COMPANIES LAW

Part I
Definitions and General Provisions

Chapter 1

Article 1
Definitions

The following words, wherever they are mentioned in this Decree Law, shall have the meanings ascribed thereto below, unless the context indicates otherwise

Ministry:	Ministry of National Economy.
Minister:	Minister of National Economy.
Registrar:	The Registrar of the Companies appointed by the Minister
Competent Employee:	The employee appointed in the companies registry in accordance with its organizational structure.
Authority:	Palestine Capital Market Authority.
Company:	Every Company registered in accordance with the provisions of this Law, or in accordance with the provisions of previous laws. This includes the representation offices and branches of foreign companies.
Company's Address:	The address of the Head Office of the Company's management which is listed in the companies registry

Company Objects:	Activities that a Company is allowed to practice, and is established for that purpose.
Accounting Standards:	The accounting standards adopted in Palestine by the competent authorities.
Distressed Company:	The Company which suffers financial or administrative conditions that led to a failure to meet its obligations which threatens its continuity and increases the potential of failure to pay its debts.
Authorized Capital:	The company's capital determined in the incorporating documents and which the board of directors are authorized to issue.
Subscribed Capital:	The capital which is issued and subscribed by shareholders.
Partner's Interest in ordinary company:	The percentage of participation of the partner in the net assets of the ordinary company, and the partner's share in the profits or losses of the company, as outlined in the memorandum of Association.
Member's Interest in limited liability company:	The percentage of participation of the member in the net assets of the Company, and the member's share in the profits or losses of the Company, as outlined in the memorandum of association and the Operating Agreement.
Manager or Managers or Management :	The general partner, or the authorized signatory of a Limited Liability Company, and the authorized signatory of a Branch foreign company or a Representative Office. Manager in the case of a Shareholding Company means, the authorized signatory, General Manager, and member of the Board of Directors.
Executive Management:	The General Manager and authorized signatories of the Public Shareholding Companies appointed by the Board of Directors and entered as such in the Registry. The Executive Management is responsible for exercising the

	Company's day-to-day management and for implementation of the Company's corporate governance relevant conditions. The Executive Management may or may not be members of the Board of Directors.
Executive members of the Board of Directors:	Executive members of the Board of Directors are members of the Executive Management.
Non-executive Member of the Board of Directors:	Non-executive members of the Board of Directors are not members of the Executive Management. They are responsible for advising and supervising the Executive Management, ensuring that sufficient procedures for risk management and internal control are established, ensuring that the corporate governance arrangements are such as to ensure the comprehensive monitoring of the financial status of the Company and it's financial statements. As well as perform other functions as stipulated in this law.
Independent Member:	The non-executive member of the board of directors who meets the independence criteria stipulated by this law and it's regulations.
Authorized Signatory:	The person(s) responsible for managing and representing the company against third parties.
Operating Agreement:	The Operating Agreement is the main governing document of the Limited Liability Company, mutually agreed by all members, that governs the relations among them, and between them and the Company.
Incorporating documents:	The articles of association and the memorandum of Association, and the operating agreement, and all documents relating to the foreign companies and representative offices.
Companies Registry:	The unified central electronic data base, which includes the companies, data, and registered documents in accordance with this law. It shall be maintained and managed by a department affiliated with the Ministry.

Corporate Governance:	A set of standards and instructions and procedures recognized globally which govern the administration and supervision over a company, and the organization of the relationship between the board of directors and the executive management, shareholders, minority shareholders and parties with connected interests. This is performed through regulatory, administrative, legal and financial frameworks which sets forth the rights and obligations and responsibilities in order to achieve institutional discipline in the company
Competent authority for not for profit companies:	Is the official entity with jurisdiction over the main objective of the not for profit company.
Competent Court:	The first instance court of which the company's main office or the main branch of the foreign company is located.

Article 2
Scope of the Law

1. This Law shall apply to all the companies registered in Palestine. If this Law does not include a provision applicable to any matter, then reference shall be made to the incorporating documents. If a provision is not included therein, then reference shall be made by order to conditions of the commercial law, commercial customs, and the conditions of the Civil Law. Also, the use of the principles of Justice, judicial precedents, and jurisprudence as a guidance.
2. The conditions of this law shall be applicable to companies that are subject to conditions of special laws to the extent it is not in contradiction with such laws.

Article 3
Company Forms

a. Companies established by virtue of the provisions of this Law shall have one of the following forms:
   1. General Partnership
   2. Limited Partnership
   3. Limited Liability Company
   4. Private Shareholding Company
   5. Public Shareholding Company

Article 4
Company Name

1. A Company shall operate under its registered name.
2. A Company's legal form shall be indicated in its' name as follows:
   a. The name of the General Partnership is followed by the abbreviation "P.o.C".
   b. The name of the Limited Partnership is followed by the abbreviation "L.o.c".
   c. The name of Limited Liability Company is followed by the abbreviation "LLC".
   d. The name of the Private Shareholding Company is followed by the abbreviation "LTD".
   e. The name of the Public Shareholding Company is followed by the abbreviation "PSC".
   f. The name of the Foreign company's branch is followed by the abbreviation "FC"
   g. The name of the representative office if followed by the abbreviation "BR"
   h. The name of the ordinary professional public company followed by the abbreviation "OPPC".
   i. The name of the professional limited liability company followed by the abbreviation "PLLC"
3. The Company shall have the right to keep its name if it converts to another legal form prescribed by this Law, provided that the suffix indicates the new legal status, according to paragraph (2) above.

Article 5
Registration Applications and Optional Model Forms

For the purpose of implementation of the conditions of this Law, the companies registry shall prepare the registration applications, optional model forms of the incorporating documents and publish them on the companies Registry's website.

Article 6
Registration of companies

1. The company shall be established and registered in Palestine in accordance with the provisions of this Law. Every company after establishment and registration in this manner shall have a Palestinian legal identity and shall enjoy all the rights to the limit set by the Law and its headquarters shall be Palestine.
2. The application for establishment of a company and its incorporating documents shall be submitted in Arabic Language.

3. The company may not conduct its business unless it is registered and after payment of the due fees and issuance of its certificate of registration in accordance with the provisions of this Law and the regulations issued pursuant thereto. And to obtain the approval or licensing from the competent authority, in the cases specified by the Law.
4. The ministry will publish the registration of the company on the Companies Registry established for that purpose; failure to publish shall not annul any of the registration procedures.

5. The company is allowed to practice it activities in residential or commercial or industrial buildings, in accordance with the relevant legislations. The minister shall issue the instructions relating to conditions for companies practicing business from home.
6. The certificate of registration is a definite proof that the company exists and is established and registered.

Article 7
Companies Registry

1. The Companies Registry shall contain all companies' forms defined by this Law, registered under their unique registration number issued by the Companies Registry.
2. The registration procedures are considered administrative procedures in which the Registrar issues decisions only based on a verification of whether the prescribed data was supplied in the registration application form and required documents have been attached to it, in accordance with this Law.
3. The procedures for registration, the required documents for registration and publication of data and registered documents, the procedures for the operationalization of the companies registry, and the registration fees in the companies registry, shall be defined by a regulation issued by the Cabinet.

Article 8
Notification

1. The notification of any letter, decision, or notice issued by the companies Registry in accordance with the provisions of this Law, shall be done either by delivery in person to the concerned person (partners/members/shareholders/others) or his/her legal representative, or by dispatch in registered mail to the concerned person's last address kept in the Companies Registry records, or in electronic form by email to his email address listed in the companies Registry .
2. If the notification is realized through registered mail, the concerned person shall be considered notified after the expiry of fifteen (15) days from the date of its dispatch or thirty (30) days from the date of its dispatch if the aforementioned resides abroad. It is sufficient in order to prove notification, to produce evidence that the notified paper was dispatched by registered mail to the address referred to in paragraph (1) of this Article.
3. If the notification is sent electronically, the concerned person shall be deemed notified after (15) days from the date of sending, it is sufficient to prove notification to present the evidence that the notification was sent electronically to the email listed in the companies registry.

Article 9
Authorization

The Registrar may authorize a Competent Employee with any of his/her powers, provided that the powers are specified in writing.

Article 10
Registration Procedure

1. The Registrar shall issue his/her decision approving the registration of the company, or registration of any subsequent changes to the company, within five (5) days from the date of the submission of the registration application. If the decision is not issued within the said period it will be considered as an approved application

2. The Registrar may refuse the registration application or subsequent changes in any of the following situations:
   a. If the company's objects contradict the law or conflict with public order and public morals;
   b. If the proposed company's name is contrary to the provisions from Article (11) of this Law
   c. If the application contradicts with special legislation requiring businesses that pursue certain objectives to be registered according to special procedures.
   d. The subject of the application concerns a matter that is not within the competence of the companies registry
   e. If the application was submitted by an unauthorized person;
   f. The application form does not contain the obligatory data necessary for registration;
   g. The prescribed documents have not been attached;

   h. The submitted documents do not contain all the required legal elements.
   i. The data from the application are not compliant with the data from the documents supplied or records;
   j. There is a court disqualification order against any founder prohibiting him from submitting the application or the management of the company.

   k. The prescribed registration fee has not been paid.

3. If the application is rejected for one of the grounds stipulated under paragraph (2) of this article, then the Registrar shall offer clear grounds for such refusal and the applicant shall be able to rectify the errors or omissions for which his/her application was refused within thirty (30) days from the day of the refusal to register by the registrar. If the applicant fails to rectify the errors or omissions as instructed by the Registrar, then his/her application will be considered rejected.
4. Any of the founders of a company, may submit an objection to the Minister against the rejection decision or amendment within thirty (30) days from the date of serving them the rejection.
5. The Minister shall issue a decision on the objection within thirty (30) days from the filing of the objection. The minister's decision can be appealed before the administrative court within sixty (60) days from the date of serving them the decision.

Article 11
Companies Names

1. A person may reserve the exclusive use of a name by submitting an application to the Companies Registry. The application must state the name and address of the applicant and the name proposed to be reserved. If the name applied for is available, it shall be reserved for the applicant for the period of a hundred-and-twenty (120) days. The confirmation of name reservation shall be issued on the same day of the application submission. The reserved names shall be publicly available at the Companies Registry free of charge.
2. The owner of a reserved name may transfer the reservation to another person by submitting a notice to the Companies Registry which states the name and address of the transferee.

3. It is prohibited to use or reserve a company's name in the following cases:
   a. If the name is offensive and contrary to public order or morality;
   b. If the name suggests connection with a government authority, a local authority, or other public authority, save for the case where the Entity applying for registration is a public authority;
   c. If the company's name is identical to another company name already registered in Palestine, or similar in a way that may lead to confusion or deception.
   d. If the name is already reserved in accordance with paragraph (1) of this Article.

4. Any person may contest before the competent court the name of a company which is identical to the name of a registered company or similar in a way that may lead to confusion or deception within sixty (60) days from the day the contestant learned about the reservation of the name or the registration of the company. In all cases, it is not permitted to contest the registered name or reserved after a period of one year from the date of the company's registration.

Article 12
Signing the Application for Registration, and the incorporating documents

1. The application for registration, and the incorporating documents of the company, shall be drawn up in accordance with this Law.
2. The ministry shall prepare the optional forms approved for that purpose, and shall publish it on the registry's website.
3. The applications, minutes, incorporating documents relating to the registration of the companies and any later amendments are signed electronically by the founder or partner, or shareholder or member in the company.

4. The registration application and the incorporating documents or any data or later amendments can be signed in person before the Registrar, or the competent employee, notary, or practicing lawyer.
5. The electronic registration of companies and any amendments to their registered data shall be regulated by virtue of a regulation issued by the Cabinet in this respect.

Article 13
Maintenance of Electronic Copies in the Companies Registry

The companies Registry shall maintain the electronic documents and an electronic copy of all the information and originals of all documents and records relating to the companies, maintained by or submitted to it. Such electronic records and copies shall enjoy the same legal weight of the original hardcopy documents, including its evidentiary weight.

Article 14
Companies Registry

1. The following information and documents shall be considered public information and is available for the public through the companies Registry's website:
   a. The name of the Company, its type and registration number;

b. The date of establishment of the Company;
c. The headquarters of the Company;
d. The duration of the company
e. The Company status
f. The principal objects of the Company
g. The authorized signatory(ies) of the Company;
h. Any encumbrances on interest or shares of the company, unless they are registered in the Clearing Depository and Settlements Center;
i. Any additional contributions to the Limited Liability Company;
j. The names of the managers and members of the Board of Directors in the Private Shareholding Company;
k. The name of the General Manager and the members of the Board of Directors in the Public Shareholding Company;
l. The Company's financial accounts;
m. The names of auditor(s) and any information on their removal or resignation;
n. The subscribed capital of the Shareholding Company;
o. The company's authorized capital
p. The company's trade name
q. Commencement, course and conclusion of insolvency, liquidation, reorganization of the company or merger and dissolution in accordance with this law and the relevant legislations, and the course and results of such procedures
r. Any court decisions pertaining to the legal status of the Company
s. Any other information and documents specified in this Law.

2. Any changes in the documents and information referred to in paragraph (1) of this Article shall be reported to the companies registry within a term of fifteen (15) days from the occurrence of that change, and shall be registered and disclosed in the Companies Registry.
3. The company shall maintain the data mentioned in paragraph (1) of this article and any changes which may occur, for a period not less than 10 years from the date of dissolving the company.

Article 15
Failure to adhere to the registration procedures

1. From the moment the Company is registered the Company obtains a legal personality, separate from that of its partners, members or shareholders in the company.
2. If the partners, members or shareholders, according to the company's type, commence commercial activity under a trade name before they register the company with the Companies Registry, they shall be jointly and severally liable with their personal assets for any debts and obligations arising from such activity.
3. In the event the registration procedures and publication in accordance with this law is not followed, or if the company resumes activities after it is terminated, it will be considered as if existing towards others with good faith and its transactions and contracts shall be valid towards them.

Article 16
Effects of Registration against Third Parties

1. Third parties shall be deemed to have knowledge of the registered company and any later amendments in accordance with this Law, as of the day following the date of its publication in the electronic registry.
2. Third parties relying in good faith on published information on the electronic registry in transactions cannot suffer harmful legal consequences due to falsely registered information.
3. Taking into consideration paragraph (1) above, any person may prove it was not possible for them to have access to registered information during a period of fifteen (15) days following the publication of such information. A company may prove that third parties were aware or ought to have been aware of that company's documents and information even before their registration in the Companies Registry.
4. Where a party enters into a contract subject to a condition that the company be registered within a certain period of time, that party may withdraw from the contract if it was not registered within the time limit or if a decision to reject the registration was issued, Such party shall not be the party in violation of the contract.

Article 17
Encumbrances on membership interest or shares

1. No encumbrance on membership interest or shares shall be valid before the Company, or member or shareholders or third parties unless such encumbrance is registered in the Companies Registry or the Clearing Depository and Settlements Center depending on the type of the company.
2. The encumbered interest or share may not be transferred without the approval of the beneficiary of the encumbrance.
3. The profits related to the encumbered interests or shares shall be paid to the member or shareholder, unless the encumbrance statement stipulates otherwise.

Article 18
Objects of the company

a. The objects of the company shall be stated in the incorporating documents.
b. The company shall register its' principal objects for statistical purposes.

Chapter 2
Regulating Companies

Article 19
Abuse of Limited Liability

1. A limited partner, a member or a shareholder, depending on the company type, shall be liable for the Company's obligations, if they abuse the rule of limited liability.
2. The abuse referred to in paragraph (1) of this Article shall be deemed to have taken place in particular in the event the limited liability partner or member or shareholder does any of the following:
   a. Uses the legal personality only as a facade to perpetrate fraud or wrongdoing;
   b. Uses the legal personality only as a vehicle to deliberately evade an existing legal obligation or liability;
   c. Uses or disposes of the Company's assets as his/her own personal property;

d. Uses the Company's assets to cause damage to the Company's creditors;
e. Uses the Company's assets for his/her own personal gain or for the gain of third parties, although they knew or ought to have known the Company would be unable to meet its obligations.

3. Legal action against a person(s) referred to in paragraph (1) of this Article can be taken before the competent court within six (6) months of learning of such abuse, but in any case not later than five (5) years of the date of such abuse.

Article 20
General Duties of Managers

The Manager must abide by the following:
1. exercise his/her powers in a proper manner, in accordance with this Law and the company's incorporating documents
2. exercise independent decision making on the company's behalf, promote the company's best interest, act in good faith and for the benefit of its partners, members or shareholders,
3. exercise reasonable care, skill and diligence with the knowledge, skill and experience which may reasonably be expected of a manager having the same duties and accountabilities; and what is expected from the manger himself from his own knowledge, skills and expertise.
4. must avoid a situation which may give rise to a conflict of interest between his/her direct or indirect interests and the interests of the company; excluding the ownership of shares in a limited public shareholding company without controlling its management.
5. must disclose information about his/her position in other companies.
6. In the event where he/she possesses any tangible or intangible property, enters into any contract, exploits information or opportunity where personal interests may arise in conflict with his/her duties or interests as manager and the company's interests; he/she must declare the fact, nature and extent of the conflict to the partners, members and shareholders, depending on the type of company.

Article 21
Authorization of Transactions or Actions Involving Personal Interest

1. Prior to the manager entering into a transaction or taking an action that involves personal interest that may be in conflict with the company's interests, including prior to holding a management role in another company with similar or competitive objects, the manager shall seek authorization from:
   a. from all disinterested partners in the General Partnership;
   b. in the case of Limited Liability Company, from all disinterested members;
   c. If the Private shareholding company has a board of directors, from all disinterested members of the Board of Directors of the private shareholding company; authorization must come from the General Assembly If the company has no board of directors, or if the majority of the board members have a personal interest in the transaction.
   d. in the case of the Public Shareholding Company, from all disinterested members of the Board of Directors, unless the Articles of Association stipulate that such authorization shall

be provided by the General Assembly. If the majority of the board members have a personal interest in the transaction, authorization must come from the General Assembly;

e. in the case of a branch foreign company or a Representative Office, authorization from the mother company.

2. The General Assembly shall be notified of the transaction authorized in accordance with paragraph (1/c) or (1/d) of this Article, in the first succeeding session.
3. No manager shall vote on any decision in which he or she has direct or indirect personal interest.

Article 22
Legal Action for Breach of Rules of Authorization of Transactions Involving Personal Interest

If a manager does not abide with his disclosure duties, and If the procedures relating to transactions with personal interests accordance with Article (21) of this Law are not followed; the company has the right to request the manager to compensate it for the damages of such act which are sustained by the company.

Article 23
Liability of Managers

1. Managers shall be held responsible towards the company, its partners or members or shareholders, depending on the type of company, and must compensate them for any damages incurred from any omission or gross negligence on their part, or in the event they violate the laws or the company's incorporating documents.
2. The civil liability claim shall lapse after five (5) years from the date of the action.
3. Where several persons from paragraph (1) of this Article are liable for the same damage, they shall be jointly and severally liable. Reimbursement of damages paid by any of them may be sought through recourse to the other liable parties in accordance with what is reasonable in the circumstances.

4. A person may not be nominated as a manager for the company, if s/he has been disqualified as stipulated in Article (336) or (337) of this law.

5. A person may not be nominated as a member of the board of directors of a public shareholding company if convicted with a final decision from a competent court with the following:

    a. Any criminal offence or misdemeanor in a Crime against honor such as bribery, embezzlement, theft and forgery Abuse of trust and false testimony, or if he is incompetent or declared bankrupt

    b. Any penalty from the penalties stipulated in the penalties Chapter of this Law

    c. Anyone proven by a final court decision of mismanagement, a period of five years after such final court decision must pass before the date of the nomination.

Article 24
Resignation and Dismissal of Managers

1. A manager may resign at any time.
2. A manager may be dismissed at any time by those who have appointed him/her unless otherwise provided in the incorporating documents or in an agreement signed between the company and the manager.
3. The partner, or members or board members or general assembly, depending on the type of company, shall appoint a new authorized signatory If there is no other authorized signatory following the former signatory's resignation or dismissal,
4. A notice of resignation shall become effective as of the date of its service unless a later date is stated in the notice of resignation.
5. If a company's sole manager resigns, he/she shall continue carrying on duties that cannot be delayed until the appointment of a new manager for a maximum of thirty (30) days from the effective date of resignation.
6. A manager must notify the companies registry with his resignation
7. A resolution on dismissal of a manager shall include appointment of the new manager to be effective on the date of the dismissal resolution, unless a later date is stated in the resolution. The newly appointed manager must file these changes with the Companies Registry.

Article 25
Direct and Derivative Action

1. Any partner, or member, or anyone owning at least five (5) percent of the Company's capital in the shareholding Company, may maintain a direct action before the competent court against another partner, member, shareholder or authorized signatory, manager, or the Company, depending on its type, to enforce their rights and protect their interests, including rights and interests under the Articles of Association, memorandum of association or this Law.
2. Any partner or member or anyone owning at least five (5) percent of the Company's capital in the shareholding Company, may maintain a derivative action to enforce a right of the Company if s/he first makes a demand to the manager(s) requesting that they cause the Company to bring an action before a competent court to enforce the right, and the manager(s) does not bring such action within a reasonable time.
3. A derivative action may be brought before the competent court only in respect of a cause of action arising from an actual or proposed act or omission involving negligence, default, breach of duty or breach of trust by a manager or in the event of a violation of the incorporation documents. The cause of action may be against the manager or another person (or both).
4. A direct or a derivative action may be filed within six (6) months of the date of learning of a cause of action, but not later than five (5) years of the date when such breach occurred.

Article 26
Standing for a Derivative Action

1. A derivative action under Article 25 paragraphs (2) and (3) may be maintained only by a person that is a partner, member or shareholder at the time the derivative action is commenced and remains a partner, member, shareholder, as the case may be, while the derivative action continues.

2. If the sole claimant in a derivative action dies while the action is pending, the competent court may permit another partner, member or shareholder of the Company to be substituted as claimant.
3. The competent court may permit another shareholder to join the action, if the capital represented by a shareholder falls below the minimum required to bring the action in front of court.

Article 27
Derivative Action Proceeds and Expenses

1. Any proceeds or other benefits of a derivative action under Article 25 paragraphs (2) and (3), whether by judgment, compromise, or settlement, belong to the Company and not to the claimant.
2. If a derivative action under Article 25 paragraphs (2) and (3) is successful in whole or in part, the Court shall award the claimant reasonable expenses, including reasonable lawyer's fees and costs, from the recovery of the Company. The Company can claim reimbursement for those awards to the claimant from the person who has been found to be at fault by the Court.

Article 28
Company Secret

A company secret is defined as information which meets all of the following criterias:
1. It is not as a body or in the precise configuration and assembly of its components, generally known among, or readily accessible to persons within the circles that normally deal with this kind of information;
2. It has commercial value because of it's secret nature;
3. It has been subject to reasonable steps under the circumstances, by the person lawfully in control of the information, to keep it secret.

Article 29
Special Company Forms

The companies listed below may be registered and shall be subject to the special conditions related to it as follows:

1. Professional Services company:

a. The professional services company is a civil company with an independent legal personality, established by one or more natural person from the same profession or complementary professional, whom are licensed to practice one or more free profession according to the applicable legislations. Its objective is to practice such professions.

b. The professional services company shall take one of the following company forms:

1. General Partnership
2. Limited liability company

c. The conditions of this law shall apply to the registration of the professional services company, its management and any later amendments, to the extent it does not contradict the conditions of special legislations which apply to it.

d. A partner or member in the professional services company is not considered a merchant due to his partnership or membership , the professional services company shall not be considered a merchant and is not subject to bankruptcy or preventive bankruptcy conditions.

e. The partner or members in the professional services company may convert the company to a different type of professional services company in accordance with the conditions of this law.

f. The partner or member in a professional services company, practicing a free profession, are prohibited from becoming partners or shareholders in another professional services company practicing the same free profession.

g. The professional company shall be entered in the companies registry. The professional services company shall not acquire a legal personality and shall not commence its business before it is entered in that register.

h. The professional services company is specialized in practicing the profession or the free professions in which its activity is based only. The professional services company may not practice commercial business or participate in establishing commercial companies or another professional services company. However, it may acquire financial assets and real estate to serve its purposes.

i. The professional services company is subject to supervision of the competent authority/ authorities when practicing its profession or free professions, in accordance with the legislations regulating such professions.

j. Unless agreed upon by the rest of the partners or members, the partner or member in the professional services company may not practice his free profession unless through the company, if the partner or member violates this, then all the proceeds and fees and other financial benefits shall be the right of the company.

k. The name of the professional services company shall consist of either the name of one of the partners or members, or the name of more than one partner or member , it may choose an innovative name to practice its activities, the company's name shall be followed by text clarifying its form and type as a professional company.

l. In the event of withdrawal or death of a partner or member whom the professional services company is named after, or is included in its name, the company is not allowed to continue using his name or to contain it in its name without his written approval in the case of withdrawal, or the written approval of his heirs in the case of his death.

m. Taking into consideration the provisions of this law relating to the management of each type of company that a professional services company may take, the management of the professional services company shall be done by one or more of the partners or members thereof, in accordance with what is agreed upon between them. The incorporating

documents shall contain the conditions relating to the appointment of the manager, his competencies and remunerations, his term of management and ways of dismissal.

n. Excluding the professional services company owned by one person and the professional services company registered as an ordinary company. Every member is responsible with his own assets for his professional mistakes against the company and the rest of the members, the professional services company is also responsible for compensating third parties for damages due to the professional mistakes by its partners or members and employees in it.

o. Losing the license:

1. If a partner or member in a professional services company loses his license to practice his free profession temporarily; he has to immediately stop working in the company until he get the license. In the event he is the sole practicing partner or member, or in the event he is the sole owner of the professional services company, then the company shall stop practicing its profession until he gets his license back. The incorporating documents shall determine how to distribute the profits and losses in the event any of those two situations happen, this applies for the professional services company which is not owned by one person.
2. If a partner or member in a professional services company losses his license to practice his free profession permanently, he is considered withdrawn from the company. In this event, the conditions of withdrawal mentioned in article (46) shall apply if the professional services company take the form of a General Partnership, and the conditions of article (82) of this law shall apply if the professional services company takes the form of a limited liability company.

p. death of the partner or member holding the license:

1. If one of the partners or members whom holds a professional license die in the professional services company, his interest shall be handed over to his heirs whom are licensed to practice this profession, provided that all partners or members agree, unless a lower majority is stated in the incorporating documents but not less than 75% of the interests of the company.
2. If the heirs of the deceased partner or member do not have a license to practice the profession, or if the partners or members refuse to add the licensed heirs of the deceased partner or member, then the rest of the partners or members must compensate the heirs of the dead partner or member for his interest or share, the compensation shall be paid before the end of the financial year in which the partner or member died, if the death happened in the first six months of the financial year. If the death occurred during the last six month of the financial year then the compensation shall be paid within the first six months of the next financial year. The interest of the deceased partner or member shall be distributed to the remaining partners or members pro rata unless unanimously agreed otherwise.
3. The value of the interest of the deceased partner or member is determined based on its value at the time of death, the competent court shall determine the

value of the deceased interest in the event the heirs and the partners or members do not agree on the value.

2. Non-profit companies

Companies that do not aim at making profits may be registered and shall take the form of a private shareholding company. The Company's provisions, conditions, objects, work that it is permitted to practice, supervision, the method of receiving assistance and grants, finance resources, spending method, liquidation and accrual of its money upon liquidation or dissolution, and documents that should be submitted to the companies registry, and remaining related issues shall be specified in pursuance to a special regulation issued by the Cabinet by recommendation of the Minister for this purpose, taking into consideration the following:

a. The number of shareholders must not be less than (7) with a board of directors consisting of at least (5) members.

b. to provide a service or economic, social, cultural, civil, developmental, or other activity that would provide benefit for the public good, and if it achieves returns or profits, it may not be distributed to its shareholders.

c. Any net returns achieved by the non-profit company are considered to be its abundance and it may not be used except to achieve its goals and objectives for which it was established and to expand its activities and increase its capital.

d. The non-profit companies have the right to own movable and immovable assets to achieve their goals and objectives.

e. The non-profit companies shall submit periodic financial and administrative reports to the competent authority during the first three months following the end of the fiscal year regarding the implementation stages of the projects and activities for which the company has previously obtained funding for.

3. Government Companies

The Government, or any of its institutions or agencies, may, by a decision issued by the Cabinet, establish shareholding companies, and assume management thereof, solely or in partnership with other non-government shareholders. Such companies shall be regulated in pursuance to a special law.

4. Local Authorities Companies

The local authorities may establish shareholding companies, and assume management thereof, solely or in partnership with other non-government shareholders.

Article 30
Companies dissolution

The company is dissolved in the following cases:

1. Voluntary liquidation;
2. Final court decision in the case of Compulsory liquidation or liquidation as a result of bankruptcy;
3. for any other reason provided in this law.

Article 31
Beginning and End of the Financial Year

1. The financial year of an Entity shall start on the first (1st) of January of each year and shall end on the thirty-first (31st) of December of the same year.
2. Should the Entity commence its business during the first half of the year, then its fiscal year shall end on the thirty-first (31st) of December of the same year. However, if the Entity commences its business in the second half of the year, then its first financial year shall end on the thirty-first (31st) of December of the following calendar year.

Part II

General Partnership

Chapter (1)

Incorporation and Registration of the General Partnership

Article (32)

Definition of the General Partnership

1. The General Partnership is a for profit company and is comprised of a number of natural persons, not less than two and no more than twenty, unless the number increases as a result of inheritance, and the legal personality of the company is considered independent from its partners.

2. An individual may not be accepted as a partner to the General Partnership unless he enjoys the legal capacity and reached the age of 18.

3. The Company term shall be unlimited unless stipulated otherwise in the Company's memorandum of Association.

4. The General Partnership cannot offer its interest to public issuance.

Article (33)

Partners' Liability for the Debts of the Company

1. A partner in the General Partnership is considered responsible jointly and severally with other partners and also separately, for all the debts and obligations that have been incurred by the Company while he was a partner in it, and he is a guarantor for those debts and obligations with his personal assets, and in all cases, this responsibility and guarantee is transferred to his heirs after his death within the limits of his inheritance.

2. Whoever arrogates the status of a partner in the ordinary public company, whether by his words, writing, or acting, or knowingly allowed others to know that by showing so, he shall also be liable towards others who becomes creditors of the company, believing in the validity of this claim.

3. No execution against any General Partnership shall be done unless based on a ruling by the court against it, and if a person obtains a judgment against one of the partners, the court may also issue an order to seize his interest as a security for the payment of his debt, and it may appoint a trustee to receive his owed or due profits and to conduct the balance of accounts with it.

4. Any agreement between the partners to deprive a partner from his profits or relieve him from responsibility from losses is null and void.

5. The partners have the right to request the lifting of the seizure of the seized interest or to purchase it if an order to sell it is issued.

Article (34)

Name of the Company

1. The title of the General Partnership shall consist of the names of all the partners, or of the title or surname of each of them or of the name of one or more of the partners or his title, provided that, in this case, the phrase "and partners" is added to his name or their names, as the case may be, or what would lead to the meaning of this phrase. The title of the Company shall always comply with its existing status.

2. The General Partnership may have its own trade name in accordance with the provisions of the Trade Names Law

3. Unless the Company's memorandum of Association stipulate otherwise, the approval of the withdrawing partner or the heirs of the deceased partner must be obtained for the purposes of continuing to use the name of the Company that name of the mentioned partner constitutes part of it; unless this name is similar to one of the other partners.

4. The General Partnership shall be entitled to retain its original name if it wishes to be converted to a Limited Partnership, or limited liability company, or a limited private shareholding company.

5. Subject to the provisions of Article (11) of this law, the General Partnership, after its registration, may change its name or introduce an amendment to it with the approval of

all partners. The company must confirm the change in its name or the amendment it made to it in the Companies Registry within fifteen days from the date of the partners 'approval.

6. The change or amendment of the name does not affect the rights and obligations of the Company, nor will it be a reason to nullify any legal or judicial action or action taken by it or by others towards it.

7. The amendment is published in the Companies Registry.

8. The provisions of Article (11) of this law shall apply when choosing the company name.

Article (35)

Registration Procedures & Memorandum of Association

1. The application for registration shall be submitted to the Companies Registry, enclosed with the Memorandum of Association of the Company signed by all the partners in accordance with the provisions of the Law, and the regulations and instructions issued pursuant thereto. The Memorandum of Association of the Company should include the following details:

   a. Title of the Company

   b. Names of the partners and the nationality, birth date, and actual address of each or postal address or email

   c. The Head Office of the Company

   d. Objects of the Company

   e. Duration of the Company, if it is limited

   f. Name of person/persons authorized to manage and sign on behalf of the Company, and their authorities, unless all partners are authorized to manage the company individually.

2. The Memorandum of Association may include the following, without the need to register it in the Companies Registry:

   a. Special provisions in matters relating to voting;

   b. Special provisions in matters relating to additional contributions;

   c. Special provisions in matters related to the withdrawal, removal and death of partners;

   d. The special provisions related to the distribution of profits and losses on the partners

   e. Other matters the partners may consider them to be urgent, provided that they do not contradict with the provisions of this Law

3. The company must confirm the changes in the Companies Registry within fifteen days from the date of the approval of the partners, so that the registration and publication procedures prescribed in this law are followed and the amendment is published in the Companies Registry.

Article 36)

Partners' interests

1. A partner's interest may consist of cash or in-kind contributions, and the partner can own interest in the company without offering compensation.
2. The In-kind contributions shall include any consideration the value of which can be appraised in cash, including tangible and intangible contributions such as property, concession rights, intellectual property rights, technical know-how, licenses, obligation to do work or perform services, commercial fame, and all the intangible rights in addition to any other rights approved by the partners.
3. The value of the interest for each partner is determined by agreement of all partners, there is no need to estimate the value of the in-kind contributions by a legal auditor or any other expert.

Article (37)

Amendment of the Company Memorandum of Association

No change or amendment may be made to the Memorandum of Association of the General Partnership including the amendment to the capital unless it is approved by all the interests forming the capital of the Company. Unless the memorandum of association requires a lower percentage not to be less than 75% of the interests forming the capital.

Article (38)

The Partners Right to View the Data

1. All partners have the right to review the Company's books and documents and obtain photocopies from them, as well as, to receive a summary statement on the Company's financial condition, and any agreement contrary to this shall be void.

2. Every partner in the General Partnership has the right to request from the Company Manager any information related to the company's business, contracts and actions concluded with the Company or its financial situation, and the Company Manager is obligated to respond to this information within a maximum period of fifteen days from the date the Company receives that request.

Article (39)

Rights and Obligations of the Partners

1. The Memorandum of Association of the Company shall determine the rights of the partners and the obligations arising thereon. If the Memorandum of Association does not determine the manner by which the profits and losses will be distributed, then same shall be distributed among the partners in proportion to the interest of each one of them in the capital of the Company.

2. The right of a partner to receive profits from the Company shall be become due from the date of the issuance of the decision to distribute profits approved by the holders of all interests constituting the company's capital, unless the memorandum of association state otherwise.

Chapter (2)

Management of the General Partnership and the

Relationship of the Partners with One Another and with Others

Article (40)

Management of the Company

1. Unless otherwise is provided for in the Memorandum of Association of the Company, the management of the General Partnership shall be assumed by all the partners therein, and each partners shall have the authority to manage the Company and take part in management thereof. Each partner shall be deemed as the representative of the Company in relation to the Company's business. For his actions to be valid towards others, the partner must be registered as an authorized signatory of the company in the companies registry.

2. With respect to matters within the Company ordinary course of business, The partners to the General Partnership may delegate the management duties in the Memorandum of Association of the Company, or in a separate contract, to one or more partners.

3. The company must register the manager in the companies registry.

4. In the event of multiple managers of the General Partnership, the decisions in the ordinary course of business shall be issued by the majority of votes, and in case of tied votes, the Company manager shall present the issue to the remaining partners for resolution and it shall be approved with the consent of all partners

5. The manager or any of the partners in the company have the right to request a meeting to all partners and the purpose of the meeting shall be specified in the invitation.

6. The authorized individual shall conduct the company's business in accordance with the provisions of this Law and the regulations issued pursuant thereto and within the limits of the powers authorized thereto and the rights granted thereto in the Memorandum of Association of the Company, and he may not receive a remuneration or a salary for the management of the Company unless this is approved by all partners.

7. If the partner is not authorized and realized any work in the name of the Company, then the Company shall be responsible for his actions towards a bona fide third party in good faith, third party are considered to have bad intentions if he knew or ought to have known that the partner is not authorized by the company to conduct such action. The company can claim compensation from him for all the losses and damages that may have been incurred thereby as a result of his action.

8. The individual authorized to manage the General Partnership shall be considered authorized for all matters as well as for filing lawsuits in the name of the Company, unless the Company Memorandum of Association provides otherwise.

Article (41)

Resignation or dismissal of the authorized manager of the company

1. Partners in General Partnership may dismiss the authorized partner based on a decision taken by all other partners.
2. The authorized partner to manage the company and sign on its behalf may be dismissed based on the request of a partner or more through a decision from the competent court if there is a legitimate reason for this dismissal. For that purpose, they have to prove the damages to the company resulting from the authorized partner's significant violations to the memorandum of association or this law, the competent court shall issue a decision appointing the new authorized replacement and the registrar must be notified to document it with the companies registry.
3. The manager must notify the partners in writing if he decides to resign from the company, thirty days prior to the effectiveness date of the resignation, unless the memorandum of association states otherwise.

Article (42)

Actions that a Partner or Authorized

Individual are Prohibited to Undertake

1. The partner of the General Partnership, may not conduct any of the following acts for his own benefit, directly or indirectly, without a prior written consent of the remaining partners, or unless it is allowed by an express provisions in the Company Memorandum of Association:

    a. To enter into any undertaking with the Company to realize any business, whatever its nature, on its behalf.

    b. To enter into any undertaking or agreement with any person if the subject matter of the undertaking or the agreement falls within the objects and activities of the Company.

c. To engage in any business or activity which competes with the Company, whether he carried out the said business or activity for his own benefit or for the benefit of others.

d. Use the Company funds, name, or trade mark for his own benefit or for the benefit of others.

e. Disclose confidential information about the company to other parties.

2. Should the partner or authorized individual undertake any of the acts provided for in paragraph (1) of this Article without the consent of the rest of the partners or an express provision in the Company Memorandum of Association to allow for it, he shall be responsible to present an account to the Company showing the profits or benefits he obtained from the business he conducted, and he shall pay such profits to the Company and compensate the Company for it.

3. Any partner or the manager may not conduct the acts that overstep the ordinary management tasks without an express provision in the Company Memorandum of Association or with the approval of all the partners. Such ban shall especially apply to the following acts:

a. Amendment to the memorandum of Association of the Company;

b. Changing the main office of the Company.

c. Changing the Company name or any of its objectives.

d. Transforming the type of the Company to another type.

e. Increasing or decreasing the amount of the interests, or any change on its value.

f. Transferring interests in the company.

g. Merger and division.

h. Liquidating the Company, or any of its subsidiaries, or initiation of such procedures.

i. Establishing branches or closing thereof.

j. Purchasing any assets or selling any of the Company assets, whether under one or multiple contracts, in contrary to what is stated in the memorandum of Association;

k. Establishing new companies or owning an interest or shareholding in another company with a value greater than the amount specified for that purpose in the memorandum of Association.

l. Mortgaging any of the Company assets.

m. borrowing funds on behalf of the company or lending the company's funds to others in an amount exceeding the limits stipulated in its memorandum of Association;

n. Guaranteeing debts of others in an amount exceeding the limits stipulated in its memorandum of Association.

o. Donating any of the company's assets in an amount exceeding the limits stipulated in its memorandum of Association.

p. The decision to distribute profits.

q. Approving the Company's financial statements.

r. Any other prohibited actions specified in the Memorandum of Association or the provisions of this Law.

Article (43)

Expenses of the Individual Authorized to Manage the Company

The General Partnership shall be liable for all the expenses and costs incurred by the individual authorized to manage the Company in the course of conducting its operations or for any loss or damage sustained by him due to undertaking any business for the benefit of the Company or for the protection of its assets and rights, even if the said person did not obtain the prior approval of the partners for that.

Article (44)

The Company's Account Books, Records, and Registers

1. The authorized manager of the General Partnership shall undertake to keep its books, records, and registers at its Head Office or at any place where it carries out its business. He shall undertake to keep duly organized account books and records. Each partner shall have the right to examine the same either personally or by delegating in writing any other experienced and specialized person to do so and, to obtain copies or extracts therefrom. Any agreement to the contrary shall be null and void.

2. The individual authorized to manage the Company shall prepare the Company's annual financial statements according to the legislations regulating it, and it shall be submitted to the Companies Registry within four (4) months from the date of financial year end.

Article (45)

Expelling a Partner from the Company

1. A partner in the company may be expelled by a final competent court decision after the approval of the holders of 75% of the other interests comprising the company's capital.

2. The partners to prove to the court that there is a serious reason justifies the expelling, and the proof of the serious reason for the expelling is through the partners proving that the partner actions are imposing a constant danger on the company, due to his repeated violation of the memorandum of Association or the provisions of the Law.

3. The expelled partner from the company has the right to receive the value of his interest in the Company; and in the event that the partners fail to reach a mutual agreement in this regard, the competent court shall appoint an auditor for the purpose of determining the value of the expelled partner's interest.

4. If as a result of expelling a partner or more partners, only a sole partner remains in the company, then the remaining partner must add a new partner or more to the company in a period of three months from the date of the expelling, or otherwise to change the legal type of the company according to the provisions of this Law and within the same mentioned period, and the Company shall be resolved de jure in the event that the above has not been done within the specified period.

Article (46)
Withdrawal from the Company

1. Any partner in the General Partnership may withdraw therefrom on his own, in such case he must abide by following:

    a. The withdrawing partner shall inform the rest of the partners in the company with his intention to withdraw in writing, the withdrawal shall take effect against the rest of the partners and the company from the moment of notifying the rest of the partners.

    b. The withdrawing partner shall notify the Companies Registry with the decision to withdraw from the company . The withdrawal shall be considered effective towards others as from the day following the publication of an announcement on this on the Companies Registry.

    c. The withdrawing partner shall continue to be, together with the remaining partners, jointly and severally liable for the Company debts and obligations incurred by it prior to his withdrawal therefrom. The withdrawing partner shall be considered as guarantor of the said debts and obligations from his personal assets, together with the remaining partners, for a period not exceeding five years from the date of publishing the withdrawal.

2. If the term of General Partnership is limited, the withdrawing partner is not entitled to claim any compensation for his share in the company unless he has serious reasons justifying his withdrawal, accordingly:

    a. According to what the Registrar decides based on the request and agreement of all partners,

    b. According to what is decided by the Competent Court.

3. Should the provisions of paragraphs (1) of this Article apply, then the remaining partners shall make the necessary amendments to the Company Memorandum of Association and make the necessary changes to its status within fifteen days from the date of the publication of the withdrawal decision in accordance with the provisions of this Law.

4. Except for the cases mentioned in Paragraph (2) of this article, The withdrawing partner shall not be entitled to any compensation of his/her interest unless the memorandum of association provides otherwise, in which case the following shall apply:

   a. This compensation shall be provided before the expiry of the financial year during which the notice was served, provided that the notice was served at least six (6) months before the end of the financial year. In the case where the notice was served later than six (6) months before the end of the financial year, the withdrawing partner's claim shall be due at the end of the following financial year.

   b. The valuation of the withdrawing partner's interest shall be assessed based on the interest's value on the day the partner announced his/her exit from the company is published. In the case where the partners do not reach an agreement on the valuation, the value shall be determined by the competent Court.

   c. In the event where the company is operating with losses at the time of the partner's exit and the company's assets are not sufficient to cover it's debts and obligations towards third parties, the withdrawing partner shall give up his/her interest to pay down the debt. In the case where his/her interest is not sufficient to satisfy the company's debts, he/she shall pay the remaining amount from his personal assets.

   d. If the third party's claim becomes due after the publication requirement is satisfied, the period of limitation mentioned in paragraph (1/c) from this article begins on the day that the claim became due.

5. In the case where a partner is withdrawing from a two-person company and the company is left with a single partner, the remaining partner shall bring a new partner or more to the company, or change the legal form of the company according to this law, within three months from the date of the withdrawal of the mentioned partner. The company is considered dissolved de jure if such period passes without doing any of the two options.

6. Unless agreed otherwise unanimously by all the remaining partners, the interest of the withdrawing partner shall be distributed among the remaining partners in the company in proportion to their interests in the company.

Article (47)

Transfer of the Interest in the company

1. A partner or more can be added to the General Partnership with the approval of all partners in the company, the approval of all partners is needed in order to transfer any interests in the company or any part of it.

2. The new partner in accordance with the provisions of this Article shall be liable with the rest of the partners for all the debts and obligations due on the Company, and he shall guarantee the Company's debts and obligations by his personal assets. Any agreement to the contrary between him and the rest of the partners is not legally binding against third parties. In this case, the partner transferring his interests shall be subject to the provisions of Article (46/1/c) of this Law.

Article (48)

Death of a Partner

1. Unless the Company Memorandum of Association or any other agreement signed by all partners prior to the death of a partner provides otherwise:

    a. The General Partnership shall remain in existence and shall continue to exist in the event of the death of one partner therein, and if the death results in the remainder of a single partner in the company, the remaining partner may either add one or more new partners into the company within a three months period from the date of the death of the partner, or to change the legal form of the company in accordance with this law within the said period. If the period passed and the above two choices were not done, the company is dissolved de jure.

    b. The heirs of the deceased partner shall join the company as limited liability partners and the company shall de facto take the form of a Limited Partnership, unless all partners and heirs agree to keep it as a General Partnership, however, all heirs must be of legal age.

    c. If the rest of the partners refuse to add the heirs of the deceased partner to the company or if the heirs are unable to join the company, then the remaining partners must compensate the heirs of the deceased partner according to the following:

        1. The compensation is paid by the end of the fiscal year during which the deceased partner, member or shareholder has died, if the death occurred within the first six months of the fiscal year, and if the death occurred during the next six months the compensation shall be paid during the first six months of the following fiscal year.

        2. The deceased partner's interest is estimated on the basis of its value on the day of his death, and the competent court determines this value in the event that the partners and heirs fail to reach an agreement on the value of the interest.

        3. If, upon the death of the deceased partner, the company was in a state of loss and its assets were not sufficient to pay its obligations, the inheritance of the deceased partner shall be deemed responsible for the payment of the company's obligations until the date of his death within the limits of his share in the company, provided that it does not exceed the value of the

inheritance; and legal statute of limitation of five years from the date of the death of the deceased partner shall apply on such claims for liability.

2. The estate of the deceased partner shall not be responsible for any debts and company's responsibilities incurred after his death if the Company continues to operate following his death.

Article (49)

Bankruptcy of One of the Partners

If one of the partners in the General Partnership becomes bankrupt, then the creditors of the Company shall have the priority over his private debts in his bankruptcy. If the Company, however, becomes bankrupt, then its creditors shall have priority over the partners debts.

Article (50)

Disputing the Company

The creditors of the company may dispute with the company and its partners, and no execution on the personal assets of the partners is permissible, unless after the execution on the Company assets, and if the company assets are insufficient to pay its debts, the company's creditors are entitled to recourse to the personal assets of the partners for the remainder of the debt.

Article (51)

The Partners Responsibility when Dissolving the Ordinary Company

1. If the General Partnership is dissolved, all its debts become due, and the partners remain jointly and severally liable for the debts and obligations of the company for a period of five years from the date of publishing the announcement on the dissolution of the company in the Companies Registry, unless the claims were subject to a shorter period of statute of limitations.

2. In the event that the due date for the claim falls after the date of publication of the announcement of the dissolution of an Ordinary Company the statute of limitation mentioned in paragraph (1) in this article will be counted from the claim due date.

Part III
Limited Partnership

Chapter 1

Limited Partnership

Article 52

Definition of the Limited Partnership

1. The Limited Partnership is a for profit company that consists of at least one limited partner who is liable only up to the amount that s/he contributed to the Limited Partnership, and at least one general partner who is liable with her/his personal assets for the Company's debts and obligations.
2. The Limited Partnership cannot have more than twenty (20) partners, save for the case when this is the result of inheritance.
3. The limited liability partner may be a legal person.

Article 53

Registration of the Limited Partnership

In addition to the information required under Article 35 of this Law, the company's registration application and memorandum of association in the companies registry must include the limited partner's name, address and interest in the Company.

Article 54

The Limited Partner's Liability

1. The limited partner who has paid-in his/her interest in the Limited Partnership, is not personally liable for the Company's debts and obligations, however his/her interest can be used to satisfy the Company's debts and obligations.
2. In the case where the limited partner has not paid-in his/her interest in full, s/he is personally liable to the Company's creditors up to the amount of his/her outstanding interest to the Company.
3. In the case where the Limited Partnership commences business operations prior to registering with the Companies Registry, the limited partner is jointly and severally liable with the rest of the partners for the debts and obligations incurred by the Company before registration.

Article 55

The Limited Partner's participation in the Company's Profits and Losses

1. The limited partner has a right to participate in the distribution of profits in proportion to his/her interest in the Company, unless otherwise provided in the Articles of Association.
2. The limited partner is only liable for the Limited Partnership's losses in proportion to the unpaid part of his interest.

Article 56

Limited Partnership Name

1. Taking into consideration Article (11) of this Law, the name of the Limited Partnership shall consist of the names of one or more general partners. And, if there is only one general partner, then the phrase "and partners" must be added to his name.
2. The name of any limited partner must not appear in the Limited Partnership name. Should the name of a limited partner be mentioned upon his request or with his knowledge, then he shall

be responsible as a general partner for the Company debts and liabilities towards other parties, who may have depended, in good faith, in their dealing with the Company, on that name.

Article 57
Transfer of the Limited Partner interest

1. The limited partner may transfer his/her interest in the Limited Partnership in full or in part to others subject to the provisions of Article 47 of this Law. If the limited partner's interest is transferred to a new partner, the new partner joins the Company as a limited partner.
2. If the exiting limited partner had failed to pay-in his/her interest to the Company, this obligation is transferred along with the Company interest to the new recipient limited partner.
3. The exiting limited partner who had failed to pay-in his/her interest to the Company is liable against third parties for the debts and obligations created before his/her exit up to the amount of his/her outstanding interest to the Company. If the exiting limited partner had paid-in his/her contribution to the Company s/he is not liable for any of the Company's debts and obligations following his/her exit.
4. Unless specified otherwise in the Company's memorandum of Association, the general partner has the right to transfer his share to an existing general or new general partner without the consent of any limited partner.

Article 58
The limited partner's right to Information

The limited partner has a right to reasonable access during working hours to the Company's books and financial accounts and the records of the decisions made in the course of its management, unless otherwise provided in the memorandum of association.

Chapter 2
Management of the Limited Partnership and Relationship of the Partners with One Another and with Others

Article 59
Management of the Limited Partnership

The limited partner may not engage in the management of the Limited Partnership, or participate in decision making, unless provided otherwise in the memorandum of Association.

Article 60
Representation of the Limited Partnership

1. The limited partner does not have a right to represent and bind the Limited Partnership against third parties, unless otherwise provided in the Memorandum of association.
2. In the case where the limited partner represents the Company s/he shall be jointly and severally liable with the rest of the general partners for all the debts and obligations incurred as a result

of the limited partner's representation, unless the third party knows that s/he is a limited partner.

3. If the memorandum of Association authorizes the limited partner to represent the Company for all or specific acts of representation, s/he can retain his/her limited liability status provided that s/he informs the third party about his/her limited liability status. Failing to do so will result into an unlimited liability for these acts of representation against others.

Article 61

Exit of Partners in the Limited Partnership

1. If all general partners exit from a Limited Partnership and the rest of the partners do not admit at least one general partner within three (3) months from the date of exit of the last general partner, or the limited partner(s) may during that period pass a unanimous decision to change the Company's legal form. If a unanimous decision is not reached within three (3) months from the date of exit of the last general partner, or new general partner(s) have not joined, then the Company dissolves.
2. If all limited partners exit, the Limited Partnership shall convert into a General Partnership, unless a limited partner is admitted to the Company within three (3) months from the date of exit of the last limited partner.

Article 62

Bankruptcy of the Limited Partner

The Limited Partnership shall not be dissolved due to the limited partner's bankruptcy, his/her death, or his/her permanent legal incompetence.

Article 63

Applicability of the Provisions of the General Partnership To the Limited Partnership

The provisions applicable to the General Partnership provided for in this Law shall apply to the Limited Partnership in the cases and matters not provided for in this Part.

Part IV
Limited Liability Company

Chapter 1
The Incorporation and Registration of Limited Liability Company

Article 64

Definition/Substance of the Limited Liability Company

1. The Limited Liability Company is a for profit company composed of at least one person or more, and with a legal personality which is separate from that of its members, and the Company members can be natural or legal persons owning membership interests representing their share in the profits and losses of the company, the membership interests are determined

in accordance with the operating agreement, the member may own interests without any contribution.

2. The members liability is limited to the amount of his/her unpaid interests, if any, and in addition to their interests in any net assets for the company, and the Company shall be liable for its debts and obligations with its assets and property. The Company's liability shall be considered independent from the personal liability of every member therein, save for the cases stipulated in Article (19/2) of this Law.
3. Unless otherwise provided in the memorandum of association, the term of the Limited Liability Company shall be perpetual.
4. The Limited Liability Company cannot offer its interests for public subscription.

Article 65

Application for establishment and Registration of the Company

The application for establishment of the Limited Liability Company shall be submitted to the Companies Registry based on the provisions of the Law, and the regulations and instructions that are issued based on the Law, accompanied by the following documents:

1. its Memorandum of Association, and the
2. Operating Agreement signed by the founding members, except for the case stipulated in paragraph (3) of Article 67 of this law.

Article 66

Memorandum of Association of the Company

The Memorandum of Association of the Limited Liability Company shall include the following details:

1. The Company name, its objectives and the Company address;
2. Names of the members, nationality of each, identification or passport number, and in the case of a member is a legal entity, then its registration number, business name and his address;
3. The value of the interests contributed by members, the contributions type, the interest of each member, monetary value and date of contribution.
4. Any other data provided by the members.

Article 67

Operating Agreement of the Limited Liability Company

1. The Operating Agreement is the governing document of the Limited Liability Company, mutually agreed by all members, that governs the relations among them, and between them and the Limited Liability Company.
2. The Operating Agreement shall contain the information stipulated in the Memorandum of Association, as well as the following information at a minimum:
   a. Membership interest of each member;

b. The designated authorized signatory(ies) of the Company and who shall bind the Company, as well as the determination of the authorized signatory's authorities and their right to delegate to others any part of their obligations;
c. The rules and provisions relating to the organization to the following matters:
    1. Company meetings;
    2. The governing framework for quorum in Company meetings;
    3. The governing framework for decision making in the ordinary course of business and outside the ordinary course of business;
    4. The right of first refusal and additional member contributions;
    5. The admission of new members;
    6. The withdrawal, expulsion and death of a member;
    7. The distribution of profits and losses among the members;
    8. The encumbrance of a member's interests;
    9. Any other matter the members deem necessary provided that this does not conflict with this law.

3. A single member Limited Liability Company is not required to have an Operating Agreement, save for the case where it admits a new member.

Article 68

Company Name

1. The name of the Limited Liability Company shall consist either the name of one or more members, or any other indication, or any other name the members agree on, provided that the suffix "Limited Liability Company" or "LLC" is added at the end of the Company name.
2. When choosing the Company name the provisions of Article 11 of this Law shall apply.

Article 69

Change or Amendment of the Company Name

1. The Company may change or amend its name after its registration with the consent of all members. Such change or amendment shall not affect the Company's rights and obligations and it shall not serve as a cause to nullify any act or legal or judicial action initiated by or against the Company.
2. The Limited Liability Company shall maintain its name in case of changing its form to any other company form.

Article 70

Member interests in the Limited Liability Company

1. Members' interests in the Limited Liability Company may be monetary or in-kind contribution, and the partner may also own interest in the company without giving any contribution in return.
2. In-kind contributions may include any consideration the value of which can be appraised in cash, including tangible and intangible contributions such as property, concession rights, intellectual property rights, technical know-how, licenses, obligation to do work or perform services, goodwill, and all the intangible rights in addition to any other rights approved by the members.

3. The value of each member's interest is valued in cash by way of agreement between all the members, and it is not required to have an evaluation of the in-kind contribution by an auditor or any other expert.
4. Each member's additional contribution, its date and the monetary value of the in-kind contribution shall be determined by way of members unanimous decision, unless a different majority is agreed upon, but no less than seventy-five (75) percent of the total membership interests in the operating agreement.

Article 71

Liability of Interests

1. The members cannot be relieved from liability on their interest if they do not abide by the obligation to submit or provide the agreed upon return.
2. If a member fails to transfer his in-kind contribution to the Company within a period of thirty days from the date of Company registration, he is obliged to contribute its equivalent monetary amount, unless determined otherwise in the memorandum of association or the Operating Agreement.

Chapter 2
Company Management

Article 72

Management and Representation of the Limited Liability Company

1. In the ordinary course of business, the Limited Liability Company is managed and represented towards third parties by one or more authorized signatory, who is appointed either from the members or non-members in the Company, provided that s/he is registered as an authorized signatory with the Companies Registry.
2. Unless specified otherwise in the appointment decision, each authorized signatory can make decisions independently in the ordinary course of business. The authorized signatory's authorities can be limited by the Operating Agreement or the decision of appointment. These limitations can be invoked against third parties provided that these limitations have been registered in the Companies Registry.
3. A Company is not bound by the actions or any of the decisions undertaken by an authorized signatory, if the authorized signatory had no authority to act on behalf of the Company for a particular act or decision, based on what is registered in the companies Registry. If a third party knew or should have reasonably been expected to know that the authorized signatory had no authority to act on behalf of the Company.
4. The authorized signatory is liable against the Company, each of the members and any third parties with good faith, for all the losses and damages resulting from his violation of the provisions of the law, or the incorporating Documents. Any related claims against the authorized signatory expire after five (5) years from the date they occurred as statute of limitations.
5. An authorized signatory cannot be a legal person.

Article 73

Management of the Limited Liability Company and its representation outside the ordinary course of business

1. The following decisions are made by a unanimous vote of the members, unless a lower threshold is agreed upon in the Operating Agreement, but not less than seventy-five (75%) percent of the total membership interests in the following cases:
   a. Amending the Company's Operating Agreement;
   b. Changing the Company's main office or its address;
   c. Changing the Company's name or any of its objectives;
   d. Transforming the Company into another Company form;
   e. Any decisions relating to the Company capital or the membership interests;
   f. Disapplying pre-emption rights;
   g. Merger or division;
   h. Dissolution of the Company or any of its subsidiaries;
   i. The establishment or closure of branches;
   j. Buying any assets or selling any of the company's assets, whether by one contract or by several contracts, contrary to what is stipulated in the memorandum of Association or operating Agreement.
   k. Establishment of new companies or Gaining interest into another Company above the amount determined by the Operating Agreement;
   l. Mortgaging any of the Company's assets;
   m. Borrowing money on behalf of the company or lending Company funds above the amount agreed by the Operating Agreement;
   n. Guaranteeing debts of others above the amount agreed by the Operating Agreement;
   o. Donating Company assets above the amount agreed by the Operating Agreement;
   p. Taking the decision on profit distribution;
   q. Approving the annual financial statements
   r. Any other decision provided by the Operating Agreement or this Law.

2. Decisions under this article can be taken without arranging for a physical meeting for the members. A member may appoint a proxy to vote, consent, or otherwise act on behalf a member, unless otherwise provided by the Operating Agreement.
3. In the case of single member Company, decisions outside the ordinary course of business and contracts between the sole member and his/her Company must be recorded in writing at the company.

Article 74

Right to Information

1. The Company shall furnish each member and authorized signatory upon demand and during the reasonable working hours any information concerning the Company's activities, affairs, financial condition, and other circumstances which the Company knows and is material to the proper exercise of the rights and duties of the member and to the authorized signatory, under the Operating Agreement or this Law, except to the extent the Company can establish that it reasonably believes the member and if applicable the authorized signatory already knows the information;
2. The duty to provide the information mentioned in Paragraph (1) applies to every member

and authorized signatory who knew that information.

Article 75

Members' Register

1. The Company shall keep a special register for its member(s), in which the following information pertaining to them shall be recorded:
   a. The member's name, identification or passport number, nationality, birth date, and address of each of them;
   b. Member contributions and allocation of his interests in the Company;
   c. Encumbrances on membership interest;
   d. All other data relevant to the interest or contribution that the member reports to the Company.
2. Each member and authorized signatory in the Company shall have the right to examine the data available in the Members Registry either in person or through a person authorized in writing therewith.
3. The members, shall notify the Company with any amendment or change that occurs in the information referred to in paragraph (1) above, within a period not exceeding fifteen (15) days from the date the amendment or change took place.
4. The authorized signatory shall be responsible for maintaining and updating this register.

Article 76

Filing of the Annual Financial Statement

1. The Company shall keep its books, records, and registers at its main office or at any place where it carries out its business. It shall undertake to keep duly organized account books and records.
2. The Company's annual financial statements shall be prepared in accordance with the legislation governing financial reporting, and they shall be submitted to the Companies Registry within four (4) months from the end of the financial year.
3. The Company's financial statements shall be subject to an independent audit in accordance with the applicable legislations.

Article 77

Profit Distribution

1. A Limited Liability Company may distribute profits to its members from its annual net profits, retained earnings, or voluntary reserve, provided that the Company is solvent after the distribution is made.
2. For the purposes of this article, the Company is regarded as solvent:
   a. if the Company is able to pay its debts when the debts mature within twelve (12) months immediately after the distribution is made; or
   b. if the Company's liabilities plus the amount required to be spent, if the Company were to be dissolved, , do not exceed its assets at the time of the distribution.

3. The member shall have the right to participate to the Company's distribution of profits in proportion to the member's percentage interest, unless provided otherwise in the Operating Agreement.
4. The right of a member to receive profits from the Company shall become due on the date specified in the decision for profit distribution issued by the members, otherwise the Company shall be obliged to pay the legal interest to the member for the delay period should such delay be caused by the Company. In any case, disbursement shall occur no later than three (3) months from the date of the decision announcing the distribution.

Article 78

Liability for Inadmissible Payments

1. A member who received distributions from the Company in violation to the provisions of Article 77 of this Law shall return those excess amounts to the Company and the Company may not release him/her from this obligation.
2. It is permitted to claim back the return of profits distributed to the Company members *bona fides* only if this is necessary to settle the claims of a Company's creditors.
3. All members who approved improper distributions and who knew or could have reasonably been expected to know given the circumstances that such payments were made contrary to the provisions of this Law pertaining to payment restrictions, shall bear unlimited joint and several liability towards the Company to return such distributions and the Company may not release them from such liability.
4. A Company's claims against the persons referred to in this Article shall expire after five (5) years from the distribution date.

Article 79

Giving up/Waiving of Membership Interests by a Member

1. A member may give up or transfer his/her membership interest in part or in full to any of the other members or non-members in accordance with the Operating Agreement.
2. The following framework shall apply to the giving up of membership interests in the Company, unless a different framework is specified in the operating Agreement:
   a. If a member wishes to sell his/her membership interest to others, s/he shall notify the remaining members and the Company's manager accordingly, and the other members shall have a preemptive right to purchase the interest at the offered price within thirty days from the date of being notified. Should more than one member offer to purchase the interests to be assigned at the offered price, the membership interests shall then be divided among those members wishing to purchase, each in proportion to the percentage of their membership interest in the Company.
   b. If the thirty-days period referred to in paragraph (a) ended without any single member expressing a wish to purchase, , then the member wishing to sell shall have the right to sell his/her membership interests to a third party at the price offered to the members, as a minimum.
3. the Companies Registry shall be notified with the amendments made in accordance with this article and shall be recorded on the registry in the term of fifteen (15) days from the day of the transfer's execution.

Article 80

Expelling a Member from the Company

1. A member can be expelled from the Company following a unanimous decision by the remaining members and subject to a competent Court decision.
2. The members must prove to the Court that there is a serious reason for the expulsion. To satisfy this requirement for a serious reason, the members must prove that there is a damage to the Company, due to the recurring material infringement of the member to the Operating Agreement and/or the law.
3. In the case of a two-member Company, one member can apply to the Competent Court to expel the other member, subject to the requirements of paragraphs (1) and (2) of this Article.
4. In the event where a member is expelled from the Company s/he shall be entitled to receive the value of his/her interest in the Company. The value of his/her interest in the Company shall be determined by the competent Court.

Article 81

Death of a Member

1. The members may agree in accordance with the conditions of the Operating Agreement that in the event of a member's death, the heirs will automatically assume the position of a member. In the absence of such condition in the operating agreement, the following applies:
   a. The heir of the deceased member may join the Company as a member, provided that this is accepted unanimously by the remaining members, unless a different majority is provided in the Operating Agreement.
   b. If the remaining members reject the heir's admittance to the Company, the members must provide full compensation of the deceased member's interest to the heirs before the end of the financial year.
   c. The valuation of the deceased member's interest shall be assessed based on the interest's value at the day that the member died. In the case where the remaining members and the heir do not reach an agreement on the interest's value, it shall be determined by the competent Court based on the request of any of the members or any of the heirs of the deceased member.
   d. If the heir is not admitted to the Company, the membership interest of the deceased member shall be distributed to the remaining members in proportion to their membership interest, unless provided otherwise by the Operating Agreement, or unanimously agreed by the members.
2. If the legal person member in the limited liability company is dissolved or liquidated, his rights for compensation is limited to the conditions of paragraph (1) of this article.

Article 82

Withdrawal from the Company

1. A member may withdraw from the Limited Liability Company at his/her own will, at any time, unless otherwise provided in the Operating Agreement.
2. The withdrawing member must inform all remaining members of his/her withdrawal therefrom by serving them with a written notice. The withdrawal shall be considered effective towards

the remaining members and the Company immediately from the moment that all members have received notice.

3. The withdrawing member must inform the Companies Registry of his/her withdrawal. The withdrawal shall be considered effective against third parties, following publication of the member's withdrawal by the Companies Registry.
4. The interest of the withdrawing member shall be distributed pro-rata to the remaining members, unless provided otherwise by the Operating Agreement, and the withdrawing member shall no longer be entitled to any profits or be responsible for any of the Company's losses but shall remain liable for his/her unpaid interest.
5. The withdrawing member has no right to request compensation for his membership interest in the Company unless the Operating Agreement provides otherwise, and in such case the following shall apply:
   a. This compensation shall be paid before the end of the financial year, during which the notice of withdrawal was given, provided that the notice was given at least six (6) months before the end of the financial year. In the case where the notice was given within less than six (6) months from the end of the financial year, the withdrawing member's claim shall be due before the end of the following financial year.
   b. The valuation of the withdrawing member's interest shall be assessed based on the interest's value at the date that the member announced his/her exit from the Company. In the case where the members do not reach an agreement on the contributions' valuation, the value shall be determined by the competent Court based on a request from any member or the withdrawing member.
   c. In the event where the Company is operating with losses at the time of the member's exit and the Company's assets are not sufficient to cover the Company's debts and obligations towards third parties, the withdrawing member shall give up his/her interest to pay down the company's debt.

Article 83
Accounting and Audit

The provisions on the accounting and audit from Chapter ten of part 6 of this law of this Law shall apply mutatis mutandis to the Limited Liability Company. The provisions on independent audit from the same Chapter shall apply mutatis mutandis on the limited liability company only in the case where an independent audit is required, pursuant to Article (76/3) of this Law.

Part V
Private Shareholding Company

Chapter 1

Article 84
Definition of the Private Shareholding Company

1. The limited Private Shareholding Company is a for profit company composed of one shareholder or more, has a share capital, and whose shares cannot be offered to the public.

2. The liability of a Private Shareholding Company is considered independent of that of its shareholders, save for the cases stipulated in Article (2/19) of this Law. The Company with its property and assets shall be solely liable for its debts and obligations. A shareholder shall be liable against the company and third parties for such debts and obligations only in the amount unpaid on his/her shares in the company's capital.
3. The duration of a Private Shareholding Company is unlimited unless stipulated otherwise in the memorandum and Articles of Association.

Article 85

Application for Incorporation and Registration of the Private Shareholding Company

The application for registration of the Private Shareholding Company shall be submitted to the Companies Registry in accordance with this law and regulations and instructions, accompanied by:

1. The Memorandum of Association;
2. The Articles of Association;
3. Names of the managers, members of the Boards of Directors and the authorized signatories on behalf of the Company, as well as nationality of each, identification or passport number and their addresses. For legal persons, the registration number, trade name, address, and the name of its representative at the company.

Article 86

Memorandum of Association

The Memorandum of Association of the Private Shareholding Company shall be signed by all founding shareholders and shall include the following information:

1. Company name, objects and registered address;
2. Names of the Company shareholders, identification or passport number, their nationalities, selected notification addresses. In the case of legal entities, the registration number, trade name, address and its representative at the company should be included;
3. The company's capital and number of subscribed shares, its class and types and its nominal value;
4. In the case of in-kind contributions, a description of the contribution, the name of the contributor and monetary value;
5. The total amount, or at least a reasonable estimate of all the costs payable by the Company or chargeable to it by reason of its establishment and before commencing its business.

Article 87

Articles of Association

1. The Articles of Association of the Private Shareholding Company shall be signed by all founding shareholders and shall include the information set out in the Memorandum of Association, in addition to the following information:
   a. The duration of the Company, unless it is indefinite;
   b. To specify that the Company is a Private Shareholding Company;
   c. The subscribed capital and the number of subscribed shares, classes, types and nominal value, and, where there are several classes of shares, the information on the number of shares subscribed and the nominal value for each class and the rights attaching to the shares of each class; In the case where the Company's subscribed capital has changed, the

Company shall, at the next General Assembly amend the Articles of Association accordingly;

d. In the event of in-kind contribution, the description of such contributions, the name of the contributor and monetary value of the contribution.
e. The general conditions for the transfer of title of the Company shares and the procedures that must be followed in this respect;
f. The procedures and rules of the ordinary and extraordinary meetings for the General Assembly of shareholders, its legal quorum, rules of invitation thereto, its powers, method of decision making therein, and all matters related thereto;
g. Name of the first manager or names of the members of the Board of Directors, as the case may be, and authorized signatory(ies);
h. Excluding the cases determined by this law, the provisions related to the manager or the members of the Board of Directors, as the case may be, including their number, qualifications, means of filling vacancies, powers, method and term of their appointment or election, and in the case of a Board of Directors the role of the Chairman; the frequency and form of meetings; monitoring of the day-to-day business; reviewing the accounts; and securing the necessary foundations for auditing; and the appointment of the individuals authorized to represent the Company.
i. The powers of the manager or Board of Directors' powers in terms of the limits and ceiling of borrowing, mortgaging of the Company assets, and guaranteeing of the obligations of others in a manner that realizes the interest of the Company and its objectives;
j. Any other relevant issues decided by the shareholders.

2. The conditions set in the Articles of Association of the private shareholding company are approved upon establishment by all the founders, as for the amendments to the Articles of Association, it shall be subject to the adoption and ratification by the extraordinary General Assembly.

3. In the case where the amendments to the Articles of Association only reflect the amendment to the subscribed capital, such amendments can be ratified in the ordinary General Assembly meetings.

Article 88

Company Capital

The capital of the Private Shareholding Company shall be sufficient for it to achieve its objectives, according to its type of activities, and be in line with the relevant legislations.

Article 89

Shares of the Private Shareholding Company

1. The provisions on share types and classes from Articles (139,140,141,142) on the Public Shareholding Company apply mutatis mutandis to the Private Shareholding Company to the extent it is not contrary to its own conditions.
2. The conditions on treasury shares mentioned in Articles (143,144,145,146,147,148,149) of this law relating to limited public shareholding companies, shall apply to the private shareholding companies to the extent it is not in contrary to its own conditions

Article 90

Cash and in-Kind Contributions

The value of the issued shares of the Private Shareholding Company can be paid in cash or through an in-kind contribution.

1. If shares are issued for consideration in cash, the consideration shall be paid in one (1) or more installment(s) no later than sixty (60) days from the date of their issuance.
3. If shares are issued for contribution in-kind, the consideration shall be transferred in full to the company no later than a (6) months from the date of their issuance.
4. In-kind contributions may include any movable or immovable assets the value of which can be appraised in cash, including concession rights, intellectual property rights, technical know-how, licenses, and intangible rights and any other rights approved by the shareholders. An in-kind contribution shall not consist of an obligation to do work or perform services.
5. In-kind contributions value must be approved by the extraordinary General Assembly, the monetary evaluation by an independent expert is not obligatory, unless otherwise provided in the Articles of Association or decided through the decision of the issuance of such shares.

6. In case of transfer of shares which are not paid for in full, the acquirer shall be liable to the company for the transferor's obligations in connection with the amount unpaid on his/her shares.

Article 91

Actions in Case of Late Payment

The provisions on the actions in case of late payment from Article 158 on the Public Shareholding Company apply mutatis mutandis to the Private Shareholding Company.

Article 92

Expert's Report

In the case it is required to do a monetary evaluation of the in-kind contribution by an independent expert the provisions in Articles (151-152) on the Public Shareholding Company apply mutatis mutandis to the Private Shareholding Company.

Article 93

Decision on Capital Increase

1. The Private Shareholding Company may increase its subscribed capital with the decision of its extraordinary General Assembly with a (75%) of the shares present in the meeting, and upon recommendation of the manager or the Board of Directors, as the case may be, provided that the decision shall contain the method of subscribing the increase, and the value of shares offered for subscription, whether such value equals the share nominal value, or at an issuance premium .
2. The decision of the extraordinary General Assembly, may authorize the Board of Directors to decide on the increase of the capital up to a maximum amount of fifty (50) percent of the total subscribed capital . The authorization shall be for a maximum period of five (5) years and may

be renewed one (1) or more times by the General Assembly. The authorization shall be registered with the Companies Registry.

3. Where there are several classes of shares, the decision by the extraordinary General Assembly concerning the increase of capital referred to in paragraph (1) of this Article or the authorization to increase the capital referred to in paragraph (2) of this Article, shall be subject to a separate vote -at least- for each class of shareholders whose rights are affected by the decision.
4. Where an increase in capital is not fully subscribed, the capital will be increased by the amount of the subscriptions received.
5. The subscription of the capital increase may be paid in one or several monetary installments, the Companies Registry shall be furnished with a copy thereof from each installment.

Article 94

Methods of Increasing the Capital

1. The Private Shareholding Company may increase its capital by one of the following methods:
   a. Increasing its capital in return for new contributions;
   b. Incorporate the voluntary reserve or the retained earnings or both to the Company capital;
   c. Capitalize the debts due by the Company, or any part thereof, provided that the written approval of the creditors owning those debts is obtained.

2. In the case of an increase of capital by issuing new shares for monetary contribution, the existing shareholders have preemptive rights to the newly issued shares, each in proportion to the percentage of his/her shares in the company, unless the Articles of Association or the extraordinary decision of the General Assembly stipulate otherwise.
3. The Companies Registry shall be notified of the increase in capital within seven (7) days from the date of subscription or transfer thereof, as the case may be.

Article 95

Issuance Price of Shares

Shares may not be issued at a price lower than their nominal value. Shares of the same class shall have the same nominal value.

Article 96

Offering Memorandum

If the increase in capital is realized through private subscription, the company must also disclose the following in the offering memorandum:

1. The company’s financial statement, in addition to any important financial information, Provided that this information includes Budget, profit and loss account and cash flow statement for the last financial year.
2. Risks which may result from investing in the company’s shares, and tax related matters on such investment.
3. Restrictions on the transfer of shares.
4. The mechanism for evaluating shares when selling them and the mechanism for their periodic evaluation, if any.

5. Method of payment of the value of the shares and the mechanism for evaluating its price, if any.
6. Instructions on the allocation of shares.

Article 97

Reduction of Capital

The provisions on the reduction of capital from Chapter 6 of part 6 on the Public Shareholding Company apply mutatis mutandis to the Private Shareholding Company.

Chapter 2

Management of the Private Shareholding Company

Article 98

Company Bodies

1. The Private Shareholding Company shall comprise from the following:
   a. General Assembly;
   b. Manager or more or Board of Directors not less than (3) members; the manager or the members of the Board of Directors may or may not be shareholders of the Company.
   c. Authorized signatory(ies) of the Company, which may or may not be the manager, or member of the Board of Directors or others.

2. In the case of the single member Private Shareholding Company the single member shall perform all the functions of the General Assembly. All decisions taken in that capacity, as well as all contracts between him and the company shall be recorded in writing.

Article 99

Election of management of the Company

1. The private shareholding company shall be managed by a board of directors or a manager or more who are elected by the Company's general assembly.
   2. Unless the company consists of one shareholder, a single shareholder or any third-party shall not have a right to directly appoint a manager. Any provision introducing such a right in the Articles of Association shall be null and void. Additionally, the company's manager may be appointed by the board of directors.
3. The Board of Directors shall elect a chair, a deputy chair, and authorized signatory(ies). In the event a manager undertakes management of the Company, the authorized signatory is appointed by the General Assembly.
4. Unless otherwise stated in the incorporating documents, the manager or the Board of Directors and the authorized signatory, as the case may be, shall have full power to manage the Company.
5. An authorized signatory cannot be a legal person.

Article 100

Right of Representation and Power to Bind the Company

The provisions on the right of representation and power to bind the Company in the Public Shareholding Company applies mutatis mutandis to the Private Shareholding Company.

Article 101

The Board of Directors' Meetings

In the case where the private shareholding Company has a Board of Directors, the provisions on the Board of Directors meetings from Article 191 on the Public Shareholding Company apply mutatis mutandis to the Private Shareholding Company.

Article 102

Accounts Preparation

1. The manager or the Board of Directors shall prepare the Company's financial statements, in addition to the annual report on the Company's activities.
2. The Company shall keep its books, records, and registers at its registered office or at any place where it carries out its business. It shall undertake to keep duly organized account books and records.
3. The Company's annual financial statements shall be prepared in accordance with the legislation governing financial reporting; they shall be approved by the General Assembly and shall be submitted to the Companies Registry within four (4) months from the end of the financial year.

Article 103

Ordinary General Assembly Meeting

The General Assembly shall hold its annual meeting upon the invitation of its Board of Directors or the manager as the case may be, on the date set by the Board or the manager, provided that this meeting shall be held within the four (4) months following the end of the Company's financial year.

Article 104

Competence of the Ordinary General Assembly

1. The General Assembly has competence in all company matters, except where the Articles of association otherwise provide. The General Assembly may give direct instructions to the company's management.

2. The competencies of the General Assembly during its ordinary meeting shall include the powers necessary for considering, discussing and taking the appropriate decisions on all Company-related issues, and the following is included on its agenda:

    a. Minutes of the previous meeting of the General Assembly;
    b. The Board of Directors' annual report on the Company's activities during the previous year, along with its future plans;
    c. The annual balance sheet, profit and loss account and decision on the profits that the Board of Directors proposes to distribute, including the reserves and allocations, which the Law and the Articles of Association stipulate as deduction;
    d. Election of the managers or Board of Directors, as the case may be;
    e. If applicable, election of the Company's auditors for the next fiscal year, and determination of their remuneration or authorization of the manager or the Board of Directors to determine the same.
    f. Allocation of profit or losses, based on the recommendation of the manager or the Board

of Directors.

g. Proposals to borrow funds, loan, create a mortgage, and release guarantees, or guarantee the obligations of others, including the subsidiary Companies, to the extent that such authorities are not within the competence of the manager, or Board of Directors, in accordance with the company's Articles of Association.

3. Any shareholder(s) who holds or jointly hold not less than five (5) percent of the Company's subscribed shares, may propose listing any other matters on the agenda which fall within the competencies of the General Assembly's ordinary meeting, in accordance with this Article.

Article 105

Extraordinary General Assembly Meeting

1. The General Assembly shall hold an extraordinary meeting, upon invitation of its manager or Board of Directors, or upon a written request submitted to the manager or to the Board of Directors from shareholders holding not less than five (5) percent of the Company's subscribed shares, unless otherwise provided in the Articles of Association. In any case, the articles of Association shall not set this requirement higher than ten (10) percent of the Company's subscribed shares.
2. The manager or the Board of Directors shall invite the General Assembly to the extraordinary meeting which the shareholders have requested to be convened in accordance with the provisions of paragraph (1) of this Article, within a period not exceeding fifteen (15) days from the date the manager or the Board of Directors has been notified of that request. Should the manager or the Board of Directors fail to direct such an invitation or refuse to respond to the request, the shareholders holding not less than five (5) percent of the Company's subscribed shares may request the companies registry to issue the decision to invite the general assembly to hold an extraordinary meeting.

Article 106

Competence of the Extraordinary General Assembly

1. The extraordinary General Assembly has competence to take decisions in all company matters, except where the Articles of association otherwise provide. The General Assembly may give direct instructions to the company's management.

2. The General Assembly shall, at its extraordinary meeting, consider, and take appropriate decisions regarding the following issues:

    a. Amending the Company's Articles of Association;
    b. Amending the Company's name or objects;
    c. Increasing or decreasing the Company's capital and determining the issuance premium, provided that it observes the relevant capital reduction conditions provided for in this Law, and provided that it determines the method of capital increase or decrease;
    d. Merger, division
    e. Dissolution of the Company;
    f. Dismissing the manager or the Board of Directors,
    g. Dismissing the Company's auditor if applicable;
    h. Disposing fifty (50) percent or more of the Company's assets, whether through one contract or more; unless disposal thereof falls within the purposes and objects of the

Company.

i. Acquiring fifty (50) percent or more of another Company's assets, whether through one contract or more, unless acquisition thereof falls within the purposes and objects of the Company, or in the event the Articles of Association provides otherwise.
.
j. Adopt a remuneration policy on incentives to the Company's board of directors or managers, as the case may be, or employees, such as distribution of Treasury shares, stock option plans, or other forms of incentives.
k. Converting the Company to another Company form in accordance with the provisions of this law.
l. Purchasing of the Company's Treasury shares and selling them in accordance with the provisions of this Law and the related applicable legislation.
m. Any other matter which does not fall under the authority of the ordinary General Assembly.

3. Any shareholder(s) who holds not less than five (5) percent of the Company's shares with the right to vote, may propose listing any other matters in the agenda which fall within the competencies of the General Assembly's meeting.
4. The General Assembly may, at its extraordinary meeting, consider issues which fall within its powers in the ordinary meeting, and in such a case, its decisions will be issued with the simple majority of the shares represented in the meeting.

Article 107
General Rules for the General Assembly Meetings

1. The General Assembly meeting may be held even if not formally convened provided it is attended or approved by all shareholders, unless otherwise provided by the articles of association.
2. The manager or the Board of Directors, shall invite all shareholder, based on the shareholders' registry on the date of issuance of the decision calling the meeting, to attend the General Assembly meeting, whether ordinary or extraordinary, through regular mail, or delivered by hand or by electronic mail to the shareholder, sent at least fifteen (15) days prior to the date set for the meeting.
3. If applicable, the manager or the Board of Directors shall invite the Company's auditors to the General Assembly meeting at least fifteen (15) days prior to the date set for the meeting.
4. In the case where the Company has only one shareholder, s/he shall exercise the powers of the General Assembly. Decisions taken by the sole shareholder shall be recorded in writing.
5. Unless otherwise provided in the Articles of Association, the General Assembly meeting shall take place at the Company's registered office.
6. The Articles of Association must specify the special conditions for the general Assembly meetings held by electronic means.
7. The General Assembly may not pass a resolution which will give certain shareholders or others an undue advantage over other shareholders of the Company.

Article 108
Content of the Meeting's Invitation

1. An invitation to a General Assembly meeting shall be accompanied by the meeting's agenda and all the data, documents and statements related to the agenda, in particular:

a. The date, time and venue of the meeting;
b. Information on ways to receive the documents for the meeting;
c. Instruction on shareholders' rights in connection to their participation in the General Assembly and information about the rules for exercising those rights, in accordance with this Law and Articles of Association;
d. Should the agenda include amending the Articles of Association of the Company, the proposed amendments must be attached to the invitation for the meeting;
e. Any other information relevant for the exercise of the shareholders' rights.

2. Any matter which is not on the agenda must not be discussed unless all shareholders are present and approve the proposal.

Article 109

Right to participate & vote in meetings

1. A shareholder's right to participate in the general assembly meeting applies to the shares held by that shareholder on the day before the meeting.
2. Each shareholder can vote by proxy, by casting his/her vote in writing, or in person.
3. Each shareholder vote represents all his shares. Where a shareholder acts as proxy, s/he shall vote with all the shares owned by the shareholder who assigned him, each according to its class.
4. Written votes shall be prepared in a proper written letter while ensuring the identity of the shareholders.
5. The shareholder or proxy must not take part in a vote relating to his/her liability to the Company, including a resolution on the discharge or exoneration of his/her duties.

Article 110

The Quorum of the General Assembly Meeting

1. The General Assembly of the private shareholding company shall be deemed legal if attended by shareholders representing more than one-half of the Company's subscribed shares with voting rights, excluding Treasury shares, unless specified otherwise in the Articles of Association. For the purposes of determining the quorum, preferred shares shall be taken into account only in the cases of paragraph (4) from Article 139 , and paragraph (7) from Article 140. Should such a quorum not be present after the lapse of one (1) hour from the time fixed for the meeting, the manager or the chair of the Board, as the case may be, shall decide on the date for a reconvened General Assembly meeting which will not be earlier than fifteen (15) nor later than twenty-one (21) days from the first meeting date.
2. The absent shareholders shall be re-notified of the second meeting at least ten (10) days prior to the date set for the meeting.
3. The quorum and the voting majority for the second meeting shall be deemed legal with the presence of shareholders representing:

   a. In the case of an ordinary meeting, twenty-five (25) percent of the Company's subscribed shares, excluding Treasury shares, unless a higher percentage is provided by the Articles of Association;

b. In the case of an extraordinary meeting forty (40) percent of the Company's subscribed shares, excluding Treasury shares, unless a higher percentage is provided by the Articles of Association.

4. Decisions at the General Assembly meeting shall be issued with the following majority:

   a. In the case of an ordinary meeting with the simple majority of the shares with voting rights represented at the meeting;
   b. In the case of an extraordinary meeting with majority exceeding sixty-six (66) percent of the shares with voting rights represented in the meeting.

5. The legal quorum for the meeting of the extraordinary General Assembly, in the event when the item on the agenda is its liquidation or merger with other companies, shall not be less than two-thirds of the Company's subscribed shares, including in the case of a postponed second meeting.

Article 111

The Binding Power of Decisions issued by the General Assembly

1. Decisions issued by the General Assembly at any of its meetings convened with the presence of a legal quorum, shall be binding upon the manager, or the Board of Directors as the case may be, and all shareholders, whether they attended the said meeting or not.
2. The decision issued by the General Assembly shall be implemented within one (1) year from the date of issue thereof, otherwise, the Company shall issue a new decision in the same respect, unless otherwise determined by the decision.
3. The General Assembly shall be entitled to take course of action against the manager, or the Board of Directors as the case may be, and hold them accountable for failure to enforce the decisions of the General Assembly, if the clear breach of duty or negligence by the manager or the Board of Directors is the main reason for it.

Article 112

The Right to Contest General Assembly Decisions

1. One or more shareholders entitled to participate in a General Assembly meetings may bring legal action at the competent court for the purpose of contesting the legality of any of the General Assembly meetings, or for contesting the decisions issued at any one of these meetings.
2. The legal action contesting any decision issued by the general assembly may be filed only within six (6) months from the date when the decision was passed.
3. The right to file legal action provided for in paragraph (1) of this Article shall not pertain to a shareholder who:

   a. ceased to be a shareholder of the Company a day before the date of the general assembly meeting;
   b. voted for the proposed decision, if this fact can be proven by examination of the minutes of the session;
   c. attended the session, if s/he seeks to contest a decision based on failures of procedures of calling for the meeting;
   d. If in the course of proceedings pursuant to legal action referred to in paragraph (1) of this

Article a claimant ceases to be a shareholder of the Company concerned, the competent Court shall dismiss a claim for contesting the decision and decide on a claim for damages, if such claim was made.

4. Such contesting shall not halt implementation of any decision of the General Assembly unless the competent Court decides otherwise.

Article 113

Consequences of Annulment of Decision by Court Judgement

1. The court judgment which annuls the meeting of the general assembly or the decisions taken in such meetings, shall produce effects against the Company concerned, its shareholders, and Management.
2. In the case of annulment of a decision by court judgment, any bona fides third parties who acquired rights on the basis of an annulled decision or its execution shall be entitled to full compensation which shall be determined by the Court decision stipulated in paragraph (1) of this Article, or through another lawsuit to be filed within one year from the date of filing the lawsuit to annul the general assembly decision.

Article 114

Annulment of Decision on Adoption of Annual Financial Statements

If a decision on the adoption of a Company's financial statements is annulled by a court judgement, it shall be deemed that a decision on profit distribution for the same year is also annulled by that judgement and the shareholders shall return any dividends received under such decision to the Company within thirty (30) days from the date when the judgement becomes final and enforceable.

Article 115

Finance and Rules on Distribution of the Private Shareholding Company Funds

The provisions on the finance and rules on distribution from Chapter 9 of part 6 on the Public Shareholding Company apply mutatis mutandis to the Private Shareholding Company.

Article 116

Shareholders' Register

1. The Private Shareholding Company shall keep a register for its shareholders in which the following information pertaining to them shall be recorded. The manager or the Board of Directors, shall be responsible for this register and for the veracity of the data listed therein:
   a. Name of the shareholder, identification or passport number, nationality, and exact address;
   b. Number, value, type and classes of shares owned by a shareholder;
   c. Alteration that may occur on a shareholder' share(s), its details, and dates thereof, together with the supporting documents;
   d. Encumbrances to shareholders' share(s); and
   e. Any other data that the manager or the Board of Directors decide to record in the register.

2. Each shareholder in the Company shall have the right to examine the register either in person or through a person authorized in writing therewith.

3. The manager or the chairman of the Board of Directors shall provide the companies Registry with any amendment that may occur to the information referred to in paragraph (1)

of this Article, within a period not exceeding fifteen (15) days from the date the amendment or the change takes place.

Article 117

Distribution of Profits to the Shareholders

1. Every shareholder has the rights to the Company's annual profits based on the decision by the General Assembly on distribution of dividends.
2. The dividend can be paid in cash, new shares or an increase of nominal value of the existing shares.
3. Only those registered as the Company's shareholders on the day prior to the meeting date of the General Assembly during which the decision on the distribution of profits was enacted, shall be entitled to receive dividend The manager or the Board of Directors as the case may be shall inform the shareholders of the decision to distribute profits no later than three (3) days after the decision of the General Assembly on the distribution of profits.
4. The Company is obligated to pay the dividends determined for distribution to the shareholders within thirty (30) days from the date of the General Assembly decision on the distribution of profits, or within thirty (30) days from the date set by that same decision but not to exceed (6) months from the date of the general assembly meeting. In case of default by the company, the Company shall pay the legal interest to the shareholder for the delay period.

Article 118

Share Transfer and Encumbrances

1. Taking into consideration the conditions of article (17), a shareholder in a Private Shareholding Company may transfer his/her shares without restrictions, unless otherwise provided in the Articles of Association.
2. In all cases, the transfer deed shall be registered with the Companies Registry. This transfer shall only come into effect from the date of its registration by the Companies Registry.
3. The shareholders may determine the general conditions for the transfer of their shares either amongst themselves or to others, and determine the procedures that must be followed in this respect in the Articles of Association.

Article 119

Accounting and Audit

The provisions on the accounting and audit from Chapter 10 of part 6 on the Public Shareholding Company apply mutatis mutandis to the Private Shareholding Company.

Article 120

Occurrence of any financial or administrative disorders

The provisions on the occurrence of any financial or administrative disorders in the Company from Article 194 on the Public Shareholding Company applies mutatis mutandis to the Private Shareholding Company.

Article 121

The Shareholder's right to information and access to documents

1. Upon request from any shareholder the manager or the Board of Directors shall disclose to the General Assembly the pertinent information at the meeting in respect of any circumstances which may affect the evaluation of a matter on the agenda or which may affect the assessment

of the Company's financial situation. If the required data is not at hand at the General Assembly, such information shall be made available no later than two weeks after the meeting.

2. Each shareholder in a Company shall be afforded an opportunity to review accounts and Company documents and ask questions to the extent necessary for the shareholder to be able to assess the Company's financial position or a particular matter. The shareholder may act through a proxy.
3. The manager or the Board of Directors as the case may be, may refuse to disclose a document, or provide information where it would result in violation of law or material damage to the Company.
4. If the Company refuses to provide information or access to documents pursuant to paragraph (1) and (2) of this Article to the shareholder, the shareholder has the right to petition the competent court. If the court establishes that there are no reasonable grounds to refuse information, it shall order the Company to provide the requested information, including access to documents.
5. The Articles of Association shall stipulate the manner in which shareholders can access information and documents as well as ask questions necessary for the shareholder to be able to assess the Company's financial position.
6. In a Company which belongs to a group of Companies, the duty to provide information shall also apply to the Company's relationship to other Companies within the group.

Article 122
Special conditions for the sale and purchase of minority shareholders shares

1. The provisions of the public shareholding company mentioned in Chapter (11) of part 6 of this law regarding obliging minority shareholders to sell their shares to those who own more than (90%) of the shares of the company and voting rights in it, and those provisions regarding the right of minority shareholders to offer their shares for purchase by those who own more than For (90%) of the company's shares and voting rights in it, if the company's Articles of association allows it.

2. The Articles of Association for the Private Shareholding Company cannot opt for only one of the two options mentioned in this article.

Part VI
Public Shareholding Company

Chapter 1

Incorporation and Registration of the Public Shareholding Company

Article 123
Definition of the Public Shareholding Company

1. A Public Shareholding Company is incorporated with no less than two (2) shareholders for the purpose of generating profit, has a share capital and is defined as public shareholding company in its Articles of Association.
2. The liability of a Public Shareholding Company is considered independent of that of its shareholders except for the cases specified in Article (19) of the Law. The Company with its funds and assets shall be solely liable for its debts and obligations. A shareholder shall be liable for such debts and obligations only in the amount unpaid on his/her shares in the Company capital.
3. The duration of a Public Shareholding Company is unlimited unless stipulated otherwise in the memorandum of association or Articles of Association.
4. The Public Shareholding Company and the subscription in its shares shall be subject to the provisions of the legislations governing securities, and any amendments to these legislations.

Article 124
General Rules Pertaining to the Incorporation and Registration of the Public Shareholding Company

1. The Public Shareholding Company can be incorporated with or without the public offering of its shares during the formation stage. The Public Shareholding Company that is incorporated without a public offer during the formation stage shall offer its shares to the public and for listing on the Stock Exchange, in accordance with the relevant/applicable legislations.
2. The provisions of Article (85) relating to the incorporation and registration application of the Private Shareholding Company shall apply to the Public Shareholding Company in the case where the Public Shareholding Company is being incorporated without offering its shares to the public
3. The specific provisions to the incorporation and registration of the Company stipulated in Articles 126 to 132 of this law apply in the case where the Public Shareholding Company is being incorporated through the offering of its shares to the public subscription during the formation stage;
4. Pre-registration fees, costs and expenses that are necessary for the public shareholding Company incorporation and precede its registration shall be paid by the Company, before it is allowed to commence its activities.

Article 125
Subscription of incorporating shares in the Public Shareholding Company which is incorporated without offering its Shares for public subscription

1. The founding shareholders of the Public Shareholding Company which is incorporated without public offering of shares, may subscribe to its shares against cash or in-kind contribution, based on the provisions of its Articles of Association. The subscribed shares by each founding shareholder in the establishment stage are considered founding shares.
2. Where the founders' subscription is made through an in-kind contribution such contribution must be made within thirty (30) days from the date of its registration.

3. The founders shall pay for all the shares subscribed for a contribution in cash within (15) days from its registration.

Article 126

Proceedings of the Registration/ of the Public Shareholding Company that is Incorporated through Public Offer of its Shares

The application for the initiation of registration procedures of the Public Shareholding Company shall be submitted by the Company founders, or by the person authorized for this in the Company Memorandum of Association to the Companies Registry on the approved form/template for this purpose and accompanied by the following:

1. Memorandum of Association signed by all founders;
2. Articles of Association signed by all founders;
3. Names of the Company founders and other information required for their identification;
4. Name of the auditor retained by the founders during the incorporation stage and minutes of the founders' meeting signed by all founders that includes the election of the Founding Committee which will supervise the incorporation procedures, and the appointment of the authorized signatories on behalf of the Company in the incorporation stage, unless such information has been included in the Articles of Association.
5. The name reservation certificate, if issued.

Article 127

Application for the Initiation of Public Shareholding Company Registration through a Public Offer of the Company Shares

1. The Registrar shall issue his/her decision approving the application to initiate the registration of Public Shareholding Company, within five (5) days from the date of submission of the application that meets all the requirements stipulated in this Law, and the Public Shareholding Company shall be registered in the Companies Registry adding the words "in registration process".
2. The provision of Article 10 of this Law relating to the Registration Procedures apply mutatis mutandis to the Public Shareholding Company registration procedures.

Article 128

Founding Committee

1. The Founding Committee shall be formed by at least two (2) members of the Company founders, to take the necessary actions for the incorporation of the Company's until election of the first Board of Directors during the constituent General Assembly meeting in accordance with Article 131 of this Law.
2. The Founding Committee shall choose one or more of its members to be the authorized signatory on behalf of the Company during the incorporation process.
3. The Founding Committee may only conduct the activities necessary to the Company incorporation as stated in its Memorandum of Association including the actions relating to the issuance and subscription of Company share capital.
4. The Members of the Founding Committee, shall be jointly and severally liable, for any obligations arising from any actions that they undertook on behalf of the Company after the signing date on its Memorandum of Association, and before the date of the Company final registration, , if the actions that were undertaken are outside the scope of their duties as defined

in the Memorandum of Association.

Article 129

Company's bank account during the incorporation period

Upon issuance of the decision approving the initiation of the Company's registration from Article 127 of this law, the Company's authorized signatory in the incorporation period, shall open a bank account or more in the Company's name which shall serve for the payment of the shares subscribed in during the formation period and the for covering the costs, fees and expenses arising from the incorporation, and shall notify the rest of the members of the Founding Committee and the rest of the founders of opening the bank account.

Article 130

Subscription of shares During the Incorporation Period

1. The founders are obliged to pay the value of founding shares subscribed for in cash, during a period of no more than fifteen (15) days from receiving the notification on opening the bank account. No public offering of any part of the authorized shares in the Memorandum of Association is allowed, before the full payment of the value of the founding shares that has been subscribed for in cash.
2. If the shares offered to public subscription have not been subscribed for, it is possible to suffice with the number of shares that have been subscribed for, providing that the subscribed capital is not below the minimum as specified in this Law and other laws.
3. Taking into consideration the other related laws, the founders are prohibited from subscribing in the shares offered for public subscription. However, they may subscribe for the remaining shares which were not subscribed by during the public offering.
4. Where the offered share capital to the public has not been subscribed in full or the amount subscribed is below the minimum capital as specified in this law or other relevant laws, the Founders of the Company must take the necessary procedures to complete the subscription of the shares so that the subscribed capital of the Company is equal to the limit stipulated by Law, within (60) days from the date of their notification by the Registrar, and if the coverage is not completed during the mentioned period, the Founders must either withdraw from the incorporation of the Company or reduce the capital, subject to the specified minimum limit.
5. In case of withdrawal from the incorporation, the banks with which the paid amounts by the subscribers have been deposited, shall return the amounts paid by the subscribers immediately to their owners in full. In case of a decrease in the capital, the subscribers have the right to confirm their subscription or to withdraw from it within a period of no more than a month from the date of the decrease, otherwise their initial subscription is considered fixed..

Article 131

The Constituent General Assembly Meeting during the Incorporation period with Public Offering

1. The authorized signatory(ies) that is appointed based on Article 128 of this law, shall summon the Constituent General Assembly meeting during a period of ninety (90) days at the latest after the closing date of the subscription period or any extension thereof.
2. The Constituent General Assembly's meeting shall be chaired by a member of the Founding Committee who is agreed upon by the Committee. And, during this meeting, the General

Assembly shall take the following actions:

a. Approve the report issued by the founding committee which must include comprehensive information and data about all the incorporation operations and procedures along with their supporting documents,
b. Review the founding cost, fees and expenses which are prepared by the auditor and discuss the same for the purpose of their ratification;
c. Elect the members of the first Board of Directors;
d. Elect the Company's auditor, and determine his/her remuneration or authorize the Board of Directors to determine the same,
e. Adopt amendments to the Articles of Association related to the Company's capital, in terms of shares issued and subscribed for, where applicable.

3. The Constituent General Assembly meeting shall be subject to the procedures and requirements of the invitation, legal quorum, and decision making which are applicable to the ordinary General Assembly meetings.
4. At the proposal of the founders, or subscribers who have subscribed at least five (5) percent of the total shares issued in the founding stage, the Constituent Assembly can adopt amendments to the Articles of Association with respect to provisions not included under paragraph (2) above of this Article, in which case the Constituent general Assembly shall be subject to the procedures and requirements which are applicable to the extraordinary General Assembly meetings.

Article 132

Board of Directors First Meeting

1. The Board of Directors elected during the constituent meeting of the General Assembly shall hold its first meeting at the latest in the term of eight (8) days from its election.
2. The Board of Directors shall elect a Chairman among its members.
3. The powers and operations of the Founding Committee shall end once the first Board of Directors is elected and the Founding Committee shall deliver all the documents and records related to the Company, to the elected Board of Directors at its first meeting.

Article 133

Providing the Companies Registry with Relevant Registration Documentation

The Chairman of the Company's first Board of Directors shall provide the Companies Registry and the Authority with a copy of the minutes of the Constituent General Assembly meeting, together with the documents and statements submitted by the founding Committee to the General Assembly within fifteen (15) days from the date of the Constituent General Assembly's first meeting, as well as:

1. A decision of the Constituent General Assembly on the election of the Board of Directors with personal identification information on the members of the Board of Directors;
2. A decision of the Board of Directors on the election of its Chairman and any other authorized signatory(ies) of the Company, with any limitations in the rights of representation;
3. A bank certificate on the payment of the cash contribution from the capital and report on the in-kind contribution to the capital;
4. Any amendments to the Articles of Association;
5. Any prior approvals or documents required by relevant legislation applicable to the Public

Shareholding Company.

Article 134

Public Shareholding Company Registration

1. The Registrar shall register the Company and issue a Certificate of Registration, within five (5) days from the date of the submission of the registration application along with all the documents for registration and incorporation of the Public Shareholding Company, if all requirements have been satisfied under this Law in respect to registration.
2. The Registrar shall reject the registration application if the minimum capital requirements have not been observed as well as for any of the grounds provided for in Article 10 of this Law.

Article 135

Prohibiting Disposal of the Founding Shares and Other Restriction

1. The founding shares in the Public Shareholding Company may not be disposed of before the lapse of at least two (2) years following the Company's registration. Any action in violation of the provisions of this Article shall be null and void.
2. The transfer of founding shares to the heirs as well as transfers among the founders themselves, and the transfer of the founders shares to third parties as a result of a judicial decision, or as a result of selling at public auction or complete acquisition thereof by another Company in accordance with the provisions of the law, shall be excluded from the restriction imposed in paragraph (1) of this Article.
3. If, before the expiry of two (2) years from the time the Public Shareholding Company is registered, the Company acquires any asset belonging to the founders and other shareholders who have subscribed in its shares during the incorporation period, and the value of this acquisition is of not less than ten percent (10%) of the subscribed capital, the acquisition shall be examined by independent expert or the Board of Directors as the case may be, and details of it published in the Companies Registry, and such acquisition shall be subject to the General Assembly's prior approval.
4. The provisions on the expert's report on contributions in-kind from Articles 151 to 152 on the Public Shareholding Company shall apply to the expert report mentioned in paragraph (3) of this article.
5. Paragraph (3) shall not apply to acquisitions executed in the normal course of the Company's business, or to acquisitions executed according to a judicial decision.

Article 136

Memorandum of Association

The Memorandum of Association of the Public Shareholding Company shall be signed by all Founders and shall include the following information:

1. Company name and objects;
2. Company registered office;
3. Names of the Company founders, identification or passport number, their nationalities, selected notification addresses. In the case of legal entities, the registration number, trade name and address should be included;
4. The Company's capital that will be issued during the incorporation period with the information on the agreed number of founding shares to be subscribed by each founder and

the number of remaining shares, to be publicly offered if any;
5. The amount of the subscribed capital that must be paid-up on the time of registration;
6. The subscription price of the shares, or the method of determination of the subscription price in public offer, and the time limits for subscribing and paying for the shares, or transferring the contribution in-kind, or the methods and conditions for allocation of shares subscribed during the incorporation period;
7. Types, classes, and nominal value of shares to be issued during the incorporation period;
8. Responsibilities and authorities of the Founding Committee, members of the Board of Directors and auditor during the incorporation period when the Public Shareholding Company is being incorporated via public offer;
9. The name of the authorized signatory and his/her responsibilities and authorities during the incorporation period, if the Public Shareholding Company is being incorporated without public offer;
10. In the case of in-kind contributions, a description of the contribution, name of the contributor, and value with the valuation report;
11. The total amount, or at least an estimate, of all the costs payable by the Company or chargeable to it by reason of its incorporation, before the Company is authorized to commence business;
12. Rights and benefits accruing to the Founders or others; and any special advantage granted, at the time the Company is incorporated and up to the time it receives authorization to commence business, to anyone who has taken part in the Company's incorporation or in the transactions leading to the grant of such authorization to the company to commence business;
13. Any agreement entered into during the incorporation period between the Founders or others that may impose a major financial obligation to the Company.

Article 137

Articles of Association

1. The Articles of Association of the Public Shareholding Company shall include the following information in addition to the information set out in the Memorandum of Association:

   a. The Company's duration, unless it is indefinite;
   b. Specifying the Company type as a limited Public Shareholding Company;
   c. The amount of the subscribed capital and the nominal value of the shares subscribed for and, at least once a year, the updating of the capital and number of shares thereof if there have been changes to it;
   d. The procedures and rules of the ordinary and extraordinary meetings for the General Assembly of shareholders, their legal quorum, rules of inviting to these meetings, their powers, method of making the decisions, and all matters related thereto;
   e. The names of the members of the first Board of Directors and other authorized signatory in the Public Shareholding Company that is being incorporated without public offer;
   f. The provisions related to the Board of Directors, including their number, qualifications, means of filling vacancies, powers, method and term of their appointment or election, for both executive and non-executive members, and the role of the chairman; the frequency and form of meetings; monitoring of the day-to-day business; reviewing the accounts; that guarantees specifying the principles for auditing; and the appointment of the authorized individuals to represent the Company.

g. The amount of authorized capital, and conditions for its issuance;
h. Types and classes of shares, and where there are several classes of shares, the information on the number of shares subscribed and the nominal value for each class and the rights attaching to the shares of each class;
i. The nominal value of the shares issued for a contribution in-kind, together with the nature of the in kind contribution and the name of the person providing it;
j. Setting the lending and mortgaging authorization or guaranteeing of third party's obligations in a manner that serves the Company's best interest;
k. Any other relevant issues as decided by the shareholders.

2. The conditions set in the Articles of association of the public shareholding company upon its incorporation must be adopted and approved unanimously by all the Founders, subsequent amendments to the articles of association are adopted and ratified by the General Assembly in accordance with rules for extraordinary meetings.
3. If the amendments to the Articles of Association pertain only to the capital, these amendments can be adopted by the ordinary General Assembly.

Chapter 2

Capital and Shares of the Public Shareholding Company

Article 138
Minimum Subscribed Capital

1. The capital of the Public Shareholding Company upon registration shall be suitable with the objectives its established for, and is sufficient to achieve its objectives and is in line with the relevant laws. In all cases, the minimum subscribed capital that must paid up in cash shall not be less than (25,000) USD or its equivalent in the currency legally in circulation, or 20% from the declared capital, whomever is higher, before the Company is allowed to start operating.
2. If all shares offered for public are not subscribed in full, the Company may register the number of shares subscribed for, provided that the subscribed capital shall not be less than the minimum limit stipulated in paragraph (1) above, or the minimum as stipulated in other legislations.
3. If subscribed capital falls below the minimum limit stipulated in paragraph (1) of this Article or as stipulated in relevant legislations, the Company either withdraw from the establishment and return the value of the subscribed shares to its owners, or to take the necessary actions to increase its capital to the limit specified by law within (60) days from the date of their notification by the Registrar. In the event where the increase did not happen within the set period, the Registrar shall be entitled, within one-hundred-twenty (120) days following the end of the mentioned period, to request the competent Court to liquidate the Company pursuant to the relevant provisions.

Article 139
Share Types and Classes

1. The founders in a public shareholding company shall determine the share nominal value for the issued shares in accordance with the company's Articles of Association, provided that the nominal value for a single share shall not be less than one US Dollar.
2. A Public Shareholding Company is entitled to issue the following types of shares:
   a. Common Shares: shares issued by the Public Shareholding Company that have no

preference rights, yet they have equal values in the distribution of profits and the distribution of the total net assets, have the right to vote in the general assembly, and each common share is entitled to one vote in the General Assembly. The public shareholding company may issue common shares which enjoy all the rights attached to such shares except for the right to vote, such type of shares can be allocated as an incentive to the members of the board of directors and the executive management and employees of the company.

b. Preferred Shares: Preferred shares shall have no right to vote in the General Assembly, such shares grants its owner the right to receive fixed dividends, or cumulative dividends, or rights of the shareholder to obtain a higher percentage of profits or of the total net assets. In addition to the rights of preference over the shareholders of the common shares during liquidation, provided that the Articles of Association contain a provision on such class of shares.

3. The Articles of Association shall determine the associated rights and advantages enjoyed by each type of shares set out in the aforementioned paragraph (2) of this Article.
4. Rights or advantages granted to any holders of a share type or class may be amended with the consent of the holders of these shares in an extraordinary General Assembly meeting held for this purpose and attended in person or by proxy by holders representing more than fifty (50) percent of such share type or class and with a decision made by at least seventy-five (75) percent of the value of such share type or class represented at the meeting, unless the Articles of Association stipulate a higher percentage.
5. The shareholders that voted against the decision from paragraph (4) of this Article have the right to initiate a court procedure at the competent court for compensation of damages that they incurred due to the reduction of their rights.

Article 140
Special Rules on Preferred Shares

1. The nominal value of preferred shares cannot be lower than the nominal value of common shares.
2. Preferred shares can only be subscribed for considerations in-cash,
3. The nominal value of the issued and authorized preferred shares may not exceed fifty (50) percent of a company's capital.
4. A shareholder with preference shares shall have the right to participate in the General Assembly without the right to vote, unless provided otherwise by this law.
5. A shareholder with preference shares shall have a pre-emption right to buy the shares of the same class from new issues. Unless stated otherwise in the Articles of Association or the decision to issue the new shares.
6. Shareholders with preference shares shall have the same rights to information from the company as shareholders with common shares.
7. Preference shareholders shall also have one vote per share in the extraordinary General Assembly meetings convened to approve the following issues:
   a. Increase or reduction of the total number of authorized shares of that class;
   b. The approval to grant the holders of any other securities in the Company the right to convert their securities to Company shares of that class;

c. Subdivision or consolidation of shares of that class or their exchange for shares of another class.

Article 141

Subdivision and Consolidation of Shares

1. A Public Shareholding Company may by a decision of the extraordinary General Assembly decide to:
   a. Subdivide each share of a single class into two or more shares of that class, reducing simultaneously their nominal value so that the Company's capital remains unchanged;
   b. Consolidate two or more shares of the same class into a single share of that class, increasing simultaneously its nominal value so that the Company's capital remains unchanged.
2. Needed amendments must be made to the company's Articles of Association in case of subdivision or consolidation of shares.
3. If any consolidation or subdivision of shares would result in fractional shares for certain shareholders, such shareholders shall be entitled to request from the Company in writing within thirty (30) days of the date of passing of a decision referred to in paragraph (1) of this Article to purchase the missing fractions of their shares so as to acquire one whole share or to receive payout from the Company for the residual fractional shares.
4. The shareholder desiring to purchase the missing fraction to acquire a single whole share, shall pay the value of the missing fraction of the share to the Company within the period referred to in paragraph (3) of this Article.
5. If a shareholder requested to receive a payout from the Company for any residual fractional shares, the Company shall pay the value of that fraction to such shareholder within a period of thirty (30) days of the date of receipt of such request. In such situation, the payout will be paid by the company from the sums available for distribution to shareholders.
6. The value referred to in paragraphs (4) and (5) of this Article shall be determined in accordance with the provisions on the evaluation of in-kind contributions.
7. If in the cases referred to in paragraph (3) of this Article an increase or reduction of capital occurs that does not exceed one (1) percent of company's capital in either case, a Company shall not have an obligation to apply the provisions of this Law pertaining to capital increase or reduction, except the provisions pertaining to registration of such changes in the Companies Registry.
8. If a Company issued securities that may be converted into common shares, in the cases referred to in paragraph (1) of this Article it shall at the same time pass a decision or take another action which will ensure that the rights of holders of such financial instruments remain unchanged.

9. If a Company fails to act in accordance with paragraph (8) of this Article, every holder of such security may initiate a court procedure at the competent court for compensation of damages that they incurred due to division or consolidation of shares.

Article 142
Issuing Price of Shares

Shares of the same class shall have the same nominal value. The public shareholding company may issue shares at a deducted issuance price as long as the nominal value for each share is not less than one (1) USD or its equivalent in the legally circulated currencies.

Article 143

Subscription and Acquisition of Treasury Shares

1. The shares of a Public Shareholding Company may not be subscribed for by the Company itself.
2. The shares of a Public Shareholding Company may not be subscribed for, by any of its Subsidiary Companies.
3. A Public Shareholding Company may acquire Treasury shares, either directly or through a person acting in his or her own name but on the Company's behalf, subject to the approving decision of the extraordinary General Assembly, which shall determine the terms and conditions of such acquisitions, and, in particular:
   a. the number of shares allowed to be acquired;
   b. the duration of the period of the authorization granted to the Board of Directors to purchase Treasury Shares must not exceed (5) years;
   c. the minimum and maximum amount that may be paid by the company as consideration for the shares;
   d. Determine whether the shares are acquired for distribution as an incentive or as a compensation scheme to the employees.
4. The company must obtain any prior authorization required by the Securities regulation before taking the decision to buy its own shares in accordance with paragraph (3) of this Article.
5. Members of the Board of Directors shall satisfy themselves that, at the time when each authorized acquisition is executed, the conditions referred to in paragraph (3) of this Article are observed.

6. When buying its own shares, the Company is not required to obtain the approval of the extraordinary General Assembly in accordance with paragraph (3) of this Article, if the applicable Securities legislations does not required to obtain this approval.

Article 144

Disposal of Treasury shares

1. Disposal of Treasury shares can be realized in accordance with this Law and the Securities laws, in one of the following ways:
   a. By offering to the shareholders and investors against payment ;
   b. By distribution of Treasury shares as an incentive to the employees of the Company without payment, in this case such shares shall be distributed within twelve (12) months from their acquisition.

2. In the event where a Company approves a remuneration scheme for delivering Company shares to its employees, it shall disclose prior to the title transfer to the employees, all matters that relate to the Company, and that are usually disclosed to shareholders in a Public Shareholding Company, as well as the terms of the remuneration scheme.

Article 145

Exclusions from the Rules on Acquisition of Treasury Shares

1. Provisions of Article 143 relating to the acquiring of Treasury Shares and the subscription in it shall not apply to the following:
   a. If shares are acquired in carrying out a decision to reduce capital;
   b. If shares are acquired as a result of acquiring all the assets, such as merger by annexation;
   c. fully paid-up shares acquired free of charge;
   d. shares acquired by virtue of a Court ruling or by virtue of the implementation of certain procedures for the protection of minority shareholders.
   e. shares acquired from a shareholder in the event of failure to pay them up;
   f. fully paid-up shares acquired under a sale enforced by a Court order for the payment of a debt owed to the Company by the owner of the shares.
2. Shares acquired by the company in the cases listed in paragraph (1) of this Article, shall, however, be disposed of within not more than three (3) years from their acquisition unless the nominal value of the shares acquired, including shares which the Company may have already acquired, does not exceed fifteen(15) percent of the subscribed capital.

Article 146

Consequences of Illegal Acquisition of Treasury Shares

1. The nominal value of the Treasury Shares may not exceed 15% percent from the subscribed capital, including the shares that the company acquired, and the shares that someone else has acquired in his name on behalf of the company.
2. The treasury shares exceeding 15% from the company's subscribed capital must be disposed of within:
   a. One year from the date of acquiring, if acquired in accordance with article (1443
   b. Three years from the date it was acquired, if acquired in accordance with article (145).

3. If the treasury shares are not disposed of within the period specified in paragraph (2) of this Article, they shall be cancelled, and such cancellation is subject to a corresponding reduction in the subscribed capital in accordance with this law.

Article 147

Holding of Treasury Shares and Annual Report

1. The holding of Treasury shares is subject to the following conditions:
   a. Treasury shares has no voting right;
   b. if the treasury shares are included among the assets shown in the balance sheet, a reserve of the same amount, unavailable for distribution, shall be included among the liabilities in the company's balance sheet.

2. When a Public Shareholding Company acquires Treasury shares, either directly or through a person acting in his or her own name but on the Company's behalf, the annual report shall state the following at a minimum:
   a. the reasons for treasury shares acquisitions made during the financial year;
   b. the number and nominal value of the treasury shares acquired and disposed of during the financial year and the percentage of the subscribed capital which they represent;
   c. in the case of acquisition or disposal for a value of treasury shares, the consideration value for the shares must be determined;
   d. the number and nominal value of all the shares acquired and held by the Company and the percentage of the subscribed capital which they represent.

Article 148

Financial Assistance by a Company for Acquisition of its Shares by a Third Party

1. A Public Shareholding Company, may NOT either directly or indirectly, advance funds or provide security to a third party, for the purpose of acquisition of its shares by such third party.
2. Paragraph (1) of this Article shall not apply to transactions of purchasing shares concluded by banks and other financial institutions in the normal course of business, nor to transactions executed with a view to the acquisition of shares by or for the Company's employees, provided that the company stays solvent in accordance with Article (211/2) of this law.

Article 149

Acceptance of the Treasury Shares as Security

The acceptance of the Public Shareholding Company's Treasury shares as security, either as a result of the Company acquiring such shares itself or through a person acting in his or her own name but on the Company's behalf, is considered ownership of Treasury shares, unless this transaction is concluded by banks and other financial institutions in the normal course of business.

Chapter 3

Cash and in-kind Shares

Article 150

Cash and In-Kind Contributions

1. The value of the shares issued by the Public Shareholding Company can be covered in cash or in-kind.
2. Where shares are issued for consideration in cash, the consideration shall be paid in one (1) or more installment(s) as determined by the decision on the issuance of shares no later than sixty(60) days from that decision.
3. In-kind contributions may include any movable or immovable assets the value of which can be appraised in cash, including concession rights, intellectual property rights, technical know-how, licenses, and intangible rights in addition to any other rights approved by the shareholders. An in-kind contribution shall not consist of an obligation to do work or perform services.
4. In-kind contributions shall be monetarily evaluated, by an independent expert and approved through the extraordinary General Assembly or by the founders.
5. Where shares are issued for a contribution in-kind, the contribution shall be transferred in full to the company no later than six months from the date of its issuance.
6. Holders of the shares issued for a contribution in-kind in the Public Shareholding Company shall enjoy the same rights as holders of shares issued for consideration in cash.

Article 151
Experts' Report on Contributions in-kind

1. When shares are issued for a contribution in-kind a report on such contribution shall be drawn up by one or more independent experts, as required by the circumstances. Such experts may be natural persons or legal persons.
2. The independent expert shall be appointed by the founders that signed the Memorandum of Association. In the case of a capital increase, the independent expert shall be appointed, by the Board of Directors, unless otherwise provided in the Articles of Association. The appointment of the expert shall be at the Company's expense.
3. The experts' report referred to in paragraph (1) of this Article, shall contain at least a description of all the in kind contributions, as well as the methods of valuation employed. The valuation report shall state whether the in kind contributions has a financial value to the Company equal to the nominal value of the shares or that an issuance premium is due.
4. The experts' report shall be published in the Companies Registry.
5. A shareholder or group of shareholders with at least ten (10) percent of the Company's shares who disagree(s) with the monetary value of the contribution in-kind as this is determined by the expert's report, may seek, within thirty (30) days from the date of publication of the expert's report in the Companies Registry, the appointment of another independent expert from the competent court, in order to obtain a second assessment of the monetary value of such contribution in-kind.
6. The independent expert appointed by the competent court in accordance with paragraph (5) of this Article, shall have expertise which is relevant to assessing the monetary value of the in-kind contribution under dispute.
7. If the monetary value determined by the independent expert appointed by the competent court is lower than that determined by the expert's report published in the companies registry, the shareholder that contributed this in-kind contribution shall pay the remaining valuation difference in cash.
8. If the contributor fails to deposit such difference in accordance with paragraph (7) of this Article, the provisions on the actions in case of late payment from Article (158) shall apply mutatis mutandis.

Article 152
Derogation from the Requirement for an Experts' Report in the Case of Valuation of Liquid Money Market Securities

1. Exceptions from the requirement to have an expert's report on the valuation of the contribution in-kind, that are constituted from money market securities liquid and listed in the stock exchange that can be evaluated in this case based on the average trading price in the last six (6) months prior to the date of its valuation.
2. If the price indicated in paragraph (1) of this Article has been affected by an exceptional circumstances that may fundamentally impact the value of money market securities on the date of submitting the in-kind contributions, as in cases where money market securities cannot be liquidated in the market, the Board of Directors must revaluate such in-kind contribution and be liable for it.
3. The Board of Directors shall within one (1) month from the submission of the in kind contributions, publish in the Companies Registry a declaration containing the following, in addition to the specific requirements stipulated for in the Memorandum of Association and the Articles of Association:

a. a description of the contribution other than in cash;
b. the contributions value and the method of valuation;
c. a statement whether the value arrived at corresponds at least to the number, to the nominal value and, where appropriate, to the premium on the shares to be issued ; and
d. a statement that no new qualifying circumstances with regard to the original valuation have occurred which may affect the valuation.

Chapter 4

Subscribing in the Shares of the Public Shareholding Company

Article 153
Principles of Subscription in Shares

It is not permitted for more than one person to participate in one subscription application in the publicly or privately offered shares.

Article 154
Providing the Companies Registry with the Subscribers' Names

The Company shall provide the Companies Registry as well as the Authority, within a period not exceeding thirty (30) days following the closing date of any subscription in the Public Shareholding Company's shares, with a list containing the names of subscribers and the amount of the shares subscribed for, by each one of them.

Article 155

Shareholder's registry

The Company shall keep its shareholders' register at the Clearing Depository and Settlement Center in accordance with the Securities Law.

Article 156
Allocation of Shares in a Public Offering

1. The Public Shareholding Company shall allocate the shares offered for public subscription within thirty (30) days following the closing date of subscription subject to the provisions of the issuance prospectus and relevant legislation.
2. Allocation of the shares subscribed shall be decided by:
   a. by unanimous decision of the founders when the shares are offered during the incorporation period;
   b. by a decision from the Board of Directors, for the shares offered in the case of a capital increase.

3. The decision to allocate the share mentioned in paragraph (2) of this Article must decide how many shares to allot to each individual subscriber, and must notify the subscriber/s of shares in the following situations :
   a. the subscription is not accepted;

b. the subscription is considered to be invalid; or
c. the amount subscribed for has been reduced because of oversubscription. In the case of oversubscription, the reduction shall be done proportionately, unless specified otherwise in the issuance prospectus.

4. Where the capital or any prescribed minimum capital has not been fully subscribed for or in the event the subscription is not accepted by the persons from paragraph (2) and (3) of this Article, the subscribers' obligations lapse, and any amount paid for the shares must be refunded. However, all initial expenses may be deducted from the refunded amount where so stipulated in connection with the subscription.

Article 157

Refunding Excess Amounts Upon the Allocation of Shares

The Company shall refund the amounts in excess of the value of the Public Shareholding Company shares offered for public subscription within a maximum period of thirty (30) days from the closing date of the said subscription or the date of the determination on the allocation of shares, whichever is earlier. Should the Company fail to do so for any reason whatsoever within the said period, then those entitled to such amounts shall receive legal interest thereon to be computed immediately following the thirty (30) day period stipulated in this Article.

Article 158

Actions in Case of Late Payment

1. A shareholder must make due payment on the shares in the manner agreed upon as requested from the Board of Directors, or the shareholder can do it on his own within a period not to exceed 60 days from the date it was issued.
2. If a shareholder has failed to pay the amount outstanding on the shares, the shareholder may not exercise the voting rights attaching to any part of his/her shareholding at General Assembly meetings and his/her shares will be considered unrepresented at General Assembly meetings until the amount has been fully paid and registered by the Company. This condition shall not affect the right to receive profits or other distributed payments, or the right to subscribe in newly offered shares in the event of capital increase. The Board of Directors may deduct the Company's claim for payment of the capital from the amounts distributed by the Company which the shareholder is entitled to receive.
3. Shareholders cannot set off a claim against the Company on their obligation to pay outstanding amounts without the consent of the Board of Directors. Such consent may not be given if the set-off may be detrimental to the Company or its creditors.
4. Shareholders cannot contribute in kind assets to the Company in discharge of their obligations to pay outstanding amounts without the consent of the General Assembly. Such consent may not be given if the in kind contribution may be detrimental to the Company or its creditors. In the event the general assembly accepts the in-kind contributions, the provisions of this law from Articles (151-152) relating to the provision of expert valuation report shall apply *mutatis mutandis*.
5. In the case where a Shareholder fails to pay-in their contribution the Company may decide to withdraw and cancel the issued shares which have not been paid for, without providing any remuneration to the shareholder, even if the latter has paid-in part of their contribution. In this case, the Company must reduce its subscribed capital, pursuant to Article 164 of this law.

Article 159
Convertible Bonds

1. The Public Shareholding Company can issue convertible bonds in accordance with this Law and the Securities legislations.
2. For the purposes of this Law, a convertible bond shall be a bond that entitles its holder to convert them into common shares under the conditions specified in the decision of their issuance.
3. Convertible bonds entitling the holder to convert them to common shares may not be issued if the number of common shares to be issued in return for bonds, together with the already issued common shares, exceeds the total number of authorized common shares.
4. Convertible bonds may be subscribed solely through cash contributions.
5. Shareholders with common shares have preemptive rights to purchase convertible bonds.
6. The provisions of Article 162 of this Law shall apply to the exercise of a preferential subscription right to convertible bonds .

Article 160
Issue Price of Convertible Bonds

1. The general assembly has the authority to issue the decision relating to issuance of convertible bonds that can be converted into shares.
2. The issue price of convertible bonds shall be determined in their issuance decision, and the General Assembly can authorize the Board of Directors to determine an issue price within a set range.
3. In all cases, the issue price of convertible bonds that can be converted into shares, shall not be lower than the nominal value of underlying common shares.

Chapter 5

Increasing the Public Shareholding Company's Capital

Article 161
Decision to Increase Capital

1. The Public Shareholding Company may increase its subscribed capital with the decision of its extraordinary General Assembly and upon recommendation of the Board of Directors, provided that the decision shall contain the method of underwriting the increase, and the value of shares offered for subscription, whether such value equals the share nominal value, or at an issuance premium, as well as provided that the Company's capital has been fully paid in the case of cash contributions.
2. The board of directors may be authorized through a decision by the extraordinary General Assembly, to increase the capital up to a maximum amount of fifty (50) percent of total subscribed capital. The authorization granted to the board of directors by the extraordinary general assembly to decide on the increase of the subscribed capital shall be for a maximum period of five (5) years and may be renewed one or more times through a decision by the extraordinary General Assembly, each time for a period not exceeding five (5) years. Such decision shall be entered in the Companies Registry and published.
3. Where there are several classes of shares, the decision by the extraordinary General Assembly on the capital increase referred to in paragraph (1) of this Article, or the authorization to

increase the capital referred to in paragraph (2) of this Article, shall be subject to a separate vote at least, for each class of shareholders whose rights are affected by the decision.

4. This Article shall apply to the issue of any bonds which are convertible into shares.
5. Where an increase in capital is not fully subscribed, the capital will be increased by the amount of the subscriptions received only if the issuance conditions provide so.
6. The subscription in the increased capital may be done in one (1) or several installments.

Article 162
Methods of Capital Increase

1. The Public Shareholding Company may increase its capital by one of the following methods:
   a. Offer the increase shares for subscription by Company shareholders, each in proportion to his/her shareholding percentage, or by private or public offer to other investors;
   b. Incorporation of the voluntary reserve, or the retained earnings, or both, to the Company capital;
   c. Capitalization of the debts due by the Company, or any part thereof, provided that the written approval of these creditors is obtained;
   d. Conversion of the convertible bonds to shares;
2. In the case of an increase of capital by issuing new shares for monetary contribution, the existing shareholders have preemptive rights to the shares newly issued for the increase unless provided otherwise in the Articles of Association or the decision issued in the extraordinary general assembly's meeting.
3. The Companies Registry and the Authority shall be notified of the capital increase within seven (7) days from the date of subscription or conversion thereof, as the case may be.

Article 163
Disclosure Requirements for Private Offering

1. The conditions of Article (96) of this law shall apply to the increase in the public shareholding company's capital through private subscription, taking into consideration the nature of the public shareholding companies.
2. An exception to the provisions of Paragraph (1) of this Article is the company's publication of the issuance prospectus to implement the provisions of the Securities Legislation.

Chapter 6

Reduction of the Public Shareholding Company's Capital

Article 164
Capital Reduction

1. Subject to the rights of creditors provided for in this Law, the Shareholding Company may reduce its capital in the following cases:
   a. If the Company sustains any loss and decides to reduce its capital in the same amount of such loss or any part thereof;
   b. If the capital is more than the company needs.
   c. If the Company cancels its Treasury shares;
   d. If the Company cancels the issued shares, or any part thereof.

2. The reduction of the subscribed capital is done through the reduction of the number of shares or its nominal value.

3. In any case, the Shareholding Company's capital may not be reduced below the minimum limit stipulated in this Law or pursuant to other legislation in force.

Article 165

Conditions for Compulsory Withdrawal of Shares

1. Reduction of the public shareholding company's capital by withdrawal and cancellation of shares may be done only if such possibility was provided for by the Articles of Association and before the subscription of shares to be withdrawn and cancelled.
2. Except for the case mentioned in paragraph (1) of this article, withdrawal and cancellation of shares may also be done if such possibility was not provided by the Articles of Association before the subscription of shares to be withdrawn and cancelled, provided that a decision on capital reduction through withdrawal and cancellation of shares is passed with the consent of every shareholder whose shares are withdrawn and cancelled, as well as the consent of any third parties that hold rights attached to those shares.
3. A decision by the General Assembly on capital reduction through withdrawal and cancellation of shares referred to in paragraph (1) and (2) of this Article must specify the conditions, terms and the manner of withdrawal and cancellation of shares, insofar as these are not provided by the Articles of Association.

Article 166

Equal Treatment of Shareholders of the Same Class

1. Shareholders of the same class shall be accorded equal treatment in the procedure of a Company's capital reduction.
2. Equal treatment of shareholders referred to in paragraph (1) of this Article shall be ensured through proportionate withdrawal and cancellation of shares held by all shareholders of a given class of shares, or through proportionate reduction of nominal value of shares held by all shareholders of a given class.
3. The amount of share reduction must be such that it enables compliance with the equal treatment principle in accordance with paragraph (2) of this Article.
4. Any decision on capital reduction passed contrary to the equal treatment principle shall be null and void.

Article 167

Decision on Capital Reduction

1. Subject to the provisions of this Law, the Public Shareholding Company shall have the right to reduce its capital, with the extraordinary General Assembly's decision.
2. Where there are several classes of shares, the decision by the extraordinary General Assembly on a reduction in the subscribed capital shall be subject to a separate vote, of shareholders holding the same class of shares whose rights may be affected by the decision on capital reduction.
3. The decision referred to in this Article shall be published in the Companies Registry not later than fifteen (15) days from the date of its issuance.

Article 168

Guaranteeing Creditors Rights in Case of Reduction in the Subscribed Capital

1. The Public Shareholding Company's Board of Directors shall submit the decision on the reduction of its subscribed capital to the Companies Registry for publication. The Companies Registry shall, publish the reduction decision on the Companies Registry's website for eight (8) consecutive weeks.
2. Creditors who have claims that are due on the date of the reduction decision can demand payment in full, or security for such claims from the Company. The creditors must exercise this right in the term mentioned in paragraph (1) of this Article.
3. Creditors who have claims that are due after the date of the decision can demand security for such claims from the Company.
4. Creditors who demanded payment in full or security for their claims in accordance with paragraph (2) and (3) of this Article, but did not receive such payment in full or security within three (3) months from the expiration of the period referred to in paragraph (1) of this Article and did not reach any settlement with the Company per their claims, may bring legal action against the Company before the competent Court to obtain additional collateral security in the total amount of their claims, insofar as they can demonstrate that the settlement of their claims is affected by such capital reduction decision.
5. The legal action does not stop the reduction procedure, unless the Competent Court decides so. The objecting creditors can request from the Court the issuance of an injunction stalling the reduction procedures until a Court decision is issued and becomes final. The case in this instance is considered of an urgent nature in accordance with the legislation in force.

6. If no case has been brought before the competent Court to contest the General Assembly's decision on the reduction of its subscribed capital, or if a case has been filed but dismissed by a final Court decision, the Registrar shall register and publish the said reduction decision at the Company's expense, in accordance with the procedures provided for in this Law so that the Company's reduced capital shall, by operation of the law, replace its capital listed in its' Articles of Association.

Article 169

Derogation from Safeguards for Creditors in Case of Reduction in the Subscribed Capital

1. The reduction of the subscribed capital shall not be conditional on the safeguards for creditors stipulated in Article 168, if the reduction is performed to:
   a. Cover losses;
   b. Form or increase reserves to cover future losses or to increase the capital from the Company's net assets;
   c. Withdraw and annul the Treasury shares acquired free of charge;
   d. If reduction is done for restructuring the Company's capital,
2. A reduction of a Company's capital referred to in paragraph (1/a) above of this Article may be done only if a Company does not have at its disposal retained earnings or reserves that can be used for this purpose, and only in an amount limited to cover the loss.
3. The reserves referred to in paragraph (1/b) of this Article may not exceed ten percent (10%) of subscribed capital upon capital reduction.
4. Capital reduction in accordance with the provisions of this Article may not serve as a basis for distributions to shareholders or for release of shareholders from paying their obligations or make outstanding subscribed contributions to a Company.

Article 170

Restructuring the Company's Capital

1. The Public Shareholding Company may restructure its capital through a decision to reduce and increase its capital issued by the extraordinary General Assembly meeting, provided that the reduction procedures stipulated in this Law are completed first, after which the increase procedures are completed
2. The invitation to the extraordinary general assembly meeting must contain the reasons for restructuring and the objectives of such a procedure.

Chapter 7

Management of the Public Shareholding Company

Article 171

Company Bodies

The Public Shareholding Company shall comprise of the following bodies:

1. General Assembly;
2. Board of Directors; members of the Board may or may not be shareholders of the Company.
3. General Manager and the authorized signatories of the Company, appointed by a decision of the Board of Directors and registered in the Companies Registry as Executive Management. The Executive Management may be members of the Board of Directors.

Article 172

Number of the Board of Directors Members and their Election

1. The management of a Public Shareholding Company is entrusted to a Board of Directors whose members shall not be less than five (5) and not more than thirteen (13), as determined by the Articles of Association.
2. The Board of Directors shall be composed of:
    a. Have representation from both sexes, so as at least one third of the members are women; if possible.
    b. executive and non-executive members,
    c. non-executive members, one of which at least shall be independent.

3. The independent member shall be a non-executive member of the Board of Directors whether in his/her personal capacity or as a representative of a legal person; who is fully independent and who has no interest or relationship with the Company, its executive management, or with any affiliate or subsidiary thereof, or with the Company's auditor, other than the relationship related to his/her management of the Company. Below are the cases that affect the independence of the independent member of the Board of Directors:
    a. The member works or has previously worked in the Company, or in any affiliate or subsidiary thereof, within a period of three (3) years prior to the date of nomination thereof for the Board membership.
    b. The member receives additional remuneration from the Company, or from any affiliate or subsidiary thereof, other than the remuneration received in his/her capacity as a non-

executive member of the Board of Directors.

c. The member holds a number of shares which may directly or indirectly undermine performance of his/her tasks or conflict with the Company's interests.
d. The member has a family relationship with any of the Board members or senior management employees in the Company or in any affiliate or subsidiary thereof.
e. The member practices direct or indirect business activity with the Company, or any affiliate or subsidiary thereof, or with the shareholders therein.
f. The member has an interest, business, or connections that might affect performance of his/her tasks or conflict with the Company's interests.
g. Any other requirement that is specified in the applicable corporate governance rules from the supervisory and regulatory authorities.

4. The Board of Directors shall be elected by the General Assembly, in accordance with the provisions of this Law
5. The Board of Directors shall undertake the tasks and responsibilities of the Company's management for a renewable term of four (4) years from the date of its' election, unless the Articles of Association stipulate a shorter term, but not less than one (1) year.
6. Prior to an election to the Board, the candidates shall disclose the General Assembly with information regarding their positions in other Companies as well as any other fact that may risk a potential conflict of interest.
7. The Board of Directors shall invite the General Assembly to meet during the last four (4) months of the Board's term, in order to elect a new Board of Directors, to replace it as of the date of its election. The Board shall continue to manage the Company's affairs until the new Board is elected.

Article 173
The Representation of a Legal Person in the Board of Directors

1. It is not permitted to have the authorized signatory a legal person.

2. If a legal person is elected as a member to the Board of Directors, it shall appoint one natural person(s) for each seat it has in the board of directors to represent it in the Board of Directors provided that the appointee meets the membership conditions and qualifications.

3. A legal person is deemed to have lost its membership in the board if it fails to name its representatives within one (1) month from its election.

4. The legal person may also replace its representative with another natural person(s) that meets the membership conditions and qualifications.

Article 174
Election of the Company Management

1. The Board of Directors of the Public Shareholding Company shall elect a chair and a vice-chair from its members, but not from the executive members.

2. The Board of Directors shall also appoint:
    a. General Manager for the company
    b. The authorized signatory(ies) who shall have the right to sign on behalf of the Company in accordance with the Board's decision
3. The Vice-Chairman of the Board of Directors exercises the powers and duties of the Chairman in his absence. .
4. The Board shall submit to the Companies Registry copies of its decisions issued pursuant to paragraphs (1) and (2) of this article within seven (7) days from the date of issuing the said decisions.

Article 175

The Chair of the Board of Directors Powers and Responsibilities

1. The chair of the Board of Directors is the chair of the Public Shareholding Company. The chair shall exercise all powers accorded to him/her in accordance with the provisions of this Law, the regulations issued pursuant thereto and other internal regulations in force at the Company. The chair shall also in cooperation with the Company's General Manager, monitor and supervise the implementation of the decisions of the Board of Directors .
2. The chair is responsible for chairing the Board and for ensuring that the board fulfills the responsibilities and duties required of it to the fullest extent .

Article 176

The General Manager's Duties and Powers

1. The Board of Directors shall appoint one of its executive members or other qualified and experienced person to act as a General Manager of the Public Shareholding Company and shall specify his/her powers and responsibilities.
2. The General Manager shall manage the Company in cooperation with the Board of Directors and under its supervision.
3. A General Manager cannot assume the role and responsibility of a General Manager in more than one Public Shareholding Company at the same time.

Article 177

Competencies/Powers of the Board of Directors

1. The Board of Directors of a Public Shareholding Company shall assume the following powers and duties:
    a. take strategic decisions on the business development of the company;
    b. take decisions on the corporate governance, risk management and internal control framework in accordance with the Articles of Association and this Law;
    c. take decisions to borrow funds, loan, create a mortgage, and release guarantees, or guarantee the obligations of others, including subsidiary companies, and to the extent that such authorities are not within the competence of the General Assembly in accordance with the Articles of Association and this Law;
    d. perform other duties in accordance with the Company Articles of Association.

2. The duties of the non-executive members of the Board include:
    a. advise and supervise the Company's executive management;
    b. regularly assess the Company's financial position, taking into account whether the company has adequate capital and liquidity;

c. ensure that the Company's corporate governance arrangements are such as to ensure the proper monitoring of the Company's financial statements and positions;
d. ensure that sufficient procedures for risk management and internal control are established, and that the non-executive members receive all necessary information for the performance of duties from the executive members and the General Manager.

3. The executive management are responsible for:
    a. exercising the Company's day-to-day business management;
    b. exercising the Company's financial management, by taking into account whether the Company has adequate capital and liquidity;
    c. ensuring the efficient implementation of the Company's corporate governance, risk management, and internal control procedures ;
    d. ensuring that all information related to the management of the Company are provided to the non-executive members of the Board of Directors on a timely basis.

Article 178

Rules on Remuneration, Expenses and Fees of the Board of Directors and Executive Management, and incentives to employees

1. Members of the Board of Directors and executive management shall receive remuneration for their services consistent with the remuneration policy decided by the Extraordinary General Assembly. The remuneration shall bear a reasonable relationship to their duties and the Company's condition.
2. The remuneration may be fixed or determined based on variable components, in a manner that ensures the Company's long-term sustainability and stability and the payment of such remuneration should be connected to performance.
3. The remuneration policy shall include clear indicators on how to grant the remuneration to the members of the Board of Directors and the Executive Management. This policy shall include guidance detailing the mechanism for approving salaries, expenses, bonuses and other incentives for the Board of Directors and Executive Management. The remuneration policy shall also include guidelines and fair principles on approving incentives for employees, such as the mechanism for distribution of Treasury shares and stock option plans if available for them, if any.
4. The remuneration for the members of the Board of Directors shall be approved by the ordinary General Assembly.
5. The remuneration of the executive management appointed by the Board of Directors, who are not members of the Board of Directors, shall be determined by the Board of Directors consistent with the remuneration policy.
6. The annual report of the Board of Directors to the General Assembly shall contain the instruction on disclosure issued by the Authority and the rules of disclosure applied in the stock market, and to include the following data:
    a. All amounts received from the Company by the chair, vice-chair and each of the members of the Board of Directors and members of the Executive Management, in the form of wages, fees, bonuses, remuneration and others.
    b. Benefits that the chair, vice-chair, the members of the Board of Directors and members of the Executive Management enjoy such as free accommodation, cars and others.
    c. Amounts that have been paid to the chair, vice-chair, members of the Board of Directors and members of the Executive Management during the fiscal year such as travel and transport allowances and others.

7. The granted remuneration and incentives shall be presented separately in the Company's financial statements and, if the incentives were provided in shares, the financial statements shall contain the type, class, number and nominal value of the shares which the Board of Directors or member of the Executive Management acquired or is entitled to acquire based on that.
8. The chair, vice-chair and the members of the Company Board of Directors shall be held responsible for realizing the provisions of this Article, and for the veracity of the submitted information.
9. If the Company's situation deteriorates so that a continued payment of remuneration would be unreasonable for the Company, the General Assembly may reduce remuneration to a reasonable level and to amend the incentives policy accordingly.

Article 179

Membership in More than One Board of Directors

Any person is entitled to be a member of the Board of Directors in a maximum of five (5) Companies concurrently, whether in his/her personal capacity or as a representative of a legal person.

Article 180

Vacancy in the Board of Directors

1. If a seat in the Board of Directors becomes vacant, for whatever reason, the Board of Directors shall co-opt a member who have the qualifying requirements for membership. This procedure shall be followed whenever a board seat becomes vacant; and the appointment in such a manner shall continue to be provisional until it is presented to the General Assembly in its' next meeting in order for it to approve such an appointment or to elect the person who shall occupy the vacant seat in accordance with the provisions of this Law. In such a case, the co-opted member shall hold membership for the remaining period of the term of his/her predecessor.
2. If the appointment of a co-opted member is not confirmed and the election of another successor is not approved by the General Assembly in the first meeting it convenes, the membership of the co-opted member shall be terminated in which case the Board of Directors shall co-opt another member provided that same is presented to the General Assembly in its' first subsequent meeting or in the same meeting and in accordance with the provisions stipulated in this paragraph; without affecting the validity of the decisions taken during his membership period.
3. The number of members who are appointed in the Board of Directors pursuant to this Article must not be more than half of the Board members. If that occurs, the General Assembly shall elect a new Board of Directors.

Article 181

Resignation of a Board of Directors' Member

1. Any member of the Board of Directors of a Public Shareholding Company, other than representative of a legal person, may submit his/her resignation from the Board, provided that his/her resignation is made in writing, the resignation shall take effect as of the date of its submission to the Board.
2. The chair, vice-chair, or any member of the Board who did not resign as the case may be, shall inform the remaining Board members of such resignation once it is submitted.

Article 182
Exoneration Issued by the General Assembly

The decision issued by the General Assembly exonerating the Board of Directors from responsibility shall be considered valid only to the extent where there have been no material omissions or misstatements in the annual report, accounts and other documents provided to the shareholders.

Article 183
Resignation of the Board of Directors

1. Should all the members of the Board of Directors of a Public Shareholding Company submit their resignation, the registered Board of Directors shall remain liable for the Company's operation until it is de-registered from the Companies Registry.
2. If the General Assembly fails to issue a decision on the election of a new Board of Directors in the term of three (3) months from the resignation of the Board of Directors, this represents a legal basis to submit a request to the competent Court by the Registrar to initiate the Company's liquidation procedures.

Article 184
Loss of Membership in the Board of Directors

1. The Chairman of the Board of Directors of the public shareholding company and any of its members lose his membership from the board, if:
    a. He is absent from attending three consecutive board meetings without an excuse accepted by the board,
    b. He is absent from attending the board meetings for a period of six consecutive months even if this absence is with an acceptable excuse.

2. A legal person does not lose his membership in the Board of Directors of the Public Shareholding Company due to the absence of his representative in any of the two cases stipulated in paragraph (1) of this article, but the legal person must appoint another person in place of his absentee representative within fifteen days from the date of his notification of the board's decision, and the board membership of the legal person is considered lost if the legal person does not name a new representative during that period.

Article 185
The Right of the General Assembly to Dismiss
the Chair and Members of the Board of Directors

1. The General Assembly of a Public Shareholding Company in an extraordinary meeting shall have the right, upon the request of shareholders holding at least ten (10) percent of the subscribed shares submitted to the Board of Directors, to dismiss the chair of the Board of Directors or any of its members, and a copy of which shall be provided to the Companies Registrar.
2. The Board of Directors must invite the General Assembly to hold an extraordinary meeting within thirty days from the date of submitting the request to it, for the General Assembly to

consider it and issue the decision it deems appropriate in its regard.

3. If the Board of Directors does not invite the General Assembly to a meeting within the specified period, the shareholders holding not less than 10% percent of the Company's subscribed shares may request from the Companies Registrar to invite for the requested meeting.
4. The General Assembly shall discuss the dismissal request of any member and may hear his/her statements either verbally or in writing if the member wishes so, after which the shareholders will vote on the request by secret ballot. If the General Assembly decides upon his/her dismissal then it shall elect his/her replacement in accordance with the rules and procedures for the election of the Board of Directors' members.
5. This decision shall be provided to the Companies Registry in 15 days from the date of the general assembly meeting.
6. The dismissed member may not be elected to the Board of Directors within two years from the date of his dismissal.
7. If the dismissal did not occur in accordance with the provisions of this Article then the request for discussing the dismissal for the same reason is not permitted prior to the lapse of one (1) year from the date of the General Assembly's meeting that discussed the dismissal request.

Article 186

The Company Secretary

1. The board of directors may appoint a Company Secretary, if this is provided by its Articles of Association.
2. A Company Secretary may be an employee of the Company.
3. When the Company Secretary is appointed in accordance with paragraph (1) from this Article, the Board of Directors shall determine his/her remuneration and other entitlements.
4. The term of office of a Company Secretary shall be four (4) years, unless provided otherwise by the Articles of Association or the decision on his/her appointment.

Article 187

Competences of the Company Secretary

1. The Company Secretary shall have the following duties and responsibilities:
    a. Preparing the General Assembly and Board of Directors meetings and keeping of minutes;
    b. Keeping copies of all the General Assembly and Board of Directors meeting minutes and the decisions passed in the meetings and any documents or handouts being distributed ;
    c. Communicating between the Company and its shareholders and enabling access to the Company Articles of association and documentation in accordance with this Law;
    d. Maintaining the shareholders' registry.

2. A Company Secretary may also have other duties and responsibilities in accordance with the Articles of Association and the decision on his/her appointment.

Article 188

Board of Directors Committees

1. The Board of Directors must form an Audit Committee.
2. The board of directors may form committees based on the company's needs and the conditions set in its Articles of association and applicable laws.

3. If the duties of the committees referred to in paragraphs (1) and (2) of this article, the conditions of the Articles of Association or this Law, such tasks shall be defined by decision of the Board of Directors to form them.
4. Committees shall submit periodical reports on their work to the Board of Directors, in accordance with the relevant decisions on their formation.

Article 189

Composition of Board of Directors Committees

1. The formed Committees mentioned in Article (188) of this law, shall have a minimum of three (3) members, who may be members of the Board of Directors, or other natural persons with adequate knowledge and work experience relevant for the Committee's task.
2. The majority of members of the Audit Committee and committees mentioned in article (188/2) of this law must be from the non-executive managers, and the chairperson of the Audit Committee must be an independent member of the Board of Directors.
3. At least one member of the Audit Committee must be a person who has relevant knowledge and work experience in the fields of finance and accounting and must be a person independent from the Company.
4. Executive members of the Board of Directors shall be excluded from deciding on the formation of committees and they shall not be allowed to nominate committee members.
5. A person who is employed or otherwise engaged at a legal entity in charge of auditing the Company's financial statements may not serve as a member of that Company's Audit Committee.

Article 190

The Auditing Committee's Tasks and Duties

1. The auditing committee shall assume the following tasks and duties:
    a. Discuss issues on the external auditor's nomination, and make sure that s/he meets the conditions set forth in the legislation in force and the absence of factors that would compromise his/her independency;
    b. Examine and revise all matters related to the external auditor's activity, including his/her notes, suggestions, reservations, and follow up the Company response thereto, and present recommendations thereon to the Board of Directors;
    c. Review Company correspondence with the external auditor, evaluate its content thereof, and express remarks and recommendations thereon to the Board of Directors;
    d. Monitor the Company's compliance with the provisions of the legislation in force and the requirements of the supervisory authorities;
    e. Monitor the Company's compliance with the remuneration policy set by the Extraordinary General Assembly .
    f. Examine the periodical reports before presentation thereof to the Board of Directors and submit recommendations thereon;
    g. Examine the external auditor's action plan and ensure that the Company provides him/her with all the necessary facilities to perform his/her activities;
    h. Assess the control and internal auditing procedures;
    i. Review the auditor's assessment of the control and internal auditing procedures;
    j. Any other issues required by the corporate governance standards that fall within the auditing committee's jurisdiction; and
    k. Any other issues specified by the Board of Directors or the General Assembly which conform to the auditing committee's key objectives.

2. The methods of convening the auditing committee's meetings, and all matters related thereto shall be determined by a Board of Directors' decision.

Article 191

The Board of Directors' Meetings

1. The Board of Directors of a Public Shareholding Company shall meet upon a written invitation from its chair, or in case of the chair's absence, its vice-chair, or upon a written request of at least one-third (⅓) of the Board members submitted to the chair stating the reasons that necessitate the convention of such a meeting. Should the chair or vice-chair fail to invite the Board to a meeting within seven (7) days from the date of receipt of that request, the members who submitted the request shall have the right to call in the Board for a meeting. Further, the Company auditor and the General Manager, invite the Board of Directors to hold a meeting in special cases pursuant to the requirements set out in the Law and the regulations and instructions issued pursuant thereto.
2. The Board of Directors can hold its meetings if the majority of the Board members are present, unless a higher number is required by the Articles of Association.
3. Voting on the Board of Directors' decisions shall only be made by the member himself/herself.
4. Unless a higher percentage is required by the Articles of Association, the decisions of the Board of Directors shall be adopted by a majority of participating members attending the meeting when a quorum is present and in case of equality of votes the chair of the meeting shall have a casting vote .
5. The Board of Directors' decisions may be adopted by circulation provided that none of the members object to such procedure prior to the decision's adoption.
6. Notwithstanding paragraph (2) of this Article, the Board of Directors' meeting may be held by telephone or any other means of communication, provided that all members participating in the meeting are able to debate and discuss the meeting's agenda, and that the meeting's chair and the secretary if any, authenticate its' minutes and attest that the meeting was convened legitimately.
7. The Board of Directors shall meet sufficiently regularly to discharge its tasks and duties effectively. The Articles of Association may specify a minimum number of meetings for the Board of Directors during the year.

Article 192

Minutes of the Board of Directors Meetings

1. Minutes shall be taken of all proceedings and decisions taken at the Board of Directors meetings.
2. The members of the Board of Directors present at the meeting are entitled to have dissenting opinions recorded in the minutes.
3. Minutes shall be approved at the first subsequent session of the Board of Directors.

Article 193

Right of Representation and Binding of the Company

1. The powers to represent the Company may be restricted based on the Company Articles of Association, or based on a decision issued by the Company Board of Directors or its General Assembly, provided that any such restrictions must be registered with the Companies Registry.
2. Any agreement or commitment that is made on behalf of the Company by the executive management will be binding upon the Company, unless the member of the Executive Management had no authority to act for the Company for that matter, and the third party

knew or should have reasonably been expected to know that the member of the Executive Management had no authority to act on behalf of the Company.

3. It is not permitted to contest against third parties based on a defect in the election or appointment of a member of the Executive Management, if this election or appointment has been published in the Companies Registry, unless the Company proves that the third party had knowledge of that defect.

Article 194

Occurrence of any Financial or Administrative Disorders in the Company

1. The chair of the Board of Directors, any members thereof, the General Manager or its auditors shall notify the General Assembly and Auditing Committee of the occurrence of any financial or administrative disorders, serious losses which affect the rights of the Company's shareholders or creditors, or capital reduction to less than half of the subscribed capital, or in the event it is negatively effecting the total net assets.
2. The General Assembly shall meet during a period not exceeding two (2) months from the date it is notified to make the appropriate decisions.
3. At the General Assembly, the board must report the Company's financial position, and if necessary, submit a proposal for measures that should be taken, including the Company's dissolution.
4. The Company must notify the Authority in any of the cases stipulated in paragraph (1) of this Article according to the applicable Securities legislations.

Article 195

Obligation to Protect Company Secrets

1. All the members of Management of the Company, its employees, and any other contracted parties with the company, shall be prohibited from disclosing to any shareholder in the Company or to others, any information or data related to the Company which is considered of a confidential nature and is a company's secret, and which they acquired in their official capacity in the Company or as a result of undertaking any business therefore or therein, at the risk of dismissal and being claimed for compensation for the damage that has been incurred by the Company. Information required to be published per the applicable laws and regulations shall be excluded from the aforementioned.
2. In exception to the mentioned in paragraph (1) above, shareholders who hold ten (10) percent or more of the Company capital are entitled to request the Board of Directors to be allowed to review any information or data related to the Company and considered of a confidential nature, without prejudice to the right of the Executive Management to take any necessary action to maintain the secret nature related to such information and data.

Article 196

The Shareholder's right to information and access to documents

1. Upon request from a shareholder holding at least five percent (5%) of the company's capital, the Board of Directors shall disclose to the General Assembly the pertinent information at the meeting in respect of any circumstances which may affect the evaluation of a matter on the agenda or which may affect the assessment of the Company's financial situation. If the answer to a request requires information that is not at hand at the General Assembly, such information

shall be made available to the shareholders no later than two weeks after the general assembly meeting.

2. The Board of Directors may refuse to provide information where the requested information is already published or where it would result in violation of law or material damage to the Company, or where the requested information is protected as a Company secret pursuant Article 195 of this law.
3. If the Company refuses to provide information to the shareholders pursuant to paragraph (1) of this Article, the shareholder has the right to petition the Competent Court to be provided with the information. If the court establishes that there are no reasonable grounds to the refusal , it shall order the Company to provide the requested information to shareholders and to allow them access to documents.
4. The Articles of Association shall stipulate the manner in which shareholders can access Company information.
5. A Company affiliated with a group of Companies, must provide it with the needed information.

Chapter 8

General Assembly of the Public Shareholding Company

Article 197
Ordinary General Assembly Meeting

1. The General Assembly shall hold at least one (1) meeting per year, upon the Board of Directors' invitation, on the date set by the Board, provided that this meeting shall be held within the four (4) months following the end of the Company's financial year.
2. The General Assembly of the Company holds an ordinary meeting at the invitation of the Board of Directors or upon a written request submitted to the board by shareholders who own at least five (5%) percent of the company's subscribed shares or upon a written request from the company's auditors. If the board fails to send the invitation or refuses to respond to the request, the shareholders who own at least five (5%) percent of the company's subscribed shares are entitled to request the companies Registrar to call for this meeting.

Article 198
The Competence of the Ordinary General Assembly

a. The competencies of the General Assembly during its ordinary meeting shall include the powers necessary for considering, discussing and taking the appropriate decisions on all Company-related matters, particularly the following:

    1. Presenting the minutes of the Ordinary General Assembly's previous meeting;
    2. The Board of Directors' annual report on the Company's activities during the year, along with its' future plans;

3. The auditor's annual report on the Company's financial statements;
4. The annual balance sheet and profit and loss account as well as decisions on the profits that the Board of Directors proposes to distribute, including the reserves and allocations, which the Law and Articles of Association stipulate as deduction;
5. Election of Board of Directors members;
6. Election of the Company's auditors for the next financial year, and determination of their remuneration or authorization of the Board of Directors to determine same;
7. Allocation of profit or losses, based on the Board of Directors' recommendation.

b. Any shareholder(s) who holds individually or jointly with other shareholders not less than five percent (5%) of the Company's voting shares may propose listing any other matters on the agenda which fall within the competencies of the General Assembly's ordinary meeting, in accordance with this Article.
c. The General Assembly in Public Shareholding Companies may decide on any matters concerning the management of the Company if requested to do so by the Board of Directors.

Article 199

Extraordinary General Assembly Meeting

a. The General Assembly shall hold an extraordinary meeting, upon invitation of its Board of Directors, or upon a written request submitted to the Board from shareholders holding not less than five (5) percent of the Company's subscribed shares, or upon a written request submitted by the Company's auditors.
b. The Board of Directors shall invite the General Assembly to the extraordinary meeting which the shareholders or the Company's auditors, have requested to be convened in accordance with the provisions of paragraph (1) of this Article, within a period not exceeding fifteen (15) days from the date the Board has been notified of that request. Should the Board fail to direct such an invitation or refuse to respond to the request, the company's auditors or the shareholders holding not less than five (5) percent of the Company's subscribed shares may request from the companies Registrar to invite for the requested meeting.

Article 200

The Competence of the Extraordinary General Assembly

a. The General Assembly shall consider and take appropriate decisions regarding the following issues at its extraordinary meeting:
   1. Amending the Company Articles of Association.
   2. Increasing or reducing the Company's capital, and determining the issuance premium or issuance discount, provided that it observes the provisions related to the capital reduction, as well as provided that it determines the method of increasing the capital.
   3. Merger, Division or transformation of the Company to another type company. .
   4. Dissolution and liquidation of the Company.
   5. Dismissal of the Board of Directors or one of its members.
   6. Dismissal of the Company's auditor.
   7. Issuance of convertible bonds.
   8. Approval of major transactions which are deemed as acquisition or disposal of major assets, as follows:
      1. Disposal of more than fifty (50) percent of the Company's assets, whether through one

contract or more, unless disposal thereof falls within the Company's purposes and objects.

2. Acquisition of fifty (50) percent or more of another Company's assets, whether through one contract or more, unless acquisition thereof falls within the Company's purposes and objects and the purchasing price exceeds thirty (30) percent of the Company's net assets as set in the last annual balance sheet.
3. Decisions to borrow funds, loan, create a mortgage, and release guarantees, or guarantee the obligations of others, including the subsidiary Companies, to the extent that their value exceeds thirty (30) percent of the Company's net assets in a given financial year.

9. Adopt a remuneration policy in accordance with Article 178 for the Board of Directors and the Company's Executive Management including expenses, bonuses and any other relevant incentives, as well as the incentives for employees, such as the distribution of Treasury shares, stock option plans, and other forms of incentives.
10. Purchase of the Company's Treasury shares and selling of same in accordance with the provisions of this Law and the related applicable legislation.
11. Any other matter which does not fall under the authority of the extraordinary General Assembly.

b. For the purpose of paragraph (1/h/1) of this Article a single contract is considered for the following:
   1. By acquisition or disposal shall include also multiple related acquisitions or disposals carried out over the course of one (1) year, in which case the time of occurrence shall be the time of the most recent acquisition or disposal;
   2. By loan, mortgage, guarantee or release of guarantee shall include that number of related transactions carried out over the course of one (1) year, in which case the time of occurrence shall be the time of the most recent transaction.

c. Any shareholder(s) who personally holds or jointly with other shareholders not less than five (5) percent of the Company's voting shares may propose listing any other matters on the agenda which fall within the competencies of the extraordinary General Assembly's meeting, in accordance with this Article.
d. The invitation for the General Assembly's extraordinary meeting must include the issues to be presented and discussed thereat, and they may not discuss or approve any matter unless they are listed in the invitation for the meeting and accompanied by the related proposals.
e. The General Assembly may at its extraordinary meeting, consider issues which fall within its powers in the ordinary meeting, and in such a case, its decisions will be issued with the simple majority of the shares represented in the meeting.
f. The General Assembly in Public Shareholding Companies may decide on any matters concerning the management of the Company if requested so by the management.

Article 201
General Rules for the General Assembly Meetings

a. The Board of Directors shall invite each shareholder to attend the General Assembly meeting, based on the shareholders' registry on the day of issuing the decision on calling for the meeting, whether ordinary or extraordinary in one of the following ways:
   1. through regular mail, sent at least fifteen (15) days prior to the date set for the meeting.

2. delivered by hand against a signature of receipt provided that such delivery is made at least fifteen (15) days prior to the date set for the meeting
3. delivered by electronic mail , at the shareholder's email address s/he provided to the company, at least fifteen (15) days prior to the date set for the meeting.

b. The Board of Directors shall invite the Company's auditors to the General Assembly meeting at least fifteen (15) days prior to the date set for the meeting.
c. The invitation for the meeting shall be published on the Companies Registry's website and the company's website in addition to any other way decided by the board of directors, at the latest three (3) business days after the decision on convening the meeting was issued.
d. Unless otherwise provided in the Articles of Association or the board of directors decision, the General Assembly meeting shall take place at the Company's address.
e. The Articles of Association may specify the conditions for taking part in the general assembly meeting by electronic means.
f. The General Assembly may not pass a resolution which obviously is likely to give certain shareholders or others an undue advantage over other shareholders of the company.
g. The company and its board of directors must observe any other conditions and requirements stipulated in any legislation in force related to the meetings of the general assembly, its agenda, and the method of calling for them.

Article 202
Content of the Invitation

a. An invitation to a General Assembly meeting shall be accompanied by the meeting's agenda and all the information related to the agenda, in particular:
   1. The meeting's date, time and venue;
   2. Information on ways to receive the documents for the meeting that are not annexed to the invitation;
   3. Information on the fundamental shareholders' rights in connection to their participation in the General Assembly, in accordance with this Law and Articles of Association;
b. If all the information mentioned in paragraph (1) above in relation to the matters presented for discussion during the meeting are published on the Company's website, then the Company is exempt from the obligation to attach them.
c. Any matter which is not on the agenda must not be decided unless all shareholders are present and approve the proposal.

Article 203
Shareholder's Date

1. The Company shall prior to the General Assembly meeting obtain a copy of the shareholder's register from the Clearing Depository and Settlement Center based on the applicable laws for Securities, which shall include the names of the shareholders on the day prior to the meeting date.

2. A shareholder's right to participate in a General Assembly meeting applies to the shares held by that shareholder on the day before the meeting as per the list from paragraph (1) of this Article.

Article 204
Voting Rights

1. Each shareholder can vote by proxy, by casting his/her vote in writing, or in person.

2. The shareholder's vote is for all his shares, and any proxy voter who is exercising the voting right on behalf of any shareholder must vote with all the shares of that shareholder he is representing, each according to its class.
3. Written votes can only be done by a duly prepared written letter ensuring the identity of the shareholder.
4. The shareholder or proxy must not take part in a vote relating to his/her liability to the Company, including a resolution on the discharge of his/her duties. In such a case, the legal person must name a new representative for him in the general assembly at the time of voting on the exoneration of the members of the board of directors

Article 205
The Quorum of the General Assembly Meeting

a. The General Assembly shall be deemed legal if attended by shareholders representing more than one-half (½) of the Company's subscribed shares, with voting rights excluding Treasury shares. For the purposes of determining the legal quorum of the general assembly meeting, preferred shares shall be taken into account only in the cases of paragraph (4) from Article 139, and paragraph (7) from Article 140 of this law.
b. Should such a quorum not be present after the lapse of one (1) hour from the time fixed for the meeting, the Board's chair shall call for a second meeting to be held not earlier than fifteen (15) and not later than twenty-one (21) days from the first meeting date. The announcement shall be published in the Companies Registry and the company's website and in any other way as decided by the board of directors from the next business day from the date of first meeting.
c. The absent shareholders shall be re-notified of the second meeting's date in the manner prescribed by Article (201/1) at least seven (7) days prior to the date set for the meeting.
d. The quorum and the voting majority for the second meeting shall be deemed legal with the presence of shareholders representing:
    1. In the case of an ordinary meeting, (25%) percent of the Company's subscribed shares with the right to vote, excluding the Treasury shares, unless a higher percentage is provided by the Articles of Association;
    2. In the case of an extraordinary meeting, (40%) percent of the Company's subscribed shares with the right to vote, excluding the Treasury shares, unless a higher percentage is provided by the Articles of Association.
e. Unless otherwise specified in this law, decisions at the General Assembly meeting shall be issued with the following majority;
    1. In the case of an ordinary meeting, with the simple majority of the shares with voting rights represented in the meeting;
    2. In the case of an extraordinary meeting, with majority exceeding seventy-five (75) percent of the shares with voting rights represented in the meeting.

f. The legal quorum for the General Assembly's extraordinary meeting, in the event when the item on the agenda is its liquidation or merger with other Companies, shall not be less than

two-thirds (⅔) of the Company's subscribed shares with voting rights, including in the case of a postponed second meeting.

g. Decisions issued by the General Assembly during its ordinary and extraordinary meetings shall be subject to the registration and publication procedures stipulated in this Law.

Article 206

The Binding Power of the General Assembly's Decisions

a. Decisions issued by the General Assembly at any of its meetings convened with the presence of a legal quorum, shall be binding upon the Board of Directors, the executive management and all shareholders, whether they attended the said meeting or not.

b. The decision issued by the General Assembly shall be implemented within one (1) year from the date of issue thereof, otherwise the Company shall issue a new decision in the same respect, unless otherwise determined by the decision.

c. The General Assembly shall be entitled to take course of action against the Board of Directors and the executive management, and hold it accountable for failure to enforce the decisions of the General Assembly meetings in accordance with the provisions of this Law and the legislation in force, in the event the failure to enforce is caused by negligence or gross misconduct in the performance of their duties.

Article 207

The Right to Contest General Assembly Decisions

a. Any shareholders entitled to participate in a General Assembly session may bring legal action before the competent Court for the purpose of contesting the legality of any of the General Assembly's meetings, or contesting the decisions issued at any one of these meetings.

2. No lawsuit to annul any decision taken by the General Assembly shall be heard after six (6) months has passed since its adoption.

3. The right to file legal action provided for in paragraph (1) of this Article shall not pertain to a shareholder who in the following cases:

1. ceased to be the Company's shareholder based on the provisions of this Law;
2. voted for the proposed decision, if this fact can be proven by examination of the meeting's minutes;
3. attended the meeting, if he/she seeks to contest a decision based on failure to observe the procedures on invitation for the meeting;
4. If in the course of proceedings pursuant to legal action referred to in paragraph (1) of this Article, a claimant ceases to be the Company's shareholder, the competent court shall dismiss a claim for contesting the decision and look into the claim for damages, if such claim was made.

4. Such contesting shall not halt implementation of any decision by the General Assembly unless the Court decides otherwise.

Article 208

Consequences of general assembly's Decision Annulment

The court judgement to annul the general assembly's decision, shall produce effects against the Company and its shareholders, members of the Board of Directors and Executive Management. Any rights acquired by *bona fides* third parties on the basis of an annulled decision or its execution shall continue in full force and effect.

Article 209
Annulment of Decision on Adoption of Annual Financial Statements

If a decision on adoption of a Company's financial statements is annulled by a court judgement, it shall be deemed that a decision on profit distribution for the same year is also annulled by the same judgement, and shareholders shall have an obligation to return any dividends received under such decision to the Company within thirty (30) days from the date when the judgement becomes final and enforceable.

Chapter 9

Financial matters, reserves, and Rules on Distribution of the Public Shareholding Company profits

Article 210
Net Profits and Compulsory Reserve

a. The Public Shareholding Company may not distribute any profits to its shareholders except from its net profits, and after calculating the tax allocation paid after settling the carried forward losses from the previous years.

b. For the purposes of calculating the net profits made and provided for in this Law, the surplus amount resulting from the evaluation or re-evaluation of the financial assets or the tangible or intangible assets may not be deemed net profits, and it may not be distributed upon the shareholders or used to cover the rotated losses of the previous years, or to increase the Company capital.

c. To achieve the objectives envisaged by this law, the net profits of the Public Shareholding Company mean the difference between the total revenues realized in any fiscal year on the one hand and the total expenditures and depreciation in that year on the other hand before deducting the provision for income tax.

d. In the cases provided for by any legislation in force and according to its provisions, the company must deduct a percentage of its net annual profits to the compulsory reserve account, and may not distribute any profits to the shareholders except after this deduction has been made, and it is not permissible to suspend it before the accumulated compulsory reserve account reaches the minimum stipulated in the legislation in force. The Public Shareholding Company may not distribute its compulsory reserve amongst its shareholders. However, the Company may use the said reserve after exhausting of the other reserves to secure the minimum limit of profits as required by the agreement of Companies having concessions, for any year, where their profits at the said year cannot secure that minimum limit. The Company Board of Directors must return to that reserve the amounts

which have already been deducted therefrom whenever the profits of the Company allow that in the following years.

Article 211

General provisions for dividend distribution to shareholders

a. A public shareholding Company may distribute profits from its annual net profits, retained earnings, or voluntary reserve among shareholders, provided that the Company is solvent after the distribution is made.
b. For the purposes of this article, the Company is regarded as solvent in any of the following cases:
   1. if the Company is able to pay its debts as and when the debts mature within twelve (12) months immediately after the distribution is made; or
   2. if the Company's liabilities plus the amount that would be needed, if the Company were to be dissolved, do not exceed its assets at the time of the distribution.
c. The amount distributed to shareholders may not exceed the amount of profits at the end of the last financial year plus any profits brought forward and sums drawn from the voluntary reserve, less any losses brought forward and sums placed to reserves in accordance with the law or the Articles of Association.

d. Any distribution made contrary to this Article shall be returned by shareholders who have received it if the Company proves that those shareholders knew of the irregularity of the distributions made to them, or could have known of the violation in view of the circumstances.

Article 212

Procedures of Distribution of Profits to the Shareholders

a. The shareholder has the rights to the Company's annual profits based on the decision by the General Assembly on distribution of dividends.
b. The dividend can be paid in cash, new shares or through an increase of the existing shares' nominal value.
c. Only those registered as the Company's shareholders on the day before the date of the meeting of the general assembly during which the decision on profits distribution was issued shall be entitled to receive profits. The Board of Directors shall announce this on the Companies Registry no later than three (3) days after the General Assembly decision on the distribution of profits was issued.
d. The Company is obligated to pay the dividends determined for distribution to the shareholders within thirty (30) days from the date of the General Assembly decision on the distribution of profits, or the date set by the decision of the General Assembly for the distribution of profits. In case of default, the Company shall pay legal interest to the shareholder for the delay period.

Article 213

Voluntary Reserve

a. The General Assembly may, upon its Board of Directors' recommendation, decide to annually

deduct not more than twenty (20) percent of its annual net profits for the voluntary reserve's account.

b. The purpose and authority to distribute the voluntary reserve shall be defined by the Articles of Association. However, if the distribution is to be done to shareholders, it is subject to the General Assembly's decision.

Article 214

Employees Saving Fund

a. The Company may set up a savings fund for its employees, which shall enjoy an independent legal identity, if so provided by the Articles of Association. It shall be regulated through a special regulation approved by the company's general assembly and must be deposited with the companies registry and any other public entities.
b. The fund shall be managed by a committee comprising from employees and representatives from the company elected in accordance with the regulation mentioned in paragraph (1) above, the committee members whom are employees in the company, shall not be less than two-thirds of the members.

Chapter 10

Accounting and Audit

Article 215

Organizing Company's Accounts

A Public Shareholding Company must keep/maintain its accounts for a period of fifteen (15) years in accordance with the accounting standards.

Article 216

Accounts Preparation

The Board of Directors shall prepare, the following accounts and statements to be presented to the General Assembly:

1. The Company's annual statements, including its financial position statement, profit and loss statement, changes to equity rights' statement, and cash flows statement, accompanied with their clarifications compared with those of the previous financial year, all duly certified by the Company auditor.
2. The Board of Directors' annual report on the Company activities for the past year and forecasts for the following year.

Article 217

Publication of the Company Financial Statements

The financial statements, profit and loss account, and a comprehensive brief of the Board's annual report, as well as the auditor's report approved by the General Assembly, must be submitted by the board to the companies registry and published at the Companies Registry's website, as well as in other ways prescribed by the applicable securities regulation, within four months from the end of the financial year.

Article 218

Election of the Auditor

a. The General Assembly shall elect one or more auditors from amongst the nominated auditors who are duly licensed to practice the profession and who consented with the nomination.
b. The auditor(s) shall be elected for one renewable year, and the decision on the election shall determine their remuneration, or can authorize the board of directors to determine their remuneration in accordance with what is mentioned in the general assembly's decision
c. The Company shall inform the elected auditor in writing thereof within fifteen (15) days from the date of his/her election.

Article 219

The Auditor's Duties

a. The auditor/s shall audit the Company's accounts in accordance with recognized auditing rules, auditing profession requirements, scientific and technical principles and relevant laws.
b. The auditors shall present a written audit report to the General Assembly.

Article 220

Hindrance of the Auditor's Duties

Should the auditor fail, for any reason whatsoever, to perform the tasks and duties vested in him in accordance with the provisions of this Law and decide to withdraw from such duties, then s/he must, prior to declining auditing the Company's accounts, submit a written report to the company and a copy thereof to the Board of Directors. This report shall include the reasons hindering his/her work or preventing him/her from performing his/her duties. The Board of Directors shall resolve these reasons. If the Board of Directors fails to do so, then s/he must take the necessary actions according to the Company's best interest and pursuant to the Law.

Article 221

The Auditors' Report

a. Taking into consideration the legislations regulating the Auditing Profession and regulation related to this profession, the auditor's report must include all the elements prescribed by the relevant accounting and auditing legislation, as well as applicable international standards.
2. The auditor must give his/her final opinion on the Company balance sheet and profit and loss account, and particularly whether the information contained in the Company's financial statements are consistent in all material respects, according to the relevant accounting and auditing legislation, as well as applicable international standards.

Article 222

Non-Approval of the Financial Statements

a. In the event the auditor expresses reservation on the financial statements, the Company's General Assembly shall:
    1. Request the Board of Directors to correct the financial statements in accordance with the auditor's reservations, and consider them approved after making such amendment, provided that such amendment is shown in the amended and approved report; or
    2. Appoint one or more licensed auditors who practice the profession other than the Company's auditor at the Company's expense, to settle the dispute arising between the Board of Directors and its auditors. The decision of the said auditor(s) shall be binding

after presenting it for a second time to the General Assembly for approval. The financial statements shall be adjusted accordingly.

b. The provisions of paragraph (1/b) of this Article shall apply accordingly in the event the General Assembly decides not to approve the financial statements which the auditor recommended its approval.

Article 223

Acts that the Auditor is prohibited from Carrying out Toward the Public Shareholding Company

a. The auditor may not participate in the incorporation of a Public Shareholding Company whose accounts s/he audits, be a member of its Board of Directors, work permanently in any technical, administrative or consultancy work therein, be a partner to any member of its Board of Directors or be an employee of any Board member. Any action in violation of the provisions of this Article shall be considered null and void.
b. The auditor must not disclose any Company secrets that came to his/her knowledge in the course of his/her duty therein. Failure to comply with this provision represents grounds for dismissal and compensation of damages.
c. The auditor and his/her employees are prohibited to trade in the shares of the Company which s/he audits, whether directly or indirectly. Failure to comply with this provision represents grounds for dismissal and compensation for damages.

Article 224

The Auditor Represents the Shareholders And their Right to Discussion

a. The Company's auditor shall be the shareholders' representative, within the limits of the duties vested in him/her.
b. During the General Assembly's meeting, each shareholder may request clarification from the auditor regarding his/her report and may discuss the issue with him/her.

Article 225

Notifying the Board of Directors of any Company Violation

Should the auditor become aware of any violation of this Law by the Company, the Articles of Association, or any financial issues which may adversely affect the Company's financial or administrative position, or may materially affect the continuity of the Company's operations, s/he shall immediately notify the Audit Committee and chair of the Board of Directors in writing, provided that such information shall be dealt by all parties with strict confidentiality until the violations are corrected.

Article 226

The Auditor's Responsibility

a. The auditor shall be liable towards the Company which s/he audits, its shareholders, and the users of its financial statements for compensating any realized damage or lost profit incurred as a result of intentional errors committed by him or her while carrying out his/her duties.
b. The auditor shall be held responsible for compensating the damage incurred by him/her on a shareholder or a *bona fides* third party as a result of the intentional error s/he committed.

Should the Company have more than one auditor who participated in the intentional error then they shall be held jointly liable.

c. Any civil liability suit arising from the error provided for in paragraph (1) of this Article shall be dismissed upon the lapse of five (5) years from the date of the General Assembly meeting where the auditor's report was accepted.
d. If the act attributed to the auditor constitutes a crime then the civil liability statute of limitations does not apply unless the public prosecution proceeding is dropped.

Chapter 11
Squeeze-Out and Sell-Out of shares owned by the minority shareholders

Article 227
Squeeze-Out by Request of a Majority Shareholder

a. Any shareholder or shareholders holding 90% or more of the public shareholding Company's shares and 90% or more of voting rights, may demand that the minority shareholders have their shares redeemed by that majority shareholder. In this case, the minority shareholders must be requested, under the rules governing notice for General Assembly meetings, to transfer their shares to the majority shareholder within four (4) weeks.
b. The terms of redemption and the basis used for determining the redemption price must be set out in the request to the minority shareholders in accordance with paragraph (1) above. It must also be stated in connection with the redemption that in the event that no agreement can be reached on the redemption price, such price will be fixed by an expert appointed by the competent Court.
c. Where the expert determines or a court decision a higher redemption price than that offered by the majority shareholder, the higher price shall apply for all the minority shareholders.

Article 228
Minority Shareholders Right to Sell-out

a. When a shareholder or shareholders own ninety (90%) percent or more of the Public Shareholding Company's shares and 90% or more of the voting right, the remaining shareholder(s) may request that their shares be purchased by that shareholder(s).
b. The minority shareholders can request in Court that the shareholder owning 90% or more in the company, or another person designated by him/her to purchase their shares.
c. Paragraphs (1) and (2) from Article 227 of this law with regard to price determination shall apply mutatis mutandis.

Part VII
Group of Companies and the Holding Company

Chapter 1

Groups of Companies

Article 229
Definition of a Group

A group of Companies means that entity comprising the Parent Company and all its Subsidiaries, unless the context indicated otherwise.

Article 230
Definition of Parent Company, Subsidiary Company and Wholly-owned Subsidiary Company

a. A "Subsidiary" company is a Company subjected to the control of another Company as control is defined in Article (231/1) of this Law , where the "Parent" Company takes control of it, either directly or indirectly through another Subsidiary.
b. A "wholly-owned Subsidiary" is a Company with no other shareholders or members except for its Parent Company or any other Subsidiary that belongs to the Parent Company or persons acting on behalf of the Parent company or it's Subsidiaries.
c. A Parent Company may not acquire any interests in an ordinary company.
d. A Subsidiary or Wholly-owned Subsidiary , shall be prohibited from acquiring any shares or membership interests in its parent Company.

Article 231
Control

a. Control is the power to govern, alone or with other shareholders or members, the financial and operating policies of a Subsidiary. It may be *de jure* or *de facto*.
b. Control of a Subsidiary exists where a Parent Company owns, directly or indirectly, more than fifty (50%) percent of the voting rights in that Subsidiary, unless, in exceptional circumstances, it can be clearly demonstrated that such ownership does not constitute control.
c. A Company that holds fifty (50%) percent or less of the voting rights in another Company is considered in control of that company, if it owns the following:

    a. the right to exercise more than fifty (50%) percent of the voting rights by virtue of an agreement with other investors;
    b. the right to control the financial and operating policies of the other Company according to the Articles of Association or an agreement;
    c. the right to appoint or dismiss the majority of the persons in charge of its Management; or
    d. the right to exercise the majority of votes at the General Assembly meetings or an equivalent authority in the company and thus the actual control of the company business. Control is presumed when a majority of the members who have the decision making powers in a Company have been appointed by a Company holding fifty (50%) percent or less of the voting rights in the specific Company for a period of two (2) consecutive financial years. And, the controlling Company is deemed to have executed such appointments if, during that financial year, it held a part of the voting rights greater than forty (40) percent, and if no other shareholder or member directly or indirectly held a higher percentage than that in the voting rights.

Article 232
Calculation of Participation

a. For the purpose of calculating the voting rights according to the concept of control mentioned in Article 231 , the right to subscribe in shares or the right to purchase shares or membership interests carrying voting rights that are currently exercisable or convertible must be calculated.

b. For the purpose of calculating the voting rights in the Subsidiary that is owned by the Parent Company, the voting rights that are related to shares or membership interests owned by the Subsidiary itself or by its Subsidiaries must be disregarded.

Article 233
Duty to Disclose Control

a. The Parent Company's management must inform in writing the Subsidiary Company's management as soon as control has been established or removed.

b. As soon as the Subsidiary Company is informed of the Parent Company control, it must inform the Parent Company, without delay, of the number of shares or membership interest and voting rights held by it in the Parent Company, and in any other Companies.

Article 234
The Right of a Parent Company to Give Instructions to the Management of a Subsidiary

a. A Parent Company, acting as a member or as shareholder in the General Assembly of the Subsidiary or its Board of Directors meeting or as a senior management in it, has the right to give instructions to the management of its Subsidiaries. A Subsidiary may receive instructions from any Parent Company, including a foreign Parent Company.

b. Subject to the provisions specified in Article 235 and the exceptions in paragraph (3) of this Article, the management of a Subsidiary must comply with the instructions directed to it by its Parent Company.

c. The Subsidiary managers specified below are excluded from being bound by the Parent Company instructions:

   1. The Subsidiary Managers who were not appointed by the Parent Company or by the controlling shareholder or member, who were appointed based on the provisions in the memorandum of association, the Articles of Associations, or an Operating Agreement or of any applicable laws.

   2. Managers who are defined as "independent members" according to this law.

d. A non-wholly-owned Subsidiary needs to disclose to the Companies Registry whether or not its management is appointed by the Parent.

e. A wholly-owned Subsidiary does not need to make a disclosure in the Companies Registry, except to disclose that it is wholly-owned by the Parent Company.

Article 235
Interest of the Group

a. The Manager of a Subsidiary Company is not considered to be in breach of duties mentioned in article (20) and (176) of this Law, if he acted in a way that is contrary to the interests of the Subsidiary Company and his behavior was based on the Parent Company instructions or according to his own discretion, provided that:

   1. If the decision is in the interests of the group as a whole, and
   2. If he has acted in good faith on the basis of the information available to him and that would have been available to him in the event that he adhered to his duties before taking the decision, and may have reasonably assumed that the loss or the damage will, within a reasonable period, be balanced by benefit and gain, and
   3. The loss or the damage, referred to, is not such that would place the continued existence of the Company in jeopardy.

2. If the Subsidiary is wholly-owned, paragraph (1/a) of this Article does not apply.
3. The Manager of the Subsidiary may refuse to comply with the instructions from the Parent Company if the conditions set in paragraph (1) of this Article are not satisfied.

Article 236
Right of Access to Information of the Subsidiary by the Parent Company

The Parent Company's Management, has the right to obtain any information from a Subsidiary, unless such communication would violate this law or other relevant legislation which applies to the Subsidiary or the provision of such information may be harmful to the rights of third parties.

Article 237
Exploiting/Utilizing a Commercial Opportunity within a Group

A Parent Company must not exploit a commercial opportunity of a Subsidiary that is not wholly-owned, unless it has received the approval of the disinterested managers of the Subsidiary, and if there are none, then it has to obtain the consent of the non-controlling shareholders or members of the Subsidiary.

Article 238
Parent Company Liability

a. Whenever the ability of a Subsidiary Company to avoid insolvency is not reasonably available, by means of its own resources, and has been managed according to instructions issued by its Parent Company in the interest of the group, the Parent Company is obliged in such case without delay to execute a fundamental operational changes of the Subsidiary or to initiate its liquidation procedure.

b. If the Parent Company acts in contravention to paragraph (1) of this Article, it shall be held liable for any unpaid debts of the Subsidiary company incurred after the crisis point.

c. If the Parent Company has managed the Subsidiary to the detriment of the Subsidiary and in violation of the group's interest, it shall be held liable for any unpaid debts of the Subsidiary which are the consequence of the harmful instructions that were issued by the Parent Company.

d. The right to claim compensation provided for in paragraphs (2) and (3) of this Article, hereof can be invoked only by the Subsidiary's liquidator.

e. The liquidator is obliged to claim for compensation if creditors holding ten (10%) percent of the debts of the Subsidiary request it.

Chapter 2

The Holding Company

Article 239
Definition of the Holding Company

a. A holding company is a Parent Company that controls one or more Subsidiary Companies and its main objective is the management and funding of its Subsidiary Companies.

b. The provisions of Chapter 1 of Part 7 focusing on Groups of Companies shall apply mutatis mutandis to the Holding Company to the extent that it is not contradicting its nature.

Article 240
Incorporation of the Holding Company

A Holding Company shall be established in one of the legal types of Shareholding Companies or a limited liability company, and shall be registered with the Companies Registry pursuant to the provisions applicable to such Company type.

Article 241
Name of the Holding Company

The phrase "Holding Company" must be added to the Company's name, and add the abbreviation that indicates the Company type.

Article 242
The Financial Statements of the Holding Company

At the end of each fiscal year the Holding Company shall prepare consolidated financial statements, including the Balance Sheet, Income (profits and loss) statements, changes to the ownership rights, and the Cash flow statement for the Company and for all its subsidiary Companies. It shall then present it to the General Assembly or members meeting, together with the explanations and related statements/data as required according to the applicable legislation.

Part VIII

Chapter 1
Foreign Companies

Article 243
General Provisions on Foreign Companies

a. It is prohibited for a foreign company to engage in any business activity in Palestine unless it is registered in accordance with the provisions of this Law, except for the right of the foreign company to become a shareholder or member or partner in an existing company.
b. The foreign company may, in addition to its right to establish an ordinary Company or a limited liability company or a shareholding company, to also be registered as foreign Branch or a Representative Office in accordance with the provisions of this law.

c. Article 14 regarding Data Entered and Disclosed in the Companies Registry shall apply to the Foreign companies obligation to submit information mutatis mutandis.

Chapter 2
Foreign Operating Companies

Article 244
Foreign Company's Operating Branch

a. For the purposes of this Law, a foreign company's operating Branch in Palestine is considered an organizational part of a foreign company whose headquarters are in another country and is carrying out business in the name and for the account of the foreign company.
b. A branch of a foreign company shall not have an independent legal personality and shall carry out his business on behalf and for the account of the foreign company .
c. A foreign company shall bear liability for any obligations towards third parties that arise from the operations of its registered foreign Branch in Palestine .

Article 245
Registration of a foreign Company Branch and Documents that should be Submitted to the Companies Registry

a. Application to register a foreign company's branch shall be submitted to the Companies Registry along with the following statements and documents translated into Arabic and authenticated, according to the following procedures:
    1. The decision of the Foreign company's Board of Directors or General Assembly or by the authorized body in the company to approve the registration of a foreign branch in Palestine.
    2. A copy of the foreign company's constitutional documents such as its Memorandum and Articles of Association, and certificate(s) of registration, and any other document related to its foundation;

3. A list of the names of the members of the foreign company's Management, along with the nationality of each one of them in addition to the names of the persons who will be authorized to sign on behalf of the foreign company's branch ;
4. The power of attorney or decision according to which the foreign company authorizes a natural person to be the authorized signatory of its Branch intended to be registered, including for service of process purposes. Such person may also be authorized to register the foreign company's Branch ;
5. The financial statements for the foreign company's last financial year at the country of its headquarters certified by a licensed auditor. For newly registered foreign companies, a certification by the company's licensed auditor certifying and confirming that the company is a newly registered one and that no financial audited statements exist;

b. The application for registration of a foreign company's branch must be signed by the person authorized by a power of attorney or authorization, before the Registrar, or Notary Public, or a practicing lawyer or electronically, in a way which ensures the verification of identity of the authorized signatory/ies. The application must incorporate the following information, from its constitutional documents:
   1. The name, registered address of the foreign company's Branch , its nationality, legal form, capital, and address of the parent company in the country of its headquarters;
   2. The objectives of the foreign company's Branch ;
   3. The name of the register in which the Foreign company is registered and the registration number in accordance with the law which applies to its registration;
   4. Any other data or information prescribed by relevant law or regulations.

c. The Branch of a foreign company shall submit to the Companies Registry any change to the information from paragraphs (1) and (2) of this Article within fifteen (15) days from the occurrence of the change.

Article 246

Approval or Rejection of Registration of the foreign company's Branch

The approval, registration, and publication procedures stipulated under this Law shall apply to the registration of the foreign companies Branches and on rejecting of registration of same.

Article 247

Name of the foreign company's Branch

a. The name of the foreign company's Branch is subject to the procedures and conditions stipulated in Article 4 and Article 11 of this law.
b. The name of the foreign company's Branch must be followed by the words " Foreign Branch" or by it's abbreviate of the letter "F.B ". The foreign company's Branch name shall be stated in all of official documents used in its operations and contracts concluded thereof, along with its registration number with the Companies Registry, its nationality, and local address.

Article 248

Right of a foreign company's Branch to Open an account in the Bank

A foreign company's Branch has the right to open an account with any licensed bank in Palestine after completing its registration procedures.

Article 249

Financial Statement of the foreign company's Branch

The foreign company's Branch registered pursuant to the provisions of this Law shall submit to the Companies Registry within four (4) months from the end of each financial year the financial statements for its operations duly certified by a licensed auditor.

Article 250

Closure of the foreign company's Branch

a. A foreign company's Branch shall be closed and removed from the Companies Registry in the following events:
   1. If the foreign company is dissolved in its mother country;
   2. If the foreign company decides to close its Branch ;
   3. The foreign company's branch has no authorized signatory and this defect is not remedied before the expiry of (3) months.
   4. The authorized signatory has failed to file the accounting documents for the foreign company according to the relevant applicable laws and regulations.

b. The provisions on liquidation provided for in this Law shall apply *mutatis mutandis* to the closure of the foreign company's Branch.
c. The application for foreign company's branch closure and removal, shall be submitted to the Companies Registry in the term of (15) days from the date of the occurrence of the grounds for closure from paragraph (1) of this Article.

Chapter 3

Representative Offices

Article 251

Definition of a Representative Office

a. For the purposes of this Law, a Representative Office is considered an organizational part of a foreign company, which is registered for the purpose of conducting marketing activities and other related activities, such activities shall not include business transactions.
b. A Representative Office is prohibited from carrying out any business or commercial activity that aims to make profits, including the establishment of local Companies or holding of shares therein, or the operations of commercial agents and intermediaries. Otherwise, the Representative office shall be subject to deregistration, and will be liable to pay a fine and compensation of any loss or damage it may have caused to others.
c. A foreign company shall bear unlimited liability for obligations towards third parties that arise in the operations of its Representative Office.

Article 252

Registration of a Representative Office and Documents that should be Submitted to the Companies Registry

The provision of Article 245 on the Registration of a Branch Office and Documents that should be Submitted to the Companies Registry of this Law shall apply *mutatis mutandis* to the registration of the Representative Office.

Article 253

Approval or Rejection of Registration of the Representative Office

The approval, registration, and publication procedures stipulated under this Law shall apply to the registration of the Representative Office and on rejecting of registration of same.

Article 254

Name of the Representative Office

a. The name of the Representative Office is subject to the procedures and conditions stipulated in Article 4 and Article 11 of this law.
b. The name of the Representative Office must be followed by the words "Representative Office" or the use of the abbreviation through the letters "R.O". The Representative Office name shall be stated in all of official documents used in its operations and contracts concluded thereof, along with its registration number with the Companies Registry and nationality and local address.

Article 255

Right of a Representative Office to Open an account in the Bank

A Representative Office has the right to open accounts with any licensed bank in Palestine after completing the registration procedures..

Article 256

Closure of a Representative Office

The provision of Article 250 on the Closure of the foreign company's Branch of this Law shall apply *mutatis mutandis* to the closure of the Representative Office.

Part IX
Liquidation and Dissolution of Companies

Chapter 1

Insolvency

Article 257

Applicability of Insolvency Proceedings

a. A company is considered insolvent when it cannot pay its obligations as they become due.
b. The procedures for insolvency shall be conducted in accordance with the relevant insolvency legislation.
c. After completion of the insolvency proceedings and the company is declared bankrupt, the competent Court shall inform the Registrar of the final Court decision on liquidation as

a result of bankruptcy, in order for him to strike off the company from the Companies Registry.

Chapter Two
Company Liquidation

Article 258
Voluntary and compulsory liquidation

A company may either be liquidated voluntary according to a decision issued based on this law, or through compulsory liquidation according to a final competent court decision, the company is not dissolved until after the completion of the liquidation procedures in accordance with this law. Save for the companies that are subject to special liquidation conditions based on the law.

Article 259
Voluntary Liquidation Standard

The voluntary liquidation of a Company may be carried out when it has sufficient assets to settle its liabilities.

Article 260
Nullity of Distributions

a. During the liquidation of a Company, the company is prohibited from distributing any profit or dividends, and is also prohibited from distributing its assets to its partners, members, or shareholders before the settlement of all creditors' claims.
b. Any distribution contrary to this Article shall be considered null.

Article 261
Grounds for Liquidation

A Company can be voluntarily liquidated based on a decision to liquidate, issued by the general partners, members or General Assembly, as prescribed by this Law for each Company type.

Article 262
Commencement of the Liquidation Procedure

a. The Company must notify the companies registry with the decision to liquidate together with the Notice of Liquidation within fifteen (15) days from the day that the decision to liquidate was issued.
b. The Companies Registry shall publish the decision to liquidate and the Notice of Liquidation at the Companies Registry website promptly upon receiving it.
c. The Company liquidation procedures shall commence as of the date the Registrar publishes the decision to liquidate, and the notice thereof.

Chapter three

The Liquidator

Article 263
Appointment of the Liquidator

a. The Company shall appoint one or more liquidators as stated in the decision to liquidate.
b. Should more than one liquidator be appointed in accordance with the decision to liquidate, all liquidators shall jointly represent the Company, unless provided otherwise by the decision to liquidate..

Article 264

The Liquidator's Removal and Resignation

a. The Company may remove a liquidator by a decision issued by its public partners, members, or general assembly, the same decision must appoint a new liquidator.
b. A liquidator may resign in accordance with Article 24 of this Law pertaining to the resignation of members of Management.

Article 265

Registration of the Liquidator

The issued decision of appointment, removal and resignation of a liquidator shall be registered in the Companies Registry.

Article 266

Powers of the Liquidator

The Liquidator may adopt all the decisions and undertake all activities which he/she deems necessary in order to complete the liquidation procedure, including:

1. Managing business operations to the extent necessary for the liquidation procedures, including finalizing transactions concluded prior to the liquidation decision.
2. Maintaining an inventory of the resources and assets of the company, and determining all of its liabilities.
3. Appointing any persons or experts to assist him/her in completing the liquidation procedure, him/her also has the right to appoint committees and authorizing them with any of the duties and powers entrusted to him/her under his/her supervision.
4. Any other actions necessary to complete the liquidation procedure.

Article 267

The Liquidator's Remuneration

a. A Liquidator shall be entitled to reimbursement of costs incurred to carry out the liquidation process and to remuneration for his/her work. The remuneration and the amount of costs to carry out the liquidation procedure shall be determined by the general partners, members, or General Assembly, and in case of a dispute or the decision to determine such reimbursement or remuneration was not issued, a liquidator has the right to initiate a procedure before a competent Court.
b. In the event the liquidator has claims in accordance with paragraph (1) of this Article, a liquidator shall be deemed to be a creditor of a Company in liquidation.

Chapter Four

Liquidation Procedures

Article 268

Notice of Liquidation

a. The liquidator shall provide the companies registry with the decision to liquidate accompanied by the notice of Liquidation, which shall include the following:
   1. Notify all the company's creditors that they can submit their claims towards the Company and to request payment thereof, whether such obligations are due or not;
   2. Specify the address of the Company's registered office or mailing address to which creditors are to file their claims;
   3. Include a warning that creditors' claims will be precluded if not submitted to the Company in the term of (120) days from the date of registration of the Notice of Liquidation with the Companies Registry.

   b. Creditors must submit their claims to the registered address in the notice of liquidation, either by hand or through registered mail or electronically in accordance with the applicable legislations provided that the email address is included in the notice of liquidation. To prove submission of claim, the evidence that the claim was submitted to the address contained in the notice of liquidation will suffice.

c. Creditors whose claims are secured by an enforceable bond and creditors whose claims become the matter of a lawsuit before the initiation of liquidation, shall not be required to submit those claims to the registered address and their claims shall be considered registered in accordance with this Law.

Article 269

Registration of Claims

a. The Liquidator shall record all received filings of claims and claims secured by an enforceable bond and legal claims that are the subject of pending lawsuits before courts, and shall draw up a list of recognized and challenged claims.
b. A Company may challenge any claim by any creditor within thirty (30) days from the date it was submitted by filling the challenge with the Companies Registry. The challenge of a creditor's claim must include the rationale as well as any relevant documentation supporting this challenge. The Companies Registry shall deliver the challenge to the creditor within seven (7) days from the date of receiving the challenge.
c. If a creditor, whose claim is challenged, fails to initiate proceedings before the competent Court within fifteen (15) days from receipt of the challenge, such claim shall be considered precluded.
d. If by the time of receipt of a notice for a challenged claim a creditor had already initiated proceedings against the Company before the competent Court in connection with that claim, the creditor shall not be required to initiate new proceedings.
e. Any debts that arise after the Notice of Liquidation registration and publication shall not be submitted, and must be settled before the finalization of the liquidation process.

Article 270

Opening Liquidation Balance

a. A liquidator shall, within thirty (30) days from registration of the Notice of Liquidation, draw up an opening liquidation balance in accordance with the regulations governing accounting and auditing and shall submit it within the said period to the partners, members, or the General Assembly, for adoption.
b. The partners, members, or the General Assembly shall pass a decision on adoption of the opening liquidation balance sheet within thirty (30) days from the date of its submission to them.

c. The application to register the Opening Liquidation Balance shall be submitted to the Companies Registry in the term of fifteen (15) days from its adoption.

Article 271

Opening Liquidation Report

a. A liquidator shall draw up an opening liquidation report, which shall include:
   1. A list of registered claims;
   2. A list of recognized claims;
   3. A substantiated list of challenged claims;
   4. An clarification on whether the Company's assets are sufficient to settle all of its liabilities, including any challenged claims;
   5. Actions necessary for the liquidation of the company;
   6. Time envisaged for the completion of the liquidation procedure;
   7. Other facts relevant to the liquidation.

b. A liquidator shall draw up an opening liquidation report not earlier than (90) days and not later than (120) days from the registration of the Notice of Liquidation and shall submit it within the said period to the partners, members, or the General Assembly, for approval.
c. The partners, members, or the General Assembly of the company, shall pass a decision on adoption of the opening liquidation report within thirty (30) days from the date of the report submission.
d. A liquidator may not proceed with payments for the purpose of settling creditors' claims or with payments to partners, members or shareholders, before registering the opening liquidation report with the companies registry, except for payments of liabilities arising from the Company's current operations during liquidation.
e. The Opening Liquidation Report shall be submitted for registration to the Companies Registry within (15) days from its adoption.

Article 272

Annual Liquidation Report and Acceleration Plan

a. Should the liquidation not be finalized a year after its' commencement, the liquidator shall submit to the Companies Registry an annual report and balance sheet on the details of the liquidation and its' status. This report and the balance sheet shall be registered in the Companies Registry and posted on the Company's website if this is available. All operations are carried out by the company during liquidation must be explained in the notes accompanying the balance sheet
b. The annual liquidation reports shall be produced with an explanation on the reasons why the liquidation procedure is continuing and the report shall be sent to the partners, members or shareholders, for adoption and then be registered with the Companies Registry.
c. If the liquidation is not concluded after three (3) years from its commencement, the liquidator shall present to the partners, members or shareholders, a plan for the acceleration of the liquidation. In this plan, the liquidator shall state the reasons for the delay and shall propose adequate measures for the completion of the liquidation as soon as possible. Such measures may consist of agreements with third parties for the settlement of claims or liabilities of the company, such as waiving of rights, compromises, termination of judicial or arbitration

procedures, prepayment of debts, collection of future debts at a discount, termination of contracts, transfer of assets to third parties or signing arbitration agreements.

d. If the partners, members or shareholders approve the acceleration plan, the liquidator is obliged to implement it. A decision on the acceleration plan shall be passed by the same majority required for the passing of a decision to liquidate the company. The liquidator's responsibility for the actions provided in the plan arise only to the extent that the liquidator provided insufficient, false or misleading information.

Article 273

Suspension of Liquidation Procedure

a. A Company may –during liquidation procedures- suspend the liquidation procedure and resume its operations pursuant to a decision passed by its partners, members or the General Assembly.
b. A decision referred to in paragraph (1) of this Article shall be passed by the same majority required for the passing of a decision to liquidate the company.
c. A decision to suspend a liquidation procedure may be passed only if a Company has fully settled its creditors' claims, regardless of whether their claims are challenged or recognized, provided that it has not commenced with distributions to partners, members or shareholders in accordance with Article 277.
d. A decision to suspend a liquidation procedure shall include an appointment of the Company's authorized signatory.
e. A decision to suspend a liquidation procedure shall also incorporate a statement made by the liquidator to the effect that the claims of all creditors are fully settled and that the Company has not commenced with distributions to its partners, members or shareholders in accordance with Article 277 of this law. If a Company has more than one liquidator, they shall jointly make the statement.
f. A decision to suspend a liquidation shall be registered with the Companies Registry.
g. In the event the decision to suspend the liquidation is issued, the claims of creditors who did not register their claims and of creditors whose claims were challenged shall not be considered precluded for the purposes of this Law.

Article 274

Initiation of Insolvency Proceedings

a. If it is found on the basis of an opening balance sheet and opening report that a Company's assets are not sufficient to settle all claims filed by its creditors , the liquidator shall file a petition for initiation of insolvency proceedings with the competent Court within thirty (30) days from the adoption of the opening liquidation balance sheet and opening liquidation report by the partners, members or Shareholders' general Assembly.
b. In the cases referred to in paragraph (1) of this Article, a liquidator may not settle creditors' claims, other than those that arose from the Company's current operations during liquidation and until the date of initiation of insolvency proceedings.

Article 275

Settling Issues Arising from Voluntary Liquidation Procedures

The liquidator and any debtor or creditor of a Company under liquidation, and any other person with interest, may apply to a competent Court to adjudicate any issue that arises in voluntary liquidation procedures.

Chapter Five

Closing Procedures

Article 276

Settlement with Creditors Following Procedures

a. After settlement of creditors claims, a liquidator shall draw up the following:

    1. A closing liquidation balance sheet;
    2. A report on the completed liquidation procedure;
    3. A declaration in writing to the effect that all liabilities of the Company arising from registered claims by creditors are fully settled and that there are no other pending proceedings against the Company;
    4. A draft decision on distribution of the Company's residual assets.

2. A closing liquidation balance sheet shall be drawn up in accordance with the regulations governing accounting and auditing.
3. The partners, members, or the General Assembly, shall ratify the documents referred to in paragraph (1) of this Article and shall pass a decision to terminate the liquidation procedure.
4. A Company may not pass a decision to terminate a liquidation procedure before the resolution of all legal proceedings and claims against the company, which will result in any liability of the Company in the event it is not settled.

Article 277

Decision on Distribution of Residual Assets

a. The residual assets of a Company in liquidation that remain after the settlement of all liabilities shall be distributed to the partners, members, or shareholders, as the case may be, in accordance with the distribution decision.
b. The distribution referred to in paragraph (1) of this Article shall be made to the partners and members each in proportion to their interest, unless otherwise agreed in the incorporating documents of the private shareholding company, and in the case of the public Shareholding Company, the distribution is done in proportion to the rights attached to the shares.

Article 278

Termination of Voluntary Liquidation

a. Voluntary Liquidation shall be terminated by the passing of a decision to terminate liquidation provided for in Article 276 of this Law after the payment of the creditors rights.
b. After the decision to terminate liquidation procedures is passed, the liquidator shall notify the Companies Registry, who shall register and publish it on the Companies Registry's website. Should the liquidator fail to execute this procedure within (15) days from the date of issuing the decision s/he shall be fined ten (10) Jordanian Dinars per day for his negligence.
c. If the partners, members or the General Assembly do not ratify the documents referred to in Article (276/1) of this Law after the settlement of the creditors rights within sixty (60) days from the date of submission of those documents by the liquidator, such decision may be replaced by a liquidator's written declaration that such documents have not been adopted.

d. The accounting books and documents of a Company shall be kept in accordance with the regulations pertaining to record keeping. The name of the person entrusted with safekeeping of those books of account and documents shall be registered with the Company Registrar. If the partners, members or the General Assembly do not pass a decision on the name and address of such person, this decision may be replaced by a liquidator's written declaration of that person's name and address.

e. If the existence of any movable and immovable assets, or rights of a Company becomes evident after its dissolution and deregistration, the Registrar may refer this matter to the competent Court in order to appoint a legal liquidator or to entrust the previous liquidator for the purposes of disposal of these assets and rights, or to collect and settle these rights in accordance to the liquidation provisions stipulated in this Law.

Chapter Six
Liability for Damage
Article 279
Liquidator's Liability for Damage

1. A liquidator shall be liable for any damage caused due to negligence or intent in the exercise of his/her duties to partners, members, shareholders and creditors.
2. Claims referred to in paragraph (1) of this Article shall become time-barred three (3) years from the date of striking off from the Companies Registry.

Chapter 7

Compulsory Liquidation
Article 280
Grounds for Initiation of Liquidation

1. Compulsory liquidation can be initiated by a request from the Registrar to the competent Court for the following reasons:
   a. Upon expiry of the Company's duration, if its duration is not extended or a liquidation process is not initiated in the term of thirty (30) days from the expiry;
   b. Should the Company fail to submit its financial statements for a financial year at the latest by the end of the following financial year;
   c. If an ordinary company is left with a single partner or a Limited Partnership is left without a general partner, and in the term of three (3) months from this occurrence, a limited partner or general partner, was not entered, or the company does not change its legal form in accordance with this Law, or it fails to initiate a liquidation procedure.
   d. If the Company's registration has been declared null and void by the competent Court decision, or the competent Court ordered dissolution of the Company with a final judgement;
   e. If a Company is left without an authorized signatory and fails to register a new one within three (3) months from the date of deletion of the former authorized signatory from the Companies Registry;
   f. If an Opening Liquidation Report or Annual Liquidation Report/s, is not submitted to the Companies Registry in accordance with Articles 271 and 272 of this Law;

g. If, in the process of voluntary liquidation, a Company is left without a liquidator and fails to register a new one within three (3) months of the date of deletion of the former liquidator from the Companies Registry;
h. In any other cases provided for by this Law.

2. The compulsory liquidation procedures may be halted, if a Company reconciles its position before the Companies Registrar initiates the compulsory liquidation procedure.

Article 281
Initiation of Compulsory Liquidation Procedure

1. In the cases provided for in Article 280 on the Grounds and reasons for liquidation Initiation of this Law, the Company Registrar shall *ex officio* change a Company's status to "In Compulsory Liquidation" and publish the notice of compulsory liquidation at the Companies Registry website.
2. A notice of compulsory liquidation referred to in paragraph (1) of this Article shall state:
   a. The date of publication of the liquidation notice;
   b. The Company's registered name and Company registration number;
   c. The reason for compulsory liquidation;
   d. To Inform creditors that they have the right to file petitions for initiation of insolvency proceedings before the competent Court in accordance with the relevant insolvency legislation within six (6) months from the date of posting the liquidation notice.
3. If the Registrar does not receive a decision of the competent Court on initiation of insolvency proceedings against a Company in compulsory liquidation within one (1) year from the date of publication of the compulsory liquidation notice referred to in paragraph (1) of this Article, the Registrar shall ex officio strike off such Company from the Companies Registry.

Article 282
Conclusion of Compulsory Liquidation

1. Based on the final decision of the competent Court on the conclusion of compulsory liquidation, the Registrar shall strike off the Company from the Companies Registry *ex officio.*
2. The competent Court shall inform the Companies Registry of the conclusion of the compulsory liquidation procedure.
3. The books of account and documents of a Company shall be kept in accordance with the relevant regulations.

Chapter 8

Consequences of Striking Off from the Companies Registry
Article 283
Disposition or residual Assets

The residual assets of a stricken off Company shall become the assets of its partners, members or shareholders, in proportion to the partners or members share, unless agreed otherwise through the incorporating documents. In the case of the Shareholding Company, the assets shall be distributed proportionately based on shareholders' equity rights.

Article 284

Liability of Partners/Members/Shareholders upon Termination of Liquidation

1. General partners shall bear unlimited joint and several liability for the obligations of the company in liquidation even after the deletion of that company from the Companies Registry.
2. Limited liability partners, or limited liability company members and shareholders of Shareholding Companies shall bear joint and several liability for the obligations of a Limited Partnership or limited liability company or shareholding company under liquidation even after the striking off from the Companies Registry, but only up to the amount of distributions they received from any residual assets.
3. The creditors' claims mentioned in paragraphs (1) & (2) of this article shall lapse after (5) years from striking off the company from the companies registry.

Chapter Nine
General Conditions for Liquidation
Article (285)
Suspension of the Company's Activities

1. The company under liquidation shall cease to carry out its business except to the extent necessary for the smooth progress of the liquidation, the company shall continue to enjoy its legal personality and authorities conferred upon it while it is under liquidation, and is represented by the liquidator until its dissolution upon completion of the liquidation procedures.
2. The phrase "under liquidation" shall be added to the name of the company in the companies registry, the liquidator must add this phrase to the name of the company in all its documents and communications

Article (286)
Prohibited Activities for companies under liquidation

1. The following is considered null:
    a. Every disposition of the company's funds, transfer of its shares, or change in the status of its members that took place after the issuance of the Liquidation decision, unless the court decides otherwise.
    b. Every seizure, execution, or action in relation to the company's funds or assets, which was made after the initiation of the liquidation, whatever its purpose.
2. The beneficiary of a decision shall not hold on to any seizures or actions on the company's funds or assets made before the initiation of liquidation, unless execution thereof happened before the liquidation started.
3. If the execution officer was notified before the sale of the seized funds or before the completion of the execution with a notice of appointment of the liquidator or with the issuance of a liquidation decision, he must hand over the seized funds or what was handed to him by the company to the liquidator, the execution expenses are considered preferred debt on such funds.
4. Any ongoing mortgage on the company's assets or funds initiated within six months from the start of the liquidation is considered null, unless it can be proven that the company is able to cover its debts after the initiation of the mortgage.
5. Any transfer, mortgage, handing over of goods, payment, implementation, or any action relating the company's assets performed by the company or with it after the date of the reason to liquidate started, is considered null and a fraudulent act towards the company's creditors.
6. The liquidator of a company undergoing compulsory liquidation must request the court's approval in the event the company's interest is to sell its assets.

Part X
Mergers and Divisions of Companies

Chapter 1
General Provisions for Merger and Division of Companies

Article 287

General Provisions

1. This part applies to mergers and divisions of Limited Liability Companies, Private Shareholding Companies and Public Shareholding Companies.
2. The reference in this Part to the members meeting or extraordinary General Assembly shall be considered to be for each class of interest or shares or other securities having the right to vote on the merger and division decision.
3. If the merger or division involves companies regulated based on special legislations, the conditions on division and merger set in this law, shall apply to the extent it is not in contradiction with the conditions contained in the special legislations.

4. Merged companies and acquiring companies and companies resulting from the merger and affiliated companies to the division, shall be exempt from the title transfer fees which results from the merger or division.

Chapter 2
Merger

Article 288
Types of merger

The merger of the companies mentioned in this law shall happen in any of the following ways:

1. A “merger by annexation/acquisition” is the operation whereby one or more Companies (merged companies) are wound up without liquidation and transfer to another Company (acquiring company) all its assets and liabilities in exchange for a cash payment or the issue of shares or participation in membership interest in the acquiring Company to the shareholders or members, of the merged Company or Companies, as the case may be.
2. A “merger through mixing/amalgamation” is the operation whereby two or more Companies (merged companies) are merged in a new company resulting from the merger (company resulting from the merger) which is established by the merged companies, the merged companies are wound up without liquidation and transfer to Company resulting from the merger, all their assets and liabilities in exchange for a cash payment or the issuance of shares or membership interest to their shareholders or members respectively, in the Company resulting from the merger, as the case may be..

Article 289
Companies in Liquidation

A merger by ways mentioned in this law may also take effect when the merged Companies or any of them is in liquidation, provided that this option is restricted to Companies which have not yet begun to distribute their assets to their shareholders or members.

Article 290

Merger Plan

1. Where a merger of either type (merger by annexation or merger by mixing) is proposed to be entered into, the management of the merged Companies and acquiring companies, must draw up a joint merger plan.
2. The merger plan must state, at a minimum:
   a. the legal form, name and registered address of each of the merged and acquiring Companies, and the companies resulting from merger.
   b. the allocated percentage for every member or shareholder in the merged company, of shares or interest in the acquiring company or the company resulting from the merger, and the value of any cash payments.
   c. the terms relating to the allocation of shares or membership interests in the acquiring Company or the company resulting from the merger;
   d. the date from which the holding of such shares, or membership interests entitles the holders to participate in profits of the acquiring companies or the companies resulting from the merger, and any special conditions affecting that right;
   e. the date from which the merged Companies' transactions shall be treated for accounting purposes as being those of the acquiring Company or the company resulting from merger;
   f. any special conditions, including special rights or restrictions, whether in regard to voting, participation in profits, share capital or otherwise, which will apply to shares or membership interests issued by the acquiring Company or the companies resulting from the merger to the benefit of the shareholders or members of the merged companies.
   g. any payment or benefit in cash or otherwise, paid or given or intended to be paid or given to an independent auditor or to any manager of any of the merged Companies and acquiring company or the company resulting from the merger, or to both of them;
   h. In the event of merger by mixing, a draft Operating Agreement, Memorandum of Association and Articles of Association of the company resulting from the merger.
3. The management of each of the merged and acquiring Companies must submit a copy of the merger plan to the Companies Registry for registration unless the merger plan is freely available on the Company's website, and the Companies Registry has been notified of the website address. If any of the merged or acquiring companies is a Public shareholding Company, the merger plan must be made freely available on the Company's website.
4. The merger plan must be freely available according to paragraph (3) of this article for a period not less than (30) days before the date of any members meeting or extra ordinary General assembly Meeting summoned for the purpose of approving the merger.

Article 291
Exemption from the Obligation to Draw-up the Merger Plan

If the merger only involves Limited Liability Companies or Private Shareholding Companies, the members or shareholders, may unanimously agree that no merger plan should be drawn up.

Article 292
Management Explanatory Report

1. The management of the merged Companies and the acquiring company shall draw up a detailed written report explaining the merger plan and setting out the legal and economic grounds, in particular, the share or membership interest exchange ratio. That report shall also describe any special valuation difficulties which have arisen.
2. The report referred to in paragraph (1) of this Article shall not be required if all the shareholders or members and the holders of other securities conferring the right to vote of each of the merged and acquiring Companies have unanimously agreed to that effect.

Article 293
Independent Auditor's Report to Shareholders or Members

1. One or more independent auditors, acting on behalf of each of the merged Companies and acquiring companies, shall examine the merger plan and draw up a written report to the shareholders or members. The auditors shall be entitled to secure from each of the merged and acquiring Companies all information they consider necessary for the discharge of their duties.
2. The report from paragraph (1) of this Article must state in particular whether, in the auditor's opinion, whether the exchange ratio is fair and reasonable. In addition, the auditor's statement must at least indicate the following:

    a. To mention the method or methods used to arrive at the exchange ratio proposed.

    b. To mention whether such method or methods are adequate in the case in question; indicate the values arrived at using each such method and give an option on the relative importance attributed to such methods in arriving at the value decided on.

    c. A declaration as to whether the creditors of each of the merged Company, whose claims antedate the publication of the merger plan and have not fallen due at the time of such publication, can be considered to be sufficiently protected after the merger or whether the financial situation of the merged and acquiring Companies requires particular safeguards.

3. Neither an examination of the merger plan by an auditor or the preparation of a written report according to paragraph (1) from this article is needed, if all the shareholders, members and the

holders of other securities conferring the right to vote in the merged and acquiring companies have so agreed.

Article 294
Supplementary Financial Statement

1. This Article applies if the last financial statement of any of the merged or acquiring Companies relate to a financial year ending more than six (6) months before the management of the Company adopts the merger plan.
2. Unless otherwise unanimously agreed by all the shareholders, or members, or the holders of other securities conferring the right to vote, of the merged and acquiring Companies, the management of the merged and acquiring companies must prepare a supplementary financial statement.
3. The supplementary financial statement must consist of a financial statement, or a consolidated financial statement, dealing with the state of affairs of the Company or the relevant group no later than three months before the merger plan was adopted, and the supplementary financial statement must be approved by the management of the relevant Company.
4. The supplementary financial statement shall not be required if the company publishes a half-yearly financial statement and is available to shareholders or members.

Article 295
Inspection of Documents

1. The shareholders or members of each of the merged and acquiring Companies must be able, within the whole period of one month before the General assembly Meeting or members meeting called upon to approve the merger, to inspect and make copies of any of the documents listed in paragraph (2) of this Article at the headquarters of that Company unless freely accessible on the Company's website for downloading and printing.
2. The relevant documents to merger are:
   a. the merger plan;
   b. the management explanatory report;
   c. the auditor's report to shareholders or members;
   d. the Companies' financial statements for the previous three financial years together with any supplementary financial statement prepared in accordance with Article 294 of this law.

Article 296
Approval of the Merger Plan

1. The merger plan must be approved by the members meeting or the extra ordinary General Meeting of each of the merged and acquiring Companies.

2. Where the merger is a merger by mixing, the Operating Agreement, Memorandum of Association and Articles of Association for the company resulting from the merger, shall be approved by the members meeting or the extraordinary General Meeting of each of the merged companies.
3. The management of each of the merged and acquiring Companies must report to the members meeting or extraordinary General Meeting summoned for the purpose of agreeing to the merger plan, and to the management of the other merged and acquiring Companies, any material changes in its assets and liabilities between the date when the merger plan was adopted and the date of the meeting of the members or the extraordinary general assembly meeting.

4. Paragraph (3) of this Article does not apply if all the members or shareholders or holders of other securities conferring the right to vote in members meeting or extraordinary General Meetings of each of the merged and acquiring Companies have so agreed.

Article 297
Issues to be Addressed if there is no Merger Plan

1. If there is no Merger Plan, as per Article 291 of this Law, the following issues must be addressed in connection with the adoption of the merger:
    a. the names of the merged and acquiring companies and the companies resulting from the merger and any alternative names, and whether the name of any of the merged companies will be adopted as the alternative name for the acquiring company or the company resulting from the merger.
    b. the consideration offered for the membership interests or shares in the merged companies.
    c. the time from which any membership interests or shares offered as consideration in the merged company will confer on the holders of a right to receive profits;
    d. the time from which the rights and obligations of the merged companies are considered to have been transferred for accounting purposes to the acquiring company or the company resulting from merger; and
    e. the Operating Agreement, Memorandum of Association or Articles of Association, depending on the type of company, if the Company resulting from merger takes the form of a limited liability company or a Private Shareholding Company.
2. With regard to the requirements in paragraph (1) of this Article, identical resolutions must be passed by all of the merged and acquiring companies.

Article 298
Exceptions to the members meeting or extraordinary General Meeting in the Case of Merger by annexation

It is not necessary for the merger plan to be approved at a members meeting or the extraordinary General Meeting of the acquiring Company if the merger is by annexation and the following conditions have been met:

1. At least throughout the whole month before the date of the members meeting or the extraordinary General Meeting of the merged Companies summoned to approve the merger plan, the publication of the merger plan by the Companies Registry took place, or the merger plan is made freely available on the Company's website, remains available on the website until the date of the said members meeting or extraordinary General assembly Meeting, and the website details have been notified to, and published by the Companies Registry.
2. throughout the period beginning one month before, and ending on the date of the members meeting or the extraordinary General Meeting of the merged Company(ies) summoned to approve the merger plan, all of the documents listed in Article 295 paragraph (2) are available for inspection and copying by the members or shareholders of the acquiring Company at its registered office, or are made freely available on its website.
3. no member or shareholder of the acquiring Company, holding not less than 5 percent of the membership interest or paid-up capital which carried the right to vote at its members meeting or extraordinary General Meetings, excluding any shares held as Treasury shares, has required, during the period defined in paragraph (2) of this Article, a members meeting or extraordinary General Meeting to be called for the purpose of deciding whether or not to approve the merger plan.

Article 299
Creditor Protection

1. The merged Companies and acquiring company must notify the Companies Registry about the resolution on the merger, or deliver evidence that no resolution was necessary in accordance with this part. The management must also notify the Companies Registry about the independent auditor's declaration on the creditors' position as referred to in Article 293 of this law.
2. Creditors whose claims antedate the publication of the merger plan or the auditor's notification from paragraph (1) of this Article if no merger plan has been drawn up, and have not fallen due at the time of such publication, may claim adequate securities if any of the following conditions is fulfilled:
   a. the auditor's declaration referred to in Article 293 concludes that the creditors are not sufficiently protected after the merger;
   b. the auditor's declaration referred to in Article 293 concludes that the financial situation of the merged companies or acquiring Company requires additional safeguards for creditors;
   c. no report has been drawn up according to Article 293 paragraph (3) of this law.
3. Creditors claiming adequate securities under paragraph (2/b) of this Article must credibly demonstrate that due to the merger the satisfaction of their claim is at stake and that no adequate safeguards have been obtained from the Company.
4. The creditors must file their claim no later than one (1) month after the date on which the Companies Registry published the notice referred to in paragraph (1) of this Article. The

registration of the merger effectiveness, as referred to in Article 304, can only be registered upon expiry of the time allowed for in accordance with this paragraph.

Article 300

Merger by annexation of a Wholly Owned Subsidiary

1. This Article applies in the case of a merger by annexation of one or more merged companies where all of the membership interests or shares conferring the right to vote in the merged Company for or on behalf of the acquiring Company.
2. The merger plan need not give the particulars mentioned in Article (290/2) paragraphs (b, c, & d) of this law.
3. The requirements of the management explanatory report and independent auditor's report , referenced in Articles 292 and 293 of this Law do not apply.
4. It is not necessary for the merger plan to be approved at a members meeting or the extraordinary General Meeting of the merged or acquiring Companies if the conditions from paragraphs (5) and (6) of this Article are fulfilled and that no requirement to hold a members meeting or an extraordinary general assembly meeting as provided for in paragraph (7) of this Article has been made.
5. The publication of the merger plan in accordance with this Chapter must be made by the merged and acquiring companies, at least one month before the merger takes effect.
6. At least one month before the merger takes effect, all members or shareholders of the acquiring Company must be able to inspect and make copies of, at the Company's registered address, the documents listed in paragraph (2) of Article 295 of this law relating to the merged and acquiring companies, unless such document was freely available on the acquiring Company's website throughout that period.

Article 301

Merger by annexation of a Non-Wholly Owned Subsidiary

1. This Article applies in the case of a merger by annexation of merged company(ies) where ninety (90) percent or more (but not all) of the membership interests or shares which give the right to vote in the merged Company(ies) are held by the acquiring Company either directly or indirectly.
2. The requirements of Article 292 (management explanatory report), Article 293 (auditor's report), Article 294, and Article 295 and paragraphs (3) & (4) of Article (296) of this law do not apply if the merger plan provides that the remaining members or shareholders of the merged Company have the right to require the acquiring Company to acquire their membership interests or shares for a fair and reasonable consideration.
3. It is not necessary for the merger plan to be approved at a members meeting or the extraordinary General Meeting of the merged Company if the following conditions have been complied with:

    a. At least one month before the date of the members meeting or the extraordinary General Meeting of the acquiring Company summoned for the purpose of approving to the merger, publication of the merger plan in the Companies Registry, or the merger plan is freely

available on the acquiring company's website, and the Companies Registry published notice giving details of that website.

b. Members or shareholders of the merged Company were able to inspect each of the documents listed in paragraph (2) of Article 295 of this law relating to the merged and acquiring Companies at the company's registered address in the companies registry or to publish it on the website of the merged Company, throughout the period beginning one month before the date of the members meeting or the extraordinary General Meeting of the acquiring Company called upon to approve the merger.

c. The members or shareholders of the merged Company were able to obtain copies of the documents mentioned in paragraph (2) of Article 295 of this Law, or any part of those documents, upon request and free of charge, throughout the period specified in subparagraph (b) of this paragraph.

d. That one or more members or shareholders, who together held not less than five (5) percent of the membership interest or paid-up capital of the merged Company which carried the right to vote at members meeting or the extraordinary General Meetings of the Company, excluding Treasury shares, would have been able, during the that period from subparagraph (b) of this paragraph, to require a members meeting or extraordinary General Meeting to be called for the purpose of approving or rejecting the merger; and that no such request was made.

Article 302
Protection of Holders of Securities to which Special Rights Attach

1. A person who, other than in his capacity as member or shareholder, may exercise a particular right against a merged Company , such as a right to a distribution of profits or a right to acquire shares, must obtain an equivalent rights from the acquiring Company or the company resulting from the merger.
2. Paragraph (1) does not apply if:
   a. the holder of the right has agreed otherwise, or
   b. the holder of the right is, or under the merger plan is to be, entitled to have his shares purchased by the acquiring Company or the company resulting from the merger, within reasonable terms.

Article 303
Sell-out right of Dissenting Members or Shareholders

1. Any member or shareholder in any of the merged Companies who voted against the approval of the merger in the members meeting or the extraordinary General Meeting may request the acquiring Company or the company resulting from the merger to acquire his or her membership interests or shares for cash.
2. The redemption price for the membership interests or shares from paragraph (1) of this article shall be determined by an independent expert. In such event the provisions of Articles (150-151-152) shall apply accordingly.

Article 304
Legal Effect of the Merger

1. The merger shall be effective upon registration in the Companies Registry of the company resulting from merger, or the registration of the required amendments to the acquiring company.
2. A merger by annexation or mixing carried out in accordance with the requirements in this Chapter shall have the following legal effects, once effective:
   a. the de facto transfer, of all the assets and liabilities of the merged Company to the acquiring company or the company resulting from the merger, this includes all the contracts in various forms, the acquiring company or the company resulting from the merger are considered the legal successor of the merged companies, and shall take its place in all rights and obligations.
   b. the members or shareholders of the merged Company become members or shareholders of the acquiring Company or the company resulting from the merger;
   c. no membership interests or shares in the acquiring Company shall be exchanged for membership interests or shares in the merged Company, in any of the following cases:
      1. If directly owned by the acquiring Company or through a person acting in his own name but on its behalf, or
      2. If directly owned by the merged Company or through a person acting in his own name but on its behalf.
   d. To complete the merger procedures, the merged Company loses its legal personality and is wound up without liquidation and is stricken out of the companies registry .
   e. The acquiring Company or the company resulting from the merger is obliged to effect, to the members or shareholders of the merged Company , any cash payment required by the merger plan.
3. After the effectiveness date of the merger , the merger may only be annulled by order of the competent court which it may do only if the legal requirements to draw up a merger plan or to approve the plan or in the event of the annulment of the members meeting or the extraordinary General Meeting during which the merger was approved.
4. The appeal against the nullity of the merger does not stop its continuation until a final court decision is issued to nullify, and the court may, when considering the nullity lawsuit, set, on its own initiative, a time limit to take certain actions to correct the reasons that led to the nullity appeal, and it may reject the case with a request for nullity if the concerned party Corrects conditions before sentencing.
5. In all cases, the nullity lawsuit shall not be heard after the lapse of one year from the date of the meeting during which the decision to merger was taken and registered with the companies registry in accordance with this law.

Article 305
Civil Liability of Managers and Independent Auditors towards Members or Shareholders

The Manager or the independent auditor who has reported pursuant to Article 293 of this law, will be held liable for any loss or damage suffered by any member or shareholder or creditor by reason of their violation of the provisions of this Chapter.

Chapter 3

Divisions

General Provisions

Article 306
Divisions Forms

1. Company's division is a process by which the assets and liabilities of an existing company are transferred to two or more companies, existing or newly incorporated companies for this purpose, without the need to liquidate the divided company, and the division may take one of the following forms:

   a. A "division by acquisition" is the operation whereby all the divided company's assets and liabilities are transferred to more than one Company in exchange for the issuance of membership interests or shares in these Companies to the members or shareholders of the Company being divided and, in addition to a cash payment, depending on the type of company.

   b. A "division by the formation of new Companies" is the operation whereby all the divided company assets and liabilities are transferred to more than one new Company incorporated by the divided company members or shareholders in exchange for the issuance of interests or shares in the new Companies to the members or shareholders of the Company being divided and, a cash payment, depending on the type of company.

2. For the purpose of implementing this law, the "Affiliated Companies in the division" shall mean the divided company and the purchasing companies and the new Companies incorporated for that purpose.

3. A company is permitted to be divided into various legal forms of companies different from the legal form of the company being divided.

Article 307
Companies in Liquidation

The divisions allowed by this law may also take effect where the Company is in liquidation, provided that this option is restricted to Companies which have not yet begun to distribute their assets to their members or shareholders, depending on the type of company.

Article 308
Division Plan

1. Subject to paragraph (2) of this Article where a division of either type specified in Article 306 of this law is proposed to be entered into, the management of the affiliated companies in the division must draw up and agree on a division plan.
2. If the division only involves Limited Liability Company or Private Shareholding Company, the members or shareholders, depending on the type of company, may agree unanimously that no division plan should be drawn up.
3. The division plan must state, at least:
    a. the type, name and registered address of each of the affiliated companies in the division,
    b. the ratio allocated to each member or shareholder in the divided company of interests or shares in the purchasing companies or the companies founded for that purpose or in its interests, and the amount of any cash payment;
    c. the terms relating to the allocation of shares or membership interest, in the purchasing companies or companies founded for that purpose, depending on the type of company;
    d. the date from which the holding of such shares or membership interest depending on the type of company, entitles the holders to participate in profits of the purchasing company or the companies founded for that purpose and any special conditions affecting that right;
    e. the precise description and allocation of the assets and liabilities to be transferred to each of the purchasing companies or the companies that are established;
    f. the date from which the transactions of the Company being divided shall be treated for accounting purposes as being those of the purchasing companies or the companies which are being established ;
    g. any special conditions, including special rights or restrictions, whether in regard to voting, participation in profits, share capital or otherwise, which will apply to membership interest or shares issued by the purchasing companies or the companies which are established for that purpose for the benefit of the shareholders or the members of the divided company.
    h. any payment or benefit in cash or otherwise, paid or given or intended to be paid or given to the independent auditor or to any manager of any of the affiliated Companies in the division; or to both
    i. draft Operating Agreement, Memorandum of Association and Articles of association of the new Companies established as a result of the division.
4. The Management of each of the affiliated Companies in the division must provide a copy of the division plan to the Companies Registry.
5. Paragraph (4) of this Article does not apply in respect of a Company if the division plan is freely available on the affiliated companies in division websites, and the Companies Registry has been notified of the website address, throughout the period beginning one month before,

the date of the general assembly meeting or members meeting of the affiliated companies in the division summoned for the purpose of approving the division decision.

6. In the case of a public company, the division plan must be made freely available on the company's website.

Article 309
Management Explanatory Report

The management of the affiliated companies in the division must prepare a detailed written report explaining the division plan, the provision on the Management Explanatory Report from Article 292 applies mutatis mutandis.

Article 310
Independent Auditor's Report to Shareholders or Members

An independent auditor or more on behalf of all the affiliated companies to the division shall review the division plan and prepare a written report to the shareholders or members, the provision on the Independent Auditor's Report to shareholders or members from Article 293 applies *mutatis mutandis* to the division of Companies.

Article 311
Supplementary Financial Statement

The provision on the Supplementary Financial Statement from Article 294 apply *mutatis mutandis* to the division of Companies.

Article 312
Inspection of Documents

The provision on the Inspection of Documents from Article 295 applies *mutatis mutandis* to the division of Companies.

Article 313
Approval of Division Plan by General Meetings of Companies Subject to Division

Provisions on Approval of Merger Plan from Article 296 shall apply mutatis mutandis on the approval of the division plan by members meeting or the extraordinary general meetings of companies subject to division.

Article 314
Issues to be Addressed if there is no Division Plan

Provisions on issues to be addressed if there is no Merger Plan from Article 297 shall apply *mutatis mutandis* on the issues to be addressed if there is no Division Plan.

Article 315
Division by Acquisition of a Wholly Owned Subsidiary

1. This Article applies in the case of a division by acquisition where all of the membership interests or shares conferring the right to vote at the Company being divided are held by or on behalf of the purchasing Companies.
2. It is not necessary for the division plan to be approved at the members meeting or the extraordinary General Meeting of each of the affiliated Companies in the division if the conditions in paragraphs (3) and (4) of this Article are fulfilled.
3. The publication of the division plan as provided for in paragraphs (4) and (5) Article 308 must be made as regards to each of the affiliated companies in the division, at least one month before the division takes effect.
4. At least one month before the division takes effect, all members or shareholders of the purchasing Companies must be able to inspect and make copies of, at the purchasing company's registered address in the companies registry, the documents that are subject to inspection in accordance with Article 308 of this law relating to each Company of the affiliated companies in the division, unless such document was freely available on the purchasing company's website throughout that period.
5. Where a members meeting or extraordinary General Meeting of the divided Company is not summoned, the information provided in the report prepared in accordance with Article 309 on the Management Explanatory Report shall cover any material change in the assets and liabilities after the date of preparation of the division plan.

Article 316
Division by Acquisition of a Non-Wholly Owned Subsidiary

1. This Article applies in the case of a division by acquisition where 90% percent or more (but not all) of the relevant membership interests or shares with voting rights of the Company being divided are held by the purchasing Companies, either directly or indirectly.
2. It is not necessary for the division plan to be approved at the members meeting or the extraordinary General Meeting of the purchasing Company if the following conditions are met:
    a. The publication of the division plan with the Companies Registry taking place at least one month before the date of the members meeting or the extraordinary General Meeting, of the company being divided summoned for the purpose of approving the division.
    b. If the members or shareholders of the purchasing Company were able to inspect the documents that are subject to inspections in accordance with Article 312 of this law at the address of the purchasing company registered in the companies registry during the period beginning one month before the date specified in subparagraph (a) of this paragraph, and ending on that date.
    c. If one or more members or shareholders of the purchasing Company, who together held not less than five (5) percent of the membership interest or paid-up capital of the purchasing Company which carried the right to vote at the members meeting or the extraordinary General Meetings (excluding Treasury shares), to request to convene a members meeting or extraordinary general assembly

meeting to approve or reject the division plan within the period mentioned in subparagraph (a) of this paragraph, and that no such requirement was made.

Article 317
Protection of Holders of Securities to which Special Rights Attach

Provisions on the protection of holders of securities to which special rights attach in the case of merger from Article 302 shall apply *mutatis mutandis* on the protection of holders of securities to which special rights attach in the case of division.

Article 318
Sell-out right of Dissenting Members or Shareholders

Provisions on sell-out right of dissenting members or shareholders in mergers from Article 303 shall apply *mutatis mutandis* to the sell-out right of dissenting members or shareholders in the division.

Article 319
Legal Effects of Division

Provisions on the legal effect of the merger from Article 304 shall apply *mutatis mutandis* to the legal effect of the Division.

Article 320
Civil Liability of Management and Independent Auditors towards Members or Shareholders

Provisions on the civil liability of management and independent auditors towards members or shareholders in mergers from Article 305 shall apply *mutatis mutandis* to the civil liability of management and independent auditors towards members or shareholders in the division.

Part XI

Transformation of Companies

Article 321
General Provisions on Transformation

1. It is permissable to transform any company's legal type into another legal type save for the transformation of the Public Shareholding Company into an ordinary company, taking into account the relevant provisions of this Law that apply to the legal form upon the completion of the transformation.

2. The value of the legal entity wanting to transform should be considered as an in-kind payments to the capital and as such must fulfill the requirements of this Law with regards to the in-kind contributions for any particular type of company.

3. Transformation of one Company type to another Company type shall not alter the legal personality of the Company.

4. Subject to limitations stipulated in Article (34/3) regarding ordinary companies, the Companies may keep its previous name and add the appropriate abbreviation that corresponds to its new type after the transformation in accordance with Article 4 of this Law.

5. The company transformation takes effect once the registration procedures and publication in accordance with this law is completed.

6. The provisions on the registration and publication in accordance with this Law shall apply to the registration of transformed companies.

7. The Cabinet shall issue a regulation on the procedures for transformation , in so far as it is not defined by this law.

Article 322
Safeguards for Creditors

1. The transformation of a Company type to another Company type may be implemented without the consent of creditors.

2. Public Partners who became limited partners, members or shareholders, shall after the transformation remain jointly and severally liable with their own assets for any liabilities of the company that arose until the registration of transformation, for the period of five years after the registration of transformation.
3. Holders of convertible bonds and other financial securities with special rights other than shares, including the guaranties and other rights on the capital of the legal body being transformed, shall have the right after transformation of similar special rights at the least, unless the issuance decision states otherwise or was agreed with the holders otherwise

Article 323
Transformation of one type of company to Another

1. A General Partnership may be transformed to a Limited Partnership and the Limited Partnership may be transformed to a General Partnership with the approval of all partners and by following the legal procedures for the registration of the ordinary company and registration of the changes effected thereto.
2. A Limited Liability Company or a Private Shareholding Company may be transformed to a General Partnership or to a Limited Partnership with the approval of all the members or shareholders.

Article 324
Transformation of an ordinary company to a
Private Shareholding Company or a Limited Liability Company

1. All the partners must present an application to the Companies Registry to transform the ordinary company to a Private Shareholding Company or a Limited Liability Company, enclosing the documents required for the formation of the type of Company that the ordinary company is Transforming to.

2. In addition to the documents from paragraph (1) of this Article, the members will also enclose:

   a. the company's financial statement for the last financial year preceding the transformation application, if at least one year has elapsed since the company was registered, or

   b. if less than one year has elapsed since the ordinary company was registered, the partners will enclose a statement made by the partners, evaluating the company's assets and liabilities.

Article 325
Transforming a Private Shareholding Company or a Limited Liability Company

1. The transformation of a Private Shareholding Company or a Limited Liability Company to a Public Shareholding Company, as the case may be, is subject to the minimum capital requirements prescribed for the Public Shareholding Companies by this law.

2. The application for transformation submitted to the Companies Registry must be accompanied by the documents required for the formation of the Public Shareholding Company.

3. In addition to the documents from paragraph (2) of this Article, the following documents will also be enclosed:

   a. The decision of the members of the Limited Liability Company or extraordinary General Assembly of the Private Shareholding Company approving the transformation.

   b. The audited financial statement for the last financial year preceding the transformation application, if at least one year has elapsed since the Company was registered, or if less than one year has elapsed since the Company was registered, audited financial statements for that period is sufficient, and if newly established, a certificate from the auditor stating that the company is newly registered and no financial statements has been prepared.

   c. A statement that the Company's capital has been paid in full.

4. The conditions of paragraphs (2) & (3) of this article shall apply to the transformation of the limited liability company to a private shareholding company, and the transformation of the private shareholding company to a limited liability company.

Article 326
Transforming a Public Shareholding Company to a
Private Shareholding Company or a Limited Liability Company

1. A Public Shareholding Company may be transformed to a Private Shareholding Company or a Limited Liability Company in accordance with this law and the securities regulations.

2. The application for transformation submitted to the Companies Registry must be accompanied by the documents required for the formation of the Private Shareholding Company or Limited Liability Company.

3. In addition to the documents from paragraph (2) of this Article, the following documents will also be enclosed:

   a. The decision of the extraordinary General Assembly of the Public Shareholding Company approving the transformation.

   b. The audited financial statement for the last financial year preceding the transformation application, if at least one year has elapsed since the Company was registered, or if less than one year has elapsed since the Company was registered, audited financial statements for that period.

   c. A statement that the Company's capital has been paid in full.

   d. Other documents required by the securities legislations.

Part XII
Offenses and Penalties

Chapter 1
Offenses and Penalties

Article 327

1. In addition to any penalty or other criminal offence as per the applicable legislations, the penalty of a fine ranging between one thousand (1,000) to five thousand (5,000) USD, or equivalent in a currency legally circulated, shall be enforced on:
   a. Any person who deliberately established or confirmed false data or data that violate the provisions of this Law in the offering of the shares, bonds, or other securities.
   b. Any person who evaluates in-kind contributions with more than their fair value through deception, misrepresentation, or fraud.
   c. Any person who violates the general rules of distribution or rules on profit distribution as prescribed in this Law.
   d. Any auditor who deliberately presents a false report on the findings of his/her audit, or deliberately conceals or overlooks material facts in the report presented to the partners, members, or General Assembly.
   e. Any person who participates in the preparation of a balance sheet, financial statement, or statements issued about the Company which contradict with the reality although s/he is aware of the same and with the intention of hiding the true financial position of the company, or if he deliberately overlooks material facts to hide the true financial position of the company.
   f. Any person who fails to maintain, falsifies the company registers, or deliberately establishes fictitious facts or prepares or presents reports to the partners, members or

General Assembly, that contain false or incorrect data that would affect the partners, members or the General Assembly's decisions.

g. Any person who continues to act directly or indirectly as a member of management in contravention of Article 336 & 337 of this law.

2. The penalties stipulated in paragraph (1) of this Article shall be applied to any person who is involved in the offenses indicated therein and is the instigator and accomplice, therefore.

Article 328

Penalties on public employees

In addition to any other criminal offence as per applicable laws, the penalty of a fine not less than one thousand (1000) USD and not exceeding five thousand (5,000) USD, or equivalent in a currency legally circulated, shall be enforced on any public official who violates the provisions of this Law intentionally or colludes with a Board member, auditor, or authorized signatory by virtue of his/her duties which causes significant damage to the Company, its shareholder, or creditors. Issuance of a judgment shall not preclude holding the public official accountable administratively in accordance with proper procedures, the public entity which the employee falls under shall take the necessary administrative procedures against him/her.

Article 329

Penalties for Destruction of, and Forgery

In addition to any other criminal offence as per applicable laws, the penalty of a fine not exceeding ten thousand (10,000) USD, or equivalent in a currency legally circulated, shall be enforced on any person who destroys, omits, or falsifies a certain matter which is registered or fails to record such matter with the intention of falsifying the records, accounts books, or other instruments or documents or with the intention of rendering them misleading.

Article 330

Penalties imposed on the company's creditors

In addition to any other criminal offence as per applicable laws, the penalty of a fine not less than five thousand (5,000) USD and not exceeding ten thousand (10,000) USD, or equivalent in a currency legally circulated, shall be enforced on any creditor of the company and he shall be obliged to return any funds he may have obtained from the settlement or liquidation funds for the account of the creditors if he commits any of the following acts:

1. Deliberately overestimate the value of his debts.
2. Participate in the discussions and voting related to the settlement while he is aware that he is not entitled to.
3. Conclude with the Company, after it stopped paying its debts, an agreement that gives him special benefits and harms the remaining creditors, the court shall annul the agreement without any request, and shall decide on the compensation based on the request of the relevant parties.
4. Claims fictitious debts in his name or in the name of others against the Company.

Article 331

Penalties imposed on the liquidator or the expert

In addition to any other criminal offence as per applicable laws, the liquidator or expert shall be penalized with a fine not less than five thousand (5,000) USD and not exceeding ten thousand (10,000) USD, or equivalent in a currency legally circulated, and s/he shall be obliged to return any funds s/he may have obtained from the liquidation or settlement funds for the account of the Company's creditors or the company, if s/he commits any of the following acts:

1. Breaches the trust in relation to any of the liquidation or settlement funds.
2. Abuses any of his/her powers to gain any personal benefit if s/he intentionally hides or presents false information or data in relation to the liquidation or the settlement.
3. Disposes of the liquidation or settlement funds with the intention of realizing personal interests or harming the company or any of its creditors.

Article 332
Penalties imposed for not registering information or documents

1. If the amendments to the documents, information, or data subject to registration in the Companies Registry were not registered within the specified periods set in this law, the company shall be fined a fine ranging from one thousand (1000) USD to (3000) USD or equivalent in a currency legally circulated.
2. If the documents are not accompanies by the required information and data to be registered in accordance with this law, or if such documents contain conditions or data which is in violation of the law, the Registrar shall give the company a period of three months to rectify its status, if the company fails to rectify its status within the specified period, the Registrar shall have the right to decide to initiate the liquidation procedures to the company, through compulsory liquidation.

Chapter 2
Powers of the Companies Registrar

Article 333
Inspection

1. The Registrar or competent employee has the right to inspect and request copies of documents which are subject to registration in accordance to this law, and s/he may request from the related person of the registered information with the Companies Registry, the following:

a. To confirm that the information is correct; or

b. To correct the information.

2. The Registrar may determine that information is inaccurate or incomplete in which case the Registrar may request the examination or correction of such information by a set date. The

Registrar may request the original documents or certified copies of original documents to verify the information.

3. The Registrar or a competent employee should consult with the competent authorities, such as the tax authorities, the competent authorities for anti-money laundering and anti-terrorism financing, and the Authority.

4. Any person who fails to comply with a requirement under this Article is subject to a fine ranging from (1000) USD to (5000) USD or its equivalent in the legally circulated currencies.

Article (334)
Deregistering of a Company

1. The Company is deregistered de facto from the companies registry in accordance with the conditions of article (282) of this Law.
2. Deregistration of any company can be petitioned by that company, following completion of that company's liquidation and the Registrar must deregister that company from the companies Registry.
3. The Companies Registrar shall not deregister a company after voluntary liquidation without the written consent of the Tax authority.

Part XIII
The Registrar Authorities and dismissal of management

Chapter 1

Registrar Authorities

Article 335
Power of the Registrar to issue warnings and summon General Assembly meetings

1. If the Shareholding Company fails to hold an ordinary General Assembly in accordance with this law, then any member of the company's management or from any shareholder who separately holds or jointly hold with any other shareholder not less than five (5) percent of the Company's voting shares, can request the Registrar to issue a warning to the Company. If the Company fails to hold an ordinary General Assembly within thirty (30) days following receipt of the warning, then the Registrar shall summon an ordinary General Assembly meeting without delay.

2. If the Management of the Shareholding Company fails to include certain items in the General Assembly's agenda, then any member in the company's management has the right or upon request from a shareholder(s) who holds or jointly hold not less than five (5) percent of the Company's voting shares who had asked for those items to be included in the agenda, to

request from the Registrar to issue a warning to the Company. If the Company fails to include the requested items in the General Assembly's agenda, then the Registrar shall summon a General Assembly meeting with those items included without delay.

Article 336

Power of the Registrar to Disqualify Members of Management

1. Where the Registrar is satisfied that a company is in default in relation to a relevant registration requirement, the Registrar may make a temporary disqualification against any member of Management.
2. Any provision of this law which requires any particular information, account or other document to be filed with, delivered or sent, or notice of any matter to be given, to the Registrar is a relevant registration requirement.
3. A person who has a temporary disqualification order made against him/her shall not act as a member of management in any company after the decision to disqualify him was issued, except in respect of a company of which the person is a member of management before the order was made.
4. The temporary disqualification order applies from the date that the order is issued and continues in force until the Registrar cancels or suspends the order.
5. The Registrar may, upon the application of a person who has a temporary disqualification order made against him/her , cancel or suspend such temporary disqualification order where the default in relation to the relevant requirements of this law has been rectified or on such other ground as may be prescribed by this law, subject to conditions which the Registrar may impose.
6. Where the Registrar imposes conditions on the suspension of a temporary disqualification order under paragraph (5) of this article, the temporary disqualification order shall remain suspended so long as that person fulfils and continues to fulfil the conditions imposed by the Registrar.
7. The Registrar shall not make a temporary disqualification order under this Article unless the Registrar has sent the member of management a notice of the Registrar's intention to make a temporary disqualification order, at least fourteen (14) days prior to the temporary disqualification order.
8. If the member of the board of directors rectified the registration requirements pursuant to the notice mentioned in the paragraph (7) of this Article, the registrar shall suspend the temporary disqualification procedures, or cancel it if already issued.
9. Any person who is aggrieved by a temporary disqualification order made under this Article or the Registrar's refusal to cancel or suspend a temporary disqualification order may appeal to the Minister.
10. An appeal under this Article shall not suspend the effect of the temporary disqualification order.

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Chapter 2

Powers of the Court to Disqualify Members of Management

Article 337
Disqualifying Members of Management

1. A member of management shall be subject to a disqualification if the member is convicted of any crime by a final judgement, whether domestically or elsewhere, involving fraud or dishonesty such as bribery, embezzlement, theft, forgery, abuse of confidence, false testimony, or if s/he is incapacitated.
2. Where the disqualified member of management has been convicted of any criminal offence referred to in paragraph (1) of this Article, the disqualification will take place only following a final court decision and continue for a period of five (5) years or for a longer period as the court may order.
3. After the final court decision, the competent court shall inform the Companies Registrar that shall deregister the names and particulars of the disqualified member of management. Moreover, the Registrar or the competent employee shall include the names and particulars of the disqualified members of management in the special registry of disqualified members of management on the companies registry. The Registrar or the competent employee shall remove the names and particulars of the disqualified member of management of disqualified members of management upon the lapse of the period stipulated in paragraph (2) of this Article.
4. In the case where a member of management is disqualified by a final court decision, the company shall appoint a new member of management to replace the disqualified member of management no later than two (2) months from the final court decision.

Part XIV
Final Provisions

Article 338
Court Expeditious Status

Civil and criminal cases related to companies and arising from the application of the provisions of this Law will be granted an expeditious status before the competent Courts.

Article 339
Applicability of the Law on Existing Companies and Reconciling of their Status

1. All companies registered pursuant to the laws applicable before this Law enters into force shall be deemed as existent as if they were registered in accordance with the provisions of this Law.
2. The existent companies shall reconcile their status and make the necessary modifications to their Memorandums and Articles of Association within a period not exceeding two (2) years from the day of entry into force of this Law.

Article 340
Settlement of Conflicts through the Registrar's mediation

1. Any of the partners or members or management members, depending on the type of company, may agree to refer any dispute arising between them to the companies Registrar to mediate to resolve the dispute.
2. The Registrar must invite the parties and exert all needed efforts to resolve the dispute referred to him and to try and close the gap in the different point of views in order to resolve the dispute within a period not to exceed a year from the date the dispute was referred to him, unless the parties agree to a longer period.
3. In the event the parties reach an agreement, a mediation agreement shall be signed and documented with the Registrar
4. The mediation agreement referred to in paragraph (3) of this article binding and enforceable to its parties.
5. Any party has the right to withdraw from the mediation during the course of its procedures, and to refer the dispute to the competent court.
6. If the parties agree on referring the dispute between them to the Registrar according to paragraph (1) of this article, all legal periods stated in this law and relating to the referral of the dispute to the competent court will be suspended.
7. The cabinet shall issue a regulation to specify the procedures and fees of dispute resolution through the mediation of the Registrar.

Article (341)
Issuance of Regulations

1. The Cabinet shall, upon the recommendation of the Minister, issue the regulations required to enforce the provisions of this Law, including:
   a. A regulation concerning the governance, procedures, and fees of the Companies Registry;
   b. A regulation on the procedures for the transformation of the company into another legal type prescribed by this law;
   c. A regulation on the exceptions from the requirement for an expert's report on the valuation of the contribution in-kind;
   d. A regulation specifying the value of the fines stipulated in the Law and the mechanism of collection thereof;
   e. A regulation determining the procedures related to the deregistration and liquidation of Companies;

f. A regulation on the procedures and formalities of attendance at the General Assembly of Shareholding Companies such as: proxies and advisors, electronic participation, minutes, suspension of sessions, and meetings invitation, etc.
g. A regulation on the settlement of dispute through the mediation of the registrar
h. Any other regulations required to enforce the provisions of this Law upon a recommendation by the Minister.

2. The regulations necessary for the implementation of this Law shall be issued in the term of one year from its entry into force.

Article 342
Completion of Initiated Registration and Court Procedures

The registration procedures and court procedures which were initiated up to the day of entry into force of this Law shall be completed in accordance with the laws under which they were initiated.

Article 343
Publication Requirements

Publication requirements will continue to be satisfied through publications in the official gazette and local newspapers until completion of the Companies Registry establishment, but no later than (24) months from the day of entry into force of this law. Thereafter, all publication requirements shall be satisfied through the publication of such information on the companies registry.

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Article 344
The naming of the Companies Controller

For the purpose of implementing the conditions of this Law, the phrase “Companies Controller” shall be replaced, wherever mentioned in any other legislation, with the phrase “Companies Registrar”.

Article 345
Cancellations

1. Once this Law enters into effect, the following laws will be cancelled:
    a. The Companies Law No. 12 of 1964, and the amendments.
    b. The Companies Law No. 18 of 1929.
    c. The Ordinary Companies Law No. 19 of 1930
2. Anything in contradiction to the conditions of this Law is cancelled.

Article 346
Entry into Force

All the competent authorities, each in its respective field, must implement the provisions of this Law. This Law shall enter into force three (3) months after its publishing in the Official Gazette.

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Mahmoud Abbas
President of Palestine