articles. All such dispositions must be registered in a special register to be known as the "Share Register" and maintained by the Company. Upon listing the Company shares on a Financial Market, all dispositions related to these shares, including any set-off or settlement, will be registered in accordance with the regulations applicable to that Financial Market.
- c. In the event of the death of a Shareholder, his/her heir(s) or devisee(s) will be the only person(s) having rights in the shares of the deceased Shareholder. The heir(s) or devisee(s) will be entitled to dividends and other privileges as the deceased Shareholder would have been entitled in relation to the shares. An heir or devisee will, after being registered as a Shareholder in accordance with these Articles, have the same rights in his/her capacity as a Shareholder in the Company as the deceased Shareholder had in relation to the shares. The estate of the deceased Shareholder will not be exempted from any obligation towards the Company or others in relation to any share held by him/her at the time of death.
- d. Any person who becomes entitled to rights in a share or shares in the Company as a result of the death, dissolution, or bankruptcy of a Shareholder, or pursuant to an attachment order issued in favour of that person by any competent court of law, must within thirty (30) days:
  1. produce written evidence of that right to the Company; and
  2. decide, in accordance with the Companies Law and the resolutions issued in pursuance thereof, either to be registered as a Shareholder or to nominate another person to be registered as a Shareholder of the share(s) devolved to him/her by way of inheritance, dissolution, bankruptcy, or court-ordered attachment.

## **Shares Electronic System Article (15)**

Where the Company completes the listing of its shares on a Financial Market, it will replace its Share Register and ownership transfer system with an electronic system, which is compatible with the system adopted by the Financial Market, for the registration and transfer of shares. The data recorded in that electronic system will be final and binding on all persons; and may not be challenged, transferred, or altered except in accordance with the legislation, regulations, and procedures applicable to the Financial Market.

## **Attachment of Company Property Article (16)**

A Shareholder's heirs, successors, or creditors may not, for whatsoever reason, request the attachment of the Company property. They may not request to subdivide that property or sell it, or interfere in any way whatsoever in the management of the Company. These heirs, successors, and creditors must, when exercising their rights, rely on the Company's inventories and financial statements in respect of the last Financial Year of the Company as well as the relevant resolutions of the General Assembly.

## **Dividends Article (17)**

The Company will pay dividends on each share to the last holder of the share whose name is registered in the Share Register on the date specified by the General Assembly for payment of the dividends. This holder, or his/her agent or legal representative, will have the sole right to the profits payable in respect of the share whether these profits are in the form of dividends or entitlement to a part of the Company's assets in the event of its liquidation.

## **Increase and Reduction of the Company Share Capital Article (18)**

- a. Subject to the provisions of the Companies Law and the resolutions issued in pursuance thereof, the share capital of the Company may, after obtaining the SCA approval, be increased by issuing new shares of the same nominal value as the original shares or of the same nominal value plus a premium. Subject to obtaining the SCA approval, the share capital of the Company may also be reduced in accordance with the provisions of the Companies Law and the resolutions issued in pursuance thereof.

- b. An increase or a reduction of the share capital of the Company must be made under a Special Resolution of the General Assembly issued based on a proposal of the Board of Directors after reviewing the Auditor's report. In the case of increase of the share capital, the resolution must state the amount of the increase and the value of the shares to be issued. In the case of reduction of the share capital, the resolution must state the amount to be reduced and the method of reduction.

### **PART THREE BONDS AND *SUKUK***

#### **Issuing Bonds and *Sukuk* Article (19)**

- a. Subject to the provisions of the Companies Law and the resolutions issued in pursuance thereof, the General Assembly may, upon the recommendation of the Board of Directors, resolve, pursuant to a Special Resolution, to issue tradable or non-tradable bonds, *sukuk*, or other securities of any nature of equal value per issue, whether they are convertible to shares or otherwise. The Special Resolution issued by the General Assembly must determine the value of the bonds, *sukuk*, or other securities; the terms of their issuance; and their tradability or convertibility into shares. The General Assembly may, pursuant to the rules adopted by the SCA, delegate to the Board of Directors the power to determine the date of issuance of these bonds and *sukuk*.
- b. Any bond or *sukuk* issued by the Company will remain of a nominal value until fully paid up. The Company may not issue bearer bonds or *sukuk*. Bonds or *sukuk* issued in connection with a single loan will give equal rights to the holders of these bonds or *sukuk*. Any condition to the contrary will be null and void.

### **PART FOUR BOARD OF DIRECTORS**

#### **Appointment and Election of the Board of Directors Article (20)**

- a. Subject to the provisions of Article (10) of the Law, the Company will be managed by a Board of Directors consisting of the Chairperson, the vice chairperson, and other experienced and specialised Directors. The number of Directors may not be less than seven (7). The Directors will be appointed or elected by the General Assembly via secret Cumulative Voting.
- b. The Board of Directors will be appointed or elected, in line with the ownership rights in the Company, as follows:

1. The Government Shareholder will be entitled to appoint a number of Directors commensurate with its shareholding in the Company share capital.
2. The remaining Directors will be elected via secret Cumulative Voting without participation of the Government Shareholder, in accordance with the provisions of the Companies Law and the resolutions issued in pursuance thereof. Directors may be elected from among non-Shareholders.
3. The Company must comply with the Governance Rules with respect to nomination for the Board of Directors membership. A candidate for membership must provide the following information and documents:
  - a. a curriculum vitae stating his/her academic qualifications and professional experience, and the category of membership for which he/she is nominated;
  - b. a written undertaking to comply with the Law, the Companies Law, the resolutions issued in pursuance thereof, and these Articles; and to exercise the duty of care of a prudent person throughout the term of his/her membership in the Board of Directors;
  - c. a list of the companies and entities for which he/she works at the time of nomination or in which he/she is a Director, as well as any other competing activity he/she carries out, whether directly or indirectly;
  - d. in case of a representative of a corporate body, a letter from the corporate body stating the name of its candidate for the Board of Directors membership; and
  - e. a list of the commercial companies in which he/she is a partner or a shareholder, as well as to the number of shares or stocks he/she owns in these companies.

### **Membership in the Board of Directors Article (21)**

- a. Membership of the Board of Directors will be for a term of three (3) years. At the end of that term, the Board of Directors must be reconstituted by appointing or electing new Directors, or reappointing or re-electing former Directors.
- b. Where the position of a Director falls vacant, the Board of Directors may appoint a new Director within thirty (30) days from the date of vacancy. The appointment must be presented to the General Assembly in its first subsequent meeting to approve the appointment decision or appoint another Director. The new Director will complete the

term of his/her predecessor. Where no new Director is appointed within the aforementioned period, the Board of Directors must, at the first subsequent General Assembly meeting, solicit candidates for election to fill the vacancy in the Board of Directors.

- c. Where the number of vacant positions reaches one third (1/3) of the number of Directors, the Board of Directors, or the remaining Directors, must call for a General Assembly to convene within thirty (30) days from the date of last vacancy in order to elect new Directors. In any event, a new Director will complete the term of membership of his/her predecessor.

### **Chairperson Election Article (22)**

- a. Upon expiry of the tenure of the first Board of Directors, formed pursuant to the above-mentioned Executive Council Resolution No. (34) of 2022, the new Board of Directors will elect by secret ballot, from among its Directors, a Chairperson and a vice chairperson. The vice chairperson will serve as the Chairperson in case of his/her absence or vacancy of his/her position.
- b. The Chairperson is responsible for supervising the Board of Directors and the performance of its functions under the Law, the Companies Law, the resolutions issued in pursuance thereof, and these Articles.
- c. The Board of Directors will appoint a Secretary to the Board of Directors in accordance with the relevant rules adopted by the SCA. The Secretary will be responsible for preparing the agendas of the Board of Directors; sending invitations to Directors to attend its meetings; recording, following up the implementation of, maintaining, and archiving its minutes of meetings, resolutions, and recommendations; and performing any other duties assigned to him by the Chairperson or the Board of Directors.
- d. The Secretary must meet the conditions and requirements stipulated in the Governance Rules. The Secretary will report directly to the Board of Directors, and may only be dismissed pursuant to a resolution of the Board of Directors.
- e. The Board of Directors may, in accordance with the Law and the Governance Rules, form one or more committees from among Directors and delegate to these committees any of the duties and powers assigned to the Board of Directors.

## **Board of Directors Functions Article (23)**

- a. The Board of Directors will undertake the general management of the Company and its performance of all the functions and activities required to achieve its objectives. The Board of Directors will act on behalf of the Company within the scope of the functions assigned to it under the Law, the Companies Law, the resolutions issued in pursuance thereof, these Articles, and the General Assembly resolutions. In particular, the Board of Directors will have the duties and powers to:
1. approve, and follow up the implementation of, the strategic plans and policies of the Company;
  2. conclude loan agreements for periods in excess of three (3) years, and enter into arbitration agreements in respect of the contracts and disputes to which the Company is a party.
  3. approve releasing the Company's debtors from liabilities; engage in conciliation and agree to arbitration; agree to the application of foreign laws to any of its agreements; and establish, invest in, sell, dissolve, or liquidate fully. or partially owned companies and Subsidiaries;
  4. approve the terms of reference of the Board of Directors and all other relevant matters, including the delegation of functions and assignment of responsibilities to Directors;
  5. approve the financial, administrative, and technical bylaws of the Company, including the delegation of authority matrix; the bylaws governing its procurements and asset management; and the bylaws governing its human resources;
  6. approve the organisational structure of the Company;
  7. divide, transfer, convert, merge, consolidate, sell, mortgage, assign, or dispose of, in any legal manner, any of the Company's funds or assets, or the funds or assets of any of the Subsidiaries, in accordance with the relevant delegation of authority matrix;
  8. allow the Company and the Subsidiaries to undertake any investment, borrowing, or lending; or issue guarantees, bonds, *sukuk*, or any other debt instruments, in accordance with the legislation in force in the Emirate;
  9. acquire and merge companies and establishments; and

10. appoint and remove the CEO;
  11. determine the duties and powers of the Management;
  12. review and assess the performance of the Management and its implementation of the approved plans, strategies, and policies;
  13. approve the rules for awarding incentives, bonuses, and benefits to Directors and to the Management;
  14. approve the draft budget and financial statements of the Company;
  15. assign any of the Directors to serve as the managing Director of the Company and CEO; and
  16. exercise any other duties or powers aligned with the objectives of the Company as required to serve its interests without contradicting the provisions of the Law and other legislation in force in the Emirate.
- b. Without prejudice to the provisions of the Law, the Companies Law, and the resolutions issued in pursuance thereof, the Board of Directors may delegate any of the powers stipulated in paragraph (a) of this Article.

### **CEO Functions Article (24)**

- a. Subject to the provisions of paragraphs (b) and (c) of Article (10) of the Law, the CEO will have the duties and powers to:
1. represent the Company before all entities within and outside of the Emirate, including judicial authorities and government and non-government entities;
  2. implement all resolutions issued by the General Assembly and the Board of Directors;
  3. manage the day-to-day work of the Management and the operations of the Company, and ensure the performance of the duties assigned to it under the Law, the Companies Law, the resolutions issued in pursuance thereof, these Articles, the legislation in force in the Emirate, and the bylaws applicable to the Company;
  4. conclude contracts, agreements, and memoranda of understanding, and sign documents of whatever nature and type, within the powers vested in him/her under these Articles;

5. issue policies, decisions, and internal bylaws in connection with the affairs of the Company and the Subsidiaries, except for the bylaws which the Board of Directors is exclusively authorised to approve pursuant to sub-paragraph (a)(5) of Article (23) of these Articles;
  6. undertake all financial and banking transactions, and make the decisions related thereto, in accordance with the powers assigned to him/her under the bylaws adopted by the Company;
  7. perform all functions assigned to him/her under the legislation applicable to the Company, its internal bylaws, and other legislation in force in the Emirate;
  8. supervise the executive body of the Company and all matters related to its human resources, including approval of the appointment of employees, determination of their salaries and remuneration, their transfer and dismissal, and all other relevant matters, in accordance with the powers stipulated in the human resources bylaw adopted by the Company;
  9. recommend to the Board of Directors the nomination of the Company representatives in the boards of directors of the Subsidiaries. However, the appointment of these representatives in the boards of directors of Subsidiaries must be approved pursuant to a resolution of the Board of Directors;
  10. form permanent and temporary committees and work teams, and determine their functions and the remunerations of their members, in line with the regulations adopted by the Company, the Companies Law and the resolutions issued in pursuance thereof; and the Governance Rules;
  11. appoint others to represent the Company in respect of any matter related to serving its interests and protecting its rights;
  12. conclude conciliation and settlement agreements on behalf of the Company; agree to the application of foreign laws to any of the contracts and agreements concluded by the Company or the Subsidiaries; file lawsuits and appoint advocates; and conclude judicial and legal settlements and debt releases, in accordance with the Board of Directors resolutions and with a view to serving the Company's interests; and
  13. exercise any other duties or powers delegated or assigned to him/her by the General Assembly, the Chairperson, or the Board of Directors.
- b. The CEO will exercise the duties and powers assigned to him under paragraph (a) of this Article in accordance with the relevant delegation of authority matrix approved by the Board of Directors.

- c. Without prejudice to the provisions of the Law, the Companies Law, and the resolutions issued in pursuance thereof, the CEO may delegate any of his/her powers under paragraph (a) of this Article to any of the Company employees, in accordance with work requirements and with a view to serving the interests of the Company and the Subsidiaries, provided that such delegation is specific, in writing, and in accordance with the delegation of authority matrix approved by the Board of Directors.

### **Board of Directors Meetings Article (25)**

The Board of Directors will be convened, at least four (4) times a year and where necessary, at the invitation of its Chairperson, or vice chairperson in case of absence of the Chairperson at the time and place he/she determines. The meetings of the Board of Directors may be held through audio or visual means of communication. The invitation will be sent, together with the approved agenda, at least one (1) week before the date scheduled for the meeting. Subject to the approval of the chair of a meeting, a Director may request adding any items to the agenda to be discussed at the meeting.

### **Validity of Meetings and Resolutions of the Board of Directors Article (26)**

- a. A meeting of the Board of Directors or any of its committees will be valid if attended by the majority of its Directors. Attendance will be in person, by being present physically or through audio or video means of communication, or any other means of visual communication, as may be approved by the Board of Directors or its committee. A Director may give a written proxy to another Director to attend a meeting of the Board of Directors or any of its committees and vote on his/her behalf. In this case, the Director will have one (1) vote out of the votes of attending Directors. A Director may not hold more than one proxy at any meeting, and may not vote by way of correspondence.
- b. The resolutions of the Board of Directors or its committees will be passed by majority vote of attending Directors or their representatives. In case of a tie, the chair of the meeting will have a casting vote.

### **Minutes of Meetings of the Board of Directors Article (27)**

- a. All topics and issues considered and discussed, and all resolutions passed, will be recorded in the minutes of meetings of the Board of Directors or its committees. Any

reservations made by a Director, and any dissenting opinion, will also be recorded in these minutes.

- b. The attending Directors and the Secretary will sign the minutes of meetings of the Board of Directors and its committees whether by hand or electronically. Once approved, copies of these minutes must be distributed to the Directors for reference.
- c. The minutes of meetings of the Board of Directors and its committees will be maintained by the Secretary. Where a Director refuses to sign any minutes of meeting, this will be recorded in the minutes together with any reasons provided for the refusal.

### **Adoption of Resolutions by Circulation Article (28)**

- a. Without prejudice to the quorum requirement for convening a meeting, the Board of Directors may issue certain resolutions by circulation subject to the following:
  - 1. The majority of the Directors must acknowledge the existence of an emergency requiring issuing resolutions or recommendations by circulation.
  - 2. The resolutions required to be circulated to Directors must be in writing and accompanied by all related documents.
- b. Where the shares of the Company are wholly owned by the Government Shareholder, and prior to offering the shares of the company for public subscription, a Board of Directors resolution in writing and signed or approved by the majority of Directors will be deemed enforceable and valid as if approved in a meeting of the Board of Directors which is duly convened.

### **Certified Copies of Minutes of Meetings Article (29)**

The Chairperson, the CEO, the Secretary, and the Company's legal advisor are authorised, jointly or severally, to provide certified copies of the minutes of meetings of the Board of Directors or its committees, to sign these copies, to confirm that they are certified true copies of the original minutes, and to date these certified copies. Any party dealing with the Company may rely on any of the certified copies as a true copy of the original document.

**Conflict of Interest  
Article (30)**

- a. The Chairperson and Directors must avoid any conflict of interest that may arise as a result of their membership in the Board of Directors or any of its committees; avoid any act that may raise any suspicions of conflict of interest; and disclose any conflicts of interest or any suspicion thereof. In particular, they must refrain from:
  - 1. participating in any discussion; or voting on, or impacting in any way whatsoever, any decision, recommendation, or procedure in which they or their spouses or relatives up to the fourth degree have any direct or indirect interest;
  - 2. exploiting their membership in the Board of Directors or its committee, or disclosing any information they obtain as a result of that membership in order to achieve specific objectives or receive a special service or treatment;
  - 3. participating in any process, procedure, or decision that may affect performing their duties objectively, impartially, and independently; or
  - 4. being involved in any of the conflicts of interest stipulated in the Companies Law, the resolutions issued in pursuance thereof, and other legislation in force in the Emirate.
- b. Any resolutions or procedures taken in violation of paragraph (a) of this Article will be null and void.

**Disclosure of Conflicts of Interest  
Article (31)**

- a. Conflicts of interest must be disclosed by the concerned Director in the minutes of meeting of the Board of Directors or its committee. The Secretary must record that disclosure in a register maintained for this purpose, update this register on a regular basis, and present it to the Chairperson and Directors for perusal.
- b. The Board of Directors will have the right to consider any conflict of interest a Director may be involved in, and make the relevant decision by majority vote of attending Directors. The Director involved in the conflict of interest may not vote on the relevant decision.
- c. Where a Director fails or refuses to disclose to the Board of Directors a conflict of interest related to a transaction or dealing to which the Company is a party, the Company or any of its Shareholders may request the Board of Directors, the Competent Authority, or the competent court to invalidate that transaction or dealing

and require the violating Director to pay to the Company any profit, interest, or benefit derived from the same.

### **Termination of Membership in the Board of Directors Article (32)**

Membership in the Board of Directors will terminate in any of the following cases:

1. death, legal incapacity, or inability to perform duties;
2. conviction of any crime affecting honour or trustworthiness;
3. resignation pursuant to a written notice served on the Chairperson;
4. dismissal pursuant to a resolution of the General Assembly; or
5. absence, during the tenure of the Board of Directors, for three (3) successive or five (5) non-successive meetings of the Board of Directors, without an excuse acceptable to the Chairperson.

### **Personal Liability of Directors Article (33)**

Subject to the provisions of Article (34) of these Articles, a Director may not be personally liable for any obligations of the Company as a result of performing his/her duties as a Director, provided that he/she does not exceed his/her authority.

### **Liability of the Board of Directors and the Company Article (34)**

- a. The Board of Directors and the Management will be held liable towards the Company, Shareholders, and third parties for any act of fraud or abuse of powers, or any breach of the legislation in force or these Articles. Any provision to the contrary will be null and void.
- b. The liability of Directors referred to in paragraph (a) of this Article will be joint liability if it arises from a unanimous resolution of the Board of Directors. However, where the relevant resolution is adopted by majority vote, the Directors who have objected to the resolution or made reservations thereon will not be held liable for the same, provided that they have recorded their objections or reservations in writing in the relevant minutes of meeting. A Director who was absent from the meeting in which the resolution was passed will not be relieved from liability unless it is proven that he was not aware of the resolution or that he was aware of the same but was unable to

object to it. The Management will bear the liability mentioned in paragraph (a) of this Article if the breach arises from a decision it makes.

- c. The Company will, to the extent of the value of its assets, indemnify any Director or member of the Management of the Company against any liability, with the exception of criminal liability, incurred by them as a result of, or in connection with, the performance of their duties in the Company, provided that the Director or member is acting in good faith and in a manner he reasonably believes to be in the interest of the Company. Nonetheless, no indemnification will be made in respect of any claim or matter as to which that Director or member has been finally adjudged by a competent court to be liable towards the Company. In all events, the Company will maintain the necessary insurance coverage in respect of the Board of Directors and Management liability.

### **Provision of Loans Article (35)**

- a. The Company may not provide any loans to any Director or execute guarantees or provide securities in connection with any loans granted to him/her. A loan will be deemed as granted to a Director if granted to his/her spouse, children, or relatives up to the second degree.
- b. No loan may be granted to a company in which a Director or his/her spouse, children, or relatives up to the second degree hold more than twenty percent (20%) of the share capital.

### **Transactions and Dealings of Related Parties Article (36)**

- a. Related Parties must not use any information to which they have access by reason of their membership in the Board of Directors, or employment with the Company, to achieve any benefit whatsoever for themselves or for third parties through dealing in the securities of the Company or conducting any other transactions. Related Parties may not have a direct or indirect interest with any party performing any activities that are intended to influence the price of the securities of the Company or those issued by it.
- b. The Company may, subject to the approval of the Board of Directors, conclude any transaction whose value does not exceed five percent (5%) of its capital with any Related Party. Any transaction in excess of this percentage must be approved by the General Assembly after evaluating it, in accordance with the relevant rules and conditions prescribed by the SCA.

- c. No Director may engage, without obtaining the approval of the General Assembly, in any work that may compete with the Company or carry on, for his own account or for the account of third parties, any business activity conducted by the Company. A Director may not disclose any information or data of the Company, failing which the Company may claim compensation from him or recover any profits made as a result of the disclosure.
- d. A Related Party must, prior to concluding any transaction with the Company, disclose to the Board of Directors the type and terms of the transaction and all essential information related to his shares and shareholdings in both the companies parties to the transaction and the extent of his interest in, and benefit from, the transaction.
- e. Where the Company concludes a transaction with a Related Party, the Chairperson must provide the SCA with a statement which includes data and information on the Related Party; the details of the transaction; the type and extent of the interest of the Related Party in the transaction; and any other relevant data, information, or documents that the SCA may request, together with a confirmation in writing that the terms of the transaction with the Related Party are fair, reasonable, and in the interest of the Shareholders of the Company.
- f. Without prejudice to this Article, transactions with Related Parties will be governed by an internal policy approved by the Board of Directors. The Auditor must state in his/her annual report any conflicts of interest or financial dealings that have taken place between the Company and any Related Parties, and the action taken in this respect.
- g. Articles (30), (31), (36), and (49) hereof do not apply to the transactions or dealings concluded or conducted by the Company with the Founder or any company owned or controlled by the Founder; with the federal or local government directly or indirectly or any entity that is directly or indirectly owned or controlled by the federal or local government; or with any subsidiary, affiliate, or sister company of the same. Moreover, these Articles do not apply to any transaction that may be challenged on the grounds of a conflict of interest arising out of the appointment of a Director by the Founder. The aforementioned transactions and dealings will be exempt from the application of the relevant provisions of the Companies Law and the resolutions issued in pursuance thereof, and of any other rules related to the transactions of Related Parties regulated by the relevant resolutions issued by the SCA.

### **Remuneration of Directors**

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

- a. The remuneration of Directors will be calculated as a percentage of the net profits of the Company, and may not exceed one percent (1%) of the net profits for the relevant financial year after deducting the depreciation allowance and reserves. The duties of

the Chairperson and the CEO must be taken into consideration when determining their remuneration. The Company may reimburse any Director for the expenses he incurs.

- b. Subject to obtaining the approval of the General Assembly, the Board of Directors may pay a Director his/her remuneration as a lump sum not exceeding two hundred thousand dirhams (AED 200,000.00) at the end of the financial year in the following cases:
1. if the Company does not make profits; or
  2. if the Company makes profits but the Director's remuneration, calculated as a percentage of these profits, is less than two hundred thousand dirhams (AED 200,000.00).

### **Dismissal of Directors Article (38)**

Without prejudice to the provisions of Article (20) of these Articles, the General Assembly may dismiss all or any of the elected Directors, and solicit candidates for the election of new Directors in their places in accordance with the Governance Rules. A dismissed Director may not stand for election or be re-elected as a Director for at least three (3) years from the date of dismissal.

### **PART FIVE GENERAL ASSEMBLY Convening the General Assembly Article (39)**

A General Assembly will be duly convened in the Emirate where the Shareholders holding more than fifty percent (50%) of the share capital of the Company are in attendance. If the quorum is not present in the first General Assembly meeting, an invitation for a second meeting must be sent, and that meeting must be convened no earlier than five (5) days and no later than fifteen (15) days from the scheduled date of the first meeting. The second General Assembly meeting will be deemed duly convened regardless of the number of Shareholders in attendance.

### **Attending General Assembly Meetings Article (40)**

- a. Each Shareholder will have the right to attend General Assembly meetings, and will have a number of votes equal to the number of his/her shares. A Shareholder may authorise any person to attend the General Assembly on his/her behalf, provided that

such a person is not a Director, an employee of the Company, or a brokerage company or any of its employees. The authorisation will be valid only if it is documented in a written proxy in accordance with the relevant conditions stipulated by the Board of Directors. The value of shares represented by a proxy for multiple Shareholders may not exceed five percent (5%) of the Company's share capital. Legally incapacitated and partially incapacitated Shareholders will be represented by their legal representatives.

- b. A legal person may, pursuant to a resolution of its board of directors or its assignee, delegate a representative, a person in charge of its management, or any of its employees to represent it in the General Assembly. The delegated person will have the powers determined in the delegating resolution.

### **Invitations to the General Assembly Article (41)**

- a. An invitation to attend a General Assembly will be served on Shareholders, after obtaining the approval from the SCA, through announcement in two (2) daily local newspapers issued in Arabic and English, or by email, short message service (SMS), or registered mail, at least twenty-one (21) days prior to the date scheduled for the meeting. The invitation must contain the agenda of the General Assembly meeting. Copies of the invitation will be sent to the SCA and the Competent Authority.
- b. General Assembly meetings and Shareholders' participation in its deliberations and voting on its resolutions may be conducted using modern electronic means for distance participation, in accordance with the relevant rules and procedures adopted by the SCA.

### **Convocation of the General Assembly Article (42)**

A General Assembly will be convened by:

1. the Board of Directors, at least once a year within the four (4) months following the end of each financial year;
2. the Board of Directors, where necessary, upon a request of the Auditor, or if one or more Shareholders holding not less than ten percent (10%) of the share capital request a meeting. In that case, the Board of Directors must send invitations to a General Assembly meeting within five (5) days from the date of submitting the request, and the meeting must be held within thirty (30) days from the date of the invitation;

3. the Auditor directly, if the Board of Directors fails to send an invitation to convene the General Assembly while this is required under the Companies Law or the resolutions issued in pursuance thereof, or within five (5) days from the date of submission of a request for meeting by the Auditor to the Board of Directors; or
4. the SCA, within five (5) days from the date of its request to the Board of Directors to convene the General Assembly, in the following cases:
  - a. the lapse of thirty (30) days after the date scheduled for the General Assembly meeting, or lapse of four (4) months after the end of the financial year, without the Board of Directors sending an invitation to the meeting;
  - b. if the number of Directors no longer constitutes a quorum;
  - c. where it is established to the Company's satisfaction, at any time, that a violation of the Companies Law, the resolutions issued in pursuance thereof, or these Articles, or that gross mismanagement of the Company, has been committed; or
  - d. if the Board of Directors fails to convene a meeting of the General Assembly requested by one or more Shareholders representing ten percent (10%) or more of the share capital of the Company.

### **Matters to be Presented to the General Assembly Article (43)**

The following matters will be presented for action to the General Assembly in its annual meeting:

1. the Board of Directors' report on the activities of the Company and its financial position throughout the year, and the Auditor's report, for approval;
2. the balance sheet and profit and loss account, for discussion and approval;
3. election of Directors, where necessary;
4. appointment of Auditors and determining their remuneration;
5. the Board of Directors' proposals regarding the distribution of profits, whether as cash dividends or bonus shares, for consideration;
6. the Board of Directors' proposals regarding the remuneration of Directors and determination of its amount in accordance with the provisions of these Articles, for consideration;

7. any case of dismissal, discharge of liability, impeachment, or suing of Directors where necessary; and
8. any case of dismissal, discharge of liability, impeachment, or suing of Auditors where necessary.

### **Registration for Attending General Assembly Meetings Article (44)**

- a. The Shareholders wishing to attend a General Assembly meeting must, within sufficient time prior to the meeting, register their names in the electronic register maintained by the Management for this purpose. The register must include the names of Shareholders or their proxies; the number of shares held by each Shareholder, or number of shares represented by each proxy and the names of their owners; and copies of the proxy authorisations. The Shareholder or proxy will be given a pass, which states the number of votes held or represented by him/her, to attend the meeting. An extract from the register, indicating the number of shares represented at the meeting and the percentage of attendance, will be printed out; signed by the chair of the meeting, the General Assembly secretary, and the Auditor; and attached to the minutes of the General Assembly meeting.
- b. Registration for attending General Assembly meetings will close when the chair of the meeting announces whether or not the quorum of that meeting is reached. No registration of any Shareholder or proxy may be accepted thereafter, and the votes of any late Shareholders or proxies will not count and their views on the matters raised in that meeting will not be taken into account. If any of the attending Shareholders, or their representatives, withdraws from a quorate General Assembly meeting, such withdrawal will not affect the validity of the meeting. In that case, resolutions will be passed by the majority vote of the remaining shares represented at the meeting, as prescribed in the Companies Law.

### **Closing Shareholders' Register Article (45)**

The register of Shareholders will be closed in accordance with the regulations governing the trading, set-off, settlement, transfer of ownership, and custody of securities and the relevant rules prevailing in the Financial Market.

**General Assembly Quorum  
Article (46)**

- a. The provisions of the Companies Law and the resolutions issued in pursuance thereof will apply to the quorum required for the validity of General Assembly meetings and to the majority required to pass resolutions.
- b. While the shares of the Company are fully owned by the Government Shareholder and prior to offering them for public subscription, the General Assembly will convene with the participation of the Government Shareholder, represented by the person authorised by it to attend the General Assembly meeting.

**Chairmanship of the General Assembly  
Article (47)**

- a. A General Assembly meeting will be chaired by the Chairperson, or by the vice chairperson in case of absence of the Chairperson. If both the Chairperson and vice chairperson are absent, the General Assembly meeting will be chaired by a Director appointed by the Board of Directors for this purpose.
- b. If none of the persons referred to in paragraph (a) of this Article is not present in the meeting, the General Assembly will appoint a Shareholder to chair the meeting and a secretary for the meeting.
- c. The General Assembly will appoint a teller to count votes in its meetings.
- d. The minutes of meetings of the General Assembly and the details of the attendees will be recorded in books maintained for this purpose. The minutes must be signed by the chair of the relevant meeting, the General Assembly secretary, the tellers, and the Auditor. The signatories of the minutes of meeting will be held liable for the accuracy of the information contained therein.

**Voting at General Assembly Meetings  
Article (48)**

- a. Voting at a General Assembly meeting will be in the manner specified by the chair of the meeting unless the General Assembly prescribes a different manner of voting. Voting must be by secret ballot if it relates to the dismissal or impeachment of Directors.
- b. While the shares of the Company are fully owned by the Government Shareholder and prior to offering them for public subscription, any written resolution approved and

signed by the Government Shareholder, in its capacity as representative of the General Assembly, will be deemed valid and enforceable as if issued by a duly convened General Assembly.

### **Participation in Voting Article (49)**

- a. A Director may not participate in voting on any General Assembly resolutions related to discharging him/her from liability for management, to receiving a personal benefit by him/her, or to a conflict of interest or dispute between him/her and the Company.
- b. A person having the right to attend General Assembly meetings may not participate in voting in his/her personal capacity, or by proxy, on matters related to a personal benefit or an existing dispute between him and the Company.

### **General Assembly Powers Article (50)**

Subject to the Companies Law and the resolutions issued in pursuance thereof, and other legislation in force in the Emirate, the General Assembly may, pursuant to a Special Resolution:

1. increase or reduce the share capital of the Company in any manner;
2. sell or dispose of, in any legal manner, all or any part of the business, projects, or assets of the Company;
3. extend or terminate the term of the Company;
4. issue bonds, *sukuk*, or any other financial instruments;
5. allocate, subject to obtaining the approval of the SCA, a percentage of its annual profits or accumulated profits for social responsibility purposes. In that case, the Company must disclose its social responsibility contribution on its website upon the end of the financial year. The Auditor must include in his/her report and in the Company's annual financial statements the names of the beneficiary(ies) of the social responsibility contribution of the Company;
6. amend these Articles, subject to compliance with the provisions of paragraph (b) of Article (8) of the Law and the following restrictions:
  - a. the amendment may not increase the Shareholders' obligations; and

- b. the amendment may not lead to relocation of the head office of the Company to outside of the Emirate.

**Right to Vote  
Article (51)**

Subject to the legislation applicable to the SCA and the relevant Financial Market, the owners of registered shares as of the working day preceding a General Assembly meeting will have the exclusive right to vote in that meeting.

**General Assembly Agenda  
Article (52)**

- a. Subject to the provisions of the Law, the Companies Law, the resolutions issued in pursuance thereof, and these Articles, the General Assembly will have the authority to consider all matters related to the Company and listed in the agenda.
- b. Notwithstanding the provisions of paragraph (a) of this Article, the General Assembly may deliberate over any crucial matters revealed during its meeting, or any matters requested by the SCA, or by a Shareholder(s) representing at least five percent (5%) of the share capital of the Company, to be included in the agenda of the General Assembly before that agenda is discussed. The chair of the meeting will grant the request, in accordance with the relevant terms determined by the SCA.

**PART SIX  
AUDITORS**

**Appointment of Auditors  
Article (53)**

- a. The Company will have one or more Auditor(s) appointed by the General Assembly, based on nomination by the Board of Directors, for a renewable term of one (1) year. The fees and remuneration of the Auditor will be determined by the General Assembly.
- b. The Auditor must be registered with the SCA and licensed to practise the audit profession in the UAE in accordance with the legislation in force.
- c. The Auditor will assume his/her duties upon the conclusion of the General Assembly meeting during which he/she is appointed, and until the subsequent annual General Assembly meeting is concluded.

- d. The period of appointment of an Auditor will not exceed the term specified in the Companies Law and the resolutions issued in pursuance thereof.

### **Independence of Auditors Article (54)**

- a. An Auditor must be independent from the Company and the Board of Directors and may not be a business partner, agent, or relative, up to the fourth degree, of the Founder or any of the Directors. The Auditor may not be a Shareholder or a Director, and may not occupy any technical, administrative, operational, or executive position at the Company.
- b. The Company must take practical steps to ensure the independence of the Auditor, and verify that the Auditor has no Conflict of Interest.

### **Functions of Auditors Article (55)**

- a. An Auditor will have all the duties and powers provided for in the Companies Law and the resolutions issued in pursuance thereof, and in these Articles. In particular, the Auditor will, at all times, have the right to access all the records, documents, and books of the Company; and to request clarifications as he deems necessary for the performance of his/her duties. The Auditor will have the right to verify the assets and liabilities of the Company. If the Auditor is unable to exercise these powers, he/she must document this in a written report and submit it to the Board of Directors. If the Board of Directors fails to enable the Auditor to perform his/her duties, the Auditor must send a copy of the report to the SCA and the Competent Authority; and present the same to the General Assembly.
- b. The Auditor will audit the accounts of the Company; examine the balance sheet and the profit and loss account; review the Company's transactions and dealings with Related Parties; and ensure the implementation of the provisions of the Companies Law and the resolutions issued in pursuance thereof, as well as these Articles. The Auditor must submit a report on the results of the examination and audit to the General Assembly; and forward a copy thereof to the SCA and the Competent Authority. In preparing his/her report, the Auditor must verify the following:
  - 1. the accuracy of the accounting records kept by the Company; and
  - 2. the extent of conformity of the Company accounts with its accounting records.

- c. The Subsidiaries and their auditors must provide any information or clarifications requested by the Auditor for the purposes of audit.

**Auditor's Report  
Article (56)**

- a. The Auditor must submit to the General Assembly a report containing all the information prescribed in Article (252) of the Companies Law. The Auditor must attend the General Assembly meeting to present his/her report to the Shareholders, and must include in that report any difficulties or interference by the Board of Directors encountered during the performance of his/her duties.
- b. The Auditor's report must be independent and impartial; and must include the opinion of the Auditor on all matters related to his/her duties, particularly the Company's balance sheet and accounts, its financial position, and any relevant violations.
- c. The Auditor must note in his/her report and in the balance sheet any charitable or community contributions made by the Company during the relevant financial year. The report and the balance sheet will name the beneficiaries of these contributions.
- d. In his capacity as an agent of the Shareholders, the Auditor will be liable for the accuracy of the information stated in his/her report. Each Shareholder may discuss the Auditor's report and request clarifications on any matters included therein during a General Assembly meeting.

**PART SEVEN  
FINANCES OF THE COMPANY**

**Company's Books and Financial Year  
Article (57)**

- a. The Board of Directors must maintain regular accounting books which provide a true and fair representation of the Company's business and dealings in accordance with internationally recognised accounting standards. No Shareholder will have the right to inspect these books without the relevant authorisation from the Board of Directors.
- b. The financial year of the Company will commence on 1 January and will end on 31 December of each year.

## **Annual Financial Statements Article (58)**

- a. The balance sheet for a financial year must be audited at least one (1) month prior to the annual General Assembly meeting. The Board of Directors must prepare a report on the Company's activities and financial position at the end of the financial year, and that report must state its recommendations on the distribution of net profits. Copies of the annual financial statements, the profit and loss account, the Auditor's report, the Board of Directors' report, and the governance report must be sent to the SCA together with a draft of the annual General Assembly meeting invitation to the Shareholders of the Company for approval of the publication of that invitation in the daily newspapers twenty-one (21) days before the date scheduled for the General Assembly meeting.
- b. The annual financial statements of the Company will be published pursuant to the relevant rules prescribed by the SCA, and a copy of these statements will be lodged with the SCA and the Competent Authority.

## **Deduction from Annual Profits Article (59)**

The Board of Directors may deduct a percentage of the annual gross profits as depreciation allowance or impairment allowance in respect of the Company's assets. These amounts will only be utilised for their intended purposes in accordance with the relevant resolutions of the Board of Directors, and may not be distributed to the Shareholders.

## **Distribution of Annual Profits Article (60)**

The annual net profits of the Company will be distributed after deducting all general expenses and other costs as follows:

1. ten percent (10%) of the net profits will be deducted and set aside as a legal reserve. This deduction will cease when the total amount of the reserve is equal to at least fifty percent (50%) of the share capital of the Company. If the reserve falls below this threshold, the deduction will resume;
2. a percentage not exceeding one percent (1%) of the net profits for the financial year then ended will be allocated as remuneration for the Directors, after deducting depreciation allowances and reserves. Any penalties imposed by the SCA or the Competent Authority on the Company as a result of violation by the Board of Directors of the Law, the Companies Law, the resolutions issued in pursuance thereof, these

Articles, or any legislation in force in the Emirate, during the financial year then ended, will be deducted from the remuneration of the Board of Directors. The General Assembly may resolve not to deduct all or any of these penalties if it finds that these penalties have not arisen as a result of any negligence or error on the part of the Board of Directors; and

3. the balance of the net profits will be distributed to the Shareholders; carried forward to the subsequent financial year upon the recommendation of the Board of Directors; or set aside as a voluntary reserve, as may be decided by the General Assembly in this regard.

### **Utilisation of the Legal Reserve Article (61)**

The legal reserve will be utilised pursuant to a resolution of the Board of Directors in the best interests of the Company. The legal reserve may not be distributed to Shareholders. However, any amount of the legal reserve in excess of fifty percent (50%) of the paid-up capital may be utilised to distribute dividends not exceeding ten percent (10%) of the paid-up capital to the Shareholders in any year in which the distribution of that percentage is not feasible.

### **Dividend Distribution Policy Article (62)**

- a. Dividends will be paid to the Shareholders in accordance with the regulations on trading, set-off, settlement, transfer of ownership, and custody of securities, and other applicable rules, of the Financial Market in which the Company's shares are listed.
- b. The Company may distribute quarterly or semi-annual dividends to the Shareholders out of its operating profits or accumulated profits. The Board of Directors will be authorised to adopt and implement the resolutions related to the distribution of dividends in accordance with the dividend distribution policy approved by the General Assembly.

**PART EIGHT  
LIABILITY**

**Civil Liability Claims  
Article (63)**

Subject to the provisions of Article (33) hereof, civil liability claims against the Directors may not be barred by reason of any resolution issued by the General Assembly. If the act giving rise to the liability is presented to the General Assembly in a Board of Directors' report or Auditor's report and is approved by the General Assembly, any civil claims in respect of that act will be barred upon the expiry of one (1) year from the date of the General Assembly meeting. However, where the act attributed to the Directors constitutes a criminal offence, the relevant civil liability claim may be barred only if the criminal proceedings are barred.

**PART NINE  
DISSOLUTION AND LIQUIDATION OF THE COMPANY**

**Company Dissolution Cases  
Article (64)**

The Company will be dissolved pursuant to a resolution of the Executive Council of the Emirate of Dubai in any of the following cases:

1. expiry of the Company's term as prescribed in these Articles;
2. fulfilment of the objectives for which the Company is established;
3. termination of the term of the Company pursuant to a Special Resolution issued by the General Assembly;
4. merger of the Company into another company;
5. loss of all the Company property, or loss of most of it making the investment of the remainder thereof unfeasible, as determined pursuant to a Special Resolution of the General Assembly.

**Accumulated Losses  
Article (65)**

If the Company's accumulated losses reach fifty percent (50%) of its issued share capital, the Board of Directors must, within thirty (30) days of the date of disclosure of the Company's periodic or annual financial statements to the SCA, invite the General Assembly

to convene to decide on dissolving the Company before the expiry of its term or continuing its business activities.

### **Company Liquidation Article (66)**

At the end of the term of the Company or in the event of its dissolution before the expiry of that term, the General Assembly will, upon the request of the Board of Directors, determine the method of liquidation of the Company; and appoint one or more liquidator(s) and determine their duties. As of the date of appointment of the liquidator(s), the Board of Directors must cease to perform its duties. The General Assembly will continue to exercise its duties and powers throughout, and until the end of, the liquidation process.

## **PART TEN FINAL PROVISIONS**

### **Applicable Provisions Article (67)**

- a. As long as the shares of the Company are fully owned by the Government Shareholder, the Company will be exempt from the application of the provisions of Articles (14), (15), (20), (22), (25), (30), (32/5), (36), (39) to (45), (47), (49), (51), (52), and (68) hereof.
- b. As long as the shares of the Company are fully owned by the Government Shareholder, and until they are offered for public subscription, the Company will be exempt from the application of the provisions of Articles (6), (7), (8), (11) to (20), (22), (24), (26/3), (30), (31), (32), (36), (37), (105) to (160), (162), (164) to (241), (243), (244), (245), (247), (248), (251), (252), (253), (254/2), (268) to (273), (275) to (301), (306), (309), (311), (314) to (334), (340) to (348), (350) to (359), and (361) to (363) of the Companies Law.
- c. Upon offering the Company's shares for public subscription and registration of the Company with the SCA, the provisions of the Companies Law, the resolutions issued in pursuance thereof, and these Articles will apply to the Company. However, the Company will be exempt, pursuant to a Cabinet resolution, from the application of the provisions of Articles (117/2), (118), (119), (121), (143/2), (149), (152), (199), (217), and (221) of the Companies Law.

**Corporate Governance**  
**Article (68)**

Subject to the provisions of these Articles, the Company will be governed by all the resolutions regulating corporate governance as adopted by the SCA. These resolutions will form an integral and complementary part of these Articles.

**Lodging the Articles of Association**  
**Article (69)**

These Articles will be lodged and published in accordance with the Companies Law.