

QSTP Companies Regulations 2022

Dated 18 October 2022

Contents

PART I PRELIMINARY PROVISIONS	5
1. Title, Commencement and Authority	5
2. Definitions	5
3. Application of the Regulations	7
PART II ENTITY, TYPE AND FORM	7
4. Types of entity	7
PART III COMPANY INCORPORATION.....	8
5. Legal form	8
6. Legal personality	8
7. Shareholders	8
8. Effects of non-incorporation.....	8
9. Application for incorporation of a Company	8
10. Requirement for payment of subscription monies for shares	8
11. Articles of Association.....	9
12. Effect of Articles of Association on Shareholders.....	10
13. Amendment of Articles of Association.....	10
14. Restated Articles of Association.....	10
15. Effect of incorporation or registration	11
16. Letterhead and contracts	11
17. Execution of instruments	11
18. Written resolutions.....	12
19. Filing of Shareholder resolutions.....	12
20. Authentication of documents	12
21. Nationality of Company.....	12
22. Powers and objects of a Company - ultra vires.....	12
PART IV SHARES.....	12
23. Minimum share capital requirements.....	12

24.	Register of Shareholders	13
25.	Payment for consideration of shares other than in cash.....	13
26.	Transfer of shares.....	13
27.	Transfer of shares upon death of a Shareholder.....	14
28.	Increase of share capital.....	14
29.	Reduction of share capital.....	15
30.	Liability of shareholders on reduced share capital	15
31.	Certificate to be evidence of title	15
32.	Pledge of shares	16
PART V COMPANY MANAGEMENT AND ADMINISTRATION		17
33.	Appointment of Manager.....	17
34.	Powers of the Manager	18
35.	Appointment of a Board of Directors	18
36.	Election, term and removal of directors.....	19
37.	Actions and penalties against a Manager and the Board of Directors	19
38.	Annual report and general assembly of a Company	20
39.	Prohibited actions undertaken in the general assembly	21
40.	Minutes of meetings.....	22
41.	Establishment of a legal reserve	22
PART VI BRANCH ENTITY		22
42.	Registration of a Branch	22
43.	Approval or rejection of Application to register a Branch	22
44.	Entry in the Register for a Branch	22
45.	Records to be kept by a Branch	23
46.	Letterhead and contracts	23
47.	Service of process	23
48.	Powers and objects of a Branch - ultra vires.....	23
49.	De-registration of a Branch.....	23

PART VII NAME OF A COMPANY OR BRANCH.....	24
50. Company or Branch name	24
51. Restrictions on name.....	24
52. Use of name	25
53. Change of name	25
PART VIII MERGER & CONSOLIDATION	25
54. Interpretation for purposes of this Part	25
55. Approval of merger and consolidation	26
56. Registration of merger and consolidation.....	26
PART IX WINDING UP OF A COMPANY	27
57. Winding-up of a Company.....	27
58. Dissolution upon death or withdrawal	27
59. Requirement to call for general assembly.....	28
60. Publication of decision to liquidate.....	28
61. Appointment and functions of a liquidator	28
62. Restoration of a struck-off Company or Branch.....	30
63. Rights of creditors in a liquidation.....	31
PART X FUNCTIONS AND POWERS OF THE QSTP MANAGEMENT	31
64. To maintain a Register	31
65. Power to oversee and investigate under these Regulations	32
66. Formal investigation into the affairs of a Company	32
67. Right to appoint independent auditors	32
68. General right of inspection.....	33
69. Provisions of the Licensing Regulations	33
PART XI RECORDS & ACCOUNTS.....	33
70. Form of records.....	33
PART XII GENERAL PROVISIONS.....	34
71. Incomplete or inaccurate information.....	34

72.	Fees and fines.....	34
73.	Provisions of the Licensing Regulations	34
74.	Compliance with listing regulations	34



PART I
PRELIMINARY PROVISIONS

1. Title, Commencement and Authority

(a) These regulations shall be referred to as the QSTP Companies Regulations 2022 (the “Regulations”).

(b) These Regulations have been issued by the QSTP Board pursuant to Law No. 36 of 2005 of the State of Qatar and shall replace the Free Zone Regulations dated 01 April 2015.

(c) These Regulations shall come into force on the date of its issuance by the QSTP Board and shall apply to all existing Companies and Branches.

(d) To the extent that a Company or a Branch is not compliant with the provisions of these Regulations, they shall rectify any such non-compliance within six (6) months from the issuance of these Regulations.

2. Definitions

The following words and phrases wherever used in these Regulations shall have the meaning ascribed thereto hereunder, unless the context indicates otherwise:

“Applicant” shall mean the person or persons which have received Pre-approval and who are applying to incorporate a Company or register a Branch under these Regulations.

“Application” shall mean an application made to the QSTP Free Zone to incorporate a Company or register a Branch under these Regulations.

“Approved Bank” shall mean any bank operating in the State of Qatar and regulated by the Qatar Central Bank. In the case of such a bank with one or more branches, the term “Approved Bank” refers only to branches located in the State of Qatar.

“Articles of Association” shall mean the articles of association submitted by a Company to the QSTP Free Zone under these Regulations.

“Board of Directors” or “Manager” shall mean a group of persons (or, in the case of a Manager, one person) who manage, direct and supervise the affairs of a Company.

“Branch” shall mean the branch of a Parent Company registered pursuant to these Regulations.

“Company” shall mean a company incorporated pursuant to these Regulations.

“Court” shall mean a court or judicial tribunal of competent jurisdiction in the State of Qatar.

“Foreign Company” shall mean a company incorporated in a jurisdiction other than the QSTP Free Zone.

“Foreign Jurisdiction” shall mean a jurisdiction other than the QSTP Free Zone.

“License” shall mean a QSTP License, a Restricted License or a Service License.

“Licensee” shall mean a QSTP Licensee, a Restricted Licensee or a Service Licensee.

“Licensee Manager” shall mean the natural person who is appointed by the Licensee to be its principal representative both within the QSTP Free Zone and in all matters before QF, the QSTP Board, the QSTP Management and authorities in the State of Qatar pursuant to the Licensing Regulations.

“Licensing Regulations” shall mean the QSTP Licensing Regulations in force from time to time.

“Ordinary Resolution” shall mean a resolution passed by Shareholders holding at least fifty-one per cent. (51%) of the share capital of a Company unless the Articles of Association provide otherwise.

“Parent Company” shall mean a company, whether incorporated inside or outside the State of Qatar, which seeks to register a Branch under these Regulations.

“Pre-approval” shall mean the approval of the initial application submitted by a prospective Licensee to the QSTP Free Zone in accordance with provisions under the Licensing Regulations.

“QCSD” shall mean the Qatar Central Securities Depository.

“QF” shall mean Qatar Foundation for Education, Science and Community Development.

“QFMA” shall mean the Qatar Financial Markets Authority.

“QSE” shall mean the Qatar Stock Exchange

“QSTP Board” shall mean the Board of Directors of the QSTP Free Zone.

“QSTP Free Zone” shall mean the free zone established under the QSTP Free Zone Law as the Qatar Science & Technology Park.

“QSTP Free Zone Law” shall mean Law No. (36) of 2005 of the State of Qatar (as may be amended from time to time).

“QSTP License” shall mean the license issued by the QSTP Board to a Company or a Branch pursuant to the Licensing Regulations.

“QSTP Licensee” shall mean an entity which has been granted a QSTP License under these Regulations and whose QSTP License has not expired or been struck off.

“QSTP Management” shall mean the management of QSTP, which shall carry its functions pursuant to the directions of QSTP Board.

“Register” shall mean a register of the name of all Licensees with all pertinent information and particulars of the same as maintained by the QSTP Free Zone.

“Regulations” shall mean these QSTP Companies Regulations 2022.

“Restricted License” shall mean the license issued by the QSTP Board to a Restricted Licensee pursuant to these Regulations.

“Restricted Licensee” shall mean a natural person (or persons) or an entity which has been granted a Restricted License under these Regulations and whose Restricted License has not expired or been struck off.

“Service License” shall mean the license issued by the QSTP Board to a Service Licensee pursuant

to these Regulations.

“Service Licensee” shall mean a natural person (or persons) or an entity which provides services to tenants of the QSTP Free Zone (whether such tenants are Licensees, Restricted Licensees or other Service Licensees), which has been granted a Service License under these Regulations and whose Service License has not expired or been revoked.

“Shareholders” shall mean one or more natural person(s) or entity(ies), which may be Qatari or non-Qatari, who own shares in a Company. For purpose of clarity, a Company may be 100% owned by non-Qatari natural person(s) or entity(ies).

“Special Resolution” shall mean a resolution passed by Shareholders holding at least seventy-five percent (75%) of the share capital of a Company unless the Articles of Association provide otherwise.

“Trade Name” shall mean a name (other than the full name of the Licensee (excluding a Service Licensee) as it appears on its License) which:

- (a) the QSTP Free Zone has approved in writing as a trade name, in its sole discretion; and
- (b) is accompanied by a Trade Name Disclosure in all materials in which it is used, including contracts, correspondence, receipts, notices or other papers, website, electronic storage medium, samples, models, or drawings.

“Trade Name Disclosure” shall mean, where a Trade Name is used, a disclosure by a Licensee (other than a Service Licensee) confirming the full legal name of the Licensee as appears on its License. Such disclosure to be included once in any material and on each page of the Licensee’s website (where applicable).

3. Application of the Regulations

(1) These Regulations apply to:

- (a) a Company; and
- (c) a Branch.

(2) References in these Regulations to any requirement for any document to be written, in writing, to be presented in writing or for the giving of any notice are to be construed as satisfied by an electronic record and any references in these Regulations to any requirement for a signature on any document or notice are to be construed as satisfied by an electronic document and/or electronic signature, which may be proved in any manner approved by the QSTP Free Zone.

PART II ENTITY, TYPE AND FORM

4. Types of entity

These Regulations recognize the following types of entities:

- (a) Company; and
- (b) Branch.

PART III COMPANY INCORPORATION

5. Legal form

- (1) Any Company incorporated pursuant to these Regulations shall be a limited liability company.
- (2) Where a Company intends to apply to be listed on the QSE, it shall obtain the necessary approval from QSTP Board prior to submitting the application to the QFMA.
- (3) Where a Company has been approved for listing on the QSE, and subject to satisfying all applicable requirements of the QFMA, the QSE and the QCSD, it shall upon such listing taking place be designated as a “QSTP-LLC (Public)”. All provisions of these Regulations will continue to apply to a QSTP-LLC (Public). If at any time a QSTP-LLC (Public) is no longer listed on the QSE, it will cease to be designated as a QSTP-LLC (Public).

6. Legal personality

A Company will have a separate legal personality from that of its Shareholder(s). The liabilities of a Company, whether arising in contract, by law or otherwise, are the Company’s liabilities and not the personal liabilities of its Shareholder(s), or officer of the Company, except as provided for by these Regulations.

7. Shareholders

- (1) A Company may consist of one or more Shareholder(s). Except for a Company listed on the QSE, the number of Shareholders shall not exceed fifty (50) Shareholders. The liability of each Shareholder shall be limited to the amount of their fully paid-up shares in the Company.
- (2) A shareholder of a Company can be either a natural person or a body corporate.

8. Effects of non-incorporation

No Company shall have a legal personality until it has been incorporated in accordance with the provisions of these Regulations. The Shareholders shall be jointly and severally responsible for any damages sustained by a third party as a result of non-incorporation.

9. Application for incorporation of a Company

- (1) An Application shall be in the manner and form prescribed by the QSTP Free Zone from time to time.
- (2) The Applicant shall apply to the QSTP Free Zone for the incorporation of the Company as part of the Pre-approval process.

10. Requirement for payment of subscription monies for shares

- (1) A Company shall not be incorporated until all shares have been distributed among all the Shareholders and the value thereof paid in cash (including any premium) have been fully paid up and subscriptions in kind have been delivered.
- (2) Cash subscriptions shall be deposited in an Approved Bank and shall only be available to the Board of Directors or Manager specified in the Articles of Association on presentation of a

certificate certifying the incorporation of the Company and being entered in the Register. The QSTP Free Zone may, at any time and in its sole discretion, request evidence of the deposit of such subscribed capital with the Approved Bank.

(3) Should a Shareholder's share be one in kind, the Articles of Association shall state the type of such share, its value, the price accepted by the other Shareholders, the name of the Shareholder and their share in the capital against what they have contributed.

(4) The person contributing a share in kind shall be liable to third parties for the difference between the actual value and the value estimated to such in-kind contribution in the Articles of Association. Other Shareholders shall also be jointly and severally liable to settle any difference unless they can prove that they are not aware of the discrepancy. Upon the request of QSTP Free Zone, the Applicant may be requested to provide the method of such valuation as part of the Application.

11. Articles of Association

(1) The Articles of Association shall be in writing and shall be signed by all the Shareholders at the time of Application. The Articles of Association shall include such information as is required by the QSTP Free Zone, including, without limitation, the following:

- (a) the Company name, object and address (which shall be within the QSTP Free Zone);
- (b) the name, nationality, place of residence and address of each Shareholder;
- (c) the amount of share capital, the share of each Shareholder, a statement of shares in kind, their value and the names of those presenting the same (if any);
- (d) the administration and management structure of the Company including the names and nationalities of the Manager or members of the Board of Directors, the quorum for meetings of the Board of Directors and other governance matters;
- (e) the Company's duration;
- (f) the method of distribution of profits and losses;
- (g) the provisions relating to the holding of the general assembly of the Company including the quorum required, the appointment of the chairman of the meeting and other matter relating to the general assembly;
- (g) conditions relating to the transfer of shares in the Company;
- (h) the approved method by which notices to Shareholders are required to be communicated; and
- (i) provisions relating to the winding up of the Company.

(2) The Articles of Association shall not include any provision excluding any Shareholder from a right in the profits, or absolving them from loss, otherwise the Articles of Association shall be considered null and void.

(3) Where the Articles of Association does not specify a Shareholder's share in the profit or loss, such share shall be proportionate to their share in the capital. Where the Shareholder's share has been paid by consideration other than in cash, and the Articles of Association or other written

evidence does not specify their share in the profit or loss, the Company shall evaluate their share.

(4) The Articles of Association and any amendment thereto shall be written in Arabic or English and authenticated by an authorised officer of the Company and filed with the QSTP Free Zone.

(5) Notwithstanding the provisions of these Regulations, in respect of a Company listed or to be listed on the QSE, the Articles of Association shall include such provisions as may be required by the QFMA, the QSE and the QCSD.

(6) In the event of any failure to incorporate the Company in the manner prescribed in these Regulations, the Shareholders may consider that the Company's incorporation is null and void in dealings between themselves. However, the Shareholders cannot avoid or refute a contract with a third party on the basis that the Company's incorporation is not effective.

12. Effect of Articles of Association on Shareholders

(1) The Articles of Association shall bind the Company and the Shareholders thereof to the same extent as if it has been signed by each Shareholder and contained covenants on the part of each Shareholder to observe all the provisions of the Articles of Association; and all money payable by any Shareholder to the Company under the Articles of Association shall be a debt due from him to the Company.

(2) The Articles of Association have no effect to the extent that they contravene or are inconsistent with these Regulations.

13. Amendment of Articles of Association

(1) Subject to subsection (2), Shareholders of a Company may, by a Special Resolution, amend the Articles of Association.

(2) The Articles of Association must include the following provisions:

- (a) that specified provisions of the Articles of Association may not be amended;
- (b) if required, that a specific quorum and voting majority is required to amend the Articles of Association or specific provisions of the Articles of Association;
- (c) that an addendum to the Articles of Association must be signed by each Shareholder at the time of such amendment for any amendment to be effective;
- (d) such resolution and addendum passed by the Shareholders must be filed with the QSTP Free Zone within fourteen (14) calendar days of passing such decision.

(3) Such amendment will take effect upon registration by the QSTP Free Zone and entered into the Register.

14. Restated Articles of Association

(1) A Company may, at any time, file a restated Articles of Association. The restated Articles of Association must be accompanied by a copy of the Special Resolution approving the amendment and restatement of the Articles of Association.

(2) A restated Articles of Association filed under subsection (1) shall incorporate only such

amendments that have been registered under Regulation 13 and that, under any provision of these Regulations, are deemed to have been made.

(3) Where a Company files a restated Articles of Association under subsection (1), the restated Articles of Association has effect as the Articles of Association of the Company with effect from the date that it is registered by the QSTP Free Zone.

(4) The QSTP Free Zone is not required to verify that a restated Article of Association filed under this Regulation incorporates all the amendments, or only those amendments, that have been registered under Regulation 13 or that, under any provision of these Regulations, are deemed to have been made.

15. Effect of incorporation or registration

(1) Upon approval of an Application, the QSTP Board will issue a QSTP License for the Company or the Branch to operate within the QSTP Free Zone.

(2) From the date of incorporation of a Company with the QSTP Free Zone, the subscribers to the Articles of Association, together with such other persons as may from time to time become Shareholders of the Company, shall form a body corporate by the name contained in the Articles of Association, capable of exercising all the functions of a legal entity and having perpetual succession.

16. Letterhead and contracts

(1) All contracts, correspondence (including in electronic form), invoices, receipts, notices and other papers issued by the Company shall bear its name (or its Trade Name with a Trade Name Disclosure), a statement that it is a company with limited liability, its place of business and its Company incorporation number. Contracts on behalf of a Company may be made in written or other form by any person acting under its authority, express or implied.

(2) A contract may be varied or discharged in the manner agreed by the parties.

(3) Where a contract purports to be made by a Company or by a person as an agent for a Company, at a time when the Company has not yet been formed, then subject to any agreement to the contrary, the contract shall have effect as a private contract entered into by such person and such person shall be personally liable on the terms and conditions of the contract entered into.

(4) Any contract purported to be made as mentioned in subsection (3) of Regulation 16 may subsequently be unilaterally adopted by the Company and the Company shall thereupon become a party thereto to the same extent as if the contract had been made after the incorporation and in substitution for and discharge of the agent or person purporting to act on its behalf.

(5) Where the Company is under liquidation, any correspondence and papers issued by the Company shall bear a statement that the Company is in liquidation.

17. Execution of instruments

(1) A Company may empower any person, either generally or in respect of any specified matter, as its agent, to execute documents, agreements, deeds or others similar instrument on its behalf in any place whether within or outside the QSTP Free Zone.

(2) A document, agreement, deed or other similar instrument signed by such an agent on behalf of

the Company shall bind the Company and have the same effect as if it had been executed by the Company itself.

18. Written resolutions

Subject to the Articles of Association, any action that may be taken by the shareholders of the Company at a meeting of the Shareholders may also be taken by a resolution of Shareholders provided such written resolution is signed by all Shareholders.

19. Filing of Shareholder resolutions

An original or a certified copy of an Ordinary Resolution or a Special Resolution must be filed with the QSTP Free Zone within fourteen (14) calendar days after it has been passed or made.

20. Authentication of documents

A document or proceeding requiring authentication by a Company may be signed by a Manager, or other authorised officer of the Company, provided it is not specifically required by the QSTP Free Zone for the documents to be authenticated and attested by another competent authority. For the avoidance of doubt, the QSTP Free Zone may request any document presented to it by a Company or a Branch to be attested.

21. Nationality of Company

Any Company incorporated in the QSTP Free Zone shall be of Qatari nationality and shall have its sole place of business in the QSTP Free Zone.

22. Powers and objects of a Company - ultra vires

- (1) No act of a Company shall be invalid by reason only of the fact that the Company was without capacity or power to perform the act.
- (2) The objects of a Company shall not include business activities requiring it to carry out banking, insurance or the investment of monies for third parties, whether as a principal or agent.

PART IV SHARES

23. Minimum share capital requirements

- (1) There shall be no minimum share capital requirement for a Company. However, the Company shall have sufficient capital to fulfil its objects as demonstrated to QSTP Free Zone by the Applicant.
- (2) The nominal value of a share shall not be less than one Qatari Riyal (QR. 1) or as the QSTP Free Zone may specify from time to time. Where a Company is listed on the QSE, the nominal value shall meet the requirements of the QFMA.
- (3) In the event that a share is owned by several persons, the Company may suspend the enjoyment of rights attached thereto until the owners of the said share nominate one person who may be considered as the sole owner of that share. The Company may decide a date for the shareholders to complete the vote. In the event the shareholders fail to elect a sole owner by the decided date, the Company may sell the share for the benefit of its owners, and in which case, the Company

shall offer the share first to the existing Shareholders and then to third parties.

- (4) Profits and losses shall be equally distributed among the Shareholders in accordance with their pro-rata holding of shares in the Company, unless the Articles of Association stipulates otherwise.

24. Register of Shareholders

(1) A register of Shareholders shall be maintained at the office of the Company containing the following information:

- (a) name, address, nationality and occupation of each Shareholder;
- (b) number and value of shares owned by each Shareholder;
- (c) transactions affecting the shares, the date of the transaction, the reason for the title transfer, the names of the transacting parties and their signatures; and
- (d) total number of shares owned by each Shareholder after the transaction.

(2) The Manager or any officer appointed by the Company shall be responsible for maintaining the register of Shareholders and for the accuracy of information recorded therein.

(3) The Shareholders shall have the right to peruse the register of Shareholders' register upon reasonable notice.

(4) Notwithstanding the foregoing, where a Company is listed on the QSE, the register of Shareholders shall be maintained by the QCSD in accordance with its rules and regulations. Such register shall be the definitive register of Shareholders.

25. Payment for consideration of shares other than in cash

(1) A Shareholder's share shall be paid for in cash or for consideration other than cash that serves the objects of the Company. However, reputation or influence of a person shall not be considered adequate consideration for holding of shares.

(2) Where a Shareholder's share is represented by a title to an asset or any other in-kind right, the Shareholder shall arrange for the transfer of title of such asset to the Company free from any encumbrance and until such transfer such Shareholder shall be responsible to guarantee the value of the share in the case of destruction, impairment, a defect or other shortfall in the value of the asset.

26. Transfer of shares

(1) Subject to such other regulations as may be made by the QSTP Free Zone, the shares or other interests of any Shareholder in a Company shall be personal estate, transferable in a manner provided by the Articles of Association of the Company and subject only to the restrictions provided therein.

(2) A Shareholder may transfer his share to another Shareholder or a third party in accordance with the provisions of the Articles of Association. Any transfer shall not be binding on the Company or third parties unless such transfer has been made through a written instrument in a form approved by the QSTP Free Zone, and it has been entered into the register of Shareholders and the Register. The

Company shall not object to the entry of the transfer in the Register unless such transfer is in breach of the provisions of the Articles of Association or of these Regulations. Notwithstanding the foregoing, in respect of a Company listed on the QSE, the transfer of shares may be made, evidenced, and registered electronically or by any other manner permitted by the QFMA, QSE and the QCSD, and such transfer shall be sufficient to transfer title in the shares.

(3) Unless the Articles of Association provides otherwise or in the event that Regulation 26(4) is applicable, if a Shareholder wishes to transfer their shares to an individual who is not an existing Shareholder, for payment in cash, they shall first notify the existing Shareholders of the intended transfer including the name of the proposed transferee and the price to be paid by such transferee and the terms thereof. Every Shareholder shall have a right of pre-emption pro rata their shareholding in the Company to acquire the shares at the same price offered by the proposed transferee and on the same terms. Should a period of thirty (30) calendar days expire from the date of such notice of intended transfer, with no Shareholder exercising a right of acquisition, the Shareholder shall be free to transfer their share(s) to a third party. Where the right to acquire the shares is exercised by more than one Shareholder, the shares available for transfer shall be divided a pro rata among such Shareholders, which shall be allocated based on the number of shares owned by each such Shareholder in relation to the total number of shares held by all the Shareholders exercising such right to acquire.

(4) In the event that a Company is listed on the QSE, Regulation 26(3) shall not apply and shares in the Company shall be freely transferable in accordance with the rules and regulations of the QSE, the QFMA and the QCSD, and no rights of pre-emption shall apply.

(5) Nothing in this Regulation 26 shall prejudice any power of the Company to register as Shareholder any person to whom the right to any shares of the Company has been transmitted by operation of law.

27. Transfer of shares upon death of a Shareholder

(1) The shareholding of every Shareholder shall revert to their heirs, or those persons mentioned in their will or as required by law. Such transfer shall not be subject to the provisions under the preceding Regulation 26, unless the Articles of Association of the Company provide otherwise.

(2) A transfer of the share or other interest of a deceased Shareholder made by such person's authorised estate representative(s) shall, although the estate representative is not himself a Shareholder of the Company, be as valid as if he had been such a Shareholder at the time of the execution of the instrument of transfer.

28. Increase of share capital

(1) Subject to provisions in these Regulations, a Company, if authorised by a Special Resolution, may increase its issued share capital by issuing new shares.

(2) A Company may not, without the consent of the QSTP Free Zone, create a share capital denominated in a currency other than Qatari Riyals or US Dollars.

(3) Unless the Articles of Association provides otherwise, every Shareholder shall have a right of pre-emption pro rata to their shareholding in the Company to subscribe to the new shares at its nominal value. In the event that the existing Shareholders notify the Board of Directors or Manager of the Company in writing of its intention not to subscribe to such new shares, the new

shares may be subscribed to by a third party.

29. Reduction of share capital

- (1) Subject to its Articles of Association, a Company may, if authorised by a Special Resolution, reduce its share capital in any way, and in particular, without prejudice to the generality of the foregoing power, by:
 - (a) either with or without extinguishing or reducing liability on any of its shares cancel any paid-up capital that is lost or unrepresented by the Company's available assets; or
 - (b) either with or without extinguishing or reducing liability of any of its shares and either with or without reducing the number of such shares pay off any capital that is in excess of the requirements of the Company.
- (2) No Company shall reduce the amount of its share capital by virtue of subsection (1) of this Regulation 29 unless it complies with the following:
 - (a) at a date not more than thirty (30) calendar days and not less than fifteen (15) calendar days before the date from which the reduction of the share capital is to have effect, the Company shall cause a notice to be published in a newspaper satisfactory to the QSTP Free Zone and on the Company's website (if available) stating:
 - (i) the current amount of the share capital (including the value of each share);
 - (ii) the amount to which the share capital is to be reduced;
 - (iii) the manner in which the share capital is to be reduced; and
 - (iv) the date from which the reduction is to have effect.
 - (b) on the date from which the reduction is to have effect a letter addressed to the QSTP Free Zone shall be signed by the Shareholders and the Manager or all members of the Board of Directors (as the case may be) of the Company declaring either:
 - (i) that on that date the Company is solvent; or
 - (ii) that all the creditors of the Company on that date have consented to the reduction.
- (3) Where a Company reduces the amount of its share capital, it shall file the Special Resolution with the QSTP Free Zone within fourteen (14) calendar days after the date from which the reduction has taken effect, along with a copy of the publication and the letter as referred to in subsection (2) of this Regulation 29 by stating that this Regulation 29 has been duly complied with and will require to amend its Articles of Association in accordance with these Regulations.

30. Liability of shareholders on reduced share capital

If, when a letter is signed in accordance with Regulation 29(2)(b)(ii), a creditor who has not consented to the reduction has a debt or claim against the Company and which the Company is unable to satisfy as a result of the reduction, every person who was a Shareholder of the Company at the date of the letter is then liable to contribute to the satisfaction of the debt or claim in question on a proportional basis, an amount not exceeding their *pro rata* share in the amount of the share capital reduced.

31. Certificate to be evidence of title

- (1) A share certificate issued by the Company specifying any shares held by any Shareholder shall be *prima facie* evidence of the title of the Shareholder to the shares held in their name. Notwithstanding the foregoing, for a Company listed on the QSE, a record maintained in electronic form by the QSE or the QCSD registry system is as acceptable as if it were a share certificate duly issued by such Company.
- (2) For the avoidance of doubt, the issuance of bearer shares and share warrants is prohibited for a Company. Except for a Company that is listed on the QSE, it is prohibited for a Company to have a nominee shareholder.

32. Pledge of shares

- (1) A pledge of shares of a Company shall be in writing signed by the registered Shareholder to which the pledge relates.
- (2) A pledge of shares of a Company need not be in any specific form but it shall clearly indicate—
 - (a) the intention to create a pledge; and
 - (b) the amount secured by the pledge or how that amount is to be calculated.
- (3) Where the governing law of a pledge of shares in a Company is not the law applicable in QSTP Free Zone —
 - (a) the pledge shall be in compliance with the requirements of its governing law in order for the pledge to be valid and binding on the Company; and
 - (b) the remedies available to a pledgee shall be governed by the governing law and the instrument creating the pledge save that the rights between the pledgor or pledgee as a Shareholder or prospective shareholder of the Company and the Company shall continue to be governed by the Articles of Association and these Regulations.
- (4) Where the governing law of a pledge of shares in a Company is the law applicable in the QSTP Free Zone, in the case of a default by the pledgor on the terms of the pledge, the pledgee is entitled to the following remedies—
 - (a) subject to any limitations or provisions to the contrary in the instrument creating the pledge, the right to sell the shares including to itself; and
 - (b) the right to appoint a receiver who, subject to any limitations or provisions to the contrary in the instrument creating the pledge, may—
 - (i) vote the shares;
 - (ii) receive distributions in respect of the shares; and
 - (iii) exercise other rights and powers of the pledgor in respect of the shares,until such time as the pledge is discharged.
- (5) Subject to any provisions to the contrary in the instrument of pledge of shares of a company, all amounts that accrue from the enforcement of the pledge shall be applied in the following manner—
 - (a) firstly, in meeting the costs incurred in enforcing the pledge;

(b) secondly, in discharging the sums secured by the pledge; and

(c) thirdly, in paying any balance due to the pledgor.

(6) Subject to subsection (7), where the governing law of a pledge of shares in a Company is the law applicable in the QSTP Free Zone, the remedies referred to in subsection (4) are not exercisable until—

(a) a default has occurred and has continued for a period of not less than thirty (30) calendar days, or such shorter period as may be specified in the instrument creating the pledge; and

(b) the default has not been rectified within fourteen (14) calendar days or such shorter period as may be specified in the instrument creating the pledge from service of the notice specifying the default and requiring rectification thereof.

(7) Where the governing law of a pledge of shares in a Company is the law applicable in the QSTP Free Zone, if the instrument creating the pledge so provides, the remedies referred to in subsection (4) are exercisable immediately on a default occurring.

(8) In the case of a pledge of shares the Company shall provide to the QSTP Free Zone for entry in the Register —

(a) a statement that the shares are pledged;

(b) the name of the pledgee; and

(c) the date on which the statement and name are to be entered in the Register.

(9) A shareholder who assigns, pledges or otherwise creates a security interest over their shares to a person who is not a Shareholder shall notify the other Shareholders of such action and the terms of such assignment, pledge or creation of other security interest.

(10) Where a Company is listed on the QSE, the process and formalities for registering and removing a pledge over shares listed on the QSE and administered by the QCSD, shall be followed and take precedence over that provided in the preceding provisions of this Regulation 32.

PART V

COMPANY MANAGEMENT AND ADMINISTRATION

33. Appointment of Manager

(1) A Company must have a Manager who may be the same person as the Licensee Manager. The name of the Manager will be recorded in the Register and will appear on the QSTP License of the Company.

(2) The Manager cannot be a body corporate.

(3) No person can be a Manager who:

(a) is under the age of twenty-one (21) years unless approved by the QSTP Free Zone;

(b) has not been approved by the QSTP Free Zone;

(c) is not a resident in the State of Qatar;

(d) has been judged disqualified by a court; or

(e) does not meet the criteria provided in the Articles of Association.

(4) A shareholder may also be appointed as a Manager.

(5) A Manager of a Company may be appointed or removed by an Ordinary Resolution of the Company unless the Articles of Association provide otherwise.

(6) In addition to the authority of a Manager under these Regulations, a Manager's authority may be stipulated in the Articles of Association or in an Ordinary Resolution.

34. Powers of the Manager

(1) A Manager appointed by the Company shall have the full power to manage the Company unless such power is limited by Articles of Association. The acts of a Manager shall bind the Company where their actions are within their capacity.

(2) Any resolution of the general assembly restricting the powers of the Manager or changing the holders of the position shall not be effective until an appropriate entry has been made in the Register.

(3) Without prejudice to the powers vested in the general assembly under these Regulations and the Articles of Association, the Manager shall enjoy the widest powers necessary to carry out the acts required by the objects of the Company and may within its powers delegate one of its Shareholders to do a specific act or acts or to supervise Company activities.

35. Appointment of a Board of Directors

(1) The Articles of Association may provide for a Board of Directors and define the method of its work and stipulate the majority voting rights required to pass resolutions; provided, however, that the Shareholders may agree in writing to substitute a Manager for a Board of Directors, and in such event, the provisions of Regulation 33 and 34 shall not apply.

(2) No person shall be a member of the Board of Directors who:

(a) is under the age of twenty-one (21) years;

(b) is disqualified from being a director by virtue of:

(i) having been convicted of a criminal offence, involving dishonesty or moral turpitude, in any jurisdiction in the past ten (10) years;

(ii) having been found guilty of insider trading or the equivalent in any jurisdiction at any time;

(iii) having been judged disqualified by a court;

(iv) being on a UN, State of Qatar or other relevant sanctions list enforced in the State of Qatar;

(v) disqualification under the Articles of Association;

(c) is an undischarged bankrupt

(3) A member of the Board of Directors can be a natural person or a body corporate represented by a natural person.

(4) A Company must file a copy of its register of directors or a list of directors in a form approved by the QSTP Free Zone with the QSTP Free Zone within fourteen (14) calendar days of the appointment of its first director and any subsequent appointment, resignation or removal of a director.

(5) It is prohibited for a Company to have nominee directors.

36. Election, term and removal of directors

(1) The first members of the Board of Directors of a Company shall be elected by the Shareholders for such term as the Shareholders may determine.

(2) Subject to the Articles of Association, each director holds office until their successor takes office or until the earlier of death, resignation or removal by Ordinary Resolution.

(3) A vacancy created by the death, resignation or removal of a director may be filled by Ordinary Resolution and the manner stipulated by the Articles of Association.

(4) The number of directors shall be stipulated in the Articles of Association.

(5) The removal of a director must be notified to the QSTP Free Zone and the Register must be updated within fourteen (14) calendar days from such removal.

(6) The chairman of the Board of Directors may be removed from office on the basis of a motion passed by an absolute majority of the Board of Directors, or on the basis of a request signed by a number of Shareholders holding at least fifty per cent. (50%) of the subscribed capital of the Company. In the latter case, the Board of Directors must call for a general assembly to convene within ten (10) calendar days from the date of such letter for the removal of the chairman.

37. Actions and penalties against a Manager and the Board of Directors

(1) The Company shall be bound by acts of a Manager or the Board of Directors within their powers and shall be liable to compensate third parties for damages resulting from illegal acts so performed.

(2) The members of the Board of Directors shall be jointly liable to compensate the Company, Shareholders and third parties for damages resulting from any fraudulent acts or abuse of power, or for any violation of the provisions of these Regulations or any acts not in conformity with the Articles of Association or for any error of management. Any term to the contrary shall be void.

(3) The responsibility provided for in the preceding paragraph shall apply to all the members of the Board of Directors if the fault resulted from a decision passed by them unanimously. Where decisions which were passed by a majority, only those Directors objecting to the resolution shall not be responsible if their objection was recorded in the minutes of the meeting.

(4) Absence from a meeting of the Board of Directors where such a decision has been taken shall not be a reason to absolve a director from responsibility unless it is proved that the absent Director was not aware of the decision, or that he could not object to it after becoming aware of the decision.

(5) The Company may bring Court action against the Board of Directors for mistakes or negligent acts resulting in damages to all the Shareholders within five years of the occurrence of such mistakes or negligence. The general assembly shall determine whether to bring such Court action and appoint a person to represent the Company therein. Where the Company is under liquidation the liquidator shall bring the Court action.

(6) Every Shareholder may bring a Court action individually or collectively, should the Company

fail to initiate an action, if the relevant mistake or negligence results in a special damage to them as a Shareholder, provided they shall notify the Company of their intention to bring such an action. Any term in the Articles of Association to the contrary shall be void.

(7) Notwithstanding Regulation 37 of these Regulations, any decision by the general assembly absolving the Board of Directors from responsibility shall not result in the dismissal of a Court action brought against the Board of Directors for mistakes done during the execution of their functions.

(8) Where the act causing the liability has been presented before the general assembly and approved by it, the ability to commence a Court action shall expire on the lapse of five years after the date of such general assembly. Notwithstanding, where the act done by the Board of Directors constitutes a crime, the ability to bring a Court action shall only expire on the lapse of the time limit for the criminal case.

38. Annual report and general assembly of a Company

(1) The Company shall have a general assembly to which all Shareholders are invited and shall convene upon an invitation by the Manager or the Board of Directors, as the case may be, at least once a year within four months following the end of the Company financial year, at a time and place provided by the Articles of Association.

(2) The Board of Directors may call for a general assembly upon the request of the auditor or a number of Shareholders holding no less than fifty per cent. (50%) of the share capital.

(3) Unless the Articles of Associations state otherwise, an invitation for a general assembly meeting shall be made to Shareholders only by email to the email address stipulated in the Articles of Association or such other email address as may have been notified to the Company in writing at least twenty-one (21) calendar days before being convened. The invitation shall fix the venue and the date of the meeting and shall be accompanied with the agenda and a copy of the balance sheet. The Articles of Association may stipulate for such general assembly to be convened and conducted by means of modern technology.

(4) The Board of Directors shall, for every financial year, prepare a report including the Company's balance sheet, profit and loss account, a report on the Company activities and its financial position and proposals for the distribution of profits. This report shall be prepared within four months from the end of the financial year.

(5) The Board of Directors shall send a copy of the report mentioned in subsection (4) and a copy of the auditor report to the QSTP Free Zone and to every Shareholder, within one month from the date of preparing such reports. Every Shareholder may request the Board of Directors to invite the Shareholders to a meeting to discuss such reports.

(6) Every Shareholder may attend the general assembly meeting regardless of the number of shares owned by him, or he may deputise another Shareholder who does not have a director or Manager role by a special power to represent them at the general assembly meeting. For voting purposes at the general assembly, every Shareholder shall have a number of votes equal to the number of shares they own or represent.

(7) The agenda of the annual general assembly meeting shall include the following matters:

(a) discussion of the Board of Director's or Manager's report on the Company activity and financial position during the year, and the auditor report;

(b) discussion of the balance sheet and profit and loss account and the approval of the same;

(c) determination of the percentage of profits to be distributed among the Shareholders;

(d) appointment of the Board of Directors and determination of their remuneration;

(e) appointment of the auditor and determining his remuneration; and

(f) other matters falling within its powers under these Regulations or the Articles of Association.

(8) The general assembly may not deliberate on any matter not included in its agenda unless serious issues are revealed during the meeting, which require deliberation and Shareholders holding at least fifty per cent. (50%) of the share capital agree to the matter being deliberated.

(9) If a Shareholder requests the listing of a specific matter in the agenda, the Board of Directors shall accept this request, failing which the Shareholder may resort to the general assembly.

(10) Every Shareholder has the right to discuss the matters listed in the agenda. The Board of Directors are liable to answer Shareholder's questions. If a Shareholder believes that the answer to his question is not sufficient, he may seek the view of the general assembly on whether such question was fully answered and the resolution of the Shareholders on that matter shall be binding.

39. Prohibited actions undertaken in the general assembly

(1) A general assembly resolution shall not be valid unless a quorum of Shareholders representing at least fifty per cent. (50%) of the share capital are in attendance to vote on the resolutions of the meeting, unless the Articles of Association provides for a larger majority.

(2) Should such a majority not be realised at the first called meeting, the Shareholders shall be called for another general assembly meeting, to be held within twenty-one (21) calendar days following the first meeting. Resolutions in the second meeting shall be passed by a majority of the votes represented therein, unless the Articles of Association provides otherwise.

(3) Directors and Managers shall not participate in voting on resolutions relating to a resolution to absolve them from management responsibility or to their dismissal or on matters where they are an interested or related party.

(4) Any amendment to the Articles of Association or the increase or reduction in share capital shall not be effective without the approval of the Shareholders who represent more than seventy-five per cent. (75%) of the share capital, unless the Articles of Association stipulates otherwise. However, the obligations of the Shareholders may not be increased without the unanimous approval of Shareholders.

(5) Without prejudice to the rights of *bona fide* third parties, any resolution passed by the Shareholders in violation of these Regulations or provisions of the Articles of Association shall be void.

(6) Notwithstanding the above, a request to revoke a resolution may not be applied for except by Shareholders who objected in writing to the resolution, or those who could not object thereto upon a lack of knowledge thereof. If the resolution is ruled void, the same shall be deemed null and void *ab initio* with respect to all Shareholders.

(7) An action to revoke a resolution may not be heard after the expiry of one (1) year from the issuance of such resolution. No stay of execution of the resolution shall follow the action to revoke the resolution, unless the Court rules otherwise.

40. Minutes of meetings

(1) Every Company shall cause minutes of all proceedings at any meetings of Shareholders and meetings of its Board of Directors to be entered in records kept for that purpose, and the names of the Shareholders and members of the Board Directors present at each such meeting shall be recorded in the minutes.

(2) Any such minutes, if purporting to be signed by the chairman of the meeting at which the proceedings took place, or by the chairman of the next succeeding meeting, is evidence of the proceedings.

(3) Where minutes have been made in accordance with this Regulation 40, then until the contrary is proved, the meeting is deemed duly held, quorate and convened, and all proceedings which took place at the meeting are deemed to have duly taken place.

(4) For general assembly meetings, minutes shall be written including an adequate summary of the deliberations. The minutes and resolutions shall be entered in a special register to be kept at the Company's place of business, and every Shareholder shall have the right to peruse such register either personally or through an agent authorised in writing. Likewise, a Shareholder shall have the right to peruse the balance sheet, profit and loss account and the annual report.

41. Establishment of a legal reserve

(1) The Company shall annually deduct ten percent of its net profits to form a legal reserve. The Shareholders may discontinue this deduction where the reserve amounts to fifty per cent. (50%) of the share capital. The Shareholders may by passing an Ordinary Resolution in the general assembly decide to utilise the legal reserve to cover the Company losses or increase its capital.

PART VI BRANCH ENTITY

42. Registration of a Branch

A Foreign Parent may apply to the QSTP Free Zone to establish a Branch. Such Application shall be accompanied by the relevant information and documentation requested by the QSTP Free Zone.

43. Approval or rejection of Application to register a Branch

(1) The QSTP Free Zone may, at its discretion, approve or reject an Application to register a Branch.

(2) Where the QSTP Free Zone approves an Application by a Parent Company, it shall issue to the Applicant a certificate of registration of the Branch in the QSTP Free Zone.

(3) Where the QSTP Free Zone rejects an Application to register a Branch, it shall give written notice of the same to the Parent Company, however, the QSTP Free Zone is not bound to provide any reason for its rejection.

44. Entry in the Register for a Branch

The QSTP Free Zone will maintain in the Register the particulars of the Branch in such form as it determines from time to time, but not limited to the following particulars:

- (a) the name of the Branch and its Parent Company;
- (b) the address of the Branch in the QSTP Free Zone;
- (c) the date and place of incorporation of the Parent Company; and
- (d) a copy of its certificate of registration.

● ● ● ● **45. Records to be kept by a Branch**

(1) Every Branch shall keep at the place of business in the QSTP Free Zone such records of its acts and financial affairs as will adequately show the trade or business it is engaging in or carrying on or has engaged in or carried on in the QSTP Free Zone.

(2) The QSTP Free Zone shall have the power to appoint an inspector to investigate the affairs of a Branch and to empower such an inspection and require the co-operation of third parties with such an inspector, and to require the production of documents and records and the taking of copies thereof.

46. Letterhead and contracts

(1) Every Branch shall have the following particulars on all contracts, correspondence (including in electronic form), invoices, receipts, notices and other papers issued by a Branch:

- (a) its full name as appears on the QSTP License obtained from the QSTP Free Zone to operate in the QSTP Free Zone;
- (b) the place of incorporation of the Parent Company for which it is a branch; and
- (c) the address of the Branch in the QSTP Free Zone.

(2) Contracts on behalf of a Branch may be made in written or other form by any person acting under its authority, express or implied. A contract may be varied or discharged in the manner agreed by the parties.

47. Service of process

For the purpose of these Regulations, any process or notice required to be served on a Parent Company shall be sufficiently served if served on any person named in the materials delivered by the Branch to the QSTP Free Zone or if left at a place of business of the Branch in the QSTP Free Zone as notified to the QSTP Free Zone.

48. Powers and objects of a Branch - ultra vires

- (1) No act of a Branch shall be invalid by reason only of the fact that the Branch was without capacity or power to perform the act.
- (2) The objects of a Branch shall not include business activities requiring it to carry out banking, insurance or the investment of monies for third parties, whether as a principal or agent.
- (3) A Branch shall have its sole place of business in the QSTP Free Zone.

49. De-registration of a Branch

(1) Should a Branch take the decision to cease its operations in the QSTP Free Zone, it shall give a minimum of ninety (90) calendar days written notice to that effect to the QSTP Free Zone and apply for its deregistration.

(2) The notice shall include the following details:

(a) the reasons for the Branch is applying for de-registration;

(b) the date on which the Branch wishes to cease its operations; and

(c) details of any ongoing contracts or liabilities of the Branch in relation to its operations in the QSTP Free Zone (including but not limited to its Lease and any creditors).

(3) The Branch shall procure an undertaking from the Parent Company to the benefit of the QSTP Free Zone whereby the Parent Company will undertake to be liable for a period of five years for any of the obligations and liabilities of the Branch from the date of its de-registration.

(4) The QSTP Free Zone, having received the notice from the Branch and upon assessing the situation of the Branch, approve such de-registration.

(5) Upon being de-registered, the Branch will be deleted from the Register.

PART VII

NAME OF A COMPANY OR BRANCH

50. Company or Branch name

(1) The name of a Company or a Branch shall be approved by the QSTP Free Zone.

(2) In relation to a Branch, the name must be the same as that of the Parent Company.

(3) The approved name will be issued in all certificates in 'uppercase' or 'lowercase'.

(4) Such approved name shall end with the abbreviation of QSTP-LLC for a Company and with QSTP-B for a Branch. Where a Company is listed on the QSE, the name of the Company shall end with the abbreviation QSTP-LLC (Public).

51. Restrictions on name

A Company or Branch shall not register a name which:

(a) may violate laws relating to the protection of intellectual property rights in the State of Qatar;

(b) in the opinion of the QSTP Free Zone is undesirable;

(c) is identical to the name of another Company, or another Branch or so nearly resembles that name as to be likely to deceive unless that Company or Branch signifies its consent in such manner as the QSTP Free Zone may require;

(d) contains words which in the opinion of the QSTP Free Zone suggests or is likely to suggest the patronage of prominent local persons with no real connection, or connection with any government or authority whether in the QSTP Free Zone, the State of Qatar or elsewhere, or could in any other manner be misleading to the public;

- (e) contains the word “Doha”, “Qatar”, “Science & Technology Park”, “Education City”, “Science City”, “Innovation Park”, “QSTP” “QFC”, “QFZA” or “STP”, “municipal”, “chartered”;
- (f) consists of any name which the QSTP Free Zone shall from time to time prescribe as “sensitive”;
- (g) includes specific words or expressions for which approval is required from the QSTP Free Zone.

52. Use of name

- (1) A Company shall ensure that its full name is clearly stated in—
 - (a) every written communication (including invoices) sent by, or on behalf of, the Company; and
 - (b) every document issued or signed by, or on behalf of, the Company that evidences or creates a legal obligation of the Company.

53. Change of name

- (1) Subject to the provision of these Regulations, a Company may by a Special Resolution or Branch by a resolution of the Parent Company change its name if the QSTP Free Zone has, on application, approved in writing the proposed name.
- (2) The QSTP Free Zone shall, on receipt of the Special Resolution or resolution of the Parent Company referred in subsection (1) above, together with such fees as may be prescribed:
 - (a) enter the new name on the Company or Branch in the Register, as applicable, in place of the former name;
 - (b) enter on the Register, as applicable, the effective date of the change of name which shall be the date of entry of the new name in the Register; and
 - (c) issue a new certificate of incorporation or registration, as applicable, evidencing the change of name.
- (4) The change of name of a Company or Branch shall not affect any of its rights or obligations or render defective any legal proceedings by or against it, and any legal proceedings that might have been continued or commenced against it in its former name may be continued or commenced against it in its new name.

PART VIII MERGER & CONSOLIDATION

54. Interpretation for purposes of this Part

- (1) In this Part—
 - “consolidated company” means the new company that results from the consolidation of two or more constituent companies;
 - “consolidation” means the consolidating of two or more constituent companies into a new

company;

“constituent company” means an existing company that is participating in a merger or consolidation with one or more other existing companies;

“merger” means the merging of two or more constituent companies into one of the constituent companies;

“surviving company” means the constituent company into which one or more other constituent companies are merged.

55. Approval of merger and consolidation

(1) Two or more Companies may merge or consolidate in accordance with this Part of the Regulations.

(2) The Board of Directors or Manager (as the case may be) of each constituent company shall approve a written plan of merger or consolidation containing, as the case requires—

(a) the name of each constituent company and the name of the surviving company or the consolidated company;

(b) with respect to each constituent company the designation and number of shares, specifying each such share entitled to vote on the merger or consolidation;

(c) the terms and conditions of the proposed merger or consolidation, including the manner and basis of cancelling, reclassifying or converting shares in each constituent company into shares, debt obligations or other securities in the surviving company or consolidated company, or money or other assets, or a combination thereof; and

(d) in respect of a merger, a statement of any amendment to the Articles of Association of the surviving company to be brought about by the merger.

(3) In the case of a consolidation, the plan of consolidation shall have annexed to it Articles of Association complying with these Regulations to be adopted by the consolidated company.

(4) Shares in each constituent company may be converted into shares or other securities in the surviving company in a fixed ratio set out in the plan of consolidation and the plan of consolidation may contain provisions dealing with fractional entitlements.

(5) The plan of merger or consolidation shall be authorised by the Shareholders of each constituent company by way of a Special Resolution unless the Articles of Association provide otherwise. A copy of the plan of merger or consolidation, shall be given to each Shareholder, whether or not entitled to vote on the merger or consolidation

56. Registration of merger and consolidation

(1) After approval of the plan of merger or consolidation by the Board of Directors or Manager (as the case may be) and the Shareholders of each constituent company, each constituent company shall execute the merger or consolidation agreement and a copy of the same shall be submitted to the QSTP Free Zone (on a confidential basis) together with the relevant resolutions passed in respect of such merger or consolidation by the Board of Directors or Manager and Shareholders of each constituent Company.

(2) Additionally, the following shall also be filed with the QSTP Free Zone:

(a) in the case of a merger, any resolution to amend the Articles of Association of the surviving company; and

(b) in the case of a consolidation, Articles of Association for the consolidated company complying with these Regulations.

(3) If the QSTP Free Zone is satisfied that the requirements of this Part in respect of merger or consolidation have been complied with and that the proposed name of the surviving or consolidated company complies with Regulation 50 and is a name under which the Company could be registered under Regulation 50, the QSTP Free Zone shall—

(a) register in the case of a merger, any amendment to the Articles of Association of the surviving company or, in the case of a consolidation, the Articles of Association of the consolidated company; and

(b) issue a certificate of merger or consolidation in the approved form and, in the case of a consolidation, a certificate of incorporation of the consolidated company.

(4) A certificate of merger or consolidation issued by the QSTP Free Zone is conclusive evidence of compliance with the requirements of these Regulations in respect of the merger or consolidation. The plan of merger or consolidation shall take effect upon issuance of the certificate by the QSTP Free Zone.

(5) The QSTP Free Zone may at its sole discretion, request further documents from each constituent document in relation to a proposed merger or consolidation and may issue additional guidelines and rules in respect of the same.

PART IX WINDING UP OF A COMPANY

57. Winding-up of a Company

A Company may be wound up in the following circumstances:

(a) when the duration of the Company provided for in its Articles of Association expires without renewal;

(b) expiry of the object for which the Company has been incorporated, or where realization of such objects becomes impossible;

(c) destruction of all or most of the Company's property, rendering the investment of the remainder infeasible;

(d) merger of the Company into another;

(e) issuance of a judicial judgment dissolving the Company and declaring it bankrupt; and

(f) when the Shareholders resolve unanimously that the Company be wound up voluntarily, unless the Company's Articles of Association provides for a different majority.

58. Dissolution upon death or withdrawal

A Company shall not be dissolved upon a Shareholders' withdrawal from the Company, death, attachment thereupon, declared bankruptcy, or insolvency, unless the Company's Articles of Association provides otherwise.

59. Requirement to call for general assembly

- (1) The Board of Directors or Manager shall, where a Company loses fifty per cent (50%) of its paid-up capital as a result of losses from its business, call for a meeting of the Shareholders within thirty (30) calendar days from the date of the losses to decide whether to increase the capital or liquidate the Company.
- (2) In case of liquidation, a Special Resolution approving the liquidation is required to be passed.
- (3) Should the Board of Directors or Manager fail to call for the Shareholders' meeting as required by Regulation 59(1), or if the Shareholders fail to pass a resolution on the matter, such Board of Directors, Manager or Shareholders, as the case may be, shall be jointly and severally responsible for the Company's liabilities resulting from their negligence.

60. Publication of decision to liquidate

- (1) The decision to liquidate the Company shall be published on the Company's website (if available) and on the website of the QSTP Free Zone in both the English and Arabic language and in local newspapers. The resolution to dissolve the Company shall be effective in respect of third parties from the date of such publication. The Manager or the chairman of the Board of Directors, as the case may be, shall follow up the implementation of this resolution.
- (2) Upon publication of such resolution, there shall be added to the name of the Company during such period the words "In Liquidation", to be written in a clear manner.

61. Appointment and functions of a liquidator

- (1) The Company must appoint, by a Special Resolution, at least one liquidator for the Company as soon as practicable. Such liquidator shall be an accountant licensed in Qatar unless the QSTP Free Zone agrees otherwise.
- (2) A liquidator shall be authorized to conduct the affairs of a Company under liquidation. A liquidator's functions shall include, but not limited to the:
 - (a) recovery of any rights of the Company against third parties;
 - (b) settlement of the Company's debts;
 - (c) all acts necessary to preserve the Company's property, rights and entitlements;
 - (d) to prepare a list of the Company's assets and liabilities and a balance sheet on which the liquidator will sign along with the Manager or the Board of Directors;
 - (e) to maintain a register for the liquidation process;
 - (f) to collect the funds owed to the Company by others, and to deposit the sums received in the bank account of the Company immediately upon receipt;
 - (g) the sale of movable property or real estate of the Company by public auction or any other

manner guaranteeing the highest price, unless the documentation appointing the liquidator provides for sale in a specific manner;

(h) to operate, maintain and close the bank accounts of a Company; and

(i) representation of the Company before the courts, acceptance of accord and satisfaction and arbitration.

(3) The powers and duties granted to a liquidator must not, unless the liquidator requires, be performed by an officer of the Company. The role of the officers of the Company must be limited to assisting the liquidator in performance of the liquidator's powers and duties.

(4) A liquidator may be removed by a Special Resolution, provided the resolution for removal prescribes an appointment of another liquidator. The removal and replacement of a liquidator should be immediately notified to the QSTP Free Zone.

(5) The Company cannot commence new business activities unless they are necessary to complete previous activities. If the liquidator commences new activities not necessitated by the liquidation, they shall be responsible in all their assets for such activities, and where there are several liquidators, they shall be jointly responsible.

(6) All of the Company's debts shall become due and payable upon the dissolution of the Company.

(7) The liquidator shall, by registered letter, notify all creditors of the commencement of the liquidation, and shall invite them to submit their claims against the Company.

(8) The notice to creditors shall be published in two local daily English & Arabic newspapers if creditors or their places of residence are not known. The same notice shall be published on the Company's website (if available). In all cases the notice to creditors for the submission of their claims shall include a period of not less than seventy-five (75) calendar days from the date of such notice to submit their claims, provided the publication of the notice shall be repeated during such period after the expiry of one month thereof.

(9) Should some creditors fail to submit their claims, their debts shall be deposited with the Court custodian, until the claims are received from their owners or the claims are time barred by extinctive limitation.

(10) The liquidator shall settle the Company's debts after deducting liquidation expenses, including the remuneration of the liquidator in the following order:

(a) amounts due to Company employees;

(b) amounts due to the State of Qatar and the QSTP Free Zone;

(c) rent and other charges due to QF for the premises of the Company within the QSTP Free Zone; and

(d) other amounts due subject to the order of their preference according to the laws in force.

(11) The liquidator shall, when settling the Company's debts, set aside such amounts as may be necessary to settle any disputed debts of the Company. The debts arising out of the liquidation shall have priority over the disputed debts.

(12) The Company shall be committed to the transactions of the liquidator required in the liquidation, so far as they are within the liquidator's powers. No responsibility shall be assigned to the liquidator by reason of carrying out such transactions.

(13) The liquidator shall, together with the Company's auditor (if any), within three months of commencement of the liquidator's appointment, prepare an inventory of all of the Company's assets and liabilities.

(14) The Manager and members of the Board of Directors shall present to the liquidator the Company's books and documents and such information and explanations as the liquidator may require. The liquidator shall present to the Shareholders the explanations and statements that such Shareholders may request.

(15) Should the liquidation continue for more than one year, the liquidator shall prepare a balance sheet, profit and loss account and a report on the activities of the liquidation, which statements shall be presented to the Shareholders for approval according to the Articles of Association. In all cases the liquidation duration shall not exceed three years except by virtue of a decree from either the Court or the QSTP Board.

(16) The liquidator shall, after settling the Company's debts, return to the Shareholders the value of their shares in the Company's share capital, and distribute the excess among them each in accordance with their share in the profits or as stipulated in the Articles of Association. The Company's assets in kind shall be sold and divided among the Shareholders pro rata to their share in the share capital unless the Articles of Association stipulates otherwise.

(17) Where the net assets of the Company fall short of settling all the Shareholders share capital, the losses shall be distributed among them in accordance with the provisions relating to the distribution of losses contained in the Articles of Association.

(18) The liquidator shall, upon the end of liquidation, present a final account on the liquidation activities to the Shareholders or the Court (as the case may be). The liquidation shall not conclude except upon approval of the final accounts by the Shareholders or the Court (as the case may be). The liquidator shall notify the end of the liquidation, and such end of liquidation shall not be effective against third parties until the date of such notification. The liquidator shall, upon the end of liquidation, apply for the Company to be removed from the Register.

(19) No claim against the liquidator based on the liquidation activities shall be heard after the expiry of three years from the date of the end of liquidation has been notified, and no claim against the Shareholders based on the Company activities, or against the Manager, Shareholders or the Board of Directors or auditors based on acts done in pursuance of their functions, shall be heard after such period.

62. Restoration of a struck-off Company or Branch

(1) If a Company or Branch has been struck off from the Register pursuant to the provisions of Regulation 17 of the Licensing Regulations, the Company or Branch, or a creditor, or the liquidator of the Company may, within one (1) year following the date of the striking off (provided the Company has not been dissolved), apply to the QSTP Free Zone for the restoration of the Company or Branch to the Register.

(2) For a request of restoration received within the first year of strike off, the QSTP Free Zone may restore the Company or Branch to the Register upon receiving the payment of any outstanding dues without any additional charges for restoration provided the QSTP Free Zone is satisfied (in their sole and absolute non-appealable opinion) that the violations by the Company or Branch have been satisfactorily rectified.

(3) Upon the expiry of the first year and within three years from the strike off, the Company or Branch may be restored to the Register by paying the relevant restoration fees, any outstanding dues along with a late payment fee as prescribed by the QSTP Free Zone provided the QSTP Free Zone is satisfied (in their sole and absolute non-appealable opinion) that the violations by the Company or Branch have been satisfactorily rectified.

(4) Upon restoration of a Company or Branch, such Company or Branch shall be deemed not to have been struck off the Register.

(5) If a struck off Company is not restored within 3 years from the date of strike-off then the Company is deemed to be dissolved.

(6) The QSTP Free Zone will have the right to accept, request additional documents or reject the restoration application in its sole and absolute discretion.

63. Rights of creditors in a liquidation

(1) A personal creditor of any Shareholder shall have no direct right against funds invested by the Shareholder in the Company. However, a personal creditor may, pursuant to a Court order, have a right of execution against the Shareholder's share in the profits of the business as stated in the Company's financial accounts. Personal creditors will, however, on the winding up of the Company, have a right of execution against monies received by the Shareholder after all Company debts have been settled. Where the Shareholder's capital is represented in shares, a personal creditor shall have, in addition to the rights referred to in the preceding sentences, the right to demand the sale of such shares in order to recover his rights from the proceeds of such sale.

(2) No artificial profits shall be distributed among Shareholders; otherwise the Company creditors may claim against each Shareholder to refund the distribution received, notwithstanding that this was made in good faith. A Shareholder shall not be obliged to return back real profits that he has received even if the Company sustains losses in the following years.

(3) Where a Shareholder's creditor takes execution steps over his debtor's shares, he may agree with such debtor and the Company on the method and conditions of sale, otherwise the share shall be offered for sale in a public auction. The Company may recover the share available for one or more Shareholders under the same conditions of the auction closure within fifteen (15) calendar days of the date of such closure. These provisions shall also apply in the event of the bankruptcy of the Company.

PART X FUNCTIONS AND POWERS OF THE QSTP MANAGEMENT

64. To maintain a Register

Where the QSTP Free Zone consents to the incorporation of a Company pursuant to these Regulations, the QSTP Management shall list the Company on the Register and then issue one or more certificates showing the name and date of incorporation of the Company and any other items

the QSTP Management may from time to time consider appropriate. The Register may, at the discretion of the QSTP Free Zone be published online on the QSTP Free Zone's website and shall include such details as the QSTP Free Zone deems appropriate.

65. Power to oversee and investigate under these Regulations

The QSTP Management may oversee the affairs of a Company, in order to ensure their compliance with the provisions of these Regulations or their respective Articles of Association. This power is without prejudice to the QSTP Management's right to investigate and ensure that a Licensee is in compliance with the terms of its License as approved.

66. Formal investigation into the affairs of a Company

(1) The QSTP Management may at any time of its own volition, or on the application of Shareholders owning at least twenty percent of the capital of a Company, appoint one or more inspectors to investigate any gross irregularities in the affairs of the Company and to report thereon in such manner as the QSTP Management may direct.

(2) Such application by the Shareholders shall be supported by such evidence as the QSTP Management may require for the purpose of showing that the applicants have good reason for, and are not actuated by malicious motives in requiring the investigation and the QSTP Management may, before appointing an inspector, require the applicant to give security for payment of the costs of the inquiry.

(3) All officers and agents of the Company shall produce to the inspector all books and documents in their custody or power.

(4) An inspector may question the officers and agents of the Company in relation to its business.

(5) On the conclusion of the investigation the inspector shall report their opinion to the QSTP Management, and a copy of the report shall be forwarded by the QSTP Management to the Company and a further copy may in the QSTP Management's sole and absolute discretion, at the request of the applicants for the investigation, be delivered to them.

(6) All expenses of and incidental to the investigation shall be borne by the applicants, unless the QSTP Management directs that they be paid by the Company.

(7) A copy of a report prepared under this Regulation 66 shall be admissible in any legal proceedings as evidence of the opinion of the inspector in relation to any matter contained in the report.

(8) The QSTP Management may depute the officers having the capacity of judicial investigators to attend the Company's general assembly meetings without any liability on the part of the QSTP Management. The general assembly minutes shall enter the attendance of such deputed QSTP Management officers, who may neither opine nor vote, as their mission is limited to recording the meeting business in special minutes to be written after the meeting.

67. Right to appoint independent auditors

The QSTP Management may, upon perusal of the report referred to in the preceding Regulation 66, appoint an auditor (at the expense of the inspection applicants) reputed among the auditors listed in the auditors register to inspect the Company business and books. The Board of Directors and all

Company officers shall offer the auditor so appointed access to all that is related to the affairs of the Company, such as books, documents and papers in their custody or access. The auditor shall submit a detailed report to the QSTP Management within the period specified by their appointment.

68. General right of inspection

Every Shareholder may peruse the published Company's information and documents, which are kept at the Register, and may upon the QSTP Management's permission, obtain a certified copy of any document. Authenticated copies of any published statements may be obtained by applying to the QSTP Management and paying the prescribed fee.

69. Provisions of the Licensing Regulations

The provisions of Regulation 31, 32, 33 and 34 of the Licensing Regulations shall be deemed to be incorporated in these Regulations save that a reference therein to "Regulations" shall be deemed to be to these Regulations.

PART XI RECORDS & ACCOUNTS

70. Form of records

(1) Every Company shall keep accounting records including underlying documents, electronically or in any other permanent manner, which are sufficient to show and explain its transactions so as to:

- (a) disclose with reasonable accuracy the financial position of the Company at any time; and
- (b) enable the Board of Directors or Manager to ensure that any accounts prepared by the Company comply with the requirements of these Regulations and the Licensing Regulations.

(2) Copies of minutes and financial statements referred to in these Regulations and in the Licensing Regulations shall be preserved in the office of the Company for a period of at least ten (10) years from the date when they were first required and shall be made available for inspection by the QSTP Free Zone.

(3) A Company's accounting records shall be:

- (a) kept at such place as the Board of Directors or Manager think fit unless specifically prescribed in rules or guidelines issued from time to time by the QSTP Free Zone;
- (b) preserved by the Company for at least ten (10) years after the end of the business relationship or the completion of the transaction or occasional operation or for some other period as may be prescribed in rules or guidelines issued from time to time by the QSTP Free Zone;
- (c) open to inspection by an officer or auditor of the Company at all reasonable times; and
- (d) otherwise kept and maintained in such manner as may be provided in in rules or guidelines issued from time to time by the QSTP Free Zone.

(4) The documents such maintained shall be made available to the competent authorities or the QSTP Free Zone, to have access to and obtain in the form within the specified time.

PART XII GENERAL PROVISIONS

71. Incomplete or inaccurate information

A Company or Branch that fails to provide the information required under these Regulations or under any rules made under these Regulations to the QSTP Free Zone, or who provides information, which is incomplete or inaccurate, commits a contravention of these Regulations and is liable to a fine to be determined by QSTP Free Zone from time to time.

72. Fees and fines

(1) The QSTP Free Zone will issue a schedule of fees and may update the schedule from time to time.

(2) An Applicant, Company or Branch must pay any fee due to the QSTP Free Zone immediately upon or prior to the fee becoming due.

(3) Such fees paid by an Applicant, Company or Branch are not refundable, save any special circumstances which requires the QSTP Free Zone to intervene and decide otherwise.

(4) The QSTP Free Zone will issue a schedule of fines and may update the schedule from time to time, where the QSTP Free Zone may impose appropriate fines for a contravention of the provisions of these Regulations.

73. Provisions of the Licensing Regulations

The provisions of Part VIII of the Licensing Regulations shall be deemed to be incorporated in these Regulations save that a reference therein to “Regulations” shall be deemed to be to these Regulations.

74. Compliance with listing regulations

Where a Company is listed on the QSE, such Company shall comply with all rules and regulations applicable to the Company including those of the QFMA, the QSE and the QCSD.