

# **Draft Proposed Amendment to Articles of Association**

**Special Resolution in Annual General Meeting  
dated 14 April 2022**

The Current Articles of Association	The Amended Articles of Association	Notes
<p align="center"><b>Articles of Association Of “Finance House” (Public Joint Stock Company)</b></p>	<p align="center"><b>Articles of Association Of “Finance House” (Public Joint Stock Company)</b></p>	
<p align="center"><b>Article (1)</b></p>	<p align="center"><b>Article (1)</b></p>	
<p align="center"><b>Definitions:</b></p>	<p align="center"><b>Definitions:</b></p>	
<p><b>Commercial Companies Law:</b> Federal Law No. (2) of 2015 on Commercial Companies and any laws issued in amendment thereto or in replacement thereof.</p>	<p><b>Commercial Companies Law:</b> Federal Decree Law No. (32) of 2021 on Commercial Companies and any amendment thereto.</p>	
<p><b>Special Resolution:</b> A resolution passed by the majority of the votes of the shareholders holding at least three quarters of the shares represented in the Company’s general assembly.</p>	<p><b>Special Resolution:</b> A resolution passed by the majority of the votes of the shareholders holding at least three quarters of the shares represented in the Company’s general assembly. For the purposes of this definition, the Authority and/or the Central Bank is to approve such special resolution whenever such approval is required by the Companies Law and/or any regulations, laws or decisions or circulars issued by the Authority and/or the Central Bank in this regard.</p>	<p>This clause is to be added pursuant to the provisions of the new Commercial Companies Law.</p>
<p align="center"><b><u>Article (18)</u></b></p>	<p align="center"><b><u>Article (18)</u></b></p>	
<p align="center"><b><u>Term of Membership and Vacant positions</u></b></p>	<p align="center"><b><u>Term of Membership and Vacant positions</u></b></p>	
<p>18-1 Every member of the board of directors shall hold his position for a three (3)-calendar year term, and by the expiry of the said term the board shall be reformed. The members whose term of membership has expired may be re-appointed.</p> <p>The board of directors shall be entitled to appoint members to hold the positions that become vacant during the year, provided that such appointment be presented to the general assembly at its first meeting, to approve their appointment or appoint others, and if the vacant positions reach one-quarter or more of the members of the board, the board of directors must then call the general assembly to hold a meeting within a period not exceeding thirty (30) days from the date on which the last position became vacant, to elect new members to fill the vacant positions, and in all cases, a new member shall complete the term of his predecessor and may be re-elected.</p>	<p>18-1 Every member of the board of directors shall hold his position for a three (3)-calendar year term, and by the expiry of the said term the board shall be reformed. The members whose term of membership has expired may be re-appointed.</p> <p>18-2 The board of directors shall be entitled to appoint members to hold the positions that become vacant during the year, provided that such appointment be presented to the general assembly at its first meeting, to approve their appointment or appoint others, and if the vacant positions reach one-quarter or more of the members of the board, the board of directors must then call the general assembly to hold a meeting within a period not exceeding thirty (30) days from the date on which the last position became vacant, to elect new members to fill the vacant positions, and in all cases, a new member shall complete the term of his predecessor and may be re-elected.</p>	<p>Amendment through adding the following text: <i>“In the event of non-appointment of a new member to fill the vacant throughout such period, the board of directors must then announce opening nominations for the election of a member to fill the vacant position at the first meeting of the general assembly, and such new member shall complete the term of his predecessor.”</i> under the new Article 145.</p>

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	18-3 In the event of non-appointment of a new member to fill the vacant throughout such period, the board of directors must then announce opening nominations for the election of a member to fill the vacant position at the first meeting of the general assembly, and such new member shall complete the term of his predecessor.	
<b>Article (33)</b>	<b>Article (33)</b>	
<b>Remuneration of the Board Members</b>	<b>Remuneration of the Board Members</b>	
<p>33-1 The remuneration of the Board Members shall be a percentage of the net profits, provided that it does not exceed 10% of such profits for the financial year that has ended after the deduction of the depreciation and reserves. Also, the Company may pay additional expenses or fees or additional remuneration or monthly salary as the board may resolve for any of its members, if such member works as a member of any committee or makes special efforts or does additional work for the service of the Company in addition to his normal duties as a member of the Company's board.</p> <p>The penalties that have been imposed on the Company, due to the board's violation of the law of the Articles of Association of the Company within the financial year that has ended, shall be deducted from the remunerations of the board, and the general assembly may elect not to deduct such penalties if it turns out that they are not resulting from a default or fault on the board's part.</p>	<p>33-1 The remuneration of the Board Members shall be a percentage of the net profits, provided that it does not exceed 10% of such profits for the financial year that has ended after the deduction of the depreciation and reserves. Also, the Company may pay additional expenses or fees or additional remuneration or monthly salary as the board may resolve for any of its members, if such member works as a member of any committee or makes special efforts or does additional work for the service of the Company in addition to his normal duties as a member of the Company's board.</p> <p>The penalties that have been imposed on the Company, due to the board's violation of the law of the Articles of Association of the Company within the financial year that has ended, shall be deducted from the remunerations of the board, and the general assembly may elect not to deduct such penalties if it turns out that they are not resulting from a default or fault on the board's part.</p> <p>Notwithstanding the provisions of Clause 1 of this Article, and subject to the controls issued by the Authority in this regard, a member of the board may be paid fees in the form of a lump sum not exceeding an amount of AED 200,000 (Two Hundred Thousand Emirati Dirhams) by the end of the financial year, after obtaining the general assembly's approval of the payment of such fees, in the following cases:</p> <p>a. The Company did not realize any profits.</p> <p>b. The Company realized profits and the share of each member of the board, of such profits, is less than AED 200,000 (Two Hundred Thousand Emirati Dirhams)</p>	<p>Amendment through adding the following text: <i>"Notwithstanding the provisions of Clause 1 of this Article, and subject to the controls issued by the Authority in this regard, a member of the board may be paid fees in the form of a lump sum not exceeding an amount of AED 200.000 (Only Two Hundred Thousand Emirati Dirhams) by the end of the financial year, after obtaining the general assembly's approval of the payment of such fees, in the following cases:</i></p> <p>a. <i>The Company did not realize any profits.</i></p> <p>b. <i>The Company realized profits and the share of each member of the board, of such profits, is less than AED 200,000 (Two Hundred Thousand</i></p>

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		Emirati Dirhams), pursuant to the provision of the new Article 171.
<b><u>Article (42)</u></b>	<b><u>Article (42)</u></b>	
<b><u>Annual General Assembly:</u></b>	<b><u>Annual General Assembly:</u></b>	
<p>42-1 The board of directors shall be entitled to call the general assembly to convene whenever it sees a requirement, on the date and at the time and venue that the board determines. The general assembly shall convene at least once annually at the call of the board, within the four (4) months that follow the end of the financial year, on the date and at the time and venue specified in the invitation to the meeting.</p> <p>42-2 The annual assembly shall convene to discuss and examine the board’s report on the Company’s business and financial position over the year and to discuss and examine the auditor’s report, to approve the financial year’s balance sheet, the profit/loss account, to approve the rules for profit distribution, to elect the members of the board as required, to appoint the auditors and determine their fees, and to discharge the members of the board and the auditors from liability or file a liability lawsuit against them, as the case may be.</p>	<p>42-1 The board of directors shall be entitled to call the general assembly to convene whenever it sees a requirement, on the date and at the time and venue that the board determines. The general assembly shall convene at least once annually at the call of the board, within the four (4) months that follow the end of the financial year, on the date and at the time and venue specified in the invitation to the meeting.</p> <p>42-2 The Company’s annual general assembly shall be particularly competent to the consideration and determination of the following matters:</p> <ol style="list-style-type: none"> <li>1- The board’s report on the Company’s business and its financial position over the year, and the auditor’s report and the approval of the same.</li> <li>2- The Company’s balance sheet and the profit/loss account.</li> <li>3- The election of the members of the board as required.</li> <li>4- The appointment of the auditors and the determination of their fees.</li> <li>5- The board’s proposals on the distribution of profits, whether cash dividends or bonus shares.</li> <li>6- The board’s proposal on the remuneration of the members of the board and the determination thereof.</li> <li>7- Whether to discharge the members of the board from liability or not to discharge them and remove them and file a liability lawsuit against them, as the case may be.</li> <li>8- Whether to discharge the auditors from liability or not to discharge them and remove them and file a liability lawsuit against them, as the case may be.</li> </ol>	<p>The competence of the general assembly has been amended through detailing the same under the new Article 179.</p>

- : Addition
- : Repeal
- : Amendment