

INVESTMENT CLUBS RULES

QATAR FINANCIAL CENTRE

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1 APPLICATION, PURPOSE AND INTERPRETATION

1.1 CITATION

These Rules are the *QFC Investment Clubs Rules*.

1.2 APPLICATION

These Rules apply to every person to whom the QFC Investment Clubs Regulations apply.

1.3 PURPOSE

The purpose of these Rules is to provide further detail in respect of the operation of the *QFC Investment Clubs Regulations*. Accordingly, these rules should be read in conjunction with the QFC Investment Clubs Regulations.

1.4 INTERPRETATION

1.4.1 In these Rules:

- (A) Investment Clubs Regulations means the QFC Investment Clubs Regulations 2016;
- (B) An expression that is defined in the QFC Investment Clubs Regulations 2016, the Companies Regulations 2005, or the Companies Rules is identified by the capitalisation of the initial letter or letters of the expression;
- (C) An expression that is used (whether or not defined) in the QFC Investment Clubs Regulations 2016 has the meaning that it has in the Regulations; and
- (D) An expression that is defined in the Companies Regulations 2005 or the Companies Rules has the meaning given to it in those regulations or rules, unless otherwise provided in the Regulations or these Rules.

2 INVESTMENT CLUBS

2.1 KEY TERMS

2.1.1 WHAT IS AN INVESTMENT CLUB?

An Investment Club is a limited liability company incorporated under the QFC Investment Clubs Regulations as an Investment Club. The object of an Investment Club is the pooling of Members' contributions to invest and manage portfolios of assets as provided in QFC Investment Clubs Regulations.

2.1.2 WHAT ARE INVESTMENT CLUB ACTIVITIES?

Investment Club activities are those activities which an Investment Club is permitted to carry on under the terms of its licence and include the objects set out in Article 10 of the QFC Investment Clubs Regulations.

2.2 BASIC CONCEPTS

2.2.1 SCOPE OF LICENCE

An Investment Club shall only carry out Investment Club activities to the extent that it is permitted to carry out such activities under its licence. An Investment Club shall not carry on Regulated Activities in or from the QFC "by way of business" (as defined by Article 25 of the Financial Services Regulations) without the prior authorisation of the Regulatory Authority.

2.2.2 APPLICATION OF THE INVESTMENT CLUBS REGULATIONS

An Investment Club is subject to the Investment Clubs Regulations.

2.2.3 TRANSFERS OF SHARES

- (A) Article 23 of the Investment Clubs Regulations provides that an Investment Club shall not register a transfer of shares in the Investment Club until the QFC Authority has confirmed in writing that it does not object to the transfer.
- (B) An Investment Club applying to the QFC Authority for a non-objection to such a transfer must:
 - (1) complete the form prescribed in Appendix 2 of these Rules and file it with the QFC Authority;
 - (2) provide such additional material as may be required by the QFC Authority; and
 - (3) pay the prescribed fee in Appendix 3 of these Rules.

3 INCORPORATION AND REGISTRATION

3.1 APPLICATION FOR INCORPORATION OF AN INVESTMENT CLUB

3.1.1 An applicant for the incorporation of an Investment Club must:

- (A) complete the prescribed form relevant to an LLC in Appendix 3 of the Companies Rules and file it with the CRO;
- (B) provide such additional material as may be required by the CRO; and
- (C) pay the Fee relevant to an LLC prescribed in Appendix 4 of the Companies Rules to the CRO.

3.1.2 The CRO may not register a company as an Investment Club unless the articles of association of such company comply with the Regulations, and Rule 3.2 below.

3.1.3 The QFC Authority, including the CRO, may share the information contained in the application for licensing and incorporation of an Investment Club with the QFC Regulatory Authority.

3.2 ARTICLES OF ASSOCIATION

3.2.1 For the purposes of Article 46 of the Regulations, the articles of association set out in Appendix 1 are prescribed as the standard Investment Club articles of association.

3.2.2 If the standard articles of association are not adopted, then the articles of association filed by the Investment Club with the application for a certificate of incorporation must, at least, provide for all of the matters set out below:

- (A) the purpose for which the Investment Club is being formed;
- (B) the amount of share capital of the Investment Club and the creation of classes of shares, where the Investment Club considers that it may seek to create classes of shares;
- (C) the issue or alteration of share capital;
- (D) the rights attaching to shares or classes of shares;
- (E) the transfer of shares and, if relevant, liens over shares;
- (F) an annual general meeting;
- (G) the requisition, by Members, of general meetings;
- (H) the proceedings including voting at general meetings;

- (I) accounts and other information to be provided to Members before every annual general meeting;
- (J) the maximum number of directors;
- (K) the appointment, retirement, disqualification and removal of directors and other officers;
- (L) the remuneration of directors, provided that such remuneration shall be by payment of a fixed fee and not a remuneration based on a percentage of the value of the assets of the Investment Club;
- (M) the powers of directors, including powers to borrow on behalf of the Investment Club and the delegation of those powers;
- (N) proceedings of directors meetings;
- (O) appointment of the secretary;
- (P) the keeping of minutes;
- (Q) an obligation of the Investment Club to purchase the shares of the Member upon written notice provided by the Member to the Investment Club;
- (R) a prohibition on the offer of the shares of the Investment Club to Members of the public and/or listing or applying for listing, of those shares on a securities exchange;
- (S) the obligation to hold a Review Meeting at least once every 90 days; and
- (T) a prohibition on the carrying on an activity which falls with paragraphs 1 to 9 of Schedule 3 of the QFC Law "by way of business" as that term is defined in Article 25 of the Financial Services Regulations.
- (U) an obligation of the Investment Club to receive or make payments by way of bank transfer in accordance with Article 93 of the Regulations.

4 INVESTMENT CLUBS FORMS AND FEES

4.1 FORMS

In addition to the forms set out in Appendix 2 of these Rules, the forms set out in Appendix 3 of the Companies Rules shall be the Prescribed Forms and must be completed in accordance with any directions, instructions or requirements by the CRO or contained in the Prescribed Form and a reference to an LLC in those forms shall include a reference to an Investment Club.

4.1.1 The Prescribed Forms identified in column 3 in the table in Appendix 3 are for the purposes set out in column 1 of that table.

4.1.2 The Prescribed Forms must:

(A) be completed in accordance with any directions, instructions or requirements contained in the Prescribed Form.

(B) have annexures that are endorsed with the words:

"This is the annexure to the (insert description of form) relating to (insert name of) Investment Club dated (insert date of form)."

4.1.3 Any form, annexure or other document filed with the CRO must be filed in a manner prescribed by the QFC Authority Rules from time to time including by approved electronic means.

4.1.4 Where a provision of the Investment Clubs Regulations or these rules requires a certified copy of a document to be filed with the CRO, the copy must be certified by:

(A) in the case of a document created or issued by an Investment Club including but not limited to resolutions, articles of association and other constitutional documents, a director, secretary or an individual performing the function of senior executive function of the Investment Club; or

(B) in any other case, a person duly authorised to certify official documents in the jurisdiction in which the copy is being certified.

4.1.5 Where a notice is required to be filed with the CRO, the notice must be filed, in the absence of a time limit being stated in the Investment Clubs Regulations or these rules, within 21 days of the date of the happening of the event to which the notice relates.

4.2 FEES

4.2.1 In addition to the fees set out in Appendix 3 of these Rules, the fees for an Investment Club shall be the fees set out in Appendix 4 of the Companies Rules and a reference to an LLC in Appendix 4 shall include a reference to an Investment Club.

4.3 PROVISION OF INFORMATION

4.3.1

- (A) The CRO will, upon application and payment of the Prescribed Fee, produce an extract of the information maintained in the register maintained by the CRO in relation to any Investment Club.
- (B) An extract of information produced pursuant to (A) is prima facie evidence of the matters stated in it.

4.3.2

- (A) The CRO will, upon application and payment of the Prescribed Fee, produce a certified copy of a certificate of incorporation for an Investment Club, or any document filed with the CRO.
- (B) A certified copy of a certificate of incorporation or certificate of registration produced pursuant to (A) is conclusive evidence of the incorporation of the particular Investment Club.

5 ACCOUNTING AND AUDIT

5.1 ACCOUNTING STANDARDS

- 5.1.1 The accounting standards for an Investment Club shall be the accounting standards set out in Article 79 of the Investment Clubs Regulations.

6 MISCELLANEOUS

6.1 REGISTERS AND RECORDS

- 6.1.1 Subject to any specific requirement of the Investment Clubs Regulations, any register or record that an Investment Club is required to keep or maintain by operation of the Investment Clubs Regulations or these rules, must be kept at the registered office of the Investment Club or at such other place determined by the directors.

- 6.1.2 A decision of the directors to keep any register or record referred to in Rule 6.1.1 at a place other than the registered office of the Investment Club must only be made by the directors at a directors' meeting and minutes must be kept of the decision, including the decision as to the place at which the registers or records must be maintained.

6.2 OBJECTION TO NOTICE OF FINANCIAL PENALTY

- 6.2.1 To object to the imposition of a financial penalty in accordance with of the Regulations, a person must file with the CRO within the period stated in the notice of imposition of financial penalty a notice of objection which sets out the following information:

- (A) The name of the person to whom the notice of imposition of financial penalty was addressed;
- (B) the date of the notice of imposition of financial penalty;
- (C) the period within which objection to the imposition of financial penalty must be made; and
- (D) every matter which the person believes ought to be taken into account by the CRO in determining whether to commence proceedings in the Tribunal for payment of financial penalty.

APP 1 THE INVESTMENT CLUB STANDARD ARTICLES

For the purposes of Article 46 of the Investment Clubs Regulations and these rules, these are the 'Standard Articles' for an Investment Club.

PURPOSE

The principal activities of the Investment Club shall include:

- (A) pooling contributions of members to invest and manage portfolios of Assets and Securities;
- (B) monitor the performance of the Assets and Securities of the Investment Club;
- (C) review the performance of the Assets and Securities of the Investment Club and make recommendations at the Review Meetings about the portfolio of Assets and Securities;
- (D) ensure that it has systems and controls to safeguard the Assets and Securities of the Investment Club; and
- (E) performing the Investment Club's activities in accordance with the Investment Club's licence and the Regulations.

INTERPRETATION

1. In these articles of association:

- (A) "the Regulations" means the QFC Investment Clubs Regulations 2016.
- (B) Unless otherwise indicated, words or expressions contained in these articles of association bear the same meaning as in the Regulations.
- (C) Use of the singular includes the plural and vice versa and any one gender includes the other gender and any reference to 'persons' includes natural persons, firms, partnerships, companies and corporations
- (D) The clause and paragraph headings in these articles of association are for convenience only and will not affect the interpretation of these articles of association.
- (E) "Written" or "in writing" includes all modes of representing or reproducing words in visible form, including in the form of electronic mail
- (F) "Shall" must be construed as imperative and 'may' shall be construed as "permissive". A reference to a clause or to a schedule is a reference to a clause or a schedule of this Agreement.

- (G) A reference to a law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them
- (H) Any phrase introduced by the terms "including", "include", "in particular" or other similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms;
- (I) Headings are inserted for reference only and shall be ignored in construing the articles of association.

MEMBERS

- 2. The minimum number of members shall be two (2) and the maximum number of members shall be fifteen (15).

SHARE CAPITAL

- 3. Subject to the Regulations all shares initially issued by the Investment Club to members shall be fully paid in cash by way of bank account transfer before the date of the issue of those shares to members and shall rank equally with all other shares of that class for all purposes.
- 4. No person may be recognised by the Investment Club as holding any share upon trust.
- 5. (A) If after the initial issue of shares, the Investment Club allots shares ("Subsequent Allotment") where the consideration to be paid is other than cash, the members by Special Resolution shall:
 - (i) determine what is a reasonable cash value consideration for the shares;
 - (ii) resolve that in their opinion the consideration to be paid for the shares is fair and reasonable for the Investment Club as well as the members; and
 - (iii) resolve that in their opinion, the cash consideration is not a discount to the share value to be credited for the issue of the shares.
- (B) The resolution set out above must include:
 - (i) a description of the non-cash consideration for the shares;
 - (ii) the cash value of that consideration; and
 - (iii) the basis for the assessment.

6. If a Subsequent Allotment of Shares of an Investment Club has been approved by Special Resolution, the Investment Club must notify the QFC Authority and the Investment Club will not register a Subsequent Allotment of Shares until such time as the QFC Authority has confirmed that it does not object or is deemed to not object to the Subsequent Allotment.

SHARE CERTIFICATES

7. Unless the conditions of allotment of the shares otherwise provide, the Investment Club shall provide to every member:
 - (A) upon request, a share certificate for the shares of each class allotted to him;
 - (B) upon request, a share certificate for the shares transferred to him; and
 - (C) upon transferring a part of his shares, of any class, upon request, a share certificate for the balance of his holding.
8. Such share certificate shall be provided without payment but if the member requires additional share certificates, the Investment Club may charge a reasonable fee for every share certificate after the first share certificate.
9. Every share certificate shall specify the number, class and distinguishing numbers of the shares to which it relates.
10. If a share certificate is lost or destroyed, it may be replaced on such terms which may include indemnity and payment of reasonable expenses as the directors may determine. If a share certificate is defaced or worn out, it may be replaced on delivery of the old certificate upon the payment of such fee as the directors may determine.

TRANSFER OF SHARES

11. The instrument of transfer of a share may be in any form which the directors may approve and shall be executed by or on behalf of the transferor but in any event the transfer shall be approved by Special Resolution.
12. The directors may refuse to register the transfer of a share to a person of whom they do not approve and they may refuse to register the transfer of a share unless:
 - (A) the instrument of transfer, the share certificate and any other evidence that the directors may reasonably require, are filed at the registered office;
 - (B) the transfer is in respect of only one class of shares;
 - (C) the transfer is in favour of not more than four transferees; and

- (D) the QFC Authority has given its non-objection in accordance with the Regulations.
- 13. If the directors refuse to register a transfer of a share, they shall within 30 days notify the transferee accordingly.
- 14. The directors may suspend the registration of transfers of shares at such times and for such periods as determined by them.
- 15. The Investment Club may charge a reasonable fee for the registration of any instrument of transfer.
- 16. The Investment Club shall retain any instrument of transfer which is registered.

TRANSMISSION OF SHARES

- 17. If a member dies his personal representative and, where he was a joint holder, the survivor or survivors shall be the only persons recognised by the Investment Club as having title to the shares.
- 18. A person becoming entitled to a share in consequence of the death or bankruptcy of a member shall be registered as a member upon giving notice to the Investment Club and upon registration he shall have the same rights as the holders of the same class of shares.

ALTERATION OF SHARE CAPITAL

- 19. Subject to the Regulations, the Investment Club may by Ordinary Resolution:
 - (A) increase its share capital by creating new shares but provided that it will not increase its share capital by offering shares by way of a public offer;
 - (B) consolidate and divide all or any of its shares (whether issued or not) into shares of larger amount than its existing shares;
 - (C) sub-divide its shares, or any of them, into shares of smaller amounts; and
 - (D) cancel shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of the Investment Club's share capital by the amount of the shares so cancelled.
- 20. Any fractions of shares resulting from a consolidation of shares may be sold by the directors on behalf of the members and the net proceeds distributed proportionately amongst those members.
- 21. The Investment Club may, in accordance with the Regulations, reduce its share capital in any way and on such terms as it may decide.

PURCHASE OF OWN SHARES

22. Subject to the provisions of the Regulations, the Investment Club may purchase its own shares. The shares of the Investment Club shall at the request of the holders thereof be purchased by the Investment Club out of the sale of the assets in the portfolio of Securities and Assets of the Investment Club and upon completion by the member of the form in attachment "A".
23. In the event that a member wishes to cease being a member of the Investment Club then that member shall give notice in the required form in attachment "A", requiring the Investment Club to purchase all of the shares of such member. The Investment Club shall purchase the shares at a price agreed with the member or where there is no agreement, at a price which reflects the member's share of the Investment Club's asset value at the time of the purchase by the Investment Club less any costs that are apportioned to the shares at that time. If a basis for the assessment of the Investment Club's asset value cannot be agreed, the asset value must be determined by an independent expert appointed for that purpose by special resolution.
24. Without prejudice to the above, the Investment Club shall purchase the shares from a member, subject to any terms and conditions as may be provided herein, within 30 days from the date that the member submits the form in attachment "A" to the Investment Club.
25. Where the basis of the assessment of the purchase price of the Shares of the Investment Club cannot be determined, then the assessment of the purchase price shall be determined by an independent expert appointed for that purpose by a Special Resolution.
26. Any shares purchased by the Investment Club as provided above shall, upon being purchased by it, be cancelled and the issued share capital shall be reduced accordingly. The cancellation of Shares need not be approved by resolution if the purchase is made in accordance with this Article.
27. Except as set out below, an Investment Club may not, purchase its shares if, as a result of the purchase, the minimum number of members, as provided in these articles of association is not met.
28. If at any time the number of members of the Investment Club is at the minimum, as provided in Article 16 of the Regulations, and one of the members requests the Investment Club to purchase all his/her shares, then
 - (A) the Investment Club must purchase such shares; but
 - (B) after purchasing such shares, the Investment Club must commence the process of voluntary winding-up as set out in the Insolvency Regulations and Rules.

GENERAL MEETINGS

29. All general meetings other than annual general meetings shall be called special general meetings.
30. The directors may, and on the requisition of any member in accordance with the Regulations shall, call special general meetings.
31. In any event, the directors shall call a meeting of members every 90 days as provided in the Regulations ("Review Meetings").
32. The agenda at the meetings of members shall include the matters set out in the Regulations.

REQUISITION AND NOTICE OF GENERAL MEETINGS

33. Subject to the Regulations or an ordinary resolution of the members an annual general meeting and a special general meeting shall be called by at least 21 days' notice, or such time agreed by an ordinary resolution of the members, to all the members, the directors and auditors. Such notice of general meeting shall specify the time and place of the meeting and the general nature of the matters to be considered. A notice of meeting in respect of an annual general meeting shall in addition specify that it is in respect of an annual general meeting.
34. The proceedings of a meeting are not invalid solely because of the inadvertent failure to give notice of the meeting to, or the failure to receive notice of a meeting by, any person entitled to receive such notice.

PROCEEDINGS AT MEETINGS OF MEMBERS

35. No meeting shall take place unless a quorum is present. Fifty per cent of the members entitled to vote shall constitute a quorum.
36. If a quorum is not present within half an hour from the time stated for the meeting, the meeting shall be adjourned to a place and time determined by the directors. If during the meeting a quorum ceases to be present, the meeting shall be adjourned to a place and time determined by the directors.
37. The chairman of the board of directors, or a member elected as chairman by the members for the purposes of the meeting under the Regulations, shall chair the meeting. If the chairman of the board of directors is not present or willing to act within fifteen minutes of the stated time for commencement of the meeting, and in the absence of a nominee, another director elected by the directors present shall chair the meeting. If no directors are present or willing to chair the meeting, then the members shall elect one of their members to chair the meeting. Regardless of whether he is a member, a director is entitled to attend and speak at any general meeting and at any separate meeting of the holders of any class of shares in the Investment Club.

38. The chairman may adjourn the meeting with the consent of the majority of the votes at the meeting. No matters shall be considered at an adjourned meeting other than matters that might have been considered at the meeting had the adjournment not taken place. It is not necessary to give notice of the adjourned meeting unless the meeting was adjourned for fourteen days or more, in which case at least seven days' notice shall be given specifying the time and place of the adjourned meeting and the general nature of the matters to be considered.
39. Unless a poll is demanded, a resolution put to the vote shall be decided on a show of hands. A poll may be demanded before or on the declaration of the result of a vote by show of hands:
 - (A) by the chairman;
 - (B) by at least two members having the right to vote at the meeting; or,
 - (C) by a member representing not less than 5% of the total voting rights of all members having the right to vote.
40. Unless a poll is demanded the chairman may declare that a resolution has been carried or lost by a particular majority. The entry in the minutes of the meeting of that declaration shall be conclusive evidence of the result of the resolution.
41. The chairman may consent to the withdrawal of the demand for a poll.
42. A poll shall be taken in the manner the chairman directs and the result shall be the resolution of the meeting at which the poll was demanded.
43. The chairman shall have the deciding vote in the case of an equality of votes.
44. A poll demanded on the election of a chairman or on an adjournment shall be taken immediately. A poll demanded on any other question shall be taken as the chairman directs but not more than thirty days after the poll is demanded. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll is demanded.
45. Seven days' notice shall be given specifying the time and place at which a poll shall be taken unless the time and place is announced at the meeting at which the poll is demanded.
46. A resolution may be passed in writing in accordance with the Regulations.

VOTES OF MEMBERS

47. On a show of hands, every member present, including the representative of a body corporate member, shall have one vote. This Article is subject to any rights or restrictions attached to any shares.

48. Joint members may only exercise one vote. If more than one vote is cast by joint members, only the vote of the joint member whose name appears first on the register of members shall be taken into account.
49. Where a member has had a personal representative appointed because of some physical or mental disability, that personal representative may exercise the voting rights of the member if the personal representative has given notice to the directors in writing in the form of proxy used by the Investment Club and within the time limit for filing proxies prior to any meeting being held or vote being taken.
50. No objection may be raised to the right of any voter except at the meeting at which the voter is to vote. The decision of the chairman in respect of any objection or the right of any voter shall be final.
51. A member may vote on a poll by proxy.
52. An instrument appointing a proxy shall be in writing in a form approved by the Investment Club and distributed with the notice of a meeting. The form approved and distributed by the Investment Club must include a section allowing the member to direct the proxy on how the proxy shall act.
53. The instrument appointing a proxy must be deposited at the registered office of the Investment Club at least 48 hours before the time at which the meeting at which the proxy is to be exercised is to be held. In the case of a poll not being taken immediately but sometime after it is demanded, the instrument appointing a proxy may be deposited at the poll with the chairman, Secretary or any Director or at any time before the poll at the registered office of the Investment Club.
54. A vote given or poll demanded by proxy is valid notwithstanding the determination of the member who appointed the proxy unless the Investment Club receives notice from the member in writing prior to the vote being taken or the poll being demanded.

NUMBER OF DIRECTORS

55. The Investment Club shall have at least one director.

ALTERNATE DIRECTORS

56. Any director may appoint any other director or any other person approved by the directors to act as his alternate and may remove the alternate director so appointed. The alternate director shall perform all the functions of his appointer as a director but is not entitled to remuneration for his services.
57. An alternate director shall be given notice of all meetings of which his appointer is entitled to receive notice and is entitled to attend and vote at such meetings.

58. An alternate director holds office for as long as his appointor holds office unless he is removed by written instrument by his appointor.
59. Any appointment or removal of an alternate director shall be given to the secretary of the Investment Club.
60. Unless otherwise provided, an alternate director shall not be regarded as an agent of his appointor but shall be responsible for his acts or omissions.

POWERS OF DIRECTORS

61. Subject to the Regulations and these articles of association the business of the Investment Club shall be managed by the directors. No subsequent amendment to these articles shall invalidate any act of a director or the directors.
62. The directors may appoint a person to be the agent of the Investment Club.
63. The Investment Club shall have a senior executive function (which may also be referred to as the club manager) which shall be in charge of the day to day administration of the Investment Club and shall have full powers to represent the Investment Club in pursuit of its corporate purpose which shall be as provided in the Regulations.

DELEGATION OF DIRECTORS' POWERS

64. The board of directors may delegate any of its powers to the senior executive function (which shall have the same meaning as Article 57 of the Investment Clubs Regulations), executive director or a committee of directors.

APPOINTMENT AND RETIREMENT OF DIRECTORS

65. At the first annual general meeting of the Investment Club, all directors shall retire from office. At every subsequent annual general meeting at least one third or number nearest to one third of the directors who are subject to retirement by rotation shall retire.
66. The directors subject to retirement by rotation are those that have been longest in office since their last appointment. In respect of those directors appointed on the same day, those that are to retire shall be determined by whose name appears first on the register of directors.
67. A director shall remain in office, if so willing, if the Investment Club at the meeting at which he retires by rotation, resolves not to fill the vacancy.
68. A person (other than a director retiring by rotation) shall not be appointed a director at a general meeting unless he has been recommended by the directors or a member and details of the proposed director have been included in the notice of meeting at which the

appointment shall be considered. The details shall include at least the information that would be included in the register of directors if the person was appointed.

69. Subject to the preceding articles, additional directors may be appointed by the Investment Club by resolution as long as the total number of directors does not exceed any maximum number of directors stipulated by the Regulations or these articles of association.
70. A director appointed pursuant to the preceding article shall hold office only until the next annual general meeting at which time the director shall retire but may, in accordance with the articles, be re-appointed.

DISQUALIFICATION AND REMOVAL OF DIRECTORS

71. A director's office is automatically vacated if he:
 - (A) is prohibited by the Regulations from being a director;
 - (B) becomes bankrupt;
 - (C) is, by virtue of any mental or physical disability, incapable of acting;
 - (D) without permission, does not attend three successive meetings of the directors;
 - (E) resigns his office by notice to the Investment Club; or,
 - (F) is removed by resolution of the Investment Club.

REMUNERATION AND EXPENSES OF DIRECTORS

72. The directors shall receive such remuneration as the Investment Club determines by resolution and shall receive payment of all expenses incurred in association with the carrying out of their duties as directors. The remuneration of directors shall be by payment of a fixed fee and shall not be a payment based on a percentage of the value of the assets of the Investment Club.

DIRECTORS' APPOINTMENTS AND INTERESTS

73. Subject to the Regulations, the directors may appoint one or more of their number to the office of the senior executive function or to any other executive office under the Investment Club. Such appointment, agreement or arrangement may be made upon such terms as the directors determine. Any appointment of a director to an executive office shall terminate if he ceases to be a director. A managing director and a director holding any other executive office shall not be subject to retirement by rotation. Where there is only one director, the director shall be the senior executive function.

DIRECTORS' GRATUITIES AND PENSIONS

74. Subject to the approval of members, directors may provide benefits, including gratuities and pensions, of any kind for any present or past director and for any member of his family.

PROCEEDINGS OF DIRECTORS

75. Subject to the provisions of these articles of association, the directors may regulate their proceedings as they think fit. A director may, and the secretary at the request of a director shall, call a meeting of the directors. Any matters arising at a meeting shall be decided by a majority of votes with the chairman having a second or casting vote in the case of equality of votes.
76. The quorum for the transaction of the business of the directors shall be two or any other number fixed by the directors.
77. If the number of directors is less than the number fixed as the quorum, the continuing directors or director may act only for the purpose of filling vacancies or of calling a general meeting.
78. The senior executive function shall be the chairman of the board of directors who shall preside at all meetings. If there is no director holding that office, or if the director holding it is unwilling to preside or is not present within five minutes after the time appointed for the meeting, the directors present may appoint one of their number to be chairman of the meeting.
79. All acts done by a meeting of directors, or of a committee of directors, or by a person acting as a director shall be valid, notwithstanding any defect in his appointment or his disqualification from holding office, or that he was not entitled to vote, being discovered afterwards.
80. A resolution in writing signed by all the directors entitled to receive notice of the meeting shall be as valid and effectual as if it had been passed at a meeting of directors. The resolution may consist of several documents in the like form each signed by one or more directors.
81. A director shall not vote at a meeting of directors on any resolution concerning a matter in which he has a direct or indirect conflict of interest.
82. For the purposes of this article, an interest of a director includes an interest of any person who is connected to the director.
83. A director shall not be counted in the quorum present at a meeting in relation to a resolution on which he is not entitled to vote.
84. The Investment Club may by resolution suspend or relax any provision of these articles of association prohibiting a director from voting at a meeting.

85. The chairman of the meeting shall rule on any question arising at a meeting on the right of a director, other than himself, to vote and his ruling shall be final and conclusive.

SECRETARY

86. Subject to the Regulations, the secretary shall be appointed and removed by the directors who shall decide on the terms, remuneration if any, and conditions of appointment.

MINUTES

87. The directors shall cause minutes to be kept for recording:
 - (A) all appointments of officers made by the directors; and
 - (B) all proceedings at meetings of the Investment Club of the holders of any class of shares in the Investment Club, and of the directors, and of committees of directors, including the names of the directors present at each such meeting.

DIVIDENDS

88. Subject to the provisions of the Regulations, the Investment Club may by ordinary resolution declare dividends in accordance with the respective rights of the members, but no dividend shall exceed the amount recommended by the directors.
89. Subject to the provisions of the Regulations, the directors may pay interim dividends if it appears to them that they are justified by the profits of the Investment Club available for distribution. If the share capital is divided into different classes, no interim dividend shall be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrears. Provided the directors act in good faith they shall not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on any shares having deferred or non-preferred rights.
90. The directors may recommend and a general meeting may declare that a dividend may be satisfied wholly or partly by the distribution of assets. Where any difficulty arises in regard to the distribution, the directors may determine the method of settlement.
91. Any dividend or other moneys payable in respect of a share may be paid by cheque sent by post to the registered address of the person entitled. If two or more persons are the holder of the share or are jointly entitled to it, to the registered address of that person who is first named in the register of members or to such person and to such address as the person or persons entitled may in writing direct. Every cheque shall be made payable to the order of the person or persons entitled, or to such other person as the person or persons entitled may in writing direct, and payment of the cheque shall be a good discharge to the Investment Club.

Any joint holder or other person jointly entitled to a share as aforesaid may give receipts for any dividend or other moneys payable in respect of the share.

92. No dividend or other moneys payable in respect of a share shall bear interest unless otherwise provided by the rights attached to the share.
93. Any dividend which has remained unclaimed for twelve years from the date when it became due for payment shall, if the directors so resolve, be forfeited and cease to remain owing by the Investment Club.

ACCOUNTS

94. No member shall have any right of inspecting any accounting records or other book or document of the Investment Club except as conferred by the Regulations or authorised by the directors or by the Investment Club.

CAPITALISATION OF PROFITS

95. The directors may with the authority of the Investment Club:
 - (A) subject as hereinafter provided, resolve to capitalise any undivided profits of the Investment Club not required for paying any preferential dividend (whether or not they are available for distribution);
 - (B) appropriate the sum resolved to be capitalised to the members who would have been entitled to it if it were distributed by way of dividend and in the same proportions and apply such sum on their behalf in allotting unissued shares or debentures as fully paid up, shares or debentures of the Investment Club of a nominal amount equal to that sum. Any profits which are not available for distribution may only be applied in allotting unissued shares to members as fully paid;
 - (C) make by payment in cash or otherwise as they determine in the case of shares or debentures becoming distributable under this regulation in fractions; and
 - (D) authorise any person to enter into a binding agreement with the Investment Club on behalf of all the members concerned providing for the allotment to them respectively, credited as fully paid, of any shares or debentures to which they are entitled upon such capitalisation.

NOTICES

96. Any notice required to be given under these articles of association shall be in writing.
97. The Investment Club may give any notice to a member either personally or by sending it by post in a prepaid envelope addressed to the member

at his registered address or by leaving it at that address. In the case of joint holders of a share, all notices shall be given to the joint holder whose name stands first in the register of members in respect of the joint holding and notice so given shall be sufficient notice to all the joint holders.

98. A person present, either in person or by proxy, at any meeting shall be deemed to have received notice of the meeting.
99. Every person who becomes entitled to a share shall be bound by any notice in respect of that share.
100. Proof that an envelope containing a notice was properly addressed, prepaid and posted is conclusive evidence that the notice was given 48 hours after it was posted. A notice shall be deemed to be given at the expiration of 48 hours after the envelope containing it was posted.
101. A notice may be given by the Investment Club to the persons entitled to a share in consequence of the death or bankruptcy of a member by sending or delivering it, at the address, supplied for that purpose by the persons claiming to be so entitled. Until such an address has been supplied, a notice may be given in any manner in which it might have been given if the death or bankruptcy had not occurred.

INDEMNITY

102. An Investment Club and each Member are taken to indemnify each director of the Investment Club in respect of any liability incurred or sustained by him or her (including any actual liability, costs or expenses reasonable incurred or sustained) in connection with any debt claim, action or obligation of any kind in which he or she becomes involved by virtue of being a director, unless the claim, action, or obligation arises as a result of fraud, gross negligence or wilful default on the part of the director.
103. Each Member is taken to indemnify each other Member in respect of any liability incurred or sustained by the other Member (including any actual liability, costs or expenses reasonable incurred or sustained) in connection with any claim or action by a Member against another Member, unless the claim or action arises as a result of fraud, gross negligence or wilful default on the part of the Member the subject of the claim or action.

BY WAY OF BUSINESS PROHIBITION

104. The Investment Club shall not carry on any activity that falls within paragraphs 1 to 9 of Schedule 3 of the QFC Law in or from the QFC, by way of business as that term is defined in Article 25 of the Financial Services Regulations.

OFFICEHOLDERS

105. In addition to the appointment of a chairman and secretary of the board, as set out in these articles, the directors shall appoint:

- (A) A finance officer (also known as the administration officer) who shall have the obligations set out in the Regulations;
- (B) A custodian to safeguard the investments of the Investment Club as set out in the Regulations;
- (C) A broker who shall be responsible for executing the orders in securities agreed by members.

ATTACHMENT "A"

This is the form referred in Article 29(3) of the QFC Investment Club Regulations

BUY-BACK REQUEST FORM

Section 1 - Contact details

Title Mr. Mrs Miss Other

Full given name(s)

Surname

Title Mr. Mrs Miss Other

Full given name(s)

Surname

Daytime Phone Number

Email Address

State : Country: Postcode:

Section 2: Redemption Details

No. of Shares	Amount (QAR)	Total No. of Shares owned by the member
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Section 3: Payment Instructions

Bank – Please credit my financial institution account (n.b. we do not pay to third parties) and use the details you hold in my records OR to the following:

Name of bank
Account Name
BSB
Account Number

Cheque – Please issue a cheque in my/our name and forward to the above address

Section 4: Signature*

Signature of Member Signature of Member (where a member is a joint member)

Name Name

Date (dd/mm/yyyy) Date (dd/mm/yyyy)

Company Seal

APP 2 PRESCRIBED FORMS

A2.1 PRESCRIBED INVESTMENT CLUBS FORMS

A2.1.1 For the purpose of the QFC Investment Club Regulations, and these rules the Prescribed Forms are listed in the Appendix 3 of the Companies Rules as well as the table below:

Purpose	Relevant Article or Rule	Form
Application for non-objection to a transfer of shares in an Investment Club	Rule 2.2.3	Q14

APP 3 PRESCRIBED FEES

A3.1 Prescribed Investment Clubs Fees

A3.1.1 For the purpose of the QFC Investment Clubs Regulations and these rules, the Prescribed Fees (payable to the QFC Authority) are listed in Appendix 4 of the Companies Rules as well as the table below:

Purpose	Relevant Article or Rule	Fee US\$
Application for non-objection to a transfer of shares in an Investment Club	Rule 2.2.3	Nil