Law No. 5 of 2002, promulgating the Law of Commercial Companies 5 / 2002

Number of Articles: 348

 Stars icon indicate that some articles are amended

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Reference: *Legislations of 2002, page 17, published in the Official Gazette No. 7 of 2002*

We, Hamad Bin Khalifa Al-Thani, Emir of the State of Qatar,
Having perused the Amended Provisional Constitution, in particular Article s 23, 34 and 51 thereof;

Law No. 2 of 1962 on the regulations of Public Finance in Qatar, as amended pursuant to Law No. 19 of 1996;
The Labour Law No. 3 of 1996 and the amending laws thereof;
Law No. 11 of 1962 on the establishment of a Company Registry and the amending laws thereof;
The Law of Civil and Commercial Procedures enacted by Law No. 16 of 1971 and the amending laws thereof;
Law No. 7 of 1974 onthe Regulation of the Profession of Accountants and Auditors;
The Law of Commercial Companies enacted by Law No. 11 of 1981, as amended by Law No. 9 of 1998;
Decree-Law No. 22 of 1993 on the Regulation and Functions of the Ministry of Finance, Economy and Trade;
Law No. 14 of 1995 on the establishment of the Doha Stock Exchange and its internal regulations issued by decree of the Minister of Finance, Economy and Trade No. 10 of 1999;
Law No. 13 of 2000 on the regulation of Investment of Foreign Capital in the Economy;
Emiri Order No. 1 of 2002 on the amendment to the structuring of the Council of Ministers;
Ministerial Decree No. 7 of 1983 on the form of the Memorandum of Association and Article s of Association of Joint Stock Companies;
The proposal of the Minister of Economy and Commerce;
The draft law submitted by the Council of Ministers; and
After consulting the opinion of the Shura Council**,**
Have decided to pass the following Law:

Issuance Articles

Article 1 - Introduction

The Law of Commercial Companies shall hereby come into effect.

Article 2 - Introduction

Any Company which is in existence at the time when this Law comes into effect shall comply with the provisions hereof within a period not exceeding six months from the date this Law comes into effect.

Article 3 - Introduction (Amended By Law 28/2008)★

(As amended pursuant to Article 1 of Law No. 28 of 2008)

The Minister of Business and Commerce shall issue regulations necessary for the implementation of this Law.

Article 4 - Introduction (Amended By Law 28/2008)★

(As amended pursuant to Article 1 of Law No. 28 of 2008)

Law No. 11 of 1981 and Ministerial Decree No. 7 of 1983 as contained therein shall be repealed and all other provisions which are inconsistent with this Law shall be repealed provided that the provisions of Ministerial Decree No. 7 of 1983 which are not inconsistent with the provisions of this Law shall remain in force and effect, until such time that the Minister of Business and Commerce issues a directive as to the form of the

memorandum of association and the Article s of Association for joint stock companies in accordance with the provisions of this Law.

Article 5 - Introduction

his Law shall come into effect sixty days after its publication in the Official Gazette and shall be implemented by all officials in their respective capacities.

Part 1

General Provisions

Article 1 (Amended By Law 28/2008)

In this Law, unless otherwise indicated by the context:

“Ministry” means the Ministry of Business and Commerce.

“Minister” means the Minister of Business and Commerce.

“Department” means the relevant Department at the Ministry.

“Memorandum of The Company” means the Memorandum of Association of the company.

“Public Claim” means the criminal claim.

Article 2 (Amended By Law 16/2006)

A commercial company is a contract in terms whereof two or more natural or juristic persons agree to participate in a project for the purpose of making a profit, by contributing in money or in kind to share the profits and losses of such project in agreed proportions.

The company may be constituted by one person in accordance with the provisions of the Part Seven (as herein repeated) of this Law.

Article 3

Every company incorporated in Qatar shall hold the Qatari nationality. Such company shall have its principal office in Qatar and shall not automatically be entitled to privileges reserved for Qatari nationals.

Article 4 (Amended By Law 16/2006)

Every company incorporated in the State of Qatar shall take one of the following forms:

1. General partnership
2. Limited partnership
3. Joint venture company
4. Joint stock company

5. Partnership limited by shares
6. Limited liability company
7. Sole proprietorship
8. Holding company

Article 5

Any company that does not take on the forms referred to in the preceding Article shall be considered and void, and any person who enters into a contract on behalf of such company shall be personally and jointly liable for the obligations arising from such contract.

Article 6

Save for a joint venture company, the Memorandum of Association and any amendment thereto shall be written in Arabic and shall be registered with the relevant official so authorized, otherwise the said Memorandum or its amendment shall be and void.

Article 7

The partners of a company may not be bound by the Memorandum of the Company which is not in writing or which is not signed provided that the said partners shall be bound to a third party and such third party shall not be bound to the said partners in these circumstances.

Article 8

Save for a joint venture company, no company shall enjoy corporate personality unless registered in accordance with the provisions of this Law. The managers of such company shall be jointly liable for all the damages suffered by third parties due to the non-registration of such company.

Article 9

The share of a partner in a company may consist of a specified amount of money (cash share) or may be made in kind (material assets) to serve the objects of the company. Such a share may take the form of work performance, provided that the share of a partner shall not be constituted by the reputation or the influence of such partner. The company's capital shall exclusively comprise shares in cash and kind as contained in this Article .

Article 10

Should a partner's share comprise title to property or any other rights, such partner shall, in accordance with the applicable rules in force concerning sale contracts, be liable to guarantee such a share in if it perishes, falls due, is destroyed or in the event that a defect or damage appears.

If the share was merely based on utilization of the funds, then the applicable rules in force concerning lease contracts shall apply as herein aforementioned in the preceding paragraph.

If a partner's share includes rights in possession of third parties, the liability of such partner towards the company shall only be absolved upon the attainment of these rights. Furthermore, unless otherwise agreed, the partner shall pay compensation for damages resulting from non-attainment of these rights when they accrue and are due.

Unless otherwise agreed upon, if a partner's share comprises performance of work, the company shall be entitled to all the earnings arising from such

work unless the partner had acquired such earnings from a patent.

The partner whose share is performance of work shall be prevented from performing the same work for his own account.

Article 11

Each partner shall be considered liable to the company for the share undertaken by him. If the partner defaults in contributing his share later than the specified date for its submission, such partner shall be responsible to the company for any damages caused by such delay.

Article 12

The personal creditor of any partner may not acquire his rights from an indebted share in the company capital and such creditor shall receive his rights from the dividends accrued to his debtor in accordance to the financial report of the company. If the company is dissolved, the creditor's rights shall be transferred to the share of his debtor in the surplus balance of the company's assets after payment of its debts.

If the partner's share is represented by stocks, his personal creditor may, in addition to the rights referred to in the preceding paragraph, request the sale of these stocks to satisfy his rights from the sale proceeds.

Article 13

The Memorandum of Association shall not include any provision that deprives a partner of the profit or relieves him from the loss; otherwise, such contract shall be considered and void.

However, it may stipulate to exempt the partner who only contributes by his work from sharing the loss. And the text may stipulate to exempt the partner who has not contributed anything to the partnership except his work.

Article 14

If the contributed anything to has not fixed the share of the partner in the profits and losses, his share thereof shall be pro rata to his share in the capital. If the contributed anything to is confined to specifying the share of the partner in the profit, his share of the loss shall be equivalent to his share in the profit. The same shall apply if the contributed anything to only specifies the share of the partner in the loss.

If the share of the partner is limited to his work and the contributed anything to have not fixed his share in the profit or loss, the company shall assess his work and such assessment shall be the basis for determining his share in the profit or loss in accordance to the aforementioned provisions. And if more than one partner contributes by their work without evaluation of such shares, such shares shall be considered of equal value, unless proven otherwise. If in addition to his work, the partner contributes a share in cash or in kind, such partner shall be entitled to a share in the profits or losses for his work and another share for his shares in cash or in material assets.

Article 15

Fictitious profits cannot be distributed to the partners, otherwise the company's creditors may claim from every partner to reimburse the amount received even if the partner has acted in good faith. The partner shall not be obliged to reimburse the real profits that he has received, notwithstanding that the company might incur a loss in the following years.

Article 16

All the contracts, correspondences, discharges and notices and other documents issued by the company should bear its name, type, headquarters and its registration number in the commercial register.

In addition to these particulars, save for general partnerships and limited partnerships, the company's capital and the amount paid thereof shall be indicated. If the company is in liquidation, such fact should be stated in the papers issued by the company.

Article 17 (Amended By Law 16/2006)

(Amended pursuant to Article 1 of Law No. 16 of 2006)

The provisions of this Law shall apply to foreign companies that operate their activities in the State, with the exception of the provisions pertaining to the incorporation of companies.

Article 18

Without contradicting the special provisions of each company, the provisions of this Part shall apply to all companies stipulated in this Law.

Part 2

General Partnership

Article 19

A general partnership is a company which comprises two or more natural persons, who are jointly responsible in their own assets for the liabilities of the company.

Article 20

The name of the general partnership shall be composed of the names of all partners. However, the company's name may include one or more partners with the addition of the word “and partners”.

The name of the company shall be complying with the reality. If it includes the name of a person who is not a partner therein, with his knowledge, such person shall be jointly responsible for the liabilities of the company. However, the company may maintain in its name a name of a partner who withdrew from the partnership or died, if the withdrawn person or the heirs of the deceased partner so agree. The company may have a special trade name provided that it is associated with an indication that it is a general partnership.

Article 21 (Amended By Law 16/2006)

(Amended pursuant to Article 1 of Law No. 16 of 2006)

All partners in a general partnership shall be natural persons.

Article 22

The Memorandum of Association of a general partnership must be written and signed and in particular shall contain the following particulars:

1. Name, objective, headquarters and Sections (if any) of the company.
2. Name, family name and surname (if any) of every partner and his nationality, date of birth and place of residence.
3. Company capital and shares contributed by each partner, whether paid in cash or materials, or rights with third parties, the estimated value of such shares, their submission method and due dates.
4. Date of incorporation and term.
5. Management of the company and name of the persons who are authorized to sign on behalf of the company and their respective authorities.
6. Commencement and end of the fiscal year of the company.

Distribution of profits and losses.

Article 23

Partners shall adopt written Article s of Association for the company that include the detailed provisions agreed upon for the management of the company. A copy of this Article s of Association shall be attached to the Memorandum of Association.

Article 24

The Article s of Association of the company and all the amendments made thereto shall be entered and published in the Commercial Registry according to rules pertaining to this Registry. A summary of the Article s of Association and all the amendments made thereto should also be published in a local daily Arabic newspaper at the company's expense.

Any claims brought by the company against others shall not be valid until the registration and announcement procedures are completed. The failure in the fulfilment of these procedures shall lead to the rejection of any claims brought by the company against others.

However, third parties are entitled to bring a claim against the company even if the registration and announcement procedures are not completed.

Article 25

The partner in a general partnership shall have the capacity of agent. He shall be deemed as conducting commercial business in the name of the company. The bankruptcy of the company shall lead to the bankruptcy of all partners.

Article 26

The share of the partners in the general partnership cannot be in the form of negotiable instruments.

Article 27

The assignment of shares in the partnership company shall not be permitted except with the consent of all partners or in accordance with the terms stipulated in the (company contract/Memorandum of Association). In this case the (contract/Memorandum) shall be amended and the assignment shall be published in accordance with Article 24 of this Law.

Any agreement stipulating the assignment of the shares without any conditions shall be and void. Nevertheless, the partner shall be entitled to assign to a third party the rights related to his share in the company. Such agreement shall not have any effect except between those two contracting parties.

Article 28

The creditors of the company shall have the right to claim their rights from the company. Creditors shall also be entitled to claim their rights against any partner's personal effects.

All partners of the company shall be collectively liable to the creditors of the company.

The execution against assets of the partner forthe liabilities of the company shall not be permitted except where the final judgment against the company has been obtained, notice has been given and settlement has not been made on time.

The execution judgment issued against the company shall be evidence against the partner.

If any partner settles any liability against the company, he is entitled to claim the settled amount from the company. He is also entitled to claim against the other partners each according to his share in the debt. If any of the partners is a bankrupt, the responsibility of the bankrupt partner shall be borne by the partner who settled the debt and all the partners who settled their debts, each according to the amount of his share.

Article 29

It shall not be permitted for a partner, without the approval of the other partners, to conduct on his own account or on the account of any third party, any activity of the company, or to be a partner in a competing company if this company is a joint company or a limited partnership or a company having limited liability.

If any of the partners violates this rule, the company shall be entitled to claim compensation from him and consider all the operations performed on his own account as having been done on the account of the company.

Article 30

If any partner joins the company, such partner shall become responsible collectively with the other partners in all his assets for the liabilities existing before and after joining the company. Any agreement between the partners to the contrary shall not be valid against third parties.

Article 31

If any partner withdraws from the company, he shall not be responsible for liabilities arising after the declaration of his withdrawal.

Article 32 (Amended By Law 16/2006)

(Amended pursuant to Article 1 of Law No. 16 of 2006)

If any partner assigns his share in the company, he shall not be absolved of the liabilities of the company towards it creditors unless the creditors acknowledge this assignment.

Article 33

A partner who is not a manager may not interfere in the management affairs of the company. However, such partner may have access to the core

operations of the company, inspect its ledgers and documents and may extract by himself or through his agent a summary of the financial status of the company and may provide advice to the manager of the company. Any agreement to the contrary shall be and void.

Article 34

Decisions of general partnership shall be made by the unanimous consensus of the partners, unless otherwise stipulated in the Memorandum of Association.

Nevertheless, resolutions pertaining to the amendment of the Memorandum of Association shall not be valid unless made by the unanimous agreement of the partners.

Article 35

The management of a general partnership shall be carried out by all the partners unless such management, by virtue of the Memorandum of Association or a separate contract, is assigned to one or more partners or to one or more persons other than the partners.

Article 36

Should the company be directed by more than one manager, and each of them is assigned a specific function, each manager shall be responsible only for the functions within his competence.

In the case of numerous managers who are collectively responsible for the management of the company, their decisions shall only be valid if reached by unanimity or by the majority of votes stipulated in the Article s of Association. However, each manager may individually carry out urgent matters if omission thereof may cause substantial damage to the company or loss of sizeable profit thereto.

In the case of numerous managers and where no specific function was assigned to each manager and where it is not stipulated that they should work collectively, any of them may carry out any of the management operations, provided that other managers should have the right of veto against any such operation before it is completed. In this case, the matter shall be decided according to the majority of votes. In the event of a tie, the matter shall be referred to the partners.

Article 37

If the manager is a partner and appointed in the Article s of Association, he shall not be expelled except by the partners' unanimous vote or by virtue of a decision issued by the court upon the request of the majority of partners.

Unless otherwise stipulated in the Article s of Association, such expulsion in any of the two aforementioned cases shall necessarily entail the dissolution of the company.

If the manager is a partner appointed by a contract independent of the Article s of Association, or is not a partner, whether appointed in the Article s of Association or in an independent contract, the manager may be expelled by a majority of the partners' votes. This expulsion shall not cause the dissolution of the company.

Article 38

If the manager is a partner and appointed in the Article s of Association, he shall not be permitted to refuse to perform his management duties except for acceptable reasons, otherwise he shall be liable for compensation. Unless otherwise stipulated in the Article s of Association, the refusal of such partner shall lead to the dissolution of the company.

If the manager is a partner appointed by a contract independent of the Article s of Association, or if he is not a partner, whether appointed by virtue of the Article s of Association or by an independent contract, he may resign from management, provided that he shall select a suitable time to resign his post give reasonable notice to the partners of the decision, otherwise he shall be liable for compensation. Such resignation shall not lead to the dissolution of the company.

Article 39

The manager shall conduct all normal management operations that comply with the objectives of the company, unless the Article s of Association provide for restrictions on his power in this respect. He may conclude agreement in respect of rights of the company or seek arbitration if that serves the interest of the company.

The company shall be bound by any work carried out by the manager in the name of the company under his authority, even if the manager uses the signature of the company on his own account, unless the one with whom he contracted has acted in bad faith.

Article 40

It shall not be permissible for the manager to exceed normal management activities except with the consent of the partners or upon an express provision provided for in the Memorandum of Association. The above restriction shall particularly apply to the following acts:

1. Donations, except for the ordinary small contributions.
2. Sale of assets of the company, unless disposal of such assets is part of the objectives of the company.
3. Mortgage of the assets of the company, even if the manager is authorized to sell such assets under the Article s of Association.
4. Sale or mortgage of the company premises.
5. Guarantee of the loans of third parties.

Article 41

The manager shall not be permitted to conclude contracts on his own account with the company except with the consent of all partners, to be issued for each case separately.

The manager shall not be permitted to practise any of the activities similar to those of the company, except with the approval of the partners.

Article 42

A manager shall be liable for damages sustained by the company, the partners or others as a result of his violation of the provisions of the Article s of Association or for the mistakes committed by him in the performance of his duties. Any provision to the contrary shall be and void.

Article 43

The profits, losses and shares of each partner shall be determined at the end of the fiscal year of the company as per the balance sheet and profit and loss account.

Each partner shall be deemed a creditor of the company with his share in the profits upon the determination of such share with the approval/endorsement of balance sheet.

Any shortfall in the capital of the company due to loss shall be made up, unless otherwise agreed upon, from dividends of the following years. Except as stated above, it shall not be permitted to require a partner to make up the shortfall of his share in the capital due to losses except with his own consent.

Part 3

Limited Partnership

Article 44

The limited partnership is a company comprising two categories of partners:

1. Partners in the general partnership who manage the company and who are responsible jointly for its liabilities in their private assets.
2. Silent partners who contribute to the capital of the company without being responsible for the liabilities of the company except to the extent of the capital they invest in the company or they undertake to pay on behalf of the company.

Article 45 (Amended By Law 16/2006)

(Amended pursuant to Article 1 of Law No. 16 of 2006)

All the joint partners in the general partnership shall be natural persons.

Article 46

The Article s of Association of the company shall include the names of joint partners and silent partners.

Article 47

Article 47

The name of a limited partnership shall only be composed of the names of the joint partners in addition to an indication showing the existence of other partners.

It may have a special commercial name provided that the name is followed by words showing that it is a limited partnership.

It shall not be permissible to include the name of the silent partner in the name of the company. If knowingly included, such silent partner shall be jointly responsible for the liabilities of the company as against bona fide third parties.

Article 48

The silent partner shall not be permitted to interfere in the administration of the company even under a power of attorney; otherwise he shall be jointly responsible for the liabilities arising out of his management. He may undertake the liabilities of the company fully or partially as per the volume or repeat work of the business and in accordance with the credibility of others of him due to such work.

However, the supervision of actions of the managers of the company and advising them and granting them permission to act outside their mandate shall not be considered as interference in the administration of the company.

Article 49

The silent partner may request copies of the balance sheet and the profit and loss accounts and verify the accuracy of their contents. He shall be entitled, for this purpose, to review the ledgers of the company and its documents, either personally or through a representative or others provided that it shall not

cause damage to the company.

Article 50

Unless otherwise stipulated in the Article s of Association, decisions of the limited partnership are issued by the unanimous votes of joint partners.

The decisions pertaining to the amendment of the Article s of Association shall be valid only if endorsed unanimously by the joint and silent partners.

Article 51

Notwithstanding the provisions stipulated in this Part, the limited partnership company shall be subject to the same rules as those applicable to the general partnership.

Part 4

Joint Venture

Article 52

The joint venture company comprises two or more persons.

The joint venture company is a silent company which does not affect the rights of others or enjoy legal identity. It shall not be subject to any registration procedures.

The existence of such joint venture company may be substantiated by all means of substantiation including evidence and presumptions.

Article 53

The Article s of Association of the joint venture company shall define its objectives, the rights and liabilities of the partners, the distribution of profits and losses between partners, the modus operandi of company management and other basic elements.

Article 54

The joint venture company shall not be permitted to issue bonds or negotiable instruments.

Article 55

Unless the Article s of Association stipulate otherwise, each partner in a joint venture company shall be the owner of the share taken by him.

If the share becomes a particular material asset and the bankruptcy of the partner who possesses it is declared, then its owner shall have the right to

recover the same after having paid his share of the company's losses.

Furthermore, if the share is in cash or undivided kind, the owner of that share shall only be entitled to participate in the bankruptcy in his capacity as a creditor of the share value after deduction of his share in the company's losses.

Article 56

Third Parties shall have the right of recourse only against the partner or partners with whom they concluded a transaction.

However, if the partners conduct any business that reveals the existence of the company to third parties, then the third parties shall consider the joint venture company as a real company, and the partners shall be jointly liable towards them.

Article 57

The partner in a joint venture company shall not be considered an agent, unless he carries out commercial transactions by himself.

Article 58

Each partner may demand access to the ledgers and documents of the company either by himself or through an agent, provided that the inspection by such agent does not cause any damage to the company. Any agreement to the contrary shall be and void.

Article 59

Unless otherwise stipulated in the Article s of Association, decisions in the joint venture company shall be adopted by the unanimous votes of partners.

Decisions pertaining to the amendment of the Article s of Association shall be valid only if endorsed unanimously by the partners.

Article 60

If there is a non-Qatari partner among the partners, the joint venture company shall not be permitted to conduct business that is prohibited by law for non-Qatari nationals.

Part 5

Joint Stock Company

Chapter One

General Provisions

Article 61

The joint stock company is a company whose capital is divided into negotiable shares of equal value and a shareholder therein shall be liable only to the extent of his share in the capital.

Article 62

The joint stock company shall derive its name from its objectives. It cannot be a name of a natural person unless the company objective is intended for the investment of a patent registered under the name of this person or it has acquired a commercial entity and took that name as its own.

In all cases, the term “Qatari joint stock company” should be appended to the name of the company.

Article 63

The joint stock company shall have a definite term that must be specified in the Memorandum and Article s of Association of the company. If the objectives of the company require the performance of a specific task, the company shall be dissolved upon fulfilment of the task.

The specified term may be extended by a decision of the extraordinary meeting of the general assembly.

Article 64

The capital of the company must be adequate to achieve the objectives for which it was incorporated. In all cases, it shall not be less than ten million Qatari Riyals.

Article 65

The Memorandum and Article s of Association must comply with the two forms issued under a Ministerial decision. Breach of these two forms shall not be permitted unless there are strong reasons approved by the Minister.

Chapter Two

Incorporation of the Company

Article 66

A Ministerial Order shall be issued in order to incorporate a joint stock company. The number of founders or shareholders cannot be less than five persons.

Article 67 Cancelled (Repealed By Law 16/2006)

Article 68 (Amended By Law 2/2008)

(As amended pursuant to Article 1 of Law No. 2 of 2008)

The government, other public authorities and establishments and public incorporations and companies in which the State holds a minimum of 51% of shares, or less may, upon approval of the Council of Ministers, incorporate one or more joint stock companies either by itself or jointly with one or more founder, whether a national or a foreigner, natural, juristic or private person.

These companies shall not be subject to the provisions of this Law, save where it does not contravene the provisions or agreements made upon its incorporation as well as the provisions stipulated in its Memorandum and Article s of Association.

Article 69

The Memorandum and Article s of Association shall be set up by the founders in accordance with the two aforementioned forms in Article 65 and shall contain the following details:

1. Name of the company and its headquarters.
2. Objectives of the company.
3. Name, nationality, place of residence, occupation of every shareholder and number of shares held by each.
4. Amount of capital and number, type and value of shares.
5. Term of company.
6. Particulars of each share not paid in cash, name of the subscriber thereof and the conditions pertaining thereto and material rights arising of such share.
7. An approximate estimate of the expenditures, wages and costs paid by the company or committed to pay for its incorporation.

Article 70

The founders shall select among them a committee of not less than three and not more than five members to undertake the completion of incorporation procedures with the concerned authority.

Article 71

The application for the incorporation of the company should be submitted to the Ministry attached with a draft copy of the Memorandum and Article s of Association of the company. The Ministry may request any additional information that it deems necessary or request documents that verify these particulars. The Ministry may also request to review the feasibility study of the project.

The Ministry may request amendments to the draft Memorandum and Article s of Association so as to be consistent with the provisions of this Law and the two aforementioned forms in Article 65.

Article 72

If the Ministry approves the application for the incorporation of the company, the founders shall sign the Memorandum and Article s of Association in accordance with the drafts agreed upon by the Ministry. The Memorandum and Article s of Association shall be authenticated at the concerned authority and submitted to the Ministry for the Minister to issue a decision concerning the company's incorporation in a period that shall not exceed sixty days from the date of submission of the two drafts.

Article 73

If the application for incorporation is rejected, or the aforementioned period in the previous Article expires without any reply, the founders may submit a grievance to this effect before the Council of Ministers within thirty days from the date they are notified of the rejection or the expiry date of the period, as the case may be. The decision issued by the Council of Ministers in this respect shall be final.

If the sixty days period lapses without issuing any decision by the Council of Ministers to this effect, the grievance submitted shall be deemed rejected.

Article 74

If the application for the company incorporation is rejected finally, the founders shall not be permitted to submit a new application for the incorporation of the same company unless at least six months have lapsed from the date of notice of the final rejection.

Article 75

The decision of the incorporation of the company shall be published in the Official Gazette of the State appended with the Memorandum and Article s of Association.

The company shall not acquire a legal identity until the declaration is made after it has been registered formally in the Commercial Register and published in the Official Gazette.

Article 76 (Amended By Law 16/2006)

(Amended pursuant to Article 1 of Law No. 16 2006)

Founders shall subscribe to a minimum of 20% and a maximum of 60% of the company's capital, and no founder shall subscribe to a higher percentage than what is specified in the Article s of Association. The founders shall, before the publication of the subscription announcement, pay the percentage required to be paid up by the public for each share at the time of subscription.

Before invitation for public subscription is made, the founders shall provide the Ministry with a bank certificate to prove that that they have subscribed to the company shares with the limits specified by this Article and that they have deposited in the company account the amount equivalent to the percentage due to be paid by the public for each share that was made thereby.

Deposit of this amount shall be stated in the subscription statement and there shall be appended, with a statement issued by the bank, a draft invitation for subscription that is drafted by founders according to the following Article. After fulfilment of the aforementioned, the Minister shall permit a publication of the invitation in two local newspapers.

Article 77

The invitation for public subscription shall be announced in two local daily newspapers published in Arabic at least one week before the commencement of subscription. The subscription announcement shall include the following details:

1. Names and nationalities of founders.
2. Name, objectives and headquarters of company.
3. Amount of capital; paid capital; types, value and number of shares; percentage of what was offered for public subscription and the shares subscribed by the founders and the restrictions imposed on transfer of shares.
4. Shares in kind and particulars thereof as well as entitlements (if any).
5. Privileges granted to the founders and others (if any).
6. Method of profits distribution.
7. Estimated statement of the expenses of company incorporation.
8. Fulfilment of the founders to the payment of the shares values subscribed by them.
9. Minimum limit of shares to which a person can subscribe and also the maximum limit without exceeding the percentage prescribed for the founder.
10. Date, deadline, place and terms of subscription.
11. Date of licence authorizing the incorporation of the company.
12. Statement of assignment of shares to subscribers when subscription exceeds the number of shares available for sale.
13. Any other matters which affect the rights or obligations of the shareholders.

The founders or their representatives shall sign the subscription announcement and shall be jointly liable for the authenticity of the contents thereof as well as fulfilment of the aforementioned requirements.

The announcement shall be attached with a report signed by the auditor stating that he has examined the announcement and revised its contents of particulars and attested to its authenticity.

Article 78 (Amended By Law 16/2006)

(Amended pursuant to Article 1 of Law No. 16 of 2006)

The subscription may be made with one or more banks that are accredited in the State. Payment of instalments due upon subscription shall be deposited with such banks. The payment shall be credited to a special account opened in the name of the company.

Article 79

The subscription to the shares shall be made by a declaration signed the shareholder stating the number of shares he intends to subscribe to, his acceptance to the Memorandum and Article s of Association of the company, his address in the State of Qatar and any other necessary information.

The subscription shall be duly made and without any conditions. Any condition made by the subscriber in the subscription application shall be and void.

The subscriber shall hand in the subscription application to the bank and pay the due amount upon obtaining a receipt signed by the bank stating the name and address of the subscriber date of subscription, and number of shares subscribed to and paid-up instalments.

The subscription shall be final when the subscriber receives this receipt.

Article 80

Each subscriber shall receive a printed copy of the Article s of Association for a fee fixed in the subscription receipt delivered by the bank.

Every concerned party may acquire a printed copy of the Article s of Association of the company free of charge during the period of subscription or for a reasonable charge defined in the subscription announcement.

Article 81

The banks shall keep all the amounts paid up by the shareholders in the account of the company under incorporation; these amounts shall be handed only to the board of managers after notification of the company's incorporation and its registration in the Commercial Registry.

Article 82 (Amended By Law 16/2006)

(Amended pursuant to Article 1 of Law No. 16 of 2006)

The subscription shall remain open for a minimum period of two weeks and a maximum period of four weeks.

In the event of incomplete subscription during the prescribed period, the founders shall be permitted, after obtaining the approval of the Ministry, to extend the subscription period for a maximum period of two weeks. If all shares are not subscribed to at the end of the extended period, the founders shall either refrain from incorporating the company or reduce the capital to the extent for which the subscription was achieved, taking into account the provisions of Article 64 of this Law.

Article 83

If the company is not incorporated, the founders shall be jointly liable for the reimbursement to the subscribers of the paid-up value of shares during a maximum period of one week from the date specified for the final subscription pursuant to the previous Article. The founders shall also be jointly liable for reimbursement of these amounts and expenses incurred during the incorporation of the company. They shall be jointly liable before third parties for operations and transactions made by them during the incorporation period.

Article 84

In the case of reducing the capital, the subscribers may opt to retract their subscription within a period of not less than the period of the initial subscription. If they do not retract their subscription during this period, their subscription shall be considered as final.

Article 85 (Amended By Law 16/2006)

(Amended pursuant to Article 1 of Law No. 16 of 2006)

If it is proved that, after closure of subscription, the number of subscribed shares has exceeded the number of offered shares; the shares shall be distributed among the subscribers pro rata to the percentage of their subscriptions.

In all cases, the surplus subscription funds shall be reimbursed to subscribers through the banks that they subscribed through within a maximum of two weeks from the end of the subscription process.

Article 86

Every concerned party may invoke a decision of invalidity of any subscription that is made in breach of the aforementioned provisions within thirty days from the date of closure of subscription.

Article 87

The founders shall inform the Ministry within thirty days from the date of closure of subscription of its results, value of shares paid by the subscribers, their names and number of shares subscribed to by each shareholder.

Article 88

The founders shall, within the prescribed period in the aforementioned Article, invite the subscribers to a statutory general assembly meeting, and the copy of the invitation shall be sent to the Ministry.

The convening of the Statutory General Meeting shall be valid if attended by the subscribers of at least half of those who represent capital. The Meeting shall be chaired by one of the founders elected for this purpose by the general assembly.

Article 89

Any subscriber, irrespective of shares held by him, shall be entitled to attend the general assembly Meeting.

Article 90

The founders shall submit a report to the statutory general assembly including sufficient information as to the incorporation process along with supporting documents.

The Statutory general assembly shall discuss the following matters in particular:

1. Report of the founders regarding the processes of the company incorporation and the expenses it entailed.
2. Adoption of the Article s of Association.
3. Election of the first board of managers and appointment of auditors as well as determination of their salaries.
4. Approval of the evaluation of shares in kind (if any).
5. Final announcement of the incorporation of the company.

The decisions of the Statutory General Meeting shall be adopted by absolute majority of the shares duly represented therein according to the provisions of this Law.

Article 91

The first board of managers shall take the measures to announce the company in accordance with this Law. Members of the first board of managers shall be jointly liable for all damages incurred due to failure to take the aforementioned measures of announcement.

Results of all acts carried out by the founders on behalf of the company prior to its announcement shall be transferred to the company upon its announcement and all expenses incurred by the founders to this effect shall be borne by the company.

Article 92

If a joint stock company is incorporated in an illegal manner, every concerned party shall, within five years from its incorporation, inform the company in writing to rectify the mistakes within a month from the date that notice is given.

If the necessary initiative is not taken during this period, the concerned party shall request a judgment to ify the company and it shall be liquidated as a de facto company.

However, the shareholders shall not be entitled to claim the ification of the company against others.

Article 93

allowed for submission of a ity claim pursuant to the previous Article, submit a claim of joint liability against the founders and members of the board of managers and first auditors.

Chapter Three

Management of Joint Stock Company

Section 1

Board of Directors

Article 94

The management of a joint stock company shall be undertaken by an elected board of managers comprised in accordance with the Article s of Association which shall also state the method of its formation, number of its members and their term of office, provided that the number of members shall not be less than five and not more than eleven managers and their term of office shall not exceed three years.

A member of the board of managers may be re-elected for more than one term unless otherwise stipulated in the Article s of Association.

A member of the board of managers may also withdraw from the board provided that such withdrawal is made at an appropriate time, otherwise he shall be held accountable to the company.

Article 95

The general assembly shall elect the members of the board of managers by secret ballot. As an exception, the founders may appoint inter se the first board of managers for a maximum period of five years.

Article 96

The member of the board of managers shall satisfy the following conditions:

1. Shall not be less than twenty-one years old.
2. Shall not have been convicted of any criminal offence or a crime relating to honour and honesty or of one of the crimes provided for in Article s 324 and 325 of this Law unless he is rehabilitated.
3. Shall be a holder of a number of shares determined by the Article s of Association and specified as a guarantee for the rights of the company, shareholders, creditors, and third parties.

These shares shall be deposited within sixty days from the date of commencement of membership, at one of the accredited banks. The deposited shares shall not subject to transfer, lien or attachment until the expiry of membership. It shall be ratified in the last fiscal year in which the member started his activities.

If the member fails to provide the guarantee according to the aforementioned method, his membership shall be deemed to be and void.

Article 97

With exception to government representatives in joint stock companies and persons who hold at least 10% of the capital of these companies, no person, either in his personal capacity or as a representative of one of the legal persons, shall be permitted to become a member of the board of managers of more than three joint stock companies whose headquarters are located in the State nor shall such person be the chairperson or a vice-chairperson in more than two companies whose headquarters are located in the State.

In all cases, no person, either in his personal capacity or as a representative of one of the legal persons, shall be permitted to be a member deputed to the board of more than one company whose headquarters are located in the State or to be a member in the board of managers of two companies having similar activities.

Membership in the board of managers of the companies exceeding the quota prescribed in this Article shall be ified as from the date of membership. A manager whose office is invalidated shall reimburse all amounts received thereby from the company or companies.

Article 98

If the State or public authority or corporation becomes a shareholder in a joint stock company, each one of these institutions shall, instead of participating in electing the board of managers, delegate representative(s) to participate in the board in proportion to the shares held. Their number shall be deducted from the total member of members in the board of managers. Each of these institutions shall have the right to dismiss these representatives and appoint others at any time The appointed representatives in the board of managers shall enjoy all the rights and liabilities accorded to elected members. Every institution shall be liable for actions of its representatives towards the company, its creditors and shareholders.

The representatives of the State or public authority or corporation in the board of managers shall be exempted from submitting the guarantee shares for

their memberships.

Article 99

The board of managers, through secret ballot, shall elect a chairperson and a vice-chairperson for one year unless the Article s of Association determines otherwise. The term of chairperson and vice-chairperson shall not exceed three years.

The board of managers may elect, through secret ballot, one or more members deputed for the administration. They shall have the right to sign on behalf of the company jointly or individually according to the decision of the board.

Article 100

If there is a vacancy in the board of managers, it shall be filled by the one who received a majority of votes from the shareholders who have not attained membership of the board. The board may elect a replacement, if there is a justifiable reason to prevent the manager from taking up the post. The newly elected manager shall only complement the term of his predecessor.

If the vacant positions amount to one quarter of the original positions, the board of managers shall invite the general assembly to meet within a maximum period of two months from the date on which the last position becomes vacant in order to elect the members for these vacancies.

Article 101

Each company shall annually provide the Ministry with a detailed list, endorsed by the chairperson of the board, including the names, capacities and nationalities of the chairperson and board members. The company shall inform the Ministry of any change in this list as soon as it occurs.

Article 102

The chairperson of the board of managers shall be deemed the head of the company and shall represent it before courts and third parties. He shall enforce the board decisions and abide by its recommendations.

The chairperson may delegate some of his powers to other members of the board.

The vice-chairperson shall replace the chairperson during his absence.

Article 103

The board of managers shall meet upon the invitation from its chairperson pursuant to provisions stipulated in the Article s of Association. The chairperson shall invite the board for a meeting upon the request of at least two members to hold a meeting.

The board meeting shall be valid only if attended by at least half members of the board of managers, provided that members present shall not be less than three members, unless the Article s of Association provide for more members.

The board of managers shall meet at least six times during the fiscal year of the company, unless the Article s of Association provide for more meetings.

Two months shall not pass without holding a meeting of the board of managers.

The absent member shall delegate another in the board meetings to represent him in the attendance and voting, provided that one member cannot represent more than one member.

The decisions shall be adopted by majority of votes of their attendees representatives. In the event of a tie, the chairperson shall have the casting vote. Voting by mail shall not be permitted.

The member who does not agree to the decision taken by the board shall note his objection in the meeting minutes.

Article 104

If the board member is absent from three consecutive meetings of the board or five inconsecutive meetings without acceptable justification to the board, he shall be deemed as resigned.

Article 105

Minutes of the board meetings shall be entered in a special register. The minutes shall also be signed by the chairperson, the delegate member (if any), and member or officer who undertakes the secretarial work of the board.

Minutes shall be recorded in a register systematically after every meeting and in consecutive order without deletion or erasure.

Those who signed minutes shall be liable for accuracy of facts recorded in the minutes and its compliance with the law and the Article s of Association of the company.

The pages of the register shall be numbered in sequence. Each page of the register shall be stamped by the concerned authority and signed by the competent official.

The competent official shall confirm at the top of the pages the numbering and stamping of the pages and his signature before use.

It shall not be permitted to stamp a new register until after the previous register has been submitted to the concerned authority and the competent official has recorded its closure.

Article 106

Subject to powers vested in the general assembly by this Law or the Article s of Association of the company, the board of managers shall assume broad powers necessary to carry out the operations required by the objective of the company. The board may, within its mandate, delegate one of its members to perform one or more specific tasks or supervise, in any way, the activities of the company.

Article 107

Neither the chairperson nor any other board member shall be permitted to participate in any business competing with the company or to trade on his own account or on the account of others in one of the activities practised by the company, otherwise the company shall demand indemnity or deem these activities practiced by him as carried out on its own account.

Article 108

The chairperson, board member or manager shall not have any direct or indirect interest in the contracts, projects and undertakings made on account of the company.

Exceptions to this shall include public contracting works and tenders where all the competitors are permitted to participate on equal footing. If an appropriate offer is made by one of the aforementioned in the previous paragraph, the ordinary general assembly shall approve the same. This approval shall be renewed annually if these contracts and undertakings are regular and renewable.

In all cases, it shall not be permitted for any of the aforementioned concerned parties to attend any of the ordinary meetings of the general assembly or meetings of the board of managers if pertaining to a matter related to any one of them.

Anyone who breaches the provisions of this Article shall be dismissed from office in the company.

Article 109

The company shall not be permitted to grant cash loans, of any kind, for any of its members of the board or to guarantee any loan agreement made by a member of the board with others. However, as an exception, banks or other financing companies may grant loans to the board members or open a credit account for them or guarantee a loan contract concluded with third parties in accordance with the same rules and conditions that the company follows towards public customers.

Any action being made in contravention of this Article shall be and void, without prejudiceto the right of the company to claim compensation in due time from the defaulter.

Article 110

The board chairperson or member or any employee in the board shall not be permitted to exploit the information known by him in his capacity as member or employee in order to serve his own interest, or the interest of his spouse or children or any of his relatives up to the fourth degree as a result of dealing in negotiable instruments of the company. Furthermore, any of the aforementioned persons shall not be permitted to have a direct or indirect interest with any party that performs operations which may bring about an effect in the prices of negotiable instruments issued by the company.

Article 111

The company shall undertake to commit itself by virtue of acts taken by the board of managers within its jurisdiction. The company shall also be demanded to indemnify against damages caused by unlawful acts taken by the members of the board of managers.

Article 112

The board chairperson and the members shall be collectively responsible for compensating the company, shareholders and third parties for the damages arising out of acts of fraud or misuse of powers or violation to the provisions of this Law or the Article s of Association of the company and for maladministration. Any provision to the contrary shall be and void.

Article 113

Liability provisions stipulated in the preceding Article shall apply to all members of the board of managers when a default arises from a decision adopted unanimously by them. However, in the event of decisions reached by majority votes, dissident members shall not be held liable if they entered their objection in writing in the minutes of the meeting. The absence from the meeting in which a decision was adopted shall not be a reason for exemption from liability unless it is proven that the absent member did not know about the decision or that he was unable to object to the same upon acquiring knowledge of it.

Article 114

The company may file a liability claim against the board members for the mistakes resulting in damages to a group of shareholders within five years from occurrence of the mistake or negligence.

The ordinary meeting of the general assembly shall take a decision regarding this claim and appoint the representative of the company to handle the claim.

If the company is in liquidation, the liquidator shall undertake such action, upon a decision issued by the general assembly.

Article 115

Any shareholder may file the claim independently if the company fails to file the claim, if the mistake has caused personal damage to him as a shareholder, provided that he shall inform the company of his intention to file the claim.

Any provision in the Article s of Association of the company to the contrary shall be and void.

Article 116

Any decision adopted by the general assembly shall in no way discharge the board of managers from liability or dismiss a liability claim against board members because of defaults committed during the execution of their duties. If the act giving rise to liability was forwarded to the general assembly and it was ratified thereby, the liability claim shall be dropped after five years from that meeting of the general assembly. However, if the act attributed to the board members is a criminal act, the liability claim shall not become invalid until the public claim is invalidated.

Article 117

The general assembly may dismiss the chairperson or any elected member of the board upon a proposal made by the board of managers with absolute majority or upon a request signed by shareholders who own not less than a quarter of the subscribed shares in the capital.

In this latter case, the chairperson shall invite the general assembly to hold a meeting within ten days from the date that a request for dismissal is made. Otherwise, the concerned authority shall make such an invitation.

Article 118

The Article s of Association of the company shall define the method to be adopted to determine the remuneration of the board members. These remunerations may be a specific percentage of the dividends that does not exceed 10% of the net profit after deducting the statutory reserves and distribution of dividends of not less than 5% of the paid-up capital to the shareholders. The Article s of Association of the company may stipulate that members of the board shall receive a fixed amount if the company does not make profits, provided that it is approved by the general assembly. The Ministry may specify a maximum limit for this amount.

Article 119

The board of managers shall prepare every fiscal year the balance sheet, statement of profits and losses, cash flow statements, and explanations in comparison to the previous fiscal year, all of which shall be attested by the accounts auditors. A report shall be attached to explain the activities of the company, its financial position during the previous fiscal year, and future plans for the coming year.

The board shall prepare these statements and documents within a period not exceeding three months from the end of the fiscal year of the company to be submitted to the general assembly meeting which shall be held within a maximum of four months from the end of the fiscal year of the company.

Article 120 (Amended By Law 28/2008)

(Amended pursuant to Article 2 of Law No. 28 of 2008)

The board of managers shall send an invitation to all shareholders to attend the meeting of the general assembly through advertisement in two local daily newspapers published in Arabic and on the website of Qatar Stock Exchange.

The advertisement shall be made at least fifteen days prior to the meeting of the general assembly. The advertisement shall include sufficient summary of the agenda of the meeting, all statements and documents that are provided in the previous Article and the report of the company auditors.

A copy of the advertisement shall be sent to the concerned authority at the same time that it is sent to the newspapers.

Article 121

The board of managers shall put at the disposal of shareholders, to inform them before the meeting of the general assembly which is convened to examine the balance sheet of the company and the board report, a minimum of three days prior to the meeting, a detailed statement including the following:

1. All the amounts received by the chairperson and each member of the board in the fiscal year including remuneration, fees, salaries, bonuses for attending the meetings, and compensation for the expenses in addition to the amounts received by them in their capacities as technical or administrative employees or for any technical, administrative, or consultative work done for the company.
2. Material benefits enjoyed by the chairperson and each member in the board during the fiscal year.
3. The bonuses proposed by the board to be distributed to the members.
4. Amounts specified to each member of current or previous managers as pension or reserve or compensation for the end of the service.
5. Operations in which the board members or managers have interests that contradicts with the interests of the company.
6. The final amounts spent for the purposes of advertisement in any form with the details of each amount.
7. Donations with details of the party to whom the donations were made, the reason for such donations and the particulars thereof.

For banks and other financial companies, a report of the auditor shall be attached to certify that all cash loans or credits or guarantees given by any of these institutions to the chairperson or board members during the fiscal year have been executed without violating the provisions of Article 109 of this Law.

This detailed statement shall be signed by the chairperson and one member of the board.

The chairperson and members of the board shall be responsible for the implementation of the provisions of this Article and the validation of the particulars of all these documents.

Section 2

General Assembly

Article 122

The general assembly shall be held upon the invitation of the board of managers at least once in a year at the place and date fixed by the board with the approval of the concerned authority. The meeting shall be held within four months following the end of the fiscal year of the company.

The board may, whenever it deems appropriate, invite the general assembly to convene.

Article 123 (Amended By Law 28/2008)

(Amended pursuant to Article 2 of Law No. 28 of 2008)

The dealing of company shares shall be suspended on the day the meeting of the general assembly is held.

Article 124

The board of managers shall invite the general assembly to convene whenever it is requested to do so by the auditor. If the board fails to convene the meeting within fifteen days from the date of such request, the auditor may directly call for the meeting after approval of the Ministry.

The board shall also call for the general assembly meeting whenever it is requested by one or more shareholders who hold at least 10% of the capital for serious reasons, within fifteen days from the date of such request, otherwise the Ministry, based on a request by these shareholders, shall extend invitation on account of the company. The agenda in these two cases shall be limited to the subject matter of the request.

Article 125

Subject to the provisions of Article 88 and 124 of this Law, the Ministry shall call for the meeting of the general assembly of the company in the following cases:

1. If thirty days passed from the date fixed in Article 122 of this Law without extending the invitation to hold the general assembly meeting.
2. If the number of members of the board becomes less than the minimum limit provided for in Article 100 of this Law, without extending the invitation to hold the general assembly meeting.
3. If it is proved to the Ministry, at any time, that there has been a breach of law or of the Article s of Association of the company or if a serious error has occurred in its management.

In all these cases, the specified procedures pertaining to convening the meeting of general assembly shall be followed and the company shall bear all costs involved.

Article 126

The chairperson shall publish the balance sheet, statements of profits and losses, sufficient summary of the board report, and the complete text of the report of the company auditors in two local daily newspapers published in Arabic at least fifteen days prior to the date fixed for the general assembly meeting. A copy of these documents shall be submitted to the Ministry.

Article 127

The agenda of the annual meeting of the general assembly shall contain the following:

1. Recital of the report of the board of managers on the activities of the company, its financial position during the year, report of the accounts auditors, and approval of both of them.
2. Discussion and approval of the company balance sheet and profit-and-loss accounts.
3. If appropriate, election of members of the board of managers.
4. Appointment of auditors and determination of their remuneration.
5. Consideration of discharge of board members.
6. Consideration and approval of proposals by the board of managers pertaining to distribution of dividends.

Article 128

1. Every shareholder shall have the right to attend the meetings of the general assembly. He shall be entitled to a number of votes equivalent to the number of his shares. The decisions shall be taken with absolute majority of the shares represented in the meeting.
2. Minors and persons of unsound mind shall be represented by their legal representatives.
3. Proxies may attend meetings on behalf of their principals provided that the principals themselves are shareholders. The proxy agreement shall be exclusive and in writing. The shareholder may not request a member of the board of managers to represent him in the general assembly meetings. In all cases, the number of shares held by a proxy, in this capacity, shall not exceed 5% of the capital of the company.
4. Notwithstanding the legal persons, no shareholder, whether in his original capacity or his capacity as a proxy, shall have a number of votes exceeding 25% of the votes specified for shares represented in the meeting.

Article 129

Without prejudice to what is stipulated in this Law pertaining to the extraordinary meeting of general assembly, the general assembly shall be mandated to examine the following in particular:

1. Discussion of the report of the board of managers concerning the activities of the company and its financial position during the year and its future plans. The report shall include a detailed explanation of revenue and expense items, detailed statement of the method proposed by the board for distribution of annual net dividends, and a fixed date for disposal of these dividends.
2. Discussion of the auditor's report concerning the company balance sheet and final accounts submitted by the board of managers.
3. Discussion and approval of the company balance sheet, profitandloss accounts and dividends to be distributed.
4. Consideration ofthe discharge of members of the board of managers.
5. Election of members of the board and appointment of auditors and determination of their remuneration for the next fiscal year unless stipulated in the Article s of Association.
6. Examination of any other proposal tabled by the board in the agenda in order to take a decision thereof.

The general assembly may not deliberate on matters not included in the agenda. However, the assembly shall have the right to deliberate on serious matters that may arise during the meeting.

Should a number of shareholders who represent at least one tenth of the company capital request an inclusion of specific matters in the agenda, the board shall respond to such request, otherwise the assembly shall be entitled to decide on the discussion of

these matters.

Article 130

The general assembly shall be chaired by the chairperson of the board of managers or his deputy or whoever the board might assign for such mission. In the absence of such persons, the general assembly shall appoint a chairperson and a secretary for its meeting inter se.

If the Assembly is discussing a matter related to the chairperson of the meeting, it shall select a chairperson from among the shareholders.

Article 131 (Amended By Law 28/2008)

(As amended pursuant to Article 2 of Law No. 28 of 2008)

The general assembly meeting shall be valid if the following are satisfied:

1. An invitation is extended to the Ministry to send a representative to attend the meeting. This invitation shall be extended at least three days prior to the meeting.
2. It is attended by shareholders representing at least one half of the capital of the company unless the Article s of Association provide for a higher representation. If quorum is not present in the first meeting, a second meeting shall be held in compliance with the provisions of Article 120 of this Law. Invitation shall be extended at least three days prior to the meeting. The second meeting shall be valid irrespective of the number of shares represented therein.

Article 132

Every shareholder shall be entitled to discuss matters listed in the agenda and to address queries to the members of the board of managers. The board shall give replies to the extent not detrimental to the company's interests.

A shareholder may revert to the general assembly should he feel that the answer to his query is not satisfactory. A decision issued by the general assembly to this effect shall be duly implemented.

Any condition provided for in the Article s of Association of the company to the contrary shall be and void.

Article 133

The Article s of Association shall determine the method of voting with regard to the general assembly decisions.

The voting shall be by secret ballot if a decision is related to the election or dismissal of the board members, or the institution of a liability claim against them, or if it is requested by the chairperson of the board or a number of shareholders who represent at least one tenth of the votes attending the meeting.

The members of the board may not participate in voting on the decisions of the general assembly on matters concerning their discharge of liability towards the company.

The decisions issued by the general assembly in accordance with the provisions of this Law and the Article s of Association of the company shall be binding on all shareholders whether they are present in or absent from the meeting in which the decisions were taken and whether they are in agreement or disagreement. The board of managers shall implement such decisions as soon as they are issued and provide the Ministry with a copy thereof within fifteen days from the date of issue.

Article 134

The minutes of the general assembly meeting shall indicate the names of attending shareholders either in person or by proxy, the number of shares held in person or represented by those present, the number of votes allocated thereto, decisions made and the number of votes for or against them, and sufficient summary of discussions held during the meeting.

Minutes of the meeting shall be signed by the chairperson, secretary, vote collectors and auditors. Signatories to the minutes shall be liable for the validity of the contents thereof.

Article 135

Minutes of the general assembly shall be recorded in a special register.

The records and minutes of the meetings of the general assembly shall be governed by the same provisions as the records and minutes of the board of managers pursuant to Article 105 of this Law.

A copy of the minutes of meeting of the general assembly shall be sent to the concerned authority within a maximum of one month from the date of the meeting.

Article 136

Without prejudice to the rights of bona fide third parties, any decisions made are inconsistent with the provisions of this Law or the Article s of Association of the company shall be and void.

Any decision made in favour of or causing damage to a particular group of the shareholders or that may bring a special privilege to the board members or others without considering the interest of the company shall be abrogated.

In the event of abrogation of a decision, such decision shall be deemed as of no effect with regard to all the shareholders. The board of managers shall publish this abrogated decision in two local daily newspapers issued in Arabic.

The abrogation claim shall not be entertained after the lapse of one year from the issue of the challenged decision.The filing of the claimshall not result in the suspension of the decision unless the court orders otherwise. The abrogation claim shall not be entertained except from the shareholders who opposed the decision and established their objection in the minutes of the meeting or those who were absent in the meeting for any acceptable reasons.

Section

Extraordinary General Assembly Meeting

Article 137

Decisionson the following issues shall not be taken except in an extraordinary generalassembly meeting:

1. Amending the Memorandum and the Article s of Association of the company.
2. Increase and reduction of the company capital.
3. Extension of the term of the company.
4. Dissolution of the company or its liquidation, transformation or amalgamation with another company.
5. Sale of the venture for which the company was established or disposal of it in any other manner.

The Commercial Register shall record any resolution taken to approve any of these matters.

However, the general assembly shall not be entitled to make amendments to the Article s of Association of the company that are likely to increase the burdens on shareholders or to amend the main objective of the company or change its nationality or transfer the headquarters of the company incorporated in the State to any other state. Any provisions stipulating otherwise shall be and void.

Article 138

Subject to the provisions contained herein, the provisions pertaining to the ordinary general meetings shall apply to the extraordinary general meetings.

Article 139

The extraordinary general meeting shall convene only at the invitation of the board of managers. The board shall extend this invitation if so requested by a number of shareholders representing at least 25% of the company capital.

If the board fails to hold the meeting of the general assembly within fifteen days of this request, the applicants may request the Ministry to address the invitation on behalf of the company.

Article 140

The extraordinary meeting of the general assembly shall be valid only if attended by the shareholders representing at least three quarters of the company capital.

If quorum is not present, the meeting shall be held within thirty days following the first meeting. The second meeting shall be valid if attended by the shareholders representing one half of the company capital.

If quorum is not present in the second meeting, a third meeting shall be called to convene within thirty days following the second one. The third meeting shall be valid irrespective of the number of the shareholders attending.

If the discussion pertains to the dissolution of the company or its transformation or amalgamation, the meeting shall be valid only if attended by the shareholders representing at least three quarters of the company capital.

In all the aforementioned cases, the decisions shall be adopted by a two thirds majority of the shares represented in the meeting.

The board of managers shall publish a decision of the extraordinary meeting of the general assembly if it includes the amendment of the Article s of Association of the company.

Chapter Four

Auditors

Article 141

Every shareholding company shall have one or more accounts auditors appointed by the general assembly for a one-year term. The general assembly

shall determine the remunerations of the accounts auditor(s). It may reappoint the auditor(s) provided that the period of appointment shall not exceed five consecutive years.

The foregoing mandate may not be vested in the board of managers in this respect. However, the founders may appoint an auditor who shall carry out his duties until the first general assembly is convened.

Article 142

The auditor shall be enrolled in the professional accounts auditors' register in accordance with the applicable laws and regulations in the State.

Article 143

The accounts auditor shall not be permitted, in any capacity, to participate in the incorporation of the company or to be a member of its board or to carry out any technical or administrative or advisory works in the company. He shall also not be permitted to be a partner or a proxy or an employee of any of the company founders or any board member or to become a relative of the company founders or any board member up to the fourth degree.

Any appointment of an auditor contrary to these provisions shall be and void.

Article 144

In the event where there is more than one auditor, they shall be jointly liable for activities pertaining to auditing.

Article 145

The accounts auditors shall assume the following tasks:

1. Audit the operations of the company.
2. Verify the accounts of the company according to the applicable rules of auditing, requirements of the profession and its scientific and technical principles.
3. Inspect the balance sheet and the profit and loss accounts.
4. Take note of the implementation of the law and the Article s of Association of the company.
5. Inspect the financial and administrative systems of the company as well as the internal financial auditing systems of the company in order to confirm its compliance with good conduct and good keeping of finances of the company.
6. Verify the assets of the company and its ownership and confirm the legal compliance and validity of company obligations.
7. Review the decisions of the board of managers and instructions issued by the company.
8. Any other duties to be carried out by the auditor pursuant to this Law, the Auditors' Profession Regulation Law and other relevant auditing systems and principles.

The accounts auditor shall submit a written report to the general assembly on his function. He or his representative shall read out the report before the general assembly. A copy of this report shall be sent to the concerned authority.

Article 146

The report of the accounts auditor aforementioned in the previous Article shall include the following:

1. Whether he has satisfactorily obtained all the information, statements, and explanations that he deems necessary to perform his duties.
2. Whether the balance accounts and regular records are consistent with the established universal principles and whether they clearly reflect the financial position of the company and the results of its operations and whether the company's balance sheet and profit and loss account are consistent with its ledgers and records.
3. Whether the auditing procedures made by him for the accounts of the company are considered sufficient in his opinion to form the reasonable basis for expressing his opinion as to the financial position, business results and cash flows of the company in accordance with internationally approved

auditing principles.

4. Whether the financial statements contained in the report of the board of managers addressed to the general assembly conform to the company records and ledgers.
5. Whether stocktaking was conducted according to established principles.
6. Whether there were violations of the provisions of this Law or the Article s of Association of the company which occurred during the year the subject of the auditing and whether they had fundamental impact on the results of the company business and its financial position and if these violations still exist, in the light of information available to him.

Article 147

If it is not possible for the accounts auditor to conduct functions and duties assigned to him in accordance with the provisions of this Law, for any reasons, the auditor shall, before excusing himself from auditing, submit a report to the Ministry copied to the board of managers explaining the reasons which are preventing him from performing his duties. The Ministry shall discuss these reasons with the board where possible, otherwise the Ministry shall call for a general assembly meeting to consider such matters.

Article 148

If the company has one or more auditors, they shall submit one report. This report shall be read out by one of them at the general assembly meeting. If the general assembly decides to approve the report of the board of managers without hearing the report of the auditor, such decision shall be deemed and void.

Article 149

The accounts auditor shall be responsible for the authenticity of the information and details stipulated in his report in his capacity as the representative for all shareholders. Every shareholder shall have the right, during the general assembly meeting, to discuss and request explanations from the auditor with regard to the content of his report.

Article 150

The accounts auditor and his employees shall not be permitted to trade in the shares of the company whose accounts are audited by him, whether this dealing is conducted directly or indirectly, otherwise the auditor shall be dismissed and held accountable. The auditor shall also be requested to indemnify against any damage resulting from the breach of the provisions of this Article .

Article 151

The accounts auditors shall keep the secrets of the company and shall not, except in the general assembly meeting, disclose to the shareholders or others, any of the secrets of the company known to him by virtue of his assignment, otherwise he shall be dismissed and held accountable.

The auditor shall indemnify the company or the shareholders or third parties against damages sustained thereby as a result of defaults on his part. In the case of more than one auditor, they shall be jointly liable for damages caused by their default.

Any liability claim on the ground set out in the preceding paragraph shall not be considered after one year from the date of the general assembly meeting in which the report of the auditor was submitted. If the act attributed to the auditor constitutes a criminal offence, the claim shall stand valid throughout the duration of the general claim.

Chapter Five

Company Capital

Section 1

Shares

Article 152 (Amended By Law 16/2006)

(As amended pursuant to Article 3 of Law No. 16 of 2006)

The company capital shall be divided into equal shares. The nominal value of each share shall be not less than ten Qatari Riyals. The issue expenses of these shares may not exceed 1% of the nominal value of the share.

However, the nominal value of a share may not be less than ten Qatari Riyals provided the Ministry's approval is granted.

Article 153

Shares of a company incorporated in Qatar shall be nominal.

Article 154

A share in the joint stock company is indivisible be the company. However, if the share is held by a number of persons, they shall elect one of them to represent them to use the rights pertaining to such share. All such persons shall be collectively liable for the obligations arising from the ownership of the share.

It shall not be permitted to issue a share for less than its nominal value. However, the share may be issued at a higher price than its nominal value if so stipulated by the Article s of Association of the company or approved by an extraordinary general meeting of the company. In this case, the difference shall be added to the legal reserve.

Article 155

The share value shall be paid in cash, in a single payment or instalments. An instalment value due to be paid up at subscription may not be less than 25% of the share value.

In all cases, the share value shall be completely paid within five years from the date of the publication of the company's incorporation in the Official Gazette.

Article 156

At the time of subscription, the company shall issue temporary certificates wherein the names of the shareholder, number of subscribed shares, amounts paid up and outstanding instalments shall be stated. These certificates shall stand for the ordinary shares until Amended with shares upon payment of all instalments.

Article 157

If the shareholder fails to pay any instalment of the share value on its due date, the board of managers may act on the share by notifying the shareholder and calling for the payment of the due instalment by registered mail. In the event of the failure to pay within thirty days, the company may sell the share in a public auction or on the Stock Exchange. The company shall settle the defaulted instalments and expenses from the proceeds of sale and the remaining amount shall be returned to the shareholder. Notwithstanding the above, the defaulting shareholder may, even on the day of sale, pay the value due from him plus the expenses of the company. If the proceeds of sale are insufficient to settle these amounts, the company may collect them from his private assets. The company shall cancel the share on which such action was taken and the buyer shall be given a new shareholding in the place of the cancelled share. The sale shall be recorded in the share register stating the name of the new owner.

Article 158

The company may hold material shares given against non-cash assets or evaluated rights. The founders shall request a civil court to appoint one or more experts to establish whether these shares were properly evaluated and rectified. Estimation of these shares

shall not be final until approved by a group of underwriters with a majority possessing two thirds of the cash shares.

Holders of shares in kind shall not have the right to vote even if they hold cash shares.

Shares in kind may not represent shares that were not paid up completely.

The shares representing material dividends shall not be delivered until their complete ownership is transferred to the company.

Article 159

The company shall maintain a special record called the Shareholders Register, which includes names of shareholders, their nationalities and place of residence, shares held by each of them and the paid-up amount of the share value. The Ministry shall have the right to access these particulars and acquire copies thereof.

The company may deposit a copy of this Register with any other authority in order to follow up affairs of shareholders and authorize that authority to keep and organize this Register, if it wishes to do so.

The shareholders may also view this Register free of charge.

Every concerned party shall be entitled to correct particulars included in the Register, especially when a name is entered or deleted without due justification. A copy of these particulars and any amendments thereof shall be sent to the concerned authority within a maximum of two weeks before the date specified for disposal of dividends to the shareholders.

Article 160

If the shareholding company intends to enlist its shares in the securities market, the procedures and principles as stipulated by the laws, regulations and guidelines for organizing the dealing of operations of securities in the State shall be followed, particularly those related to the handover of the Register provided in the previous Article to the body specified by these laws, regulations and guidelines.

Article 161

Ownership of the shares shall be transferred upon their registration in the Shareholders Register and the share shall be transferred upon this registration. No objection against the company or others with regard to its disposal transaction shall be made except from the date of its registration in the Shareholders Register.

Notwithstanding the above, the company shall be prohibited fromdisposing of shares in the following conditions:

1. If such a disposal is contrary to the provisions of this Law or the Article s of Association of the company.
2. If the shares are under lien or sequestration by a court order.
3. If the shares are lost and no substitutes have been given.

Article 162

Shares may be mortgaged by submitting them to the mortgagee. The mortgagee may receive the profits and use the rights related to the shares unless otherwise agreed in the mortgage contract.

Article 163

Sequestration on the company assets due to the debts of any shareholder shall not be permitted. Sequestration may be placed on shares of the indebted shareholder and profits accrued there from and sequestration shall be noted on the share entry in the Shareholders Register in accordance with Article 159 of this Law

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Article 164

All decisions issued by the general assembly shall apply to the sequestrator, creditor and mortgagor in the same way as to the shareholder whose shares were sequestrated or to the mortgagor.

Nonetheless, the sequestrator or mortgagor may not attend meetings of the general assembly or participate in its deliberations or approve its decisions. He shall not have any rights in the company.

Article 165

The founders shall not be permitted to dispose of their shares until the completion of two years from the incorporation of the company. In the event of the death of any founder, the heirs shall have no right to dispose of the shares of their testator within this period.

Article 166

All decisions issued by the ordinary or the extraordinary general assembly affecting the shareholder's rights derived from the provisions of this Law or the Article s of Association of the company or increasing his liabilities shall be deemed and void.

Article 167

The company Article s of Association may provide for restrictions pertaining to share dealings, provided that these restrictions shall not prohibit the share dealings.

Article 167 - (bis) (Added By: Law 16 / 2006)

(Added pursuant to Article 4 of Law No. 16 of 2006)

The company may purchase its debentures for purposes of sale in accordance with measures determined by Qatar Financial Markets Authority.

Section 2

Debentures

Article 168

The company may, with approval of the general assembly, give loans against stocks that are of equal value, negotiable and indivisible. The general assembly may authorize the board of managers to determine the amount of the loan and its terms.

Article 169

Debentures shall be nominal, and shall remain so until their value has been settled completely.

Article 170

No loan debenture may be issued without fulfilling the following conditions:

1. It must be provided for in the company Article s of Association.
2. The company capital must be fully paid up.
3. The value of debentures shall not exceed the current capital as per the latest approved balance sheet, unless these debentures are guaranteed by the State or one of the banks operating therein.

Article 171

Debentures issued for a single loan (one credit) shall grant their owners equal rights, and anyprovisions to the contrary shall be and void.

Article 172

Debentures declared for public subscription shall be made through one or more banks accredited and operating in the State. Debentures shall be offered to the public at least fifteen days in advance by advertisement in two local daily newspapers published in Arabic and shall be signed by the members of the board of managers and include particulars determined by a decision issued by the Ministry. These particulars, inter alia, include the following:

1. Decision of the general assembly for the issue of debentures and its date.
2. Number of debentures issued and their value.
3. Commencement and end date of subscription.
4. Date of maturity of debentures, terms of payment and payment guarantees.
5. Value of debentures already issued, their guarantees and the unpaid amount thereof upon the issue of the new bonds.
6. The company capital.
7. Headquarters of the company, date of incorporation and duration.
8. Value of shares in kind.
9. Summary of last balance sheet of the company approved by the accounts auditor.

Article 173

New loan debentures shall not be permitted to be issued unless the subscribers to the previous debentures have paid the full value of the old debentures, provided that the balance of that value in addition to the value of new debentures shall not exceed company capital according to the latest approved balance sheet.

Article 174

Within one month from the closure of subscription, the board of managers shall provide the Ministry with a statement on the subscription process and the names of subscribers and their nationalities and their respective subscriptions.

Article 175

Decisions adopted during the shareholders' general assembly shall apply to debenture holders. Nevertheless, the general assembly may not amend the rights given to the debenture holders without approval issued by them in their general meeting according to the rules laid down at the extraordinary general meeting of the shareholders.

Article 176

Debentures shall not be converted into shares unless so stipulated in the conditions of the debenture in accordance with the terms provided for in the preceding Article.

If conversion is approved, the debenture holders may, at his discretion, either accept the conversion or receive the nominal value of the stock.

Article 177

If a share certificate or a nominal stock is lost or damaged, the holder thereof may demand a new instrument in replacement thereof.

The owner shall publish, in one local Arabic newspaper, the serial numbers of the lost or damaged instruments.

If, within thirty days from the date of publication, no objection is received by the company, it shall provide the holder with a new instrument wherein it shall be stated that it is issued in replacement of a lost or damaged one. Such certificate shall grant its holder all the rights and obligations related to the lost or damaged instruments.

Article 178

Anyone opposing the issue of an instrument in replacement of a lost or damaged oneshall file his suit in the concerned court within fifteen days from the date of submitting his opposition. In the event of failure to do so, the objection shall be deemed and void.

Article 179

Upon being notified of the final judgment, the concerned authority shall deliver to the owner the certificates in lieu of the lost or damaged ones upon notifying them of the final decision.

Chapter Six

Company Finance

Article 180

As specified in its Article s of Association, the company shall have a fiscal year of not less than twelve months except for the first fiscal year.

Article 181

At least two months prior to the annual general meeting of the company, the board of managers shall show, in each fiscal year, the balance sheet of the company, statements of profits and losses, and a report on the company activities during the previous fiscal year and its financial status during that year to the accounts auditor.

The chairperson of the board of managers and one of the members shall sign these documents.

Article 182

The company shall publish biannual financial reports in the local Arabic daily newspapers for the reference of the shareholders. The accounts auditor shall verify these reports and the same shall not be published without the approval of the concerned authority.

Article 183

Unless a higher rate is specified by the Article s of Association of the company, 10% of the net profit of the company shall be deducted annually to create the legal reserve.

The general assembly may stop making such deduction whenever the legal reserve reaches one half of the paid-up capital.

The legal reserve may not be distributed among the shareholders. However, the excess beyond one half of the paid-up capital may be used for the distribution of dividends among the shareholders up to 5% in years where the company does not attain sufficient net profit to distribute this rate.

Article 184

Upon a proposal by the board of managers, the general assembly may decide to annually deduct a portion of the net profits for an optional reserve.

The optional reserve shall be used for any other purposes as decided by the general assembly.

Article 185

A percentage specified by the Article s of Association of the company or the board of managers shall be deducted annually from the gross profit of the company for the depreciation of the company assets or as a compensation for their devaluation. This percentage shall be used to repair or purchase the necessary material and equipment for the company and shall not be distributed among the shareholders.

Article 186

The general assembly shall decide to deduct part of the profits for compensating the company obligations arising out of the labour laws.

The company Article s of Association may provide for the formation of a special fund to assist the company employees.

Article 187

The Article s of Association of the company shall stipulate the minimum part of the net profits to be distributed among the shareholders after the deduction of the legal and optional reserves.

The shareholder shall be entitled to his share of profits once a decision is issued by the general assembly. The board of managers shall implement this decision within thirty days from the date of its issue.

Chapter Seven

Amendment of Company Capital

Section 1

Capital Increase

Article 188

Company capital shall not be increased unless the value of shares is completely paid.

Article 189

The company capital may be increased by a decision adopted by an extraordinary general assembly and the approval of the Ministry. The decision shall specify the amount of increase and issue rate of new shares.

The general assembly may authorize the board of managers to fix the date for the implementation of that decision not later than one year from its date of issue.

Article 190

The company capital shall be increased by one of the following methods:

1. Issue of new shares.
2. Capitalization of the reserve or a part thereof or of the profits.
3. Conversion of debentures into shares.
4. Issue of new shares against shares in kind or evaluated right.

Article 191

Regulations pertaining to subscription in the original shares shall apply to subscription in the new ones.

Article 192

New shares shall be issued with a nominal value equal to the nominal value of the original shares. However, the extraordinary general assembly may decide a share premium to the nominal value of the share and determine its amount provided that approval of the Ministry is obtained. This share premium shall be added to the legal reserve.

Article 193

The shareholders shall have priority to subscribe to the new shares. The shareholder shall not be permitted to assign his right in such priority to other persons.

Article 194

The chairperson shall publish a statement in two local Arabic daily newspapers notifying the shareholders of their priority in subscription, opening date, closing date and price of the new shares.

Article 195

Distribution of shares to applicant shareholders shall be pro rata to the shares held by them provided that it does not exceed their respective applications. The remaining shares shall be distributed to the shareholders who applied for more than the percentage of shares held by them. The remaining shares may also be offered for public subscription or disposed of upon approval of the concerned authority.

Should shares in kind be included in subscription in such capital increase, evaluation of such shares shall be done in accordance with the provisions concerning the same, provided that the extraordinary general meeting shall stand for the general assembly of incorporation.

Article 196

In the event that new shares are offered for public subscription, a subscription bulletin shall be published specifically, containing the following particulars:

1. Reasons of capital increase.
2. Decision of capital increase taken by the extraordinary general assembly.
3. Company capital at the time of issuing new shares, amount of increase, number of new shares and premium, if any.
4. Particulars of shares in kind or evaluated right, if any.
5. A statement of profits distributed by the company during the three years prior to the date of the decision taken for the capital increase.
6. Certificate from the accounts auditor to certify that statements included in the bulletin are accurate.

This bulletin shall be signed by the chairperson and the accounts auditor and they shall be jointly liable for the accuracy of particulars stated therein.

Article 197

In the event of increasing the capital by the capitalization of distributable reserves, gratis shares shall be issued and distributed among the shareholders pro rata to shares held by each of them, or by increasing the nominal value of the shares proportionate to the casual increase of capital. This shall not impose any financial burdens on the shareholders.

Article 198

Conversion of the debentures into shares shall be made by recovery of debentures, cancellation thereof, giving their holders shares in return and adding their value to the capital.

Section 2

Decrease of Capital

Article 199

Subject to the Ministry's approval, capital shall not be decreased except by a decision adopted in an extraordinary general assembly and after hearing the report of the accounts auditor. Such decrease may be made in the following two cases.

1. If capital exceeds the company's needs.
2. If the company sustains losses.

Article 200 (Amended By Law 16/2006)

(As amended pursuant to Article 1 of Law No. 16 of 2006)

Capital may be decreased by one of the following measures:

1. Decrease of the number of shares by cancelling a number of shares equivalent to the value intended to be decreased.
2. Decrease of the number of shares equivalent to the loss sustained by the company.
3. Purchase of a number of shares equivalent to those intended to be decreased or canceled.

Article 201

The board of managers shall publish its decision to decrease capital in two local Arabic daily newspapers and the creditors shall provide the company, within sixty days from the date of publication, with supporting documents so that the company shall settle its immediate and provide adequate guarantees for deferred ones.

Article 202

If it is resolved to decrease the company capital through the purchase and cancelation of a number of its shares, all shareholders shall be invited to offer their shares for sale. Such invitation shall be published in two local Arabic daily newspapers.

Shareholders may be informed by registered mail of the company's intention to purchase shares. If the number of shares offered for sale exceeds the quantity decided to be purchased by the company, sale offers shall be reduced pro rata to the excess. The purchase price shall be fixed according to the provisions of the Article s of Association. If no provision is stipulated in this respect, the company shall pay the fair price fixed by the company auditor in accordance with the prevailing evaluation methods or the market price, whichever is higher.

Section Eight

Private Joint Stock Company

Article 203

A number of founders, not being less than five, may, among themselves, incorporate a private joint stock company whose shares shall not be offered for public subscription and they may subscribe to the full amount of the capital which shall not be less than two million Qatari Riyals.

Article 204

Notwithstanding the provisions concerning public subscription and dealing, all provisions contained herein with regard to public joint stock companies shall apply to private joint stock companies.

Article 205

A private joint stock company may be transformed into a public joint stock company if it satisfies the following requirements:

1. Nominal value of the shares issued must be paid up in full.
2. The company must be more than two fiscal years old.
3. During the pursuit of its objectives for which the company was established, the company must, during the two years preceding the application for transformation, have achieved net profits of not less than 10% of its capital, distributable to the shareholders.
4. The decision of the transformation of the company must be adopted by a majority of three quarters in the extraordinary general meeting of the company.

The Minister shall issue a decision declaring the transformation of the company into a public joint stock company. This decision, along with the Memorandum and Articles of Association of the company, shall be published at the expense of the company.

Part 6

Partnership Limited by Shares

Article 206

A partnership limited by shares is a company comprising two groups. One of them includes one or more partners jointly responsible for the debts of the company in all of their assets. The other group consists of shareholders, being not less than four. They shall not be responsible for the debts of the company except to the extent of their shares in the capital.

Article 207 (Amended By Law 16/2006)

(Amended pursuant to Article 1 of Law No. 16 of 2006)

In so far as the joint partners are concerned, the company shall be deemed a general partnership, and the joint partner shall be deemed a trader even if he had not attained such capacity before entering the company. All joint partners shall be citizens of the State.

All joint partners shall be natural persons.

Article 208

The name of the company shall consist of the name of one or more joint partners. An invented name or one derived from its own object may be annexed to its name.

It shall not be permissible to insert the name of the shareholding partner in the company name, but, if inserted knowingly, he shall, with regard to bona fide others, be deemed a joint partner.

In all cases, the term “partnership limited by shares” shall be added to the company name.

Article 209

The capital of the company shall be divided into negotiable and indivisible shares of equal value.

Article 210

The company capital shall not be less than one million Qatari Riyals fully paid at the time of incorporation.

Article 211

Subscription in a partnership limited by shares shall be conducted according to the rules and regulations pertaining to subscription in shares of joint stock companies.

Article 212

All the founder partners shall sign the company Memorandum and Article s of Association. The company Article s of Association shall include names of joint partners, their place of residence and nationalities in addition to the name of the manager appointed from among them.

Article 213

The joint partner shall not be permitted to interfere in the management activities related to others even with authorization. However, he may participate in the internal management activities within the limits stipulated by the Article s of Association of the company.

Article 214

If the joint partner violates the provisions of the preceding Article, he shall be held responsible in all of his assets for the liabilities arising out of the

management work conducted by him. If he carries out such acts with authorization from the joint partners, the authorizing party along with him shall be responsible for the liabilities arising out of such activities.

Article 215

Each partnership limited by shares shall have a general assembly comprising all joint partners and shareholders.

Rules and regulations applicable to the general assembly of the joint stock company as to its incorporation, meetings and voting on its decisions shall apply to the general assembly in the partnership limited by shares.

The manager of a partnership limited shares shall replace the board of managers in inviting the general assembly for meetings.

The general assembly shall represent shareholders before the managers.

Article 216

The general assembly of the partnership limited by shares shall not be permitted to make disposal of the company matters related to others or amend the company Article s of Association without the approval of the managers, unless otherwise stipulated by the Article s of Association.

Article 217

A partnership limited by shares shall have a supervisory board comprising at least three members elected by the general assembly either from the shareholding partners or others in accordance with the Article s of Association. The joint partners shall have no vote in the election of the members of the supervisory board.

Article 218

The supervisory board shall ascertain that procedures pertaining to the company's incorporation are taken in accordance with provisions of this Law and monitor its activities. For this purpose, the board may request the managers to provide it with a report on their management. It may also examine the books, documents and records of the company and take stock of its assets.

The board shall express its views on such matters as the company managers may refer thereto, and declare its consent to the transactions whenever, under the Articles of Association, such consent is required.

Article 219

The supervisory board shall have the right to invite the general assembly to convene if significant breaches in the company management have occurred.

The board shall also submit at the end of each fiscal year a report on the results of its supervision to the general assembly of shareholders.

The members of the supervisory board shall not be responsible for the acts carried out by the managers or the results of these acts except for those discovered or which have come to their knowledge but of which they failed to notify the general assembly.

Article 220

The partnership limited by shares shall be managed by one or more joint partners. The provisions concerning the functions and removal of the managers of joint stock companies shall also apply to the managers of partnerships limited by shares.

Article 221

The extraordinary general meeting shall not be permitted to take decisions regarding the amendment of the Article s of Associations of the company without the approval of all the joint partners, unless otherwise stipulated in the Article s of Association

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Article 222

A partnership limited by shares shall have one or more auditor(s) who shall be subject to the same provisions that govern the auditors in joint stock companies.

Article 223

Subject to the provisions stipulated in this Part, the provisions concerning joint stock companies shall equally apply to partnerships limited by shares in the following:

1. Rules pertaining to incorporation of the company and its registration.
2. Rules concerning the company's financial accounts.

Article 224

In the event of a vacancy in the post of the manager of the company, the supervisory board shall appoint a temporary manager who shall attend to urgent administrative affairs until the general assembly meeting convenes.

Such a temporary manager shall, within fifteen days from date of his appointment, invite the general assembly to convene in accordance with the procedures established by the Article s of Association, failing which the supervisory board shall extend the invitation without delay.

The temporary manager shall only be responsible for executing operations that are delegated to him.

Part 7

Limited Liability Company

Chapter One

Incorporation of Company

Article 225

The limited liability company means a company in which the number of partners shall not be more than fifty and not less than two. Each partner shall be liable only to the extent of his share in the capital, and the partners' shares shall not be in the form of negotiable instruments.

Article 226

A limited liability company shall have a name derived from its objectives or from the name of one or more partners. In both cases, the name of company may contain an inventive name provided that the name of the company shall not be misleading as to its objectives or identity.

The term “limited liability company “shall be annexed to the company's name. In the event of failure on the part of the managers to observe the above clause, they shall be held responsible to the extent of their private assets as well as collectively for the liabilities of the company apart from remunerations.

Article 227

The objective of a limited liability company shall never be the business of banks or insurance, or investment of funds for others in their own name or as agent.

Article 228

A limited liability company shall neither seek public subscription for its formation nor increase of its capital nor for obtaining loans required by it. It shall not be entitled to issue shares or transferable bonds.

Article 229

A limited liability company shall be established pursuant to the Memorandum signed by all partners,which shall include the following particulars, based on which a decision shall be issued by the Minister:

1. Type, name and objectives of the company and its headquarters.
2. Names of the partners, their nationalities, places of residence and addresses.
3. Amount of the capital and share of each partner and particulars of the shares in kind, their amounts and names of subscribers therein, if any.
4. Names and nationalities of the company managers and whether they are from partners or others, if their names are included in the Memorandum of Association.
5. Names of members of the supervisory board, if any.
6. Term of the company.
7. Methods of distribution of profits and losses.
8. Conditions concerning the assignment of shares.
9. Methods to be followed for addressing notices to the partners.

The company Memorandum of Association may include provisions related to regularizing the right to recover the shares of partners, and method of evaluation when such right is exercised, as well as forming an optional reserve, organizing company finance and accounts and grounds for the company's dissolution.

Article 230

A limited liability company shall not be established unless all cash shares and shares in kind are distributed among the partners and the value of each share is paid in full.

Cash shares of the company shall be deposited in one of the approved banks operating in the State. The bank shall not release the same except for the company managers and shall only do so upon the submission of documents proving the registration of the company in the Commercial Register.

If a partner submits a share in kind, it shall be mentioned in the company Memorandum of Association along with its value, the price accepted by other partners as well as the name of the partner and the amount this share represents in the capital against what he offered.

The partner who offered the shares in kind shall be liable to others for the difference between the real and estimated value of such shares in the Memorandum. The remaining partners shall be jointly liable for the payment of such difference; unless it is proved that they are not aware of the same.

However, a liability claim shall not be heard in this case after the lapse of five years from the date of the company registration in the Commercial Register.

Article 231

The manager of the company shall apply for the registration of the company in the Commercial Register. Such application shall be annexed to the Memorandum of Association of the company along with other documents showing the distribution of shares among the partners, payment of their value in full and the deposit of the same in a bank operating in the State. Furthermore, all documents showing the delivery of shares in kind, if any, to the company shall be annexed.

The company shall not conduct any of its activities unless after it is registered in the Commercial Register

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Chapter Two

Shares and Capital

Article 232

The company capital shall be sufficient to achieve its objectives. It shall not be less than two hundred thousand Qatari Riyals distributed in equal value shares, and the value of each share shall not be less than ten Qatari Riyals.

Profits and losses on the shares shall be distributed equally, unless otherwise stipulated in the company Memorandum of Association and in compliance with the provisions of Article 13 of this Law.

Article 233

Company capital shall be distributed in shares of equal value paid up fully by the partners upon incorporation. A share shall be indivisible, and if the share is held by more than one person, the company may cease the use of rights pertaining to such shares until the holders of such shares choose one of them to be deemed as individual holder of the shares vis-à-vis the company. The company may fix a date for such owners to conduct this selection, failing which the company shall have the power to sell the share on behalf of its owners, and in this case the share shall be first offered to the partners and then to others.

Article 234

The company shall keep a special ledger, at its head office for the partners, to include the following:

1. Names of the partners, their places of residence, nationalities and professions.
2. Number and value of shares owned by each partner.
3. The assignments taken place of the shares along with the date of the same transactions, reasons of transferring the ownership, name of the assigner and assignee as well as their signatures.
4. Total number of shares owned by the partners after the assignment.

The company managers shall be collectively liable for the said register and the validity of its contents. The partners, and any concerned party, shall have the right to review this register.

Article 235

In compliance with the Memorandum of Association, a partner may, under an official instrument, assign his share to another partner or to other parties, and such assignment shall be valid with regard to the company and others only from the date of entry of the same in the company's register and the Commercial Register.

The company may not refuse to enter the assignment in this Register unless it is inconsistent with its Memorandum of Association and this Law.

Article 236

Unless the Memorandum of Association stipulates otherwise, a partner who intends to assign his share to a person who is not a partner in the company, for consideration, shall, through the company manager, notify the other partners of the assignment terms. Upon receipt of such notice, the manager shall notify the partners instantly. Each partner may request recovery of the said share at an actual price based on the same assignment terms. In the event of disagreement over the price, the company's auditor shall fix that price on the recovery date. If, after thirty days from the date of notification, no partner requests recovery of the share, the said partner shall be free to dispose of his share.

Article 237

The share of each partner shall be transferred to his heirs or his legatees. The provisions of the previous Article pertaining to recovery shall not apply to this transfer.

Article 238

If more than one partner uses the right of recovery, the shares, or the sold share, shall be divided among them pro rata to their shareholding, subject to the provisions of the aforementioned Article 233 of this Law.

Article 239

Should the creditor of any partner practise execution procedures on the share of his debtor, he may agree with the debtor and the company on the method and terms of its sale, otherwise the share shall be offered for public auction. The company may recover the share for sale in favour of one or more partners on the same conditions of the auction within fifteen days from the date of awarding the tender. These provisions shall also apply in the case of bankruptcy.

Chapter Three

Company Management

Article 240

The company manager shall have the full authority to carry out management affairs of the company, unless the Memorandum of Association limits his authorities.

The manager's acts shall be binding on the company, provided that they are substantiated by the authority given to him.

Any decision that provides for the change of managers or imposes restrictions on their powers shall not apply against others unless recorded in the Commercial Register.

Article 241

In the event of more than one manager, the Memorandum of Association may provide for the formation of a board of managers and determine both the tasks of the said board and the majority needed for the validity of their decisions.

Article 242

Provisions pertaining to liabilities of managers of a joint stock company shall apply to the managers of a limited liability company.

Article 243

Unless the approval of the general assembly is granted, the manager may not assume management in another competing company or a company that has similar objectives. He may not conclude, on his own account or on account of others, competing or commercial deals or transactions. Any breach of these provisions shall result in the dismissal of the manager and indemnity.

Article 244

If the number of the partners exceeds twenty,supervision shall be vested in a monitoring council comprising at least three partners for a limited period as stipulated in the company Memorandum of Association. The general assembly may reappoint them after the expiry of the said period or appoint other partners, and may dismiss them.

The managers shall have no vote whether in the election of the monitoring council or in matters related to the removal thereof.

Article 245

The monitoring council shall inspect the company ledgers and documents and shall carry out stocktaking of the funds, goods, financial papers and documents establishing the equities of the company. Furthermore, it may, at any time, instruct the managers to submit reports about their management. The monitoring council shall monitor the balance sheet and the distribution of the profits. The monitoring council shall submit its report in this regard to the general assembly of the company at least fifteen days before it convenes.

Article 246

The members of the monitoring council shall not be liable for the actions of managers unless they became aware of the defaults therein and fail to refer to the same in their report to the general assembly.

Article 247

A partner who is not a manager in a company where no monitoring council exists may offer advice to managers and request inspection, in the main office of the company, of its transactions, ledgers and documents. Any condition to the contrary shall be and void.

Article 248

A limited liability company shall have a general meeting comprising all of the partners. The meeting shall convene at the invitation of the managers at least once every year within the four months preceding the expiry of the fiscal year at the venue and date stipulated in the Memorandum of Association.

The managers shall invite the general assembly to hold a meeting if the same is requested either by the monitoring council or by a number of partners holding not less than one quarter of the capital.

Invitations to the general meeting shall be sent by registered mail to each partner at the address stipulated in the Memorandum of Association, at least twenty-one days prior to the date of the meeting. The invitation letter shall include the meeting agenda, the venue and the time of the meeting and a copy of the balance sheet.

Article 249

In each fiscal year, managers shall prepare the balance sheet of the company, the profitandloss accounts as well as report on the activities of the company and its financial position and their proposals about distributions of dividends within two months from the end of the fiscal year.

Managers shall send copies of these documents, the report of the monitoring council and the auditor's report to the Ministry and to each partner within one month of preparing the aforementioned documents. Each partner shall be entitled to demand to be invited to a meeting to deliberate on such documents.

Article 250

Each partner shall be entitled to attend the general assembly meeting irrespective of the number of shares owned by him. He may appoint a partner, other than a manager, to represent him by proxy at the general assembly meeting. Each partner shall have a number of votes equal to the number of shares owned or represented by him.

Article 251

The agenda of the annual general assembly meeting shall include the following:

1. Discussion of the report of the managers on the company activities and its financial position during the year, as well as the report of the monitoring council and that of the auditor.
2. Discussion and approval of the balance sheet and the profit and loss accounts.
3. Defining of the percentage of dividends to be distributed among the partners.
4. Appointment of the managers and board of managers or the supervisory board members (if any) and defining of their remunerations.
5. Appointment of an auditor and fixing of his remunerations.
6. Other matters within its jurisdiction in accordance with the provisions of this Law or the Memorandum of Association.

Article 252

The general assembly may not deliberate on matters outside the scope of the agenda except if, during the meeting, certain significant facts demanding discussion are disclosed.

If a partner requests the inclusion of a specific item on the agenda, the managers shall comply there with, otherwise the partner shall be entitled to revert to the general assembly meeting.

Article 253

Each partner shall be entitled to discuss items on the agenda and the managers shall give replies to their queries. If a partner considers the reply to his query as inadequate, he may revert to the general assembly whose resolution shall be enforceable.

Article 254

Unless otherwise stipulated in the Memorandum of Association, the decisions issued by the general assembly shall be valid only if adopted by a number of votes representing at least one half of the capital.

If the requirement for such majority is not met during the first meeting, partners shall be invited to a second meeting, within twenty-one days from the first meeting. Unless otherwise stipulated in the Memorandum of Association, decisions in the second meeting shall be adopted by majority of the votes present.

Article 255

The managers shall not be permitted to cast their votes on decisions related to their dismissal or suspension from the management.

Article 256

It shall not be permissible to either amend the company Memorandum or to increase or decrease its capital, except by a decision issued by the general assembly based on the majority of votes holding three quarters of the capital, unless, in addition to the above quorum, a majority of the partners is stipulated in the company Memorandum of Association. Nevertheless, the partner's financial commitments shall not be increased except by their unanimous approval.

Article 257

An adequate summary of minutes of the general assembly deliberations shall be issued. Together with the general assembly decisions, these minutes shall be entered in a special register kept at the headquarters of the company. Any partner may review the same either in person or through a proxy. He shall also be entitled to review the balance sheet, profit and loss accounts and annual report of the company.

Article 258

The company shall have one or more auditors appointed each year by the general assembly. These auditors shall be subject to the same provisions as auditors in joint stock companies.

Article 259

Without prejudice to the rights of bona fide third parties, any resolution adopted by the general assembly or partners that is inconsistent with the provisions of this Law or the Memorandum of Association shall be and void. Only the partners who object to such decision in writing and those who were unable to object after being made aware of it may demand the abrogation thereof.

A ified decision shall be invalid as against all the partners.

After the lapse of one year from such decision, ified claims shall be inadmissible, and, unless otherwise ordered by the court, the filing of the claim does not necessarily suspend the enforcement thereof.

Article 260

The company shall allot each year 10% from the net profit to form the legal reserve.

This allotment can be suspended if the reserve attains a value equivalent to 50% of the company capital. The legal reserve can be used to cover the losses of the company or to increase the capital of the company upon a decision by the general assembly.

Part 7 (bis)

Sole Proprietorship

Article 260 - (bis) 1 (Added By: Law 16 / 2006)

(Added pursuant to Article 6 of Law No. 16 of 2006)

Sole proprietorship shall mean, in application of this Law, any economic activity that has capital solely owned by one natural or legal person.

Article 260 - (bis) 2 (Added By: Law 16 / 2006)

(Added pursuant to Article 6 of Law No. 16of 2006)

The Article s of Association shall determine the rules pertaining to sole proprietorships, statements and procedures pertaining to its registration and announcement.

A sole proprietorship shall enjoy legal personality only after its announcement.

Article 260 - (bis) 3 (Added By: Law 16 / 2006)

(Added pursuant to Article 6 of Law No. 16 of 2006)

The owner of a sole proprietorship shall have a private trade name that may derive from the objectives of its incorporation. The proprietorship name shall be connected to the owner of its capital and shall be followed by the description "sole proprietorship".

Sole proprietorship shall have its headquarters in Qatar and conduct its main activity in the State

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Article 260 - (bis) 4 (Added By: Law 16 / 2006)

(Added pursuant to Article 6 of Law No. 16 of 2006)

The owner of the sole proprietorship's capital shall be liable to fulfil its obligations only to the extent of the capital specified for the company.

Article 260 - (bis) 5 (Added By: Law 16 / 2006)

(Added pursuant to Article 6 of Law No. 16 of 2006)

The capital of a sole proprietorship shall not be less than two hundred thousand Qatari Riyals and shall be fully paid.

The capital may include shares in kind, and its value shall be estimated by a qualified expert.

Article 260 - (bis) 6 (Added By: Law 16 / 2006)

(Added pursuant to Article 6 of Law No. 16 of 2006)

Sole proprietorship shall be managed by the owner of its capital. It may appoint a manager or more to represent it with third parties and before courts and shall be responsible for its management vis-à-vis the owner.

Article 260 - (bis) 7 (Added By: Law 16 / 2006)

(Added pursuant to Article 6 of Law No. 16 of 2006)

If the sole proprietor of the capital of the company, in mala fide, liquidated or ceased its activity before the end of term or before the achievement of objectives of its incorporation, he shall be liable for fulfilment of its obligations to the extent of his assets.

Article 260 - (bis) 8 (Added By: Law 16 / 2006)

(Added pursuant to Article 6 of Law No. 16 of 2006)

Notwithstanding the provisions of the aforementioned Article s, provisions pertaining to a limited liability company shall apply to a sole proprietorship, provided that these provisions are not contradictory.

Part 8

Holding Company

Article 261 (Amended By Law 16/2006)

(Amended pursuant to Article 1 of Law No. 16 of 2006)

A holding company is a joint stock or limited liability company that controls financially and administratively one or more other companies that becomes part of it. It owns at least 51% of the shares or equities of this company or companies, whether these companies are joint stock companies or limited liability companies or sole proprietorships.

Article 262

A holding company may not own shares in any kind of joint liability company or limited partnership company. It shall not own any shares in other holding companies.

Article 263

The capital of the holding company shall not be less than ten million Qatari Riyals.

Article 264

The objectives of the holding company shall be as follows:

1. Participate in the management of its subsidiary companies or companies in which it holds shares.
2. Invest property in shares, debentures and negotiable instruments.
3. Provide the necessary support for its subsidiary companies.
4. Own patent rights, commercial transactions, privileges and other legal rights. It shall also be entitled to exploit and lease its companies for itself or others.
5. Own moveable and immoveable assets within the limits provided for in this Law.

Article 265

In addition to its trade name, the term “holding company” shall be added to all documents, advertisements, correspondence and other documents that are issued by the holding company.

Article 266 (Amended By Law 16/2006)

(Amended pursuant to Article 1 of Law No. 16 of 2006)

Notwithstanding the provisions of this Part, the provisions of this Law pertaining to joint stock companies, limited liability companies and sole proprietorships shall apply mutatis mutandis to all holding companies.

Part 9

Transformation, Amalgamation, Division and Acquisition of Companies

Chapter One

Transformation of Company

Article 267

Pursuant to the provisions pertaining to amendment of the Memorandum or Article s of Association and provided that the conditions of incorporation and announcement with regard to the transformation of a company are fulfilled, a company may be transformed to take another status.

A decision for transformation shall be annexed with a statement of all assets owned by the company, deductions and the estimated amounts of both of these. The company's transformation shall be entered in the Commercial Register. If a company is transformed to a joint stock company, three years must have lapsed from entry in the Commercial Register. Furthermore, the company must have achieved, by exercising its objectives, net profits that are distributable of not less than 10% of its capital within the two fiscal years preceding its request for transformation.

Article 268

Transformation of the company shall not result in the acquisition of a new legal personality. The transformed company shall maintain its rights and obligations that preceded its transformation.

Article 269

Transformation shall not lead to a discharge of joint partners from liabilities that preceded transformation, unless otherwise approved by creditors. This approval shall be presumed if no objection was submitted by the creditors in writing within three months from the date they were formally informed of the transformation in accordance with the procedures issued under decree by the Minister.

Article 270

In the event of transforming the company into a joint stock company, a partnership limited by shares or a limited liability company, each partner shall have shares or stocks equal to the value of his shares after valuation.

If the partner's share falls short of the minimum limit of a share in a limited liability company, he shall have to make up the shortfall.

Article 271

Partners or shareholders or stockholders who objected to the decision of transformation may request to withdraw from the company.

Chapter Two

Amalgamation of Company

Article 272

Even if under liquidation, a company may be amalgamated with another company of the same or different kind.

Article 273

Amalgamation shall be by merging one or more companies to another existing company or by consolidation of two or more companies into a new company under incorporation. The amalgamation contract shall determine its conditions, especially those pertaining to the liabilities of the amalgamated company and the number of its stocks or shares in the capital of the company to be amalgamated into or formed by this amalgamation.

Amalgamation shall not be valid unless a decision to this effect is issued by each Partner Company in accordance with the company Memorandum or Article s of Association.

The amalgamation decision shall be announced by normal procedures pursuant to amendments made in the amalgamated company's Memorandum or Article s of Association.

Article 274

Amalgamation by merger shall be done as per the following procedures:

1. A decision shall be issued by the amalgamated company calling for its dissolution.

2. The net assets of the amalgamated company shall be evaluated according to the provisions concerning evaluation of the shares in kind contained herein.
3. The parent company shall issue a decision increasing its capital in accordance with the evaluation of the amalgamated company.
4. The increase in the capital shall be distributed among the partners in the amalgamated company pro rata to their shares.
5. In the event of the shares being represented by stocks and provided that two years have elapsed since the date of incorporation of the parent company, the said stocks may be negotiated upon their issue.

Article 275

Amalgamation by consolidation shall be effected by decision issued respectively by each of the companies in question calling for dissolution and thereafter the new company shall be established in accordance with the provisions stipulated herein.

A number of stocks or shares shall be allocated to each amalgamated company equivalent to its share in the capital of the new company. These shares shall be distributed among the partners in each amalgamated company pro rata to their shares therein.

Article 276

The decision of amalgamation shall be published in two local daily newspapers published in Arabic.

Article 277

All the rights and obligations of the merged companies shall be carried over to the merging company or the company formed by the merger after the completion of the amalgamation procedures and registration of company in accordance with the provisions of this Law.

The company that was merged into or formed by such amalgamation shall be the legal successor of the merged companies and shall replace them in all rights and obligations.

Chapter Three

Division of Company

Article 278

It is permitted to divide a company into two or more companies with the dissolution or maintaining of a company that was subject to division. In this event, the procedures and arrangements of amalgamation shall be adhered to for evaluation of the capital. Each company resulting from such a division shall have an independent legal personality and bear the effects thereof.

A decision issued to effect such division shall specify the number of shareholders or partners, their names, the shares held by each of them in the companies incorporated as a result of this division, the rights and obligations of these companies and the method of distributing assets and deductions.

Article 279

Companies resulting from the division may take any legal form of companies taking into consideration the fulfilment of procedures of these forms according to the relevant legal provisions.

Article 280

The division shall take place under a decision by extraordinary meeting of the general assembly of the company or partners, as the case may be, by majority vote representing three quarters of the capital.

The companies resulting from such a division shall become legal successors to the divided companies to replace them legally within the limit of liability transferred pursuant to this division in accordance with the decision of division and without prejudice to the rights of the creditors.

Article 281

Shares of the companies resulting from the division shall be negotiated as soon as they are issued, if the shares of the company subject to division were negotiable at the time the decision of division was issued.

Article 282

The partners or shareholders or stockholders who objected to the decision of division may request to withdraw from the company.

Chapter Four

Acquisition of company

Article 282 - (bis) 1 (Added By: Law 3 / 2010)

(Added pursuant to Article 2 of Law No. 3 of 2010)

Acquisition of a company shall take the form of direct or indirect ownership for part of the capital of another company or by obtaining a majority of voting rights through the purchase of all shares or part thereof or through a public offer for exchange or pursuant to an agreement with partners or shareholders without prejudice to the interests and objectives of the company or through any method provided for in the provisions of this Law. The acquisition shall not result in the abrogation of the legal personality of the company that was acquired or contravention of its rights and obligations.

Article 282 - (bis) 2 (Added By: Law 3 / 2010)

(Added pursuant to Article 2 of Law No. 3of 2010)

A valid acquisition shall fulfil the following procedures:

1. A decision shall be issued at the extraordinary general assembly meeting by both the acquirer and the acquired companies to approve such acquisition. These decisions shall be approved by the Ministry.
2. The acquirer company shall issue a decision to increase its capital and distribute the capital to partners or shareholders pro rata to their stocks or shares in the company in accordance with the company Memorandum and Article s of Association.
3. The procedures shall be completed pertaining to the transfer of ownership of shares in the company which is the subject matter of the acquisition to the acquirer company. This ownership shall be deemed valid only upon registering the shares pursuant to the provisions of this Law.
4. In the event of acquisition through purchase, the acquirer company shall pay the value of stocks or shares being acquired to the acquired company. The value of the said shares shall be deposited in a special account for distribution to the partners or shareholders who were registered on the date when the extraordinary general meeting consented to the company selling the shares or stocks. When acquisition takes place upon offering shares or debentures, the acquirer company shall deliver the same to the acquired company for distribution to the partners or shareholders who were registered on the date of approval at the extraordinary general meeting of the acquisition.
5. The acquired company shall take the necessary procedures to amend its Memorandum and Article s of Association and elect a new board of managers pursuant to its Memorandum and Article s of Association.

6. The acquirer company shall take the necessary procedures to protect the rights of minority shareholders. These procedures shall include an offer to purchase the remainder of the shares or voting rights in accordance with a decision from the Minister to this effect.

Article 282 - (bis) 3 (Added By: Law 3 / 2010)

(Added pursuant to Article 2 of Law No. 3 of 2010)

The provisions of Law No. 33 of 2005 pertaining to Qatar Financial Markets Authority and the amending laws thereof shall apply to offers of acquisition for companies listed in Qatar Stock Exchange.

Article 282 - (bis) 4 (Added By: Law 3 / 2010)

(Added pursuant to Article 2 of Law No. 3 of 2010)

The decision issued by the extraordinary meeting of the general assembly approving the acquisition shall be published in two local daily newspapers published in Arabic at the expense of the acquirer company.

Part Ten

Nullity of Company

Chapter One

Dissolution of Company

Article 283

In accordance with the grounds for dissolution of each form of company provided for in this Part, a company shall be dissolved on one of the following grounds:

1. Expiry of the period fixed therefore in the Memorandum of Association unless renewed in accordance with the provisions included in the Memorandum or the Article s of Association.
2. Fulfillment of the objectives for which the company was established or if it proves impossible for them to be fulfilled.
3. Transfer of all stocks or shares to a number of partners or shareholders that is less than the number specified by this Law.
4. Depreciation of all or most of the company assets to an extent whereby the investment of the remaining is deemed infeasible.
5. Unanimous approval of the partners to dissolve the company before the end of its term unless a certain majority is provided for in the Memorandum of Association.
6. Amalgamation of the company into another.
7. Judicial order to dissolve the company or declaration of its bankruptcy.

Article 284

The court may dissolve any general partnership or partnership limited by shares or joint venture companies at the request of one of the partners if reasonable grounds justify the same. Any provision depriving the partners of the right to exercise such right shall be and void.

If the grounds of the dissolution are attributed to the acts of one of the partners, the court may order his removal from the company, and in this case the company shall continue to exist between the remaining partners.

The share of the partner who is ordered to be removed from the company as per the value on the day of removal shall be paid to him in cash. This partner shall not have a share in the remainder of the company entitlements unless the latter resulted from preceding operations before his removal.

The court may also order the dissolution of the company at the request of one of the partners in the event of failure on the part of any partner to fulfil his duties.

Article 285

Joint liability companies or partnerships or limited partnerships shall be dissolved upon the death of a partner or the issuance of a judgment of sequestration, bankruptcy or insolvency against a partner.

The Memorandum of Association may, however, include a provision for the validity of the company with the heirs of the deceased partner, even if such heirs are minors.

If the withdrawal of a partner was made mala fides or at an inappropriate time, judgment may be given for the continuation of the company in addition to indemnity, if necessary.

Article 286

If no provision is made in the Article s of Association of a joint liability company or partnership or limited partnership regarding the continuation thereof in the event of withdrawal or death of one partner, judgment of sequestration, bankruptcy or insolvency against him, the partners may, within sixty days from the occurrence of any of the above events, unanimously resolve to maintain the company by themselves. Such agreement may not, however, be invoked against third parties except after it is entered in the Commercial Register in the case of general partnerships and limited partnerships.

In all cases where the company is maintained by the remaining partners, the share of the withdrawing partner shall be estimated on the basis of the recent valuation unless, in the company Memorandum of Association, any other valuation method is provided for.

Neither the said partner nor his successors shall have the right to any part of the accrued entitlements of the company except if those entitlements arise from transactions carried out prior to his withdrawal from the company.

Article 287

If a joint stock company sustains loss amounting to one half of the capital, the board of managers shall convene an extraordinary general assembly to discuss whether the company shall be maintained or dissolved before the term fixed in its Article s of Association.

Should the board fail to convene the extraordinary general assembly or if it is impractical for the general assembly to adopt a decision on such matter, any interested party may request the court to dissolve the company.

Article 288

If the shareholding company is dissolved due to the transfer of all its shares to one shareholder, this shareholder shall be liable for company debts to the extent of its assets.

Should one year elapse after the reduction of the number of shareholders to less than the minimum level, any interested party may request the court to dissolve the company.

Article 289

A limited liability company shall not be dissolved upon the withdrawal or death of one of the partners or a judgment of sequestration, bankruptcy or insolvency against him unless otherwise stipulated in the Memorandum of Association

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Article 290

If a limited liability company sustains loss amounting to one half of the capital, the managers shall, within thirty days from the date of recording this loss, inform all partners of the need to replace the loss in capital or dissolve the company. It shall be a requirement that a valid decision of dissolution be adopted by the same majority required as for the amendment of the company Memorandum of Association.

If the managers fail to extend the invitation to the partners or the partners fail to reach a decision on the matter, the partners or shareholders, as the case may be, shall be liable for obligations of the company that arise out of their negligence.

Article 291

A partnership limited by shares shall be dissolved upon the withdrawal or death of a joint partner or a judgment of sequestration, bankruptcy or insolvency against him, unless otherwise stipulated in the Memorandum of Association.

If there is no provision in the Memorandum of Association in this respect, the extraordinary meeting of the general assembly may decide the continuation of the company and follow the procedures required for the amendment of the company Memorandum of Association.

Article 292

If all joint partners are affected by withdrawal or death or a judgment of sequestration, bankruptcy or insolvency issued against all of them in the partnership limited by shares, the partnership shall be dissolved unless the company Memorandum of Association provides for possible transformation of the company into a different form.

Article 293

A partnership limited by shares shall be dissolved upon the same grounds as the dissolution of the shareholding company, having regard to the fact that if the ground of dissolution is the transfer of ownership of all shares to one of the partners and this partner is a joint partner, then he shall be responsible in all his assets for the debts of the company.

Article 293 - (bis) (Added By: Law 16 / 2006)

(Added pursuant to Article 5 of Law No. 16 of 2006)

A sole proprietorship shall be dissolved upon the death of the owner of its capital, unless all shares of heirs are given to one person or if the heirs elect the continuation of proprietorship in another form within a maximum period of six months from the date of the death.

The proprietorship shall be dissolved upon dissolution of the corporate body which is the owner of its capital.

Article 294

With the exception of joint ventures, the decision as to the dissolution of a company shall, in all cases, be declared in the Commercial Register and published in two local daily newspapers published in Arabic. The dissolution of a company may be invoked against third parties only from the date of its publication. The company managers or the chairperson of the board of managers, as the case may, shall pursue the execution of this procedure.

Chapter Two

Liquidation of Company

Article 295

Once a company is dissolved, it shall enter the process of liquidation. Throughout the liquidation period, it shall maintain its corporate body to the extent required for the completion of the liquidation formalities. The term "in liquidation" shall be clearly appended to the name of the company.

Article 296

Upon the dissolution of the company, the authorities of either the managers or the board of managers shall cease. They shall, however, continue to assume the company management, and with regard to others, they shall be deemed liquidators until a liquidator is appointed.

Throughout the period of liquidation, the company structures shall remain valid and their functions shall be restricted to liquidation affairs that do not fall within the liquidator's powers.

Article 297

Liquidation of the company shall be carried out according to the company Memorandum or Articles of Association, or what is agreed upon among the partners upon dissolution. Should there be no provision or agreement in this respect, the provisions of the Article s in this Part shall be complied with.

Article 298

The liquidation shall be carried out by one or more liquidator(s) appointed by the partners or by the general assembly with the usual majority whereby company decisions are issued. If the liquidation is effected by a court decree, the court shall define the method of liquidation and appoint the liquidator.

In all cases, the functions of the liquidator shall not end as a result of the death of the partners or their bankruptcy, insolvency or sequestration, even if he was appointed by them. The liquidator shall receive a remuneration to be determined in the letter of his appointment, otherwise the court shall decide on the same.

Article 299

The liquidator shall declare the decision of his appointment, the limits imposed on his authorities, the agreement of the partners or the decision of the general assembly as to the method of liquidation or the judgment issued in this regard, using the same method prescribed for amending the Article s of Association of the company or its Memorandum.

The appointment of the liquidator or the method of liquidation shall be binding upon the third parties with effect from the date of declaration.

Article 300

Should there be more than one liquidator, their actions shall be valid only with unanimous approval, unless otherwise provided for in their appointment instrument by the appointing authority.

Liquidators shall be collectively liable for damage caused to the company, partners and others by acts in which they exceeded their jurisdiction or if such damage is due to the failure to carry out their duties.

Article 301

The liquidator shall assume all functions required for the purposes of liquidation, and particularly he shall do the following:

1. Collect in the rights of the company as against others.
2. Settle the debts of the company.
3. Sell the movable or immovable assets of the company either by auction or in any other manner that guarantees a maximum price, unless a certain method for sale is stipulated in the liquidation document.
4. Perform the necessary acts to safeguard the assets and entitlements of the company.
5. Represent the company before courts and accept reconciliation and arbitration on behalf of the company.

Article 302

Unless it is required for the completion of the above transactions, it shall not be permissible for the liquidator to carry out new transactions. The liquidator shall be liable to the extent of all his assets, and in the event of more than one liquidator, all the liquidators shall be collectively liable for their acts.

Article 303

Upon the dissolution of the company, the terms of all its debts shall lapse. The liquidator shall notify all creditors, by registered mail, of the commencement of the liquidation and shall invite them to submit their claims. Notice to this effect may be made by publication in two local daily newspapers published in Arabic in the event of unknown creditors or if their places of residence are unknown. In all cases, the notice of liquidation shall grant the creditors a grace period of at least seventy-five days from the date of such notice for submission of their claims, provided that this notice shall be re-advertised after one month of taking effect. If creditors fail to submit their demands, their debts shall be deposited in the court treasury until the owners of the debts appear or their claims lapse by prescription.

Article 304

The liquidator shall settle the debts of the company after the payment of liquidation expenses including remuneration of the liquidator in the following order of priority:

1. Amounts due for to company employees.
2. Amounts due to the State.
3. Rent due to any landlord who leased property for the company.
4. Other amounts due as per the priority order stipulated in the relevant laws.

Article 305

The liquidator shall deposit sufficient funds for the settlement of disputed debts. Debts arising out of liquidation shall have priority over other debts.

Article 306

The company shall abide by the acts of the liquidator, which are required for the liquidation process, provided they are within his authority. No responsibility shall be borne by the liquidator due to the performance of the abovementioned duties.

Article 307

The liquidator shall, within three months of assuming his duties and in collaboration with the auditor of the company, if any, carry out a stock take of the company assets and deductions therefrom. The managers or the board of managers shall provide the liquidator with the company accounts, ledgers, documents and any requested explanations. The liquidator shall provide the partners with any explanations or statements about the status of the liquidation.

Should liquidation continue for more than one year, the liquidator shall prepare a balance sheet, profit and loss account and a report on the liquidation process. These documents shall be submitted to the partners or the general assembly or the court, as the case may be, for approval in accordance with the company Memorandum and Article s of Association.

In all cases, the liquidation term shall not exceed three years unless a resolution to this effect is issued by the court or the Minister.

Article 308

Upon settlement of company debts, the liquidator shall return to the partners the value of their cash sales in the capital and the remaining company assets shall be distributed among the partners pro rata to their respective shares in the profit.

Unless otherwise provided for in the company Memorandum of Association, the material assets of the company shall be distributed in partitions among the partners. Applicable provisions pertaining to dividing common funds shall apply, unless the Memorandum of Association stipulates otherwise.

Article 309

If the net assets of the company are insufficient to settle the shares of the partners completely, the loss shall be distributed among them as per the percentage determined for distributing the losses.

Article 310

Upon the completion of the liquidation process, the liquidator shall submit to the partners or the general assembly or the court a final account of the liquidation process. The liquidation shall not end until the partners or the general assembly or the court ratify the final account.

The liquidator shall declare the end of the liquidation in the Commercial Register. The completion of the liquidation shall be invoked against third parties only from the date of its entry in the Commercial Register. Furthermore, the liquidator shall request to delete the enrollment of the company in the Commercial Register.

Article 311

The dismissal of the liquidator shall be in the same manner as his appointment, and any resolution or decree for his removal shall stipulate the appointment of a replacement.

Dismissal of the liquidator shall be entered in the Commercial Register and may not be invoked against third parties except from the date of registration of the same.

Article 312

A claim against the liquidator, by reason of the liquidation process, shall not be heard after the lapse of three years from the entry of the liquidation in the Commercial Register. A claim against the partners or managers or members of the board of managers or auditors by reason of the performance of their

duties, shall not be heard after the lapse of the same period.

Part 11

Control of Companies

Article 313

The Ministry shall have the right to monitor joint liability companies, partnerships limited by shares and limited liability companies to ascertain whether these companies are fulfilling their obligations according to the provisions provided for in this Law and the Article s of Association.

Article 314 (Amended By Law 16/2006)

(Amended pursuant to Article 1 of Law No. 16 of 2006)

Administrative officers shall be mandated to act as judicial inspectors pursuant to a decision issued by the Attorney General in agreement with the Minister to inspect and prove crimes committed in contravention of this Law or resolutions issued to implement this Law.

Article 315

If a crime stipulated in this Law is committed, the aforementioned judicial inspectors shall write a letter in the format decided by the Minister.

A copy of this letter shall be given to the relevant police centre to take the necessary measures pursuant to this Law.

Article 316

Administrative officers who are authorized as judicial inspectors according to the provisions of Article 314 of this Law shall have the right to inspect companies and companies' ledgers according to Article 313 of this Law.

In conducting such inspection, the officers shall be entitled to examine records, ledgers, documents and others. They shall have the right to inspect these documents at the headquarters of the company or other places. The members of the board of managers, auditors and employees shall provide them with such statements, extracts and copies of documents that they may request for this purpose.

The Minister shall be informed of reports produced as a result of the procedures of inspection and monitoring in compliance with the aforementioned method. The Minister shall take the necessary decision accordingly

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Article 317

The Minister shall delegate the administrative officers who are acting as judicial inspectors to attend meetings of the general assembly without incurring any liability on the part of the government against the shareholders or other interested parties of the company. Those responsible for writing the minutes of the general assembly meeting shall record the attendance of those inspectors delegated by the Ministry in the said minuted report. Such officials shall not express opinion or participate in the voting. However, their mandate shall only pertain to recording proceedings of the meeting in a special register after the meeting.

Article 318

Every shareholder and partner in the companies registered in compliance with this Law shall examine the information and documents published which are related to the company and reserved at the Ministry and acquire its approval in order to have a document legalised. Every shareholder and partner, upon a request made to the court, shall acquire a legalised copy including any unpublished statement in return for fees provided for in the applicable laws.

Article 319

Shareholders or partners who own 20% of the capital in a joint stock company or limited liability company or partnership with shares may request the Minister to inspect the company with regard to significant defaults attributed to the managers or the auditors in the course of their duties as prescribed in this Law or in the company Article s of Association, provided that reasons in support of the occurrence of such defaults are provided.

The application shall include evidence showing that the applicants have serious reasons to justify taking such measures. The application submitted by the partners shall be accompanied by the shares owned by them and such shares shall remain in custody until a final judgment is given.

The Minister may refer the application to the concerned authority in the Ministry which shall hear evidence provided by the inspection applicants, the managers, the auditors, and others whose evidence is deemed necessary by the authority. The authority shall prepare a report about the outcomes of its activities including its opinion and submit this report to the Minister.

Article 320

The Minister shall, after viewing the report stated in the previous Article , appoint, at the expense of the inspection applicants, an auditor from those registered in the Auditors' Register to inspect the business of the company and its ledgers.

Members of the board of managers and employees of the company shall inform the inspector of all matters related to the company affairs of ledgers, documents and papers that they are keeping or have the right to acquire.

The inspector shall submit a detailed report about his functions to the Minister within the date specified in the instrument of his appointment.

Article 321

If proven to the Minister that what was attributed by the inspection applicants to the managers or auditors was incorrect, it may publish the result of inspection or part thereof in two local daily newspapers published in Arabic and instructs the inspection applicants to pay the expenses without prejudice to their liabilities with regard to indemnity, if any.

If proven to the Minister that what was attributed to the managers or the auditors was correct, the Minister shall take urgent measures and convene a general assembly meeting instantly. In such event, the Meeting shall be presided over by a Ministry representative named by the Minister.

Article 322

The general assembly may dismiss the managers or auditors and institute a liability action against them. Its decision shall be valid if adopted by the shareholders or the partners holding one half of the capital after the share of the manager whose dismissal is under consideration is deducted from the capital.

The dismissed managers cannot be re-elected to the board of managers before the expiration of five years from their dismissal.

Part 12

Penalties

Article 323

Without contravention of the right to request compensation when necessary, any conduct or transaction or decision issued or made contrary to the provisions of this Law shall be invalid, without prejudice to the rights of bona fide third parties.

In the event of attributing invalidity to a number of parties, they shall be jointly liable for compensation.

A claim of invalidity shall not be accepted if instituted one year after the date of informing those concerned of actions contravening this Law.

Article 324

Without prejudicing to any severer punishment stipulated in any other law, imprisonment not exceeding two years and a fine of not less than ten thousand and no more than one hundred thousand Qatari Riyals, or either of these two punishments, shall be given to:

1. Any person who wilfully enters into documents of shares or debentures or negotiable instruments false information or information that is inconsistent with the provisions of this Law and any person who knowingly signs any such documents.
2. Any founder who knowingly includes in the Memorandum of Association of limited liability company false information related to the distribution of shares or stocks among partners or related to the payment of their value.
3. Any person who, mala fide evaluates shares in kind submitted by the partners at more than their actual value.
4. Every founder or manager who invites the public for subscription in the stocks or shares of company other than shareholding companies or partnerships with shares, and any person who offers such documents on behalf of the company.
5. Any person who, mala fide, distributes profits or dividends or interests in a manner inconsistent with the provisions of this Law or with the company Memorandum of Association and any Auditor, who, mala fide, while knowing their inconsistency, approves such distribution.
6. Any auditor or any person who works in his office who deliberately makes a false report on the result of his auditing or who willfully conceals substantial facts in the report which should be presented to the general assembly pursuant to provisions of this Law or if he trades in shares belonging to the company whose auditing he is responsible for or if he divulges the company secrets.
7. Any liquidator who deliberately causes damage to the company or partners or creditors.
8. Any public official who divulges a secret which he obtains or if he willfully enters false information in his reports or wilfully conceals facts that affect the result of these reports.
9. Any person who forges in the company records or willfully enters false information or prepared reports presented before the general assembly that includes false statements which affect the assembly resolutions.
10. Any manager, manager, member of the board of managers or employee thereof who divulges company secrets or willfully attempts to cause damage to company activity or if he has a direct or indirect interest with any authority to conduct operations which cause an effect on prices of stock or negotiable instruments issued by the company.
11. Any other contravention of the provisions of this Law.

Article 325

Without prejudice to any severer penalty stipulated in any other law, a fine of a minimum of five thousand Qatari Riyals and a maximum of fifty thousand Qatari Riyals shall be imposed upon:

1. Any person who disposes of stocks of incorporation or shares in a manner inconsistent with the provisions established by this Law.
2. Any person who accepts being appointed as a manager or a delegate in management or remains a member or an auditor in a joint stock company in a manner contrary to the provisions of this Law and any delegated member in the management of the company wherein such violation occurs and he has knowledge of such violations.
3. Any member of the board of managers who fails to present shares that are specified to secure his management in the required manner pursuant to the Article s of Association within sixty days from the date he was informed of his appointment. The same shall apply to any person who fails to present the due statements or makes false statements or deliberately conceals a statement that is required by the board for preparing a report. The same shall apply to a board member who makes false statements in the company reports or deliberately conceals these statements.
4. Any person who purposely obstructs access to the company books and documents by the auditors or the officers delegated by the Ministry for inspection of the company in compliance with the Law.
5. Any member of the board of managers who deliberately obstructs invitations extended for holding the general assembly meeting or its convention.

Article 326

In case of recurrence of or refusal to remove a contravention after final decision is made of punishment, fines stipulated for in the previous two Articles with minimum and maximum limits shall be doubled.

Article 327

Any resolution issued by the general assembly shall not lead to a discharge of members of the board of managers from a civil liability due to defaults made by them while executing their mandate.

If the action that causes liability is brought before the general assembly by way of a report by the board of managers or the auditor, this claim shall lapse after five years from the date when the general assembly issued a decision to approve the board report. However, should the action attributed to the board members constitute a criminal offence, the claim shall only lapse upon a lapse of public claim.

The concerned authority and any shareholder may institute such claim. Any condition included in the Article s of Association which causes a discontinuance of the claim or provides that institution of the claim is dependent on prior permission from the general assembly or the taking of another procedure shall be and void.

Article 328

Save for the joint venture companies, the right of the creditors to institute claims resulting from company business shall lapse after five years from its dissolution.

Article 329

0In all commercial companies, prescription shall lead to a lapse of claims by creditors against partners after five years from the company dissolution or withdrawal of one of the partners in relation to claims made against this partner.

Prescription shall be valid from the day of entry into the Commercial Register in all cases where entry into the register is mandatory. Prescription shall also be valid from the date liquidation was proclaimed in claims instituted to this effect.
