



البنك العربي الإسلامي الدولي
ISLAMIC INTERNATIONAL ARAB BANK

Islamic International Arab Bank PLC
“A Public Liability Company”
Memorandum & Articles of Association



البنك العربي الإسلامي الدولي
ISLAMIC INTERNATIONAL ARAB BANK

عَقَلْتُمْ
أُمَمَاتٍ
وَأَسْتَنْتُمْ
حِلَالَ

IN THE NAME OF GOD, THE MERCIFUL, THE COMPASSIONATE

**Memorandum of Association
of
Islamic International Arab Bank PLC
“A Public Liability Company”**

Article (1): the name of the company:

Islamic International Arab Bank PLC, hereinafter referred to as “the Company”.

Article (2): the headquarters of the company:

The headquarters shall be located at the City of Amman the company may open branches, agencies and offices inside the Kingdom as well as abroad.

Article (3):

the following terms and expressions, and wherever mentioned in these articles, shall have the meanings assigned to them hereunder unless otherwise denoted by the context:

The Bank: shall mean the Islamic International Arab Bank PLC.

The Board: shall mean the board of directors of the Bank.

The Controller: shall mean the Companies Controller at the Ministry of Industry & Trade.

The Market: shall mean any regular market at which the securities related to the concerned company shall be listed and dealt with.

Articles of Association (Bylaws):

Shall mean the articles of association of the Islamic International Arab Bank PLC filed by the founders for registering the company according to the provisions of the Companies Act.

The Approved Islamic Schools of thought:

The provisions of the Islamic jurisprudence that the bank complies with and based on selection from different Islamic Schools based on the most probable interests of the Bank without abiding by a specific school.

Al-Reba:

In the banking business, Al-Reba includes two types of transactions: in loans and in sales. Loan Reba is receiving or paying interests in the various lending transactions. Included in the concept of this type are any charges paid by the borrower without being associated with an effort against a considerable benefit according to approved jurisprudential standpoints. As to sales Reba, it includes the various transactions of foreign exchange if a specific term is involved as prescribed by the approved jurisprudential standpoints.

Shariah Compliance Committee:

The committee formed in accordance with the Articles of Association to ensure that the Bank will comply with Shariah rules.

Banking operations in accordance with the provisions of Islamic Shariah:

Any business activity that the Bank may carry out in accordance with provisions of the Islamic Shariah, whether in the field of banking services or in the financing and investment domain using methods that are not against the principles of Islamic Shariah.

Bank deposits:

Funds received by the Bank from its clients under account arrangements on the bases of deposits-withdrawals clearance procedures. These deposits consist of the following:

Demand Deposits account:

Cash deposits received by the Bank and authorized to use on the basis of utilizing their losses without being restricted by any conditions on deposit or withdrawal.

Joint investment accounts:

Cash deposits received by the bank from clients willing to join the bank in its financing and investment activities organized in multiple sustainable forms. Such deposits will receive a specific proportion of the annual realized net profits subject to the conditions of the respective accounts.

Specified investment account:

Cash deposits received by the Bank from clients willing to authorize the bank or invest same in a specific project or purpose. The Bank will receive a specific proportion of the profits without sustaining losses arising there from without transgression or violation.

Financing Instruments:

Instruments of equal value representing joint shares held in the property of the project to be issued in the names of their proprietors against their submittals of funds for implementing the project, its utilization and attaining the revenue for a term to be set in the release publication according to the principals of the Islamic Shariah and its provisions.

Mutual Mudharaba:

Money received by the bank from clients willing to invest their funds either in deposits in the joint investment account-or by subscribing in the mutual Moqaradah- under the general consent of using them in financing on the basis of proportional sharing in the annual realized net profits without liquidation the financing transactions not qualified for accounting.

Investing through Mudharaba:

A contract under which the Bank provides full or partial financing to a specific transaction. The contracting party (Al-Mudarab) will perform on the basis of profit sharing whereby profits are divided between the two parties at an agreed ratio. In case of a loss incurred, then the Bank shall sustain the loss, and the worker shall lose his efforts unless found negligence or misconduct.

Diminishing Musharakah:

The Bank being involved as financing partner-fully or partially-in a project with expected income, under an agreement with the other partner that the bank gets a proportional share of the actual realized net income in addition to its right to retain the remaining proportion or part thereof to settle the amount financed by the Bank.

Murabaha sale to the purchase applicant:

The bank's sale of the asset acquired, held and entered under its custody for its client, the applicant for purchase after giving a binding or non binding promise from his part to purchase it at cost in addition to a defined agreed upon profit.

Istisna'a:

A contract between the bank and a manufacturer whereby the manufacturer sells an asset described in terms of quality and quantity under an agreed delivery mode and period of completion, against a defined price to be agreed upon between them provided that the material and labor shall be provided by the manufacturer.

Article (4) The Bank's Purposes and Objectives:

1. The bank aims at covering economic and social needs in the area of banking services financing and organized investment in accordance with Islamic Shariah and as per the authorizations indicated in the Articles of Association under which the Company was established. These objectives include the following:-
 - A. Expand the dealings with the banking sector by offering banking services and concentrate on introducing purposeful services that revive the systematic social cohesion "Takaful" based on mutual benefits.
 - B. Develop methods of attracting funds and savings and direct them to participate in investment in accordance with Islamic Shariah.
 - C. Provide necessary funding to cover the needs of the different sectors in accordance with Islamic Shariah.
 - D. Moveable and immovable properties acquiring, selling, investing, renting and leasing including the works of lands reclamation whether being owned or leased as well as preparing the same for agriculture, industry, tourism and housing in addition to acquiring properties, lands and vehicles aiming at renting the same according to the provisions of the Financial Leasing Law.
 - E. Acquiring machinery and equipment aiming at renting or leasing the same for the purposes of re-renting them according to the provisions of Financial Leasing Law.
2. To achieve its objectives, the Bank will carry out those activities that enable their achievement by doing business in the following areas:

First: The banking activities in accordance with the provisions of Islamic Shariah:

1. Accepting cash deposits, open current and deposit accounts of various types, cash the amounts of withdrawn checks and clear them, collect trade securities, transfer funds inside and outside the country, open letters of credit and advise them, issue bank guarantees, letters of the guarantee, credit cards, and perform other advanced banking services.

2. Dealing in foreign currencies by selling and buying based on the spot rate rather than forward rate. Included in the permitted activities is the non-interest bearing mutual lending transactions in various foreign currencies as required.
3. Providing a limited maturity credits as a non-interest bearing service.
4. Managing properties and other banking manageable assets on the basis of remunerated agency.
5. Performing the role of testamentary guardian to administrate estates in accordance with the adopted jurisprudential opinions in mutual cooperation with any concerned parties.
6. Conduct feasibility studies for the Bank clients and provide them with information or consultation.
7. Perform any other activities after obtaining the acceptance of the Shariah compliance committee.

Second: The Social Services:

The bank will play the role of the trustee in organizing social services aimed at establishing affiliation and camaraderie between individuals and groups by focusing on the following aspects:

1. Provide Qard Hassan (non-interest loan) in the various fields that help enabling the borrower to begin an independent life or to improve the income level and living.
2. Establish and manage funds that serve various legitimate social purposes.
3. Practice any other activities falling within the general scope of the bank's purposes.

Third: The Activities of Financing and Investment:

The Banks provides the finance and the investment activities in accordance with the provisions of the Islamic Shariah and within the following methods:

1. Providing full or partial financing necessary in several cases and operations capable of self liquidation which matter shall include Mudharaba investment, declining partnership (Musharakah), the lease ended by acquisition, Murabaha sale to the purchase applicant and other relevant activities.
2. Investing deposits mutually with all the available resources in the Company in accordance with the terms of mutual mudharaba. The Bank may, in certain cases, invest the funds under a specific agreement.

Article (5): Distribution of the profits of joint investments:

- A. Feeding the special fund to encounter risks of investment by deducting an annual percentage of 10% of the net investment profits realized from the various transactions made during a specific year according to the instructions of the Central Bank. However, it may be increased upon the order of the Central Bank of Jordan whereby the percentage amended after increasing shall be effective in the fiscal year following the year in which the said amendment shall be effected.
- B. The Bank will keep the deducted fund for this purpose in a special fund's account to encounter any losses.
- C. The deduction of the percentage provided for in paragraph (A) of this article shall be stopped upon having the sum accumulated in the fund amounted to double of the bank's paid up capital or any other amount set by the Central Bank.

Article (6):

- 1. In course of business, the Bank shall take all actions that enable it to achieve its purposes, including:
 - A. Conclude contracts and agreements with local & foreign individuals, companies, the organizations.
 - B. Establish companies inside and outside the Kingdom in the various fields especially those that are complimentary to the Bank's activities.
 - C. Movable and immovable properties acquiring, selling, investing, renting and leasing including the works of lands reclamation whether being owned or leased as well as preparing the same for agriculture, industry, tourism and housing in addition to acquiring properties, lands and vehicles aiming at renting the same according to the provisions of the Financial Leasing Law.
 - D. Establishing self insurance funds and mutual insurance funds to serve the bank and its clients in the various fields.
 - E. Accepting donations, grants and charities, and supervise their disbursement in their designated social aspects according to the Bank's purposes.
 - F. Joining local, regional and international professional unions especially those aiming at strengthening relations with other Islamic banks.
 - G. Acquiring machinery, equipment and vehicles aiming at renting or leasing the same for the purposes of re-renting them according to the provisions of Financial Leasing Law.
- 2. The Bank shall be committed to avoid dealing in any practices based on Reba. For which the instructions issued in the bank to the contrary shall be invalid as for the bank or against it.

Article (7):

The Bank, and by the resolution of the shareholders general assembly, shall nominate a committee of Shariah compliance which shall be constituted of not less than three persons and that its opinion shall be binding upon the Islamic Bank. However, the said committee shall assume the missions as follows:

1. Monitoring the works and activities of the Islamic Bank regarding the compliance with the Shariah provisions.
2. Showing the opinion regarding the forms of the contracts necessary for its works and activities.
3. Reviewing any matters assigned to it according to the orders of the Central Bank issued to that effect.
4. The Shariah control committee appointed of any member therein may not be removed unless a causative resolution shall be issued by the board of directors of the Islamic Bank with the majority of two thirds of its members provided that the said resolution shall be endorsed by the approval of the general assembly of the Bank's shareholders.

Article (8):

The Board of Directors shall comply with the committee's opinion in the following subjects:

- A. Instructions issued by the Board in relation with drats and agreements required to execute contracts.
- B. Study the reasons why the Bank has to sustain losses of investment in order to verify the jurisprudient grounds that support decisions taken by the Board.

Article (9):

The term of the company is indefinite.

Article (10): The Company's Capital

The Bank's authorized, subscribed for and paid up capital consists of one hundred million Jordanian Dinars divided to one hundred million shares of one Jordanian Dinar each.

Article (11): Shareholders Liability

The Company's liability is independent of the financial liability of individual shareholders. The Company with its assets and funds is responsible for debts and liabilities incurred. A shareholder shall not be liable towards the Company for such debts or liabilities except as much as he is indebted for non settled premiums for shares owns in the Company.

Signed
Dr. Mohamed Abu Aswad
Secretary

Signed
Mr. Nidal Al-Sader
Representative of
Companies Controller

Signed
Sharif Fares Abdel Hamid Sharaf
Chairman of Board/Chairman of
Meeting



**The Articles of Association
of
Islamic International Arab Bank PLC**

Article (1): the name of the company:

Islamic International Arab Bank PLC, referred to hereafter as “the Company”.

Article (2): the headquarters of the company:

The headquarters shall be located at the City of Amman the company may establish branches, agencies and offices inside the Kingdom as well as abroad.

Article (3): the purposes of the company and its business:

1. The company aims at covering the economic and social requirements in the field of banking services, financing and investment regulated pursuant to the provisions of the Islamic Shariah in accordance with the specialties mentioned in the articles of association by which the company was established. However, the said purposes shall include as follows:
 - A. Expanding the scope of dealing with the banking sector by providing banking service together with offering services that aim at promoting the types of the social solidarity (Takaful) based on the mutual benefit.
 - B. To develop the means of attracting funds and savings as well as applying the same towards sharing in investment in a banking style according to the provisions of the Shariah.
 - C. To provide the financing necessary for meeting the requirements of the several sectors particularly those far from benefiting from the banking facilities related to interest.
 - D. Movable and immovable properties acquiring, selling, investing, renting and leasing including the works of lands reclamation whether being owned or leased as well as preparing the same for agriculture, industry, tourism and housing in addition to acquiring properties, lands and vehicles aiming at renting the same according to the provisions of the Financial Leasing Law.
 - E. Acquiring machinery, equipment and vehicles aiming at renting or leasing the same for the purposes of re-renting them according to the provisions of Financial Leasing Law.
2. The company-and for the attaining its purposes-shall carry out the activities that may enable it to attain the said purposes by practicing the business in the fields as follows:

A. The banking business according to the provisions of the Islamic Shariah:

The company-and whether for its own account or for the other's account inside the Kingdom or abroad-shall practice all the aspects of the banking activities known or created recently in a way that shall enable the company to perform the same within the scope of its liability set. However, the scope of the said activity shall include as follows:

1. To accept cash deposits, establish current accounts and several depositing accounts as well as to honor the cheques drawn on it and the clearance of the same; to collect the securities of the several types, transfer funds inside and outside the Kingdom, establish documentary credits and serve the same whether being incoming or outgoing; to issue banking guarantees, letters of guarantee whether those incoming or outgoing, personal letters of credit and the credit cards as well as others of the banking services being services that have no interest accrued on them.
2. To deal with foreign currencies concerning the sale and purchase transactions on the basis of the current rate but not the differed one. However, the scope of the several currencies shall include the gender according to the requirement.
3. To provide loans of a specific term being not of an interest service.
4. To administer the properties and others of the assets that may be subject to banking administration on the basis of an attorney against remuneration.
5. To assume the role of the selected administrator for administering estates and executing the wills according to the Shariah provisions and laws applicable in cooperation with the religious parties concerned.
6. To carry out feasibility studies on behalf of those dealing with the company as well as rendering several information and consultations in accordance with the rules set herein.
7. To practice any banking activities in compliance with the rules set herein.

B. Social services:

The company shall assume the role of the good attorney in the field of providing the social services aiming at promoting the relationships and compassion between the several groups and individuals via the following approaches:

1. Offering the good loan for the purposes productive in the several fields that shall help in enabling the beneficiary of the loan to start his independent life or to improve the level of his income and living.
2. To establish and run funds set for several social services considered in accordance with the rules set herein.
3. Any other activities that may fall within the general purposes aimed.

Accepting Deposits & Issuing Instruments

Article (4):

The bank accepts cash deposits registered in the several accounts whether as credit accounts or investment accounts.

Article (5):

The cash deposits registered at the credit accounts are not subject to any restriction upon withdrawal or depositing and that they share no percentage of investment profits in addition to bearing no risk.

Article (6):

- A. The cash deposits held in investment accounts established by the bank shall be included by virtue of law in the cash resources set for financing for which they are called accordingly as the Joint Investment Accounts.
- B. The Joint Investment Accounts are classified to three categories according to the withdrawal restrictions to which each category is subject. However, the said categories include the saving, notification and term accounts.
- C. The bank shall determine the conditions and percentages of general participation in the investment profits for each category which matter shall be without prejudice to the principle of the accounting adjustment for the balances transacted through the year.
- D. The bank may agree to accept cash deposits for the purposes of the allocated investment to be applied in a specific project or for a specific purpose for which the results of the said investment shall be subject to the arrangement agreed upon between the depositor and the bank on the basis of the accounting separation between the revenues of the project and its expenses on one hand and the revenues of the joint investment and its expenses on the other.

Article (7): Issuing Finance Instruments

- A. The bank may issue joint absolute financing instruments or specified financing instruments in accordance with the Law on Islamic Finance Instruments.

Business Restrictions

First: the banking business

Article (8):

The bank shall practice the several banking activities according to the customs and rules applicable at the banks to the exclusion of those against the bank's obligation related to dealing according to the provisions of the Islamic Shariah.

Second: the funds management

Article (9):

1. The bank-within the scope of the services offered by it-shall practice its business on the basis of managing investment portfolios which matter ban its obtaining a specific percentage from the profits attained for the several social services funds or causing the said funds to bear part of the general cost incurred by the bank against performing such services.
2. Opening investment accounts and managing the same by an absolute or limited authorization granted by their holders according to their goals.
3. Safekeeping precious matters, particularly the securities that are approved according to the Shariah in addition to collecting their values and profits on their value dates in addition to renting safe cases and carrying in addition to performing the works of the safekeeping.

Third: the finance & investment works

Article (10):

- A. The bank shall lay down its general policy according to the type of the resources available together with permanent keeping of the cash liquidity sufficient according to the sound banking customs and rules.
- B. The general conditions for dealing with the joint financing and investment shall be set through bylaws as may be approved by the bank from time to time according to the requirements of the business and its expansions.
- C. The agreements set for the allocated investment shall be applicable according to the conditions approved by the bank.

Fourth: achieving investment profits:

Article (11):

The revenues and losses related to the works of the joint financing and investment shall be separated for the purposes of accounting from the other revenues and expenses related to the works of the other services offered by the bank which shall be also the case for the revenues and expenses of the allocated investment as the same shall be carried out for each specific project by allocating a separate account.

Article (12):

The bank, and regarding the account of the revenues related to the works of financing and investment practiced by it, shall be prohibited to rely on any system based on the method of calculating the estimated profit or the revenue assumed as the bank, and in attaining its revenues, shall observe the practical nature financed by it in accordance with the following restrictions:

- A. The profit shall be realized in the cases of financing by Mudarabah upon carrying out the full accounting with the party operating the funds which is the accounting that depends on collection or actual realization by acknowledgment and approval. However, the profits of each year shall be included in the account of the year in which the accounting shall be made whether for the whole transaction or any part thereof.
- B. The profit or revenue resulted shall be realized in the cases of the decreasing participation on the basis of the net income for the specific project till the end of the fiscal year even if no actual collection is made as the realized revenues are considered as due but uncollected.
- C. The profit shall be realized in the cases of Murabaha sale to the purchase order maker upon concluding the subsequent contracting on the basis of calculating the difference between the actual cost and the price agreed upon with the purchase order maker.
- D. The several financing operations shall only bear all the direct expenses and costs related to them.

Article (13):

Dividing the profits of the joint investment:

- A. Feeding the special fund to encounter risks of investment by deducting an annual percentage of 10% of the net investment profits realized from the various transactions made during a specific year according to the instructions of the Central Bank. However, it may be increased upon the order of the Central Bank of Jordan whereby the percentage amended after increasing shall be effective in the fiscal year following the year in which the said amendment shall be effected.
- B. The bank shall maintain the amounts set aside per the said purpose in the account of the special fund to face any losses.
- C. The deduction of the percentage provided for in paragraph (A) of this article shall be stopped upon having the sum accumulated in the fund amounted to double of the bank's paid up capital or any other amount set by the Central Bank.

Article (14): the distribution of the shares between the bank and the investors:

- A. The board acknowledges the method of the public announcement regarding the general percentage of the profits allocated for the funds included in the mutual investment which matter shall be effected at the beginning of the fiscal year provided that the said announcement shall not be delayed till after

the end of the first month of each year.

- B. The bank, and in its capacity as a joint speculator, shall collect the remaining percentage after deducting the shares announced for the investors. Further, it shall have the right to share in the profits of the joint investment pro rata the amount paid of its own resources or out of the funds allowed to be used by it by acquiring and comprehending.
- C. Upon calculating the funds placed in financing the operations, then the priority shall be set for the deposits held in the joint investment accounts and the holders of the joint Moqaradah Bonds while the Bank may not consider itself as sharing the financing by its own resources except on the basis of the difference by which the rate of the financing balances in the concerned year shall exceed the rate of the balance of the investors.

Article (15):

- A. Being a joint speculator (Mudharaba), then the Bank shall bear the losses resulted from any cause of compensation according to the Shariah including the cases of infringement and negligence emanated from the acts of the board's members, the directors or the employees and other workers of the Bank. In fact, the following matters shall stand as negligence for which the Bank shall stand accountable also, e.g. the cases of manipulation, breach of trust, collusion with others and the like of the ways of going beyond the limits of the safe working in managing the joint Mudharabah carried out by the Bank.
- B. The losses incurred out of no infringement or negligence shall be deducted from the total profits realized through the year in which the loss shall incur and that the surplus of the total profits actually realized through the concerned year shall be deducted from the special fund related to facing the risks of investment by the fund set for the same.
- C. If joint investment operations shall be commenced and continued from previous years after which it shall be concluded that the said investment operations were sustaining losses during a specific year, then the same shall be covered from the investment risks facing fund but not out of the profits of the investment operations realized during the year in which the Bank shall realize the loss of the investment operation commenced and continued in previous years.
- D. In case the profits realized through the said year together with the reserves accumulated from the previous years shall be insufficient to cover the losses incurred, then the Bank shall carry out a comprehensive inventory to arrive at the profits and losses estimated according to the market rate for the operations financed by the funds of Mudharabah which shall not have been subject to accounting at the end of the fiscal year.
- E. If the conclusion of the inventory shall confirm the sufficiency of the profits estimated to cover the extra loss, then the Bank shall carry forward the extra loss in order to be settled out of the proceeds of the profits realized thereafter out of the operations included in the inventory.
- F. If the profits estimated shall stand to be less than the extra loss, then the Bank may consider the same to be a carried forward loss provided that the amounts withdrawn from the investment deposits and Moqaradah Bonds

shall bear their share from the extra loss pro rata the share of the amount calculated in the joint investment according to the type of the account.

Article (16):

The concerned Shariah Control Committee, and according to the provisions hereof, shall verify the existence of the jurisprudential basis supporting the bank's bearing for any loss incurred within the scope of the joint investment operations.

Article (17): the depositors, and upon liquidating the Bank, shall be treated according to the provisions of the Banks Law.

Article (18): the term of the company is unlimited.

Article (19): the company's capital:

The company's authorized subscribed paid up capital is constituted of one hundred million Dinars divided to one hundred million shares of one Jordanian Dinar per share.

Article (20): the liability of the shareholders:

The company's financial liability shall be separate from that of each shareholder in it as the company, together with its assets and funds, shall be liable for the debts and liabilities incurred by it while the shareholder shall not be liable towards the company regarding the debts and liabilities except to the extent of the balance due from the installments unpaid of the shares held by him in the company.

Article (21): the company's shares:

1. The company's shares shall be nominal.
2. The share in the company shall be indivisible while two or more of the persons may share the holding of one share or the shares issued by one shares certificate. Further, the heirs may share the holding of one or more of the shares the successor of their testator. However, the provisions of the Companies Act in this regard shall be applicable for the purposes of selecting a representative to act on their behalf towards the company.
3. The company's shares shall be given serial numbers while they shall be equal whether regarding the rights or the duties for which they may not be subject to discrimination.
4.
 - A. The company shall maintain one or more of the registers in which the names of its shareholders, the amount of the shares held by them and the numbers of the same as well as the transfer transactions effected to them and any other data related to the company and the shareholders shall be entered.
 - B. Each shareholder in the company shall be entitled to have the access to the shareholders register provided for in paragraph (1) of this article. Further, any other concerned or interested person may request that the company's board of directors shall grant an access to the said register. However, and in case the board shall abstain from satisfying the request for any reason whatever, then the Controller, and in case of being satisfied with the request,

may instruct the company's board of directors to allow the said person to access the register after which the board shall so act.

Article (22): increasing and decreasing the capital:

The increasing and decreasing of the company's capital shall be subject to the provisions and measures provided by the Companies Act.

Article (23): Investment Instruments:

The bank may issue joint absolute financing instruments or specified financing instruments in accordance with the Law on Islamic Finance Instruments.

Article (24): the shares holding and dealing with the same:

1. The company's board of directors shall issue each shareholder certificates denoting the shares held by him in the company which shall be sealed by the company's common seal and to be signed by its signatories. However, the issuing of the said certificates shall stand as an acknowledgment from the side of the company to the effect of having collected all of its rights from the shareholder against the shares shown therein provided that the certificates shall include the data as follows:
 - A. The company's name and its headquarters.
 - B. The shareholder's name and the amount of shares held by him.
 - C. The serial numbers of the certificates denoting the shareholdings.
2. The shares certificates shall be issued for the categories stated by the Companies Act in this regard.
3. The share in the company may be dealt with at the market according to the provisions set by the Market's Law.
4.
 - A. The share may be pledged while the pledge shall be registered at the company's registers and in the shares certificate.
 - B. The contract pledging a share of the company shall provide for all the conditions related to the same and in particular, the party to which the profits of the share shall be transferred during the term of its pledge.
 - C. The pledge charge may not be lifted up of the share neither in the company's registers nor in the certificate of the shares except upon an acknowledgment in writing made by the pledgee to be registered with the company denoting having collected his rights pursuant to the pledge or upon a definite court order unless they shall be sold by a public auction in execution for a court order.

Article (25): the management of the public shareholding company:

1. The company's management shall be assumed by a board of directors constituted of five members that shall assume its functions and responsibilities of running its business for a term of four years commencing as from the date of its election. Further, the board shall have the authorities and powers to manage the company and attain its purposes including appointing the body necessary for its management. Moreover, it shall have the right to perform all the acts that shall

secure the good conduct of the company's business according to its purposes to the exclusion of the powers and authorities set for the general assembly as stated by the Companies act and the articles of association of the company.

2. The candidate for the membership of the board of directors shall at least be holding one thousand shares of the company's shares in order to be eligible to be a candidate for the membership of the board to a member therein while the said shares shall not be attached, pledged or restricted by any charge banning the absolute disposition of the same.
3. If the shareholder in the company shall be a body corporate and shall be elected to be a member at the company's board, then it shall nominate a natural person or more of the persons to represent it within ten days as from electing it to be represented at the board.
4. The company's board shall elect a chairman and deputy chairman from among its members by ballot in addition to electing one or more from among its' members who shall have the right to sign on behalf of the company jointly or severally as may determined by the board in this regard within the scope of the powers vested upon them. Further, the board shall provide the Controller with copies of its resolutions to the effect of electing the chairman, deputy chairman and the authorized signatories from among the members together with the specimen of their signatures within seven days as from issuing the said resolutions.
5. The company's board of directors shall prepare the following accounts and statements as follows within a term of 3 months as from the end of the company's fiscal year to be submitted to the general assembly:
 1. The company's balance sheet and its statement of profit and loss compared with those achieved through the previous fiscal year in addition to the notes on the said accounts which shall be all in all certified by the company's auditors.
 2. The company's working plan for the next year.
 3. The annual report of the board of directors related to the activities of the company carried out during the fiscal year.
 4. The board of directors shall provide the Controller and the Market with copies of the financial statements provided for in paragraph (1) of this article at least twenty one days prior to the date set for holding the meeting of the company's general assembly.
5. The company's board of directors shall publish its balance sheet, profit and loss account, a full brief summary of the board's annual report and the report of the company's auditors within thirty days at most as from the date on which the general assembly shall be held.
6. The company's board of directors shall prepare a report every six months showing the company's financial positions and the results of its activities provided that the report shall be approved by the chairman of the board while each of the Controller and Market shall be provided by a copy of the same within thirty days as from submitting it to the board.
7. 1. The company's board of directors shall address an invitation to the shareholders to attend the meeting of the general assembly which invitation shall be sent to each of them by the ordinary mail at least fourteen days prior to the date set for holding the meeting. However, the invitation maybe delivered to the shareholder by hand against signing for receipt.

2. There shall be attached with the invitation the agenda of the general assembly, the report of the company's board, its balance sheet, final accounts, report of the auditors and the notes made on the same.
8. The company's board shall announce the date set for holding the meeting of the company's general assembly according to the provisions of the Companies Act related to the said matter.
9. The board shall have all the powers necessary for managing the company to the exclusion of the works or operations included by virtue of the law within the scope of specialty of the general assembly. However, and without limitation to the generality of the foregoing, the board shall practice the powers as follows:
 - A. Representing the company towards the others and before the administrations.
 - B. Approving the arrangements related to the salaries of the company's employees and labors.
 - C. Controlling all the operations performed by the company and determining their conditions.
 - D. Specifying the methods of investing the sums available.
 - E. Approving creating provident funds for the company's employees as well as laying down the regulations related to such funds.
 - F. Licensing each sale or assignment related to the properties that belong to the company.
 - G. Effecting pledging and warrantee transactions related to the company's properties.
 - H. Preparing the company's annual budget and determining the administration expenses.
 - I. Controlling the budget as well as the annual profit and loss account.
 - J. Determining the percentage of the profits set for distribution provided that the same shall be approved the general assembly.
 - K. Approving addressing the invitation to the shareholders for attending the ordinary and extraordinary meetings of the general assembly as well as preparing its agenda.
 - L. Incorporating the companies or shareholding therein.
 - M. Laying down the general policies related to the management of the company.
 - N. Forming committees of any number as it shall deem suitable and for any purposes as the board shall deem suitable to the best interest of the company and the good conduct of its business.
10. The chairman of the board shall be considered as the president of the company for which he shall represent it before the others and all the parties. Further, he shall practice the powers vested upon him pursuant to the provisions of the Companies Act and the regulations issued by virtue of it as well as the other regulations applicable at the company. In addition, he shall assume implementing the resolutions issued by the board of directors in cooperation with the executive body at the company while he shall have the right to sign on behalf of the company either solely or jointly with others.
11. 1. The board of directors shall appoint the company's general manager from

- among the board's members or from those outside it being professional while it shall determine his powers and duties pursuant to instructions to be issued by the board for the purpose and shall authorize him to run it generally in cooperation with the board of directors under its supervision. Further, the board shall fix the salary of the general manager provided that he shall not act as a general manager for another public shareholding company.
2. The company's board may terminate the services of the general manager provided that it shall notify the Controller and the Market of any decision regarding the appointment of the company's general manager of terminating his services within ten days as from the date of adopting the decision.
 3. The chairman of the company's board or any of its members maybe appointed as the company's general manager, his deputy or assistant by a decision to issued by the majority of two thirds of the votes of the board's members in any of the said cases provided that the concerned person shall not contribute in voting.
12. The general manager shall assume the duty of the company's general management while the board may vest the powers upon him as necessary for managing the company's affairs and running the same. However, the same shall without limitation to the generality of the forgoing, include the duties as follows:
- A. Approving and running all the works that fall within the goals of the company and the limits allowed to be practiced by him.
 - B. Representing the company in all the trade operations and before all the administration, authorities and commissions being public or private.
 - C. Recommending the appointment of the managers and terminating their services to the board of directors.
 - D. Appointing the employees and labors at the company in addition to determining their rewards, fees, salaries, pension and all the matters related to them within the limits agreed upon.
 - E. Appointing representatives, attorneys and delegates in charge according to the laws and regulations applicable.
 - F. Approving granting loans and advances to the employees on the basis set and within the limits determined.
 - G. To grant loans and facilities in the name of the company and on its behalf within the limits allowed by the board.
 - H. Opening or closing offices or branches in the Kingdom of abroad pursuant to the resolutions of the board of directors.
 - I. Collecting the amounts due to the company and granting releases against such collections as well as settling the debts due from the company.
 - J. The right of litigation and following up the claims and cases before any party whatever and before the courts of the several functions in addition to his right to file cases against administrations and individuals.
 - K. Concluding agreements, effecting a compromise, arbitration and deregistering the charges of pledges and liens within the powers vested upon it.
 - L. Vesting some of his powers to attain one or more of the purposes as he shall deem suitable.

- M. Signing documents and papers related to the company solely unless he shall grant a special authorization in this regard to the company's employees appointed according to the provisions of the instructions and bylaws of the Bank.
13. The board of directors shall appoint a secretary for the board and shall fix his fees. However, the board's secretary shall assume arranging the meetings, preparing its agendas and making the minutes of its meetings and readings to be maintained in a special register on consecutive pages serially numbered to be signed by the chairman and members of the board attending the meeting after which each page shall be sealed by the seal of the company.
14. 1. The company's board of directors shall be held by an invitation made in writing by its chairman or his deputy in case of his absence or upon a demand in writing to be submitted to the chairman by at least quarter of its members stating at the reasons for holding the meeting. However, and in case the chairman of the board or his deputy shall not address the invitation for holding the meeting within seven days as from the date of receiving the demand, then the members who shall have submitted the same shall invite it to be held.
2. The invitation for holding the meeting of the board of directors shall be addressed by letters signed by the chairman or his deputy to be mailed to the address of the member registered with the company or to be delivered in person. Further, the time and place of the meeting should be stated together with the agenda and that the invitation shall be received one day at least prior to the date of the meeting.
3. The company's board of directors shall hold its meetings at the company's headquarters or at any other place inside or outside the Kingdom. Further, the board's resolutions shall be issued by the absolute majority of the members attending the meeting while in case of the votes equality, then the president of the meeting shall have a second casting vote.
4. Voting for or against the resolutions of the company's board shall be made in person to be effected by the person himself for which no proxy maybe given and that the voting may not be effected neither by correspondence nor by any other indirect manner.
5. The number of the meetings held by the company's board of directors shall not be less than six meetings during the company's fiscal year and that no more than two months shall lapse without holding a meeting for the board while the Controller shall be served with a copy of the meeting's invitation.
15. The chairman of the company's board of directors and any of its members shall loose his membership held in the board:
1. If he shall not attend four consecutive meetings held for the board without an excuse accepted by the board or if he shall absent himself from the board's meetings for a term of six consecutive months even if on the basis of an acceptable excuse. Further, the Controller shall be notified with the resolution issued by the board pursuant to the provisions of this paragraph.

However, the body corporate shall not loose its membership held in the board out of the absence of its representative in any of the cases stated upon in paragraph (1) of this article while the body corporate shall appoint

another person in his stead after being served with the resolution of the board as aforementioned.

2. If he shall resign from his position by a notification made in writing to the company. However, the resignation shall be effective as from the date on which it shall be served upon the company while it shall not be conditional upon the approval of any person and may not be revocable.

Article (26): the general assembly of the public shareholding company:

The ordinary meeting of the general assembly

1. The company's general assembly shall hold an ordinary meeting within the Kingdom at least once per year upon the invitation of the company's board of directors on the date set by the board agreed upon with the Controller provided that the said meeting shall be held within the four months following the end of the company's fiscal year.
2. The ordinary meeting of the company's general assembly shall stand legal if attended by shareholder representing more than half of the company's shares. However, and if the said quorum shall not be met within one hour as from the time set for the meeting, then the chairman of the company's board shall invite the general assembly to hold a second meeting within ten days as from the date of the first meeting by an announcement to be published at least in two local day newspapers three days at most prior to the meeting after which the second meeting shall stand legal regardless of the number of the shares represented therein.
3. 1. The power of the company's general assembly in its ordinary meeting shall include considering all the matters related to the company, discussing the same and adopting the resolutions adequate in their regard particularly as follows:
 - A. The incidents of the previous ordinary meeting of the general assembly.
 - B. The report of the board of directors related to the company's activities carried out during the year and its future plan.
 - C. Hearing the report of the Shariah Advisor.
 - D. The report of the company's auditor related to its balance sheet and its other final accounts as well as its financial situations and positions.
 - E. The annual balance sheet and the profit and loss account as well as determining the profits proposed by the board of directors to be distributed including the reserves and allowances provided by the Companies Act and the company's articles to be deducted.
 - F. Releasing the liability of the board's members.
 - G. Electing the board's members.
 - H. Electing the company's auditors for the following fiscal year.
 - I. Any other issue listed by the board of directors on the meeting's agenda.
 - J. Any other matters proposed by the general assembly to be listed in the agenda according to the provisions of the Companies Act in this regard.

4. The invitation made for holding a meeting for the general assembly shall include the agenda denoting the matters that shall be raised to be discussed attached with copies of any documents or data related to the said matters.

Article (27): the extraordinary meeting of the general assembly:

1. The General Assembly shall hold an extraordinary meeting within the Kingdom by an invitation made by the Board of Directors or upon a demand made in writing to be submitted to the Board by shareholders holding at least quarter of the company's shares or otherwise pursuant to a demand made in writing submitted by the auditors of the company or the Controller if so demanded by shareholders holding principally not less than (15%) of the subscribed shares.
2. The board of directors shall invite the general assembly to hold the extraordinary meeting demanded to be held by the shareholder, auditors or Controller pursuant to the provisions of the paragraph (1) of this article within a term that shall not exceed fifteen days as from the date of serving the board with the demand to hold the said meeting. However, and in case it shall fail the same or refuse responding the demand, then the Controller shall invite the general assembly to hold a meeting at the expense of the company.
3. 1. Without prejudice to the provisions of paragraph (2) of this article, then the extra ordinary meeting of the company's general assembly shall stand legal if attended by shareholders representing more than half of the company's shares. However, and in case the said quorum shall not be available, then the meeting shall be postponed to another date whereby it shall be held within ten days as from the date of the first meeting which matter shall be announced by the chairman of the board in at least two local daily newspapers at least three days prior to the date set otherwise the second meeting shall be cancelled regardless of the reasons for calling upon it.
2. The legal quorum of the extraordinary meeting of the company's general assembly in the cases of liquidating or merging it with other companies shall not be less than two thirds of the company's shares.
4. The invitation made for the extraordinary meeting of the general assembly shall include the matters that shall be offered and discussed at the meeting. However, and in case the agenda shall include amending the company's memorandum and articles of associations, then the amendments proposed shall be attached with the invitation of the meeting.
5. 1. The general assembly of the company shall have the power in its ordinary meeting (in particular) to consider discussing the following matters and adopting the resolution adequate in their regard:
A. Amending the company's memorandum and articles of association.
B. Merging the company with another company and dissolving it.
C. The company's liquidation and winding up.
D. The removal of the chairman of the board of directors or any of its members.
E. Selling the company or the full acquisition of another company.
F. Increasing or decreasing the company's capital.
2. The resolutions shall be issued in the extraordinary meeting of the general assembly by the majority of (75%) of the total shares represented in the meeting.

3. The resolutions of the general assembly in its ordinary meeting shall be subject to the measures of approval, registration and publishing set pursuant to the Companies Act to the exclusion of the provisions of article (D) of paragraph (1) of this article.
6. The general assembly of the company may, in its extraordinary meeting, consider the matters included in its powers in the ordinary meeting in which case it shall issue its resolutions by the absolute majority of the shares represented in the meeting.

Article (28): of the Companies Act

- A**
1. The company shall organize its accounts and maintain its registers as well as books according to the common accounting principles.
 2. The company's fiscal year shall commence on the first day of January of the year and shall end on the thirty first day of December of the same year. However, and if the company shall commence its business within the first half of the year, then its fiscal year shall end on the thirty first day of December of the same year while if it shall be during the second half of the year, then its fiscal year shall end on the thirty first day of the next year.

B. The distribution of the profits:

It is after deducting the salaries, expenses, depreciation, allowances and other disbursements that the net profit shall be distributed according the provisions of the law as follows:

A. The obligatory reserve:

(10%) ten percent of other percentage as set by the law and before deducting the income tax to be set aside from the account of the obligatory reserve while transferring to the obligatory reserve shall last till the balance accord shall amount to equal to the capital subscribed for.

B. The optional reserve:

A percentage of the net profits before deducting the income tax to be transferred to the optional reserve account upon the proposal of the board to be approved by the general assembly within the limitations set by the law.

C. The other reserves

Any percentage of the annual profits to be set aside upon the proposal of the board to be approved by the general assembly for the account of any other reserves of whatever title or purpose to serve the interest of the company and the good conduct of its business provided that the said deduction shall be made after deducting the provision of the income tax.

D. The reward of the board's member

Ten percent of the net profits distributable among the shareholders after deducting all the reserves for the taxes being a reward for the chairman and members of the board up to (5000) five thousand Dinars as maximum for each of them per year or any other amount set by the law to be distributed among them according to the number of the meeting attended by each of them provided that the reward of

the member shall not exceed the limit set by the Act.

E. The profits of the shareholders

The remaining balance of the profits in full or any part thereof shall be distributed among the shareholder in the percentage determined by the general assembly as recommended by the board of directors.

Article (29): the auditors

1. 1. The company's board of directors shall elect one or more of the auditors licensed to practice the profession for a term of one year renewable and shall determine their fees or the board so authorize.
2. If the company's general assembly shall fail the election of the auditor or that the latter being elected shall submit an apology or abstain from working for any reason whatever or otherwise shall pass, then the board of directors shall recommend at least three auditors to the Controller within fourteen days as from the date on which the said position shall stand to be vacant to select one of them.
2. The auditors shall jointly or severally monitor the activities of the company and audit its accounts while they shall in particular perform the duties mentioned in the Companies Act in this regard.
3. If the company's auditor shall fail the performance of the missions and duties assigned to him pursuant to the provisions of the Companies Act, then he shall, before abstaining the performance of auditing, submit a report in writing to the Controller copied to the board denoting the reasons hindering his work or banning the same while the Controller shall treat these reasons with the board to the contrary of which the Controller shall refer the matter to the general assembly to the first meeting held by it.
4. 1. Without prejudice to the Law of Practicing the Profession of Auditing applicable and any other law or statute concerned with this profession, then the auditor shall prepare a report in writing for the company's general assembly which he or his delegate shall read before it in addition to sending a copy of the same to the Controller after approving the balance sheet by the board of directors to be signed by him according to the rules and to be attached with the balance sheet and the data attached with it. Further, the said report shall include the provisions stated in the Companies Act in this regard.
2. The auditor shall express his final opinion regarding the balance sheet and the profit and loss account of the company denoting one of the following recommendations:
 - A. Approving the company's balance sheet and its profit and loss account absolutely.
 - B. Approving the balance sheet and the profit and loss account under reserve together with stating at the nature of the said reserve and its financial impact on the company.
 - C. The non approval of the balance sheet and the profit and loss account after which they shall be returned to the board of directors including stating at the reasons for rejecting the approval of the balance sheet.

5. The general assembly of the company, and in case the auditor shall abstain the recommendation of approving the balance sheet and returning it to the board, may resolve as follows:
 1. Either to request that the board shall rectify the balance sheet and the profit and loss account according to the remarks made by the auditor after which they shall stand approved.
 2. Or referring the matter to the Minister of Industry & Trade to appoint an experts committee constituted of certified auditors to resolve the subject of the dispute between the company's board of directors and its auditors in which case the resolution of the committee shall be binding after referring it once again to the general assembly to be approved while the balance sheet and the profit and loss account shall be amended accordingly.
6. The Bank's auditor may not share the incorporation of the company which accounts are being audited by him or otherwise to be a member in its board or to permanently or temporarily work any technical, administrative or consultative matter in it. Further, he may not be a partner of any member in its board or to be an employee for him under the penalty of having any measure or act committed against the provisions of this article being null and void.
7. the company's board shall provide the auditor with a copy of the reports and data sent by the board to the shareholders including the invitation made for attending the meeting of the company's general assembly while the auditor or his representative shall attend the said meeting.
8.
 1. The company's auditor is deemed as the attorney of the shareholders within the scope of the mission assigned to him.
 2. Each shareholder, and during holding the meeting of the general assembly, may discuss the matters mentioned in the report and ask the auditor to clarify the same.
9. Without prejudice to the basic obligations of the auditor, then he may not disclose the Bank's secrets revealed to him by nature of his working for it to the shareholders at the headquarters of the general assembly of the Bank or others of the places and times or otherwise to the others to the contrary of which he shall be subject to removal and be claimed of a compensation.
10. The auditor and his employees may not speculate (Mudarabah) with the shares of the bank whether the said dealing shall be carried out in the shares directly or indirectly under the penalty of being removed from the position of auditing the accounts of the Bank and causing him to be liable for compensating any damages incurred out of his breaching the provisions of this articles.

Article (30): the company's liquidation

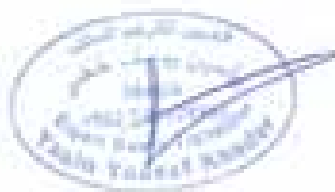
The liquidation of the company shall be in accordance with provisions and measures of the Companies and Banks Acts.

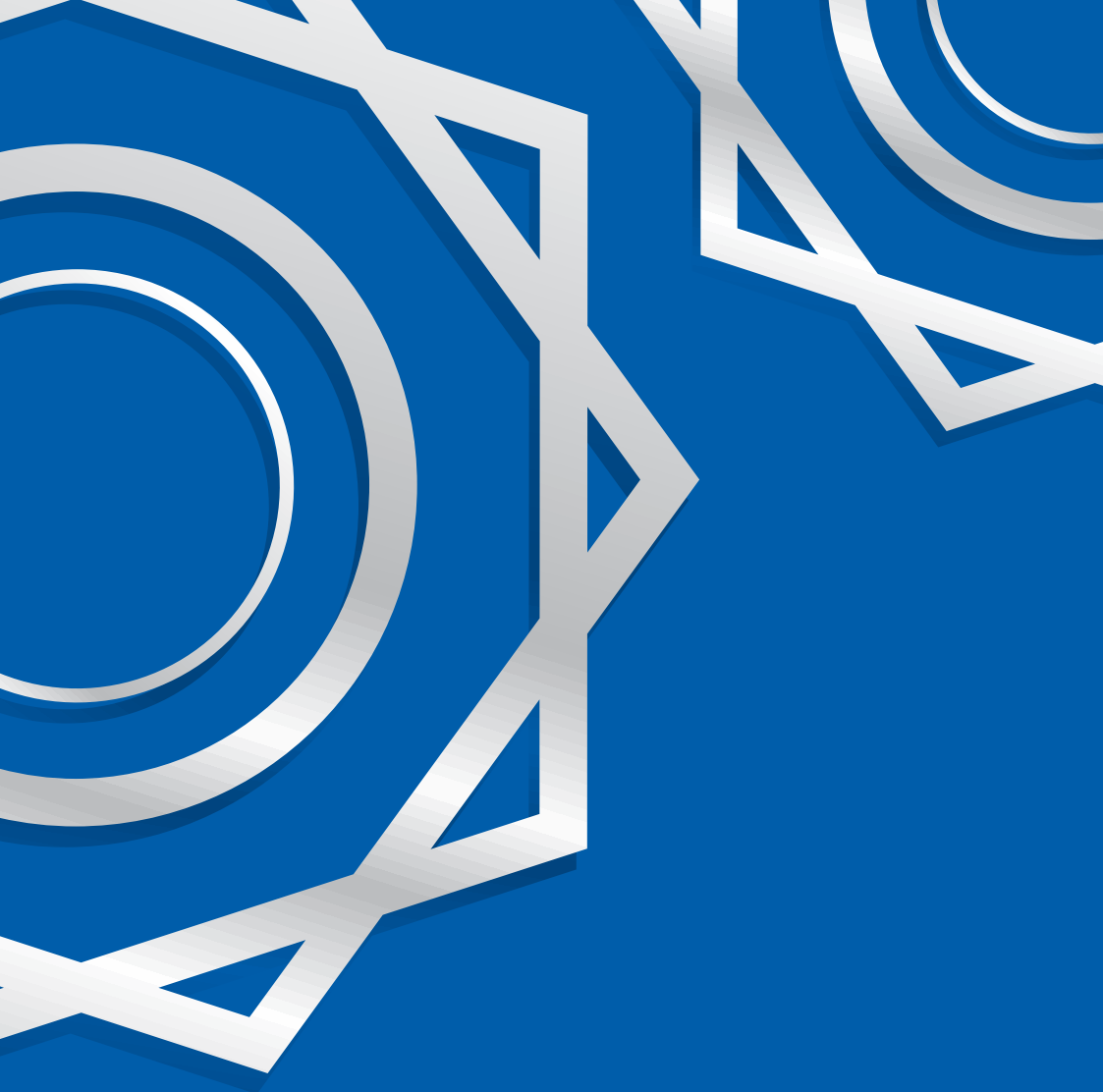
Article (31): general provisions

1. By a resolution to be issued by the majority of two thirds of its members, then the board nominate one or more of the persons provided that their number shall not exceed three of the scientists and specialists in the field of the practical Shariah

provisions to provide Shariah consultations to the Bank.

2. The members of the board of directors, Shariah advisors, the auditors and the employees of the company shall be committed to keep the secrets of the company's transactions made with its clients for which they shall be obliged not to disclose any thing that they would look through except in the cases determined by the board of directors in any meeting of the company's general assembly or upon the request from any court by the amount necessary.
 3. The provisions of these articles shall be applicable without prejudice to the provisions of the Companies and Banks Acts.
- **Certified as a true copy by the Companies Control Department, Ministry of Industry & Trade, Hashemite Kingdom of Jordan dated May 20th, 2013.**





البنك العربي الإسلامي الدولي
ISLAMIC INTERNATIONAL ARAB BANK