**ARTICLES OF ASSOCIATION**

**OF**

**[●]**

IT IS AGREED among the parties hereto:

1. [●],a [●] national, with ID No/Passport No. [●], domiciled in [●], and whose address is e-mail: [●] (the “First Party”); and
2. [●],a [●] national, with ID No/Passport No. [●], domiciled in [●], and whose address is [●] e-mail: [●] (the “Second Party”),

The abovenamed parties (together the “Shareholders” and each a “Shareholder”) have resolved to establish a limited liability company in the Qatar Science and Technology Park amongst the terms set out herein.

**DEFINITIONS:**

As used herein, the following terms have the meanings set forth below:

“Companies Regulations” means the Qatar Science & Technology Park Companies Regulations 2022 (as may be amended or replaced from time to time).

The terms “Register”, “QSTP Management” and "QSTP Free Zone" have the same meaning as set forth in the Companies Regulations.

**SECTION ONE**: **ESTABLISHMENT, NAME, OBJECT, LOCATION AND TERM OF THE COMPANY**

**Article (1) Establishment**

The Shareholders have agreed to establish a limited liability company in the QSTP Free Zone (the “Company”) as per the provisions of the Companies Regulations and these Articles of Association.

**Article (2) Name**

The name of the Company is [●], a limited liability company incorporated in the QSTP Free Zone.

**Article (3) Object**

The object of the Company shall be [●].

**Article (4) Location**

The Company's sole office and its registered address shall be in the QSTP Free Zone.

**Article (5) Term**

The Company is established for an indefinite term commencing from the date of registration of the Company in the Register until such time that the general assembly resolves, by a decision made by Shareholders holding at least 75% of the share capital, to dissolve the Company.

The withdrawal, death, declared bankruptcy or insolvency of any of the Shareholders shall not lead to the dissolution or liquidation of the Company[[1]](#footnote-1).

**SECTION TWO**: **SHARE CAPITAL**

**Article (6**) **The share capital**

The capital of the Company has been fixed at **Qatari Riyals [●][[2]](#footnote-2) (QR [●])** divided into [●]shares in cash, the nominal value of each share being **Qatari Riyal [One][[3]](#footnote-3) (QR [1]).** These shares are distributed among the Shareholders in the following manner:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Name** | **No. of Shares** | **Nominal Value (QR.)** | **Value of Shares (QR.)** | **Percentage** |
| **First Shareholder** | [●]  | [●]  | [●]  | [●]  |
| **Second Shareholder** | [●]  | [●]  | [●]  | [●]  |
| **Total** | [●]  | [●]  | [●]  | 100% |

The Shareholders declare that the shares have been paid for in cash and any subscriptions in kind have been duly made and delivered.

**Article (7) Rights connected with shares**

Every share in the capital of the Company gives its owner the right to an equal share in the Company's profits and losses and in the ownership of its assets, and an equal right to vote at any general assembly[[4]](#footnote-4).

The rights and obligations connected with any share shall vest in any person who becomes the owner of the share and such ownership shall necessarily entail the acceptance of the provisions of these Articles of Association and the decisions of all general assemblies.

**Article (8) Increase or reduction of share capital**

The capital of the Company may, by a decision of the general assembly taken by Shareholders holding at least 75% of the share capital, be increased on one or more occasions, by issuing new shares. The existing Shareholders shall have a right of priority to subscribe for the new shares pro rata to their shareholding[[5]](#footnote-5).

The general assembly may, by a decision of the general assembly taken by Shareholders holding at least 75% of the share capital, reduce the capital of the Company in line with the provisions of the Companies Regulations.

Any resolution passed by the general assembly to increase or reduce the capital of the Company shall be recorded in the Register and the register of the Company.

**Article (9) Transfer of shares[[6]](#footnote-6)**

Each Shareholder or authorised estate representative(s) may transfer all or part of their shareholding but only in accordance with the following provisions:

1. When a transfer of shares by any of the Shareholders is proposed to be made, the prospective transferor shall give written notice to the remaining Shareholders (which notice shall name the proposed transferee(s) and state the price per share and the terms of the proposed transfer) and shall give to the remaining Shareholders (in the event of competition in proportion to their shareholdings) the option to purchase the said shares upon 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

(b) The shares shall be transferred by inheritance to the heirs or those persons mentioned in their will or as otherwise prescribed by law. The Company may request the heirs or persons mentioned in the will or as otherwise prescribed by law to select, from among themselves, one to represent them and they shall be granted a reasonable period for this selection. In case the selection is not made within this period, the Company may sell the shares in accordance with paragraph (a) of this Article but for the account of the heirs or persons mentioned in the will or as otherwise prescribed by law at a price based on what is shown in an Auditor's report as at the time immediately before the death.

Except as mentioned in this Article (9) and the Companies Regulations, no Shareholder shall sell, transfer, charge, deal with, part with his beneficial interest in, or otherwise dispose of any of his shares in the capital of the Company.

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 maintained by the QSTP Free Zone.

**SECTION THREE: MANAGEMENT OF THE COMPANY**

**Article (10) Appointment of the Board of Directors[[7]](#footnote-7)**

The Shareholders may from time to time appoint a Board of Directors comprising of at least [3] members (the “Directors”) who meet the conditions for board membership at set out in the Companies Regulations.

The Board of Directors will appoint a chairman from amongst its members. Such chairman may be removed in accordance with the provisions of the Companies Regulations.

**Article (11) Appointment of Managers**

Where a Company does not appoint a Board of Directors, the Company shall be managed by one or more Managers appointed by the Shareholders including a General Manager.

The Manager(s) may be removed or replaced from time to time by consent of Shareholders holding no less than 51% of the share capital of the Company.

Any change in the Manager(s) shall be reflected in the Register held with the QSTP Free Zone.

**Article (12) Powers of Board of Directors /Manager(s)**

The Board of Directors or the Manager(s) (as applicable) shall have the full authority and all powers necessary to act on the Company’s behalf unless otherwise stated in these Articles of Association. The actions of the Board of Directors or the Manager(s) (as applicable) shall bind the Company where their actions are within their capacity.

Any resolution taken by the general assembly to restrict the powers of the Board of Directors or the Manager(s) (as applicable) or remove them shall not be valid against third parties until it is entered in the Register held with the QSTP Free Zone.

The Board of Directors or the Manager(s) (as applicable) shall have the widest powers to manage the Company, its business operations and administration and to carry on all activities that may be necessary or appropriate according to its objects and purposes. Such powers shall without limitation include power to:

(a) manage the business, financial and other affairs of the Company;

(b) determine, adopt and execute policies relating to the conduct of business of the Company;

(c) employ and discharge the Company’s personnel and determine the terms of employment;

(d) open, close and operate all bank accounts for the Company, sign jointly cheques drawn on any such accounts and enforce on behalf of the Company any cheques, drafts or other negotiable instruments which they may deem necessary or proper in relation to the affairs of the Company; and

(e) represent the Company and sign all documents that may be required, necessary or appropriate for, by or to any competent authority in Qatar and before all courts, tribunals and administrative authorities, either as a defendant or a plaintiff, and grant powers of attorney on behalf of the Company to legal counsel and revoke the same.

**Article (13) Duties of Board of Directors / the General Manager**

The Board of Directors or the General Manager (as applicable) shall prepare within four months from the end of every financial year a report on the balance sheet, profit and loss account, business, activities, financial position of the Company and on the proposal for the distribution of profits for the year then ended and shall call a general assembly to be held within four months after the end of that year.

The Board of Directors or the General Manager (as applicable) shall send a copy of the report and a copy of the Auditor's report to the QSTP Management and to every Shareholder within one month from the date of preparing such report.

**Article (14) Shareholders register**

There shall be maintained at the Company's office a register of Shareholders, which register shall include the following data:

(a) the name, address, nationality and occupation of each Shareholder;

(b) the 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.

The Board of Directors or the General Manager (as applicable) or any officer appointed by the Company shall be responsible for maintaining the register of Shareholders and for the accuracy of information recorded therein. The Shareholders shall have the right to peruse the register of Shareholders’ register upon reasonable notice.

**Article (15) Non-competition**

The Manager(s) or Directors may not, without first obtaining the consent of the general assembly, hold a managerial office at another company competing with or carrying on the same objects as the Company, or enter into transactions competing with or similar to the Company's business for their own account or any third party's account. In the event of such a violation, the Manager(s) or Directors may be removed from his position with the Company and may be required to pay an indemnity.

**Article (16) General assemblies**

The Company shall have a general assembly composed of all the Shareholders. The general assembly shall be convened at the invitation of the Board of Directors or the General Manager (as appliable) at least once a year within the four (4) months following the end of the financial year.

The Board of Directors or the General Manager (as applicable) must invite the general assembly to convene if so required by the auditors or by a number of the Shareholders representing no less than 50% of the capital of the Company. The general assembly shall be convened at the Company's office or at any other office agreed by the Shareholders. [The general assembly may be convened and conducted by means of modern technology.]

Invitations to attend the general assembly 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.

Every Shareholder shall have the right to attend the general assembly irrespective of the number of shares they own. A Shareholder may by proxy delegate another Shareholder, other than a Manager or Director, to represent them at the general assembly. Each Shareholder shall have a number of votes equal to the number of shares he owns or represents.

**Article (17) Chairman of the general assembly**

The general assembly shall be chaired by the Chairman of the Board of Directors or the General Manager (where there is no Board of Directors) (as applicable). In the absence of the Chairman of the Board of Directors or the General Manager (as applicable), the Shareholders shall nominate one of themselves to act as the chairman for the general assembly. The chairman shall appoint a secretary from among the Shareholders or, provided that the appointment is approved by the general assembly, from others.

**Article (18) Discussions of the general assembly**

A meeting of the general assembly shall not be valid unless attended by Shareholders holding at least [50%][[8]](#footnote-8) of the share capital and any decision taken by the general assembly at such meeting must be passed by [a majority of the shares represented] / [Shareholders holding at least [50]% of the share capital][[9]](#footnote-9).

If this percentage is not available at such a meeting, invitations must be sent to convene a second meeting for the same purpose, to be held within twenty-one (21) calendar days following the first meeting. Decisions at such meeting shall be passed by a majority of the Shareholders represented therein unless a higher majority is required by these Articles or by the Companies Regulations.

Notwithstanding the foregoing, any decision relating to any increase or reduction of the share capital of the Company, to liquidating and dissolving the Company or to any amendment to these Articles of Association shall not be effective unless passed by a Shareholders holding at least 75% of the share capital.

**Article (19) Powers of the general assembly**

A general assembly must be called by the Board of Directors or the General Manager (as applicable) and shall be held within four (4) months after the end of each financial year of the Company in order to look into the following matters:

(a) a report of the Board of Directors or the General Manager (as applicable) on the business of the Company for that year and its financial position;

(b) discussion and approval of the balance sheet and profit and loss account and the auditor’s report;

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

(d) appointment of the Directors and Manager(s) (as applicable) and determination of their remuneration;

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

(f) any other matters the Shareholders may agree to consider that fall under the powers of the Regulations or these Articles of Association.

The general assembly may not deliberate matters not included in the agenda unless serious issues are disclosed at the meeting which require discussion and Shareholders holding at least fifty per cent (50%) of the share capital agree to the matter being deliberated.

Should any of the Shareholders request the inclusion of a specific matter on the agenda, the Board of Directors or the General Manager (as applicable) must do so, but if he fails to do so such Shareholder shall have the right to appeal to the general assembly.

Every Shareholder shall have the right to discuss matters included on the agenda. The Board of Directors or the General Manager (as applicable) is obligated to reply to any Shareholder's question. Should one of the Shareholders consider the reply of the Board of Directors or the General Manager (as applicable) to be insufficient, he may appeal to the general assembly, whose resolutions shall be binding.

**Article (20) Minutes of the general assembly**

Minutes adequately summarising the discussions of the general assembly as well as those in attendance shall be made. The minutes and resolutions of the general assembly shall be recorded in a special register kept at the Company's office, and any of the Shareholders can review the register personally or through an agent authorised in writing. Any Shareholder may also review the Company's balance sheet, profit and loss account and annual report.

Without prejudice to the right of third parties acting in good faith, a resolution adopted at the general assembly in violation of provisions of the Companies Regulations or these Articles of Association shall be void.

**Article (21) Written resolution of Shareholders**

Any action that may be taken by the shareholders of the Company at a general assembly may also be taken by a resolution of Shareholders provided such written resolution is signed by all Shareholders.

**Article (22) Amendments to the Articles of Association**

These Articles of Association shall not be amended unless it is approved by a general assembly resolution approved by Shareholders holding not less than [75][[10]](#footnote-10)% of the capital.

**SECTION FOUR: FINANCIAL YEAR, DIVIDENDS, RESERVE FUND AND AUDITORS**

**Article (23) Financial Year**

The financial year of the Company shall commence on the first day of January and end on the last day of December of each year except that the first year shall commence on the date of registration of the Company in the Register and shall end on the last day of December of the following year.

**Article (24) Financial Records**

The Company shall maintain accounting records with respect to its operations including any specific records that the Company is obliged to maintain as per the Companies Regulations and the requirements of the laws of the State. Such records will be kept at the registered office and will at all times be available for inspection by the Board of Directors or the Manager(s) (as applicable) and the Shareholders.

**Article (25) Dividends and reserve fund**

The annual net profits of the Company shall be distributed after deducting all costs and expenses, all provisions for liabilities and depreciation, any management and services fees payable by reference to the profits, any allocation to the legal reserve fund, and all taxes payable by reference to the profits as follows:

(a) Ten per cent. (10%) of the net pre-tax profits shall be deducted every year and credited to the Company’s legal reserve. Such deduction shall continue until the total of the legal reserve shall amount to fifty per cent. (50%) of the capital of the Company. Should this total thereafter drop below that amount for any reason whatsoever the deficit must be made up by resuming such deductions as aforesaid. The Shareholders may, with the approval of shareholders holding at least fifty one per cent. (51%) of the share capital decide to utilise the legal reserve to cover the Company’s losses or increase its capital.

(b) The remaining amount of the net profits after tax may be distributed among the Shareholders each according to their share in the profits as approved by the general assembly.

(c) Losses, if any, may be carried forward to the following year. However, no dividend shall be payable except after deduction of such losses from any profits.

**Article (26) Auditors**

The Company shall have Auditors who shall be elected annually by a decision taken by the general assembly and who shall be amongst those Auditors licensed to work in Qatar according to the Auditors Law No. (8) of 2020 (as from time to time amended or re-enacted). Such Auditors must observe the terms of these Articles of Association and the Companies Regulations. The Auditors shall review the full accounts and inventories of the Company, check the Company's profit and loss account and balance sheet, and present a yearly report to the Shareholders. The Auditors shall have the right to call for and examine all books of the Company.

**SECTION FIVE: WINDING UP AND LIQUIDATION OF THE COMPANY**

**Article (27) Winding up**

The Company shall be wound up in the following circumstances:

(a) the expiry of the term of the Company without its 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[[11]](#footnote-11) that the Company be wound up voluntarily, unless the Company’s Articles of Association provides for a different majority.

**Article (28) Liquidation**

###### The liquidation of the Company must be subject to the provisions of the Companies Regulations.

**SECTION SIX: CONCLUDING PROVISIONS**

**Article (29) Disputes**

###### Any disputes arising between the Shareholders or the heirs of such Shareholders or otherwise in connection with any provision of these Articles of Association shall be submitted to the competent court in the State of Qatar.

**Article (30) Expenses of incorporation**

All the expenses which are necessary for the incorporation of the Company, such as administrative fees, stamp fees, printing expenses and legal advisers' charges, shall be borne by the Company under the heading of general expenses.

**Article (31) No provision in Articles of Association or conflict with the Companies Regulations**

The provisions of the Companies Regulations shall apply:

(a) in any case where these Articles of Association do not contain an express provision; and

(b) in the event of any conflict between these Articles of Association and the Companies Regulations.

**Article (32) Notices**

Any notice or other communication required or permitted to be given by any provision of these Articles of Association shall be sent by hand delivery, Email or reputable overnight courier, addressed to a Shareholder at such Shareholder's address as it appears in these Articles of Association or as otherwise notified to the Company in writing and shall be deemed to be given when actually received.

**Article (33) Copies of the Contract**

These Articles of Association have been written in sufficient number of original sets to be distributed among the Shareholders, one copy for registration in the Register and the remaining copy to be kept at the at the registered address of the Company.

Executed on the dates set forth below but to be effective as of the later of said dates.

**Signatures**

**The First Party**

By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Printed Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**The Second Party**

By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Printed Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

1. It is possible to vary this in the Articles. [↑](#footnote-ref-1)
2. The share capital may be denominated in Qatari Riyals or US Dollars. [↑](#footnote-ref-2)
3. The nominal value per share cannot be less than One Qatari Riyal. [↑](#footnote-ref-3)
4. If the distribution of profit and loss differs from the equity shareholding, this provision would need to be amended by the shareholders/founders to reflect their agreement. [↑](#footnote-ref-4)
5. This may be varied – please see Regulation 28 of the Companies Regulations. [↑](#footnote-ref-5)
6. This may be varied – please see Regulation 26 of the Companies Regulations. [↑](#footnote-ref-6)
7. Where a Board of Directors is appointed, the Articles should be adjusted to set out the method of the Board’s work (including number of meetings, quorum, voting rights etc..) as contemplated by Regulation 35 of the Companies Regulations. [↑](#footnote-ref-7)
8. This percentage may be increased. [↑](#footnote-ref-8)
9. A higher percentage may be stipulated. [↑](#footnote-ref-9)
10. A higher majority may be stipulated. [↑](#footnote-ref-10)
11. A different majority may be set out in the Articles. [↑](#footnote-ref-11)