

Proposed amendments to the Articles of Association of SHUAA Capital PSC

Article/Paragraph Number	Article text before amendment	Article text after amendment
Article (1) In Section One	The definition of the " Commercial Companies Law " means Federal law No. (2) of 2015 concerning Commercial Companies and its amendments.	The definition of " Companies Law " means the Federal Decree-Law no. (32) of 2021 concerning Commercial Companies. The term "Commercial Companies Law" is replaced with the " Companies Law " throughout the Articles of Association.
Paragraphs (b, e, g) in Clause (1) in Article (5) In Section One	<p>(b) To establish, solely or jointly with other persons, inside or outside the Arab countries, or otherwise assist to establish other companies for industrial, agricultural, commercial, and financial investments or any kind of economic activity, after reasonable confirmation of the soundness of such projects and of the possibility of suitable profit.</p> <p>(e) To borrow funds from inside or outside the Country in such manner as it may deem appropriate, including mortgaging all or part of its property, and to issue debt instruments of any type, secured or otherwise, and whether in bearer form or otherwise.</p> <p>(g) To sell, purchase, lease or hire, mortgage and acquire any moveable or immovable property of the Company or any rights which the Company may deem necessary in connection with any of its objects or which it believes will enhance the value of any security in its possession or prevent or minimize any expected loss</p>	<p>(b) To establish, solely or jointly with other persons, inside the Country, the Arab countries, or abroad, or otherwise assist to establish other companies for industrial, agricultural, commercial, financial, and real estate investments or any kind of economic activity, after reasonable confirmation of the soundness of such projects and of the possibility of suitable profit.</p> <p>(e) To borrow funds from inside or outside the Country in such manner as it may deem appropriate, including granting any guarantees and sureties, mortgaging all or part of its property, and to issue debt instruments of any type, secured or otherwise, and whether in bearer form or otherwise.</p> <p>(g) To sell, purchase, lease, or hire, mortgage, acquire, grant, and pledge any moveable or immovable property of the Company or any rights which the Company may deem necessary in connection with any of its objects or which it believes will enhance the value of any security in its possession or prevent or minimize any expected loss.</p>

<p>Article (15) in Section Two (Capital of the Company)</p>	<p>1- Subject to the provisions of the Commercial Companies Law and subject to ESCA approval, the Company may decide, according to a Special Resolution, to increase its issued Share-Capital by issuing new shares with equal nominal value or at a premium, provided that the concerned Resolution stipulates the amount being increased and the issuance price. The Board of Directors must carry out this Special Resolution within (3) years from its date of issuance, failing which this Resolution shall lapse and only to the extent of the remaining amount not executed by the Board of Directors during said period. The Share- Capital may also be reduced after obtaining the approval of ESCA.</p> <p>(2) New shares may not be issued at a discount to their nominal values. However, if issued at a premium, then this premium shall be added to the Legal Reserve or any other designated reserve.</p> <p>(3) Any increase or reduction in the Share-Capital shall be effected by a Special Resolution on the basis of the proposal of the Board of Directors in both of these cases and after obtaining the report of the external auditor in case of reduction. In case of increase, the amount and the share price issuance will need to be specified in the same Special Resolution and conversely in case of reduction, the amount and the method of reduction will need to be specified.</p> <p>(4) Shareholders shall have the priority right to subscribe for in the newly issued shares in accordance with the special provisions governing the subscription by the Shareholders in the shares of the Company saves for the exclusions to this right as stipulated under the Commercial Companies Law.</p> <p>In all cases, all conditions and requirements specified in the Commercial Companies Law as issued by the ESCA must be fulfilled.</p>	<p>1- Subject to the provisions of the Companies Law and subject to ESCA approval, the Company may decide, according to a Special Resolution, to increase its issued Share-Capital. The Board of Directors must carry out this Special Resolution within three (3) years from its date of issuance, failing which this Resolution shall lapse and only to the extent of the remaining amount not executed by the Board of Directors during said period. The Share- Capital may also be reduced after obtaining the approval of ESCA.</p> <p>2- The amount and the share price issuance will need to be specified in the same Special Resolution and conversely in case of reduction, the amount and the method of reduction will need to be specified.</p> <p>3- Any increase or reduction in the Share-Capital shall be effected by a Special Resolution on the basis of the proposal of the Board of Directors in both of these cases and after obtaining the report of the external auditor in case of reduction.</p> <p>4- The Company's capital increase shares shall be issued with a nominal value equal to the nominal value of the original shares. However, the Company may, by a Special Resolution and subject to ESCA approval, decide the following:</p> <p>a- Adding an issue premium to the nominal value of the share and specifying its amount in case the market value exceeds the nominal value of the share. The issue premium shall be added to the statutory reserve even if it exceeds half of the capital.</p> <p>b- Granting an issue discount on the nominal value of the share, and specifying its amount, in case the market value is lower than the nominal value of the share. A negative reserve shall arise in the balance sheet's equity against the issue discount. Such issue discount shall be deducted from the Company's future profits before approving the distribution of any dividends.</p>
---	---	--

		<p>5-ESCA must be provided with a report specifying the method of calculating the issue premium or discount. Such report must be prepared by an independent financial advisor that is accredited by ESCA.</p> <p>6- Shareholders shall have the priority rights to subscribe for in the newly issued shares. Such subscription shall be subject to the special provisions governing the subscription in the original shares. Exclusions to priority rights are stipulated under the Companies Law.</p> <p>In all cases, all conditions and requirements stated in the Companies Law and those issued by ESCA must be fulfilled.</p>
<p>Article (16) in Section Three (Bonds)</p>	<p>Following approval from SCA, and subject to the provisions of Article 201 and Articles 229 to 234 of the Commercial Companies Law, the General Assembly may by Special Resolution issue bonds of any kind whatsoever. The resolution shall state the value of the bonds, the conditions of issue and the extent to which they may be converted into shares.</p>	<p>Following approval from SCA, and subject to the provisions of Article 203 and Articles 231 to 236 of the Companies Law, the General Assembly may by Special Resolution issue bonds of any kind whatsoever. The resolution shall state the value of the bonds, the conditions of issue and the extent to which they may be converted into shares.</p>
<p>Add Clause (3) in Article (17) in Section Four (Board of Director of the Company)</p>	<p>-</p>	<p>3- Subject to the conditions as may be determined by ESCA in this regard, the Board of Directors shall be composed of executive and non-executive members, and independent members; provided that at least one-third of the members are non-executive and independent who have the technical skills and practical expertise required to serve the interests of the Company.</p>
<p>Clause (2) in Article (18) in Section Four (Board of Director of the Company)</p>	<p>2- The Board of Directors may appoint members to positions that are vacated during the year, provided that such appointment is submitted to the General Assembly at the first session thereto to confirm their appointment or elect other persons. If the vacant posts during the year amount to one quarter of the members of the Board, the Board of Directors shall call a General Assembly within thirty (30) days at the</p>	<p>2- The Board of Directors may appoint members to positions that are vacated during the year within a maximum period of thirty (30) days, provided that such appointment is submitted to the General Assembly at the first session thereto to approve their appointment or appoint other persons. In the event that a new member is not appointed to fulfil the vacant position</p>

	<p>latest from the date of the last vacancy to elect members to fill the vacant posts.</p>	<p>during that period, the Board of Directors must open the nomination for electing a member to fulfil the vacant position at the first meeting of the General Assembly, If the vacant posts during the year amount to one quarter of the members of the Board, the Board of Directors shall call a General Assembly within thirty (30) days at the latest from the date of the last vacancy to elect members to fill the vacant posts.</p>
<p>Clause (2) in Article (20) in Section Four (Board of Director of the Company)</p>	<p>The chairman of the Board of Directors shall be the legal representative of the Company before courts and in its relationships with third parties, He is required to implement the resolutions passed by the Board of Directors</p>	<p>The chairman of the Board of Directors shall be the legal representative of the Company before courts and in its relationships with third parties, He is required to implement the resolutions passed by the Board of Directors. The chairman of the Board of Directors may delegate some of his powers to another Board member.</p>
<p>Clause (1) in Article (21) in Section Four (Board of Director of the Company)</p>	<p>1- The Board of Directors shall be vested with all powers necessary for the management of the Company and the conduct of all business required for the Company's purpose. Such powers shall not be limited except as provided for under the Companies Law, or these Articles or the resolutions of the General Assembly. The Board of Directors may conclude loans for periods in excess of three years, discharge the debtors of the Company from their obligations, and conclude reconciliations, or agree on arbitration</p>	<p>1- The Board of Directors shall be vested with all powers necessary for the management of the Company and the conduct of all business required for the Company's purpose. Such powers shall not be limited except as provided for under the Companies Law, or these Articles or the resolutions of the General Assembly. The Board of Directors may conclude loans for periods in excess of three years or granting any guarantees and sureties, discharge the debtors of the Company from their obligations, and conclude reconciliations, or agree on arbitration.</p>
<p>Article (23) in Section Four (Board of Director of the Company)</p>	<p>When necessary, the Board of Directors shall convene its meetings at the Company, or such other place as may be agreed whenever they are called by the Chairman or at the request of at least two members of the Board. The Board of Directors must hold at least four meetings during each financial year.</p>	<p>When necessary, the Board of Directors shall convene its meetings at the head office of the Company, or such other place as may be agreed whenever they are called by the Chairman or at the request of at least two members of the Board. The Board of Directors must hold at least four meetings during each financial year.</p>

<p>Article (34) in Section Four (Board of Director of the Company)</p>	<p>In accordance with Article (169) of the Commercial Companies Law, the remuneration of the Board of Directors shall consist of a percentage of the net profits for the financial year ended, as prescribed in the provisions of Article (57) of these Articles.</p>	<p>In accordance with Article (171) of the Companies Law, the remuneration of the Board of Directors shall consist of a percentage of the net profits for the financial year ended, as prescribed in the provisions of Article (57) of these Articles.</p>
<p>Paragraphs (g, h) in Clause (2) in Article (45) in Section Five (the General Assembly)</p>	<p>g. The discharge or dismissal of the Board members and the filing of the liability lawsuit against them, as the case may be. h. The discharge or dismissal of the auditors and the filing of the liability lawsuit against them, as the case may be.</p>	<p>g. The discharge or non- discharge and dismissal of the Board members and the filing of the liability lawsuit against them, as the case may be. h. The discharge or non- discharge and dismissal of the auditors and the filing of the liability lawsuit against them, as the case may be.</p>
<p>Clause (1) in Article (46) in Section Five (the General Assembly)</p>	<p>1- The Board of Directors shall be obliged to call a General Assembly to convene if so, required by one shareholder or more holding not less than ten percent (10%) of the Share- Capital, and the Board of Directors shall then call for the meeting within five (5) days from the date of submission of the request. The General Assembly shall be held within a period not exceeding (30) thirty days from the date of the invitation. This request shall be filed at the head office of the Company and in accordance with the conditions stipulated in Article (174) of the Commercial Companies Law.</p>	<p>1- The Board of Directors shall be obliged to call a General Assembly to convene if so, required by one shareholder or more holding not less than ten percent (10%) of the Share- Capital, and the Board of Directors shall then call for the meeting within five (5) days from the date of submission of the request. The General Assembly shall be held within a period not exceeding thirty (30) days from the date of the invitation. This request shall be filed at the head office of the Company and in accordance with the conditions stipulated in Article (176) of the Companies Law.</p>
<p>Clause (3) in Article (57) in in Section Seven (Finances of the Company Finances of the Company)</p>	<p>3- The remuneration of the Board chairman and members shall consist of a percentage of the net profit, provided that it may not exceed 10% of the net profits for such fiscal year after deducting all consumption and reserves.</p>	<p>3- The remuneration of the Board chairman and members shall consist of a percentage of the net profit, provided that it may not exceed 10% of the net profits for such fiscal year after deducting all depreciation and reserves. Subject to the conditions determined by ESCA in this regard, and the approval of the Company's shareholders, a Board member could be paid a lump sum fee not exceeding (200,000) two hundred thousand dirhams at the end of the fiscal year in the following cases: a- The Company's failure to achieve profits.</p>

		b- If the Company makes profits and the Board member's share in those profits is less than (200,000) two hundred thousand dirhams, and in this case the remuneration and fees may not be combined.
--	--	--