

SPECIAL COMPANY RULES

VERSION NO.3 – AUGUST 2021



مركز قطر للمال
QATAR FINANCIAL CENTRE

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1. GENERAL PROVISIONS

1.1 APPLICATION

These Rules apply to every Person to whom the QFC Special Company Regulations apply.

1.2 PURPOSE OF THESE RULES

The purpose of these Rules is to provide further detail in respect of the operation of the QFC Special Company Regulations and to provide in particular for:

- (A) the incorporation, licensing and registration of Special Companies;
- (B) the approval of Support Services Providers;
- (C) the application of various aspects of the QFC Companies Regulations and QFC Insolvency Regulations to Special Companies; and
- (D) various notification requirements placed upon Special Companies by the QFC Authority and the CRO.

These Rules should be read in conjunction with the QFC Special Company Regulations.

1.3 INTERPRETATION

In these Rules:

- (A) defined terms are identified by the capitalisation of the initial letter of the word or phrase; and
- (B) defined terms have the same meaning as they have in the QFC Special Company Regulations, the QFC Insolvency Regulations, the QFC Companies Regulations, the QFC Authority Regulations, the QFCA Rules, any other related QFC regulations or rules as relevant to the context in which they are used.

2. SPECIAL PURPOSE COMPANIES

2.1. KEY TERMS

2.1.1. WHAT IS A SPECIAL PURPOSE COMPANY?

A Special Purpose Company is a company incorporated under the QFC Companies Regulations and registered by the CRO as a Special Purpose Company. A Special Purpose Company may only be established for the Purpose of a Transaction.

2.1.2. WHAT ARE SPECIAL PURPOSE COMPANY ACTIVITIES?

Subject to the terms of its Licence, a Special Purpose Company may only carry out one or more of the Special Purpose Company Activities set out in Article 9 of the QFC Special Company Regulations.

2.1.3. WHAT IS A SUPPORT SERVICES PROVIDER?

A Support Services Provider is a body corporate, partnership or limited liability partnership approved by the QFC Authority to provide Corporate and Administrative Services to a Special Company.

2.1.4. WHAT ARE CORPORATE AND ADMINISTRATIVE SERVICES?

In relation to a Support Services Provider, Corporate and Administrative Services include:

- (A) management and administrative services;
- (B) services as a registered agent, director or similar officer (including, where permitted, to provide the Senior Executive Function);
- (C) provision of a registered office, place of business or address; and
- (D) any of the services above, and such other services as may be prescribed or directed from time to time by the QFC Authority.

2.2. BASIC CONCEPTS

2.2.1. SCOPE OF LICENCE

A Special Purpose Company may only carry out Special Purpose Company Activities to the extent that it is permitted to carry out such activities under its Licence. A Special Purpose Company may not carry on any Regulated Activities in or from the QFC without the prior authorisation of the Regulatory Authority.

2.2.2. APPLICATION OF THE QFC COMPANIES REGULATIONS

By virtue of its status as a Special Purpose Company, a Special Purpose Company is exempt from the provisions of the QFC Companies Regulations as set out in the QFC Special Company Regulations.

2.2.3. APPLICATION OF THE QFC INSOLVENCY REGULATIONS

A Special Purpose Company is subject to the provisions of the QFC Insolvency Regulations, subject to certain modifications and exemptions:

- (A) a Special Purpose Company can only be wound up voluntarily under Article 58 if it has no outstanding liabilities;
- (B) in relation to a Special Purpose Company, any reference to “the Company’s property” is a reference to any property of the Special Purpose Company other than property under administration;
- (C) a Special Purpose Company has no preferential debts or preferential creditors within the meaning of Article 148;
- (D) Special Purpose Company Activities and any obligations arising from such activities are exempt from the liquidator’s power to disclaim onerous property under Article 92; and
- (E) a Special Purpose Company is exempt from Article 143 (Preferences) and Article 145 (Invalid security interests).

2.3. KEY REQUIREMENTS

2.3.1. LICENCE

A Licence to conduct Special Purpose Company Activities may be granted by the QFC Authority. A Special Purpose Company is exempt from certain licensing requirements ordinarily applied to Companies by the QFC Authority, including the requirement to maintain physical office space in the QFC where a registered address in the QFC can be provided by its Support Services Provider. The Rules in 2.4 set out the process for seeking a Licence and the criteria that the QFC Authority will apply in determining whether to grant such a Licence.

2.3.2. REGISTRATION

A Company may be registered by the CRO as a Special Purpose Company if its Articles of Association conform to the requirements stated in Article 25 of the QFC Special Company Regulations and the QFC Authority has granted a Licence for it to conduct Special Purpose Company Activities. Rules as to the manner and circumstances in which the CRO may register a Company as a Special Purpose Company are set out at 4.2 below.

2.3.3. SUPPORT SERVICES PROVIDER

Subject to Article 27.2 of the QFC Special Company Regulations, a Special Purpose Company is required to appoint and retain at all times a Support Services Provider to provide it with one or more Corporate and Administrative Services, and such other services as may be prescribed or directed from time to time by the QFC Authority. A Support Services Provider may be a body corporate, a partnership or a limited liability partnership established either inside or outside the QFC but in either case must be approved by the QFC Authority. Rules as to the process by which the QFC Authority will approve Support Services Providers are set out at 2.5.2.

2.4. LICENCE TO CONDUCT SPECIAL PURPOSE COMPANY ACTIVITIES

2.4.1. APPLICATION TO CONDUCT SPECIAL PURPOSE COMPANY ACTIVITIES

An applicant seeking permission to conduct Special Purpose Company Activities must:

- (A) complete the form prescribed in Appendix 1 and file it with the QFC Authority;
- (B) provide such additional material as may be required by the QFC Authority; and
- (C) pay the fee prescribed in Appendix 2 to the QFC Authority.

2.4.2. LICENSING CRITERIA

When assessing an application to conduct Special Purpose Company Activities, the QFC Authority may consider any of the following criteria, as well as any other criteria which in its sole discretion considers relevant in order to further the QFC Authority's objectives as set out in Article 5 of the QFC Law:

- (A) the background and history of the applicant;
- (B) the fitness and propriety of individuals performing the Senior Executive Function;
- (C) the fitness and propriety of the persons who Control the applicant (for this purpose Control has the meaning set out in the QFCA Rules, Part 2 - General Rules, Rule 8.2.1);
- (D) the ownership of the applicant, including the identity and details of the Beneficial Owners of the applicant;
- (E) whether the Purpose of the Transaction is in the interests of the QFC or likely to be beneficial to the development of the QFC; and
- (F) such other criteria as the QFC Authority may consider relevant or necessary.

2.5. SUPPORT SERVICES PROVIDER

2.5.1. REGISTER OF APPROVED SUPPORT SERVICES PROVIDERS

The CRO will maintain the register of approved Support Services Providers by recording the following information in respect of current and former registered approved Support Services Providers:

- (A) full name;
- (B) address;
- (C) date of registration as an approved Support Services Provider; and
- (D) if applicable, date of cessation of registration as a Support Services Provider.

2.5.2. APPROVED SUPPORT SERVICES PROVIDER

- (1) The following categories of applicants may apply to the QFC Authority to be entered on the register of approved Support Services Providers maintained by the CRO:
 - (A) a body corporate incorporated in the QFC or a partnership or limited liability partnership established in the QFC with, in each case, a Licence to conduct the Permitted Activities set out in paragraphs 12, 13 and 14 of Schedule 3 of the QFC Law; and
 - (B) subject to 2.5.2 (4), a body corporate, partnership or limited liability partnership established in a jurisdiction other than the QFC.
- (2) In making an application under 2.5.2(1) to be registered, an applicant must:
 - (A) complete the form prescribed in Appendix 1 and file it with the QFC Authority;
 - (B) provide such additional material as may be required by the QFC Authority; and
 - (C) pay the fee prescribed in Appendix 2 to the QFC Authority.
- (3) Subject to 2.5.2 (4), before the QFC Authority approves an applicant to appear on the register an applicant must satisfy the QFC Authority that:
 - (A) it is fit and proper to be registered as a Support Services Provider, taking into account such criteria as the QFC Authority may consider relevant in its absolute discretion, including but not limited to the applicant's:
 - (1) background and history;
 - (2) professional memberships;
 - (3) ownership and Group; and
 - (4) staffing;
 - (B) it has adequate professional indemnity insurance which provides cover in respect of work undertaken in the QFC; and
 - (C) it meets any other requirements prescribed by the QFC Authority.
- (4) Where the applicant is established in a jurisdiction other than the QFC, the QFC Authority must be satisfied that:
 - (A) the applicant is subject in that jurisdiction to licensing and ongoing monitoring of the relevant aspects of its activities;
 - (B) that the body or bodies that granted the applicant's licence and monitor its activities is or are able to exercise sufficient disciplinary actions over the applicant;
 - (C) that the applicant has notified its licensor and monitoring body of its intent to register in the QFC; and

- (D) that the applicant is in good standing with its licensor and monitoring body.
- (5) Where the QFC Authority approves an applicant to appear on the register, the QFC Authority will inform the applicant in writing of the range of services that it is permitted to provide to a Special Company.
- (6) If at any time after registration, a Support Services Provider no longer meets the requirements for registration as an approved Support Services Provider, the Support Services Provider must immediately inform the QFC Authority in writing using the form prescribed in Appendix 1.

2.5.3. REQUIREMENT TO FILE ASSESSMENT BY THIRD PARTY

- (1) The QFC Authority may require a Support Services Provider to file with the QFC Authority:
 - (A) at the time of filing an application for approval and registration; and
 - (B) at the time of payment of the annual fee or by such later time as the QFC Authority may direct;

an assessment completed within the preceding three months by a firm or body approved for this purpose by the QFC Authority addressing such matters relating to the Support Services Provider as notified by the QFC Authority.

- (2) If, upon receiving an assessment filed pursuant to 2.5.3 (1), the QFC Authority forms the view that the Support Services Provider is no longer fit and proper to be on the register of approved Support Services Providers, the QFC Authority may cancel the registration of the Support Services Provider.
- (3) The Support Services Provider must pay for the services of the firm or body undertaking the assessment pursuant to 2.5.3 (1).

2.5.4. ANNUAL FEES

A Support Services Provider must pay the annual fee prescribed in Appendix 2 to remain on the register of approved Support Services Providers.

2.6. APPLICATION OF THE QFC COMPANIES REGULATIONS TO SPECIAL PURPOSE COMPANIES

2.6.1. NOMINEE SHAREHOLDERS

- (1) Article 12.2 of the QFC Special Company Regulations provides that a body corporate incorporated outside the QFC may not be registered as a nominee Shareholder of a Special Purpose Company unless the QFC Authority has confirmed in writing that it does not object to the entity acting as a nominee.
- (2) A Special Purpose Company applying for the QFC Authority's non-objection to the appointment of such a body corporate as a nominee Shareholder must:
 - (A) complete the form prescribed in Appendix 1 and file it with the QFC Authority;

- (B) provide such additional material as may be required by the QFC Authority; and
 - (C) pay the fee prescribed in Appendix 2 to the QFC Authority.
- (3) Before the QFC Authority confirms that it does not object to such an appointment, the Special Purpose Company must satisfy the QFC Authority that the proposed nominee:
- (A) is fit and proper;
 - (B) has adequate financial resources;
 - (C) has adequate internal governance arrangements; and
 - (D) satisfies such other criteria as the QFC Authority may specify in its absolute discretion.

2.6.2. TRANSFERS OF SHARES

- (1) Article 12.3 of the QFC Special Company Regulations provides that a Special Purpose Company may not register a transfer of shares in the Special Purpose Company until the QFC Authority has confirmed in writing that it does not object to such a transfer.
- (2) A Special Purpose Company applying for the QFC Authority's non-objection to such a transfer must:
- (A) complete the form prescribed in Appendix 1 and file it with the QFC Authority;
 - (B) provide such additional material as may be required by the QFC Authority including details and any changes to the details of Beneficial Owners of the proposed shareholders; and
 - (C) pay the fee prescribed in Appendix 2 to the QFC Authority.
- (3) Before the QFC Authority confirms that it does not object to such a transfer, the Special Purpose Company must satisfy the QFC Authority that the proposed transferee is fit and proper to be registered as a Shareholder of the Special Purpose Company.

3. HOLDING COMPANIES

3.1. KEY TERMS

3.1.1. WHAT IS A HOLDING COMPANY?

A Holding Company is a company incorporated under the QFC Companies Regulations, and registered by the CRO as a Holding Company.

3.1.2. WHAT ARE HOLDING COMPANY ACTIVITIES?

Holding Company Activities are one or more of the activities listed in Article 20.1 of the QFC Special Company Regulations that a Holding Company may be permitted to carry on under the terms of its Licence.

3.1.3. WHAT IS A SUBSIDIARY?

A Subsidiary is as defined in the QFC Special Company Regulations.

3.1.4. WHAT IS A GROUP?

A Group is as defined in the QFC Special Company Regulations.

3.2. BASIC CONCEPTS

3.2.1. PERMITTED ACTIVITIES

- (1) A Holding Company may only carry out Holding Company Activities to the extent that it is permitted to carry out such activities under its Licence.
- (2) The only activities in which a Holding Company is permitted to engage with any Persons that are outside its Group are the Permitted Activities within the scope of its Licence.

3.2.2. ANCILLARY SERVICES

- (1) The definition of Holding Company Activities in Article 20.1 of the QFC Special Company Regulations includes activities which are "ancillary" to the activities set out at Article 20.1(a) to (e).
- (2) The QFC Authority may decide on a case by case basis which activities fall within this category.

3.2.3. REGULATED ACTIVITIES

A Holding Company must not engage in Regulated Activities by way of business with third parties outside its Group without authorisation from the Regulatory Authority.

3.2.4. APPLICATION OF THE QFC COMPANIES REGULATIONS

By virtue of its status as a Holding Company, a Holding Company is exempt from the provisions of the QFC Companies Regulations as set out in the QFC Special Company Regulations.

3.3. KEY REQUIREMENTS

3.3.1. LICENCE

A licence to conduct Holding Company Activities may be granted by the QFC Authority. The Rules in 3.4 of these Rules set out the process for seeking a Licence and the criteria that the QFC Authority will apply in determining whether to grant such a Licence.

3.3.2. REGISTRATION

A Company may be registered by the CRO as a Holding Company, if its Articles of Association conform to the requirements stated in Article 25 of the QFC Special Company Regulations and the QFC Authority has granted a Licence for it to conduct Holding Company Activities. Rules as to the manner and circumstances in which the CRO may register a Company as a Holding Company are set out at 4.2 below.

3.4. LICENCE TO CONDUCT HOLDING COMPANY ACTIVITIES

3.4.1. APPLICATION TO CONDUCT HOLDING COMPANY ACTIVITIES

An applicant seeking permission to conduct Holding Company Activities must:

- (A) complete the form prescribed in Appendix 1 and file it with the QFC Authority;
- (B) provide such additional material as may be required by the QFC Authority; and
- (C) pay the fee prescribed in Appendix 2 to the QFC Authority.

3.4.2. LICENSING CRITERIA

When assessing an application to conduct Holding Company Activities, the QFC Authority may consider any of the following criteria, as well as any other criteria which in its sole discretion considers relevant in order to further the QFC Authority's objectives in Article 5 of the QFC Law:

- (A) the background and history of the applicant;
- (B) the fitness and propriety of individuals performing the Senior Executive Function;
- (C) the fitness and propriety of the persons who Control the applicant (for this purpose Control has the meaning set out in the QFCA Rules, Part 2 - General Rules, Rule 8.2.1);
- (D) the ownership of the applicant, including the identity and details of Beneficial Owners of the applicant;

- (E) whether the proposed business plan of the applicant is likely to be beneficial to the development of the QFC; and
- (F) such other criteria as the QFC Authority may consider relevant or necessary.

3.5. NOTIFICATION TO THE QFC AUTHORITY OF FORMATION OR DISSOLUTION OF SUBSIDIARY OUTSIDE THE QFC

Each time a Holding Company incorporates or dissolves a Subsidiary outside the QFC, and in any event at least annually by 31 March of each year, the Holding Company must notify the QFC Authority using the form prescribed in Appendix 1 of the Members and structure of its Holding Company Group.

3.6. TRANSFER OF SHARES

- (1) Article 23B of the QFC Special Company Regulations provides that a Holding Company may not register a transfer of shares in the Holding Company until the QFC Authority has confirmed in writing that it does not object to such a transfer.
- (2) A Holding Company applying for the QFC Authority's non-objection to such a transfer must:
 - (A) complete the form prescribed in Appendix 1 and file it with the QFC Authority;
 - (B) provide such additional material as may be required by the QFC Authority, including details and any changes to the details of the Beneficial Owners of the proposed shareholders; and
 - (C) pay the fee prescribed in Appendix 2 to the QFC Authority.
- (3) Before the QFC Authority confirms that it does not object to such a transfer, the Holding Company must satisfy the QFC Authority that the proposed transferee is fit and proper to be registered as a Shareholder of the Holding Company.

4. INCORPORATION AND REGISTRATION OF SPECIAL COMPANIES

4.1 INCORPORATION OF A SPECIAL COMPANY

An applicant for the incorporation of a Company for the purpose of conducting Special Purpose Company Activities or Holding Company Activities must:

- (A) complete and file with the CRO an application in the form prescribed in Appendix 1;
- (B) attach to the application the written undertaking prescribed by Article 24.1 of the QFC Special Company Regulations;
- (C) provide such additional material as may be required by CRO including details of the Beneficial Owners of the applicant; and
- (D) pay the fee prescribed in Appendix 2 to the CRO.

4.2 REGISTRATION BY THE CRO AS A SPECIAL COMPANY

4.2.1 MEANING OF REGISTRATION

A Company is registered as a Special Purpose Company or a Holding Company where the public register maintained by the CRO states that the business activities of the Company are "Special Purpose Company Activities" or "Holding Company Activities" respectively.

4.2.2 CONDITIONS FOR REGISTRATION

The CRO may not register a Company as a Special Company unless:

- (A) the Articles of Association of the Company comply with the conditions stated in Article 25 of the QFC Special Company Regulations; and
- (B) the QFC Authority has granted a Licence to the Company to conduct Special Purpose Company Activities or Holding Company Activities as applicable.

4.2.3 ARTICLES OF ASSOCIATION

For the purposes of Article 49 of the Companies Regulations and Article 25 of the QFC Special Company Regulations, the articles of association set out in Appendix 3 and Appendix 4 of these Rules are prescribed as the standard articles of association for Special Purpose Companies and Holding Companies respectively.

4.2.4 ANNUAL FEE

- (1) A Special Company must pay the annual fee prescribed in Appendix 2 to the QFC Authority.
- (2) If a Special Company fails to pay the annual fee prescribed in Rule 4.2.4 (1) of these Rules, the QFC Authority may apply to the CRO to revoke the status of the Special Company under Rule 4.2.5 of these Rules.

4.2.5 REVOCATION OF STATUS BY THE CRO

- (1) The CRO may revoke the status of a Special Company:
 - (A) on the application of the Special Company itself if the condition in 4.2.5 (3) is met; or
 - (B) on the QFC Authority's own initiative.
- (2) The CRO shall revoke the status of a Company as a Special Purpose Company or a Holding Company by amending the public register so as to remove the words "Special Purpose Company Activities" or "Holding Company Activities", as appropriate, from the section indicating the business activities of the Company.
- (3) A Special Company may not apply to the CRO for the revocation of its status as a Special Company until it has complied with the relevant requirements of Article 29.2 of the QFC Special Company Regulations and it has been issued with an amended Licence by the QFC Authority and, where applicable, an authorisation by the QFC Regulatory Authority.
- (4) A Special Company applying to the CRO for the revocation of its status as a Special Company must:
 - (A) complete the form prescribed in Appendix 1 and file it with the CRO;
 - (B) provide such additional material as may be required by the CRO; and
 - (C) pay the fee prescribed in Appendix 2 to the CRO.
- (5) The CRO may not revoke the status of a Special Company on the application of the Special Company itself unless it has received written notice from the QFC Authority confirming that the Special Company is no longer performing Special Purpose Company Activities or Holding Company Activities, as appropriate.

5. AMENDMENT OF ARTICLES OF ASSOCIATION

- (1) Article 25.5 of the QFC Special Company Regulations provides that a Special Company must give no less than twenty-one days' prior written notice to the CRO of any proposal to amend its Articles of Association and that the CRO may consult with the QFC Authority and Regulatory Authority as appropriate and object to the proposed amendment if it is not in line with the status of a Special Company.
- (2) A Special Company must provide notice to the CRO of such proposed amendment using the form prescribed in Appendix 1 and pay the fee prescribed in Appendix 2 to the CRO.
- (3) The Special Company's application must include:
 - (A) a copy of the proposed amended Articles of Association;
 - (B) a detailed description of the reasons for the proposed amendment;

- (C) confirmation that the proposed amended Articles of Association still comply with the requirements of Article 25 of the QFC Special Company Regulations; and
 - (D) an explanation as to why the proposed amendment is in line with the status of the Company as a Special Company.
- (4) The twenty-one day period prescribed in Article 25.5 of the QFC Special Company Regulations will not begin until the Special Company submits an application conforming in all respects to the above criteria.

APP 1 PRESCRIBED FORMS

For the purpose of the QFC Special Company Regulations and these Rules the Prescribed Forms are listed in the table below.

Purpose	Relevant Article or Rule	Form
Application to conduct Special Purpose Company Activities	Rule 2.4.1	Q01
Application for approval as a Support Services Provider	Rule 2.5.2	Q01/Q04
Notification that a Support Services Provider no longer meets registration requirements	Rule 2.5.2	Q14
Application by an entity established outside the QFC for approval as a nominee Shareholder	Rule 2.6.1	Q14
Application for non-objection to a transfer of shares in a Special Company	Rule 2.6.2 and 3.6	Q14
Application to conduct Holding Company Activities	Rule 3.4.1	Q01
Notification of incorporation or dissolution of a Subsidiary	Rule 3.5	Q14
Application for the incorporation and registration a Special Company	Rule 4.1	CRO1
Application for the revocation of status of a Special Company	Rule 4.2.5	Q07
Application to amend the Articles of Association of a Special Company	Article 25.5 and Rule 5	Q07
Change to the directors or secretary of a Special Company	Articles 14.9 and 20A.9	Q07
Change concerning a Special Company's Support Services Provider	Articles 16.1(a) and 23A(1)	Q14
Change concerning a Special Company's Shareholders and/or Beneficial Owners	Articles 16.1(b) and 23A.1(b)	Q07

APP 2 PRESCRIBED FEES

For the purpose of the QFC Special Company Regulations and these Rules the Prescribed Fees are listed in the table below.

Purpose	Relevant Article or Rule	Fee USD
Application to conduct Special Purpose Company Activities	2.4.1	5000
Application for approval as a Support Services Provider	2.5.2	500
Annual Fee payable by a Support Services Provider	2.5.4	500
Application by an entity established outside the QFC for approval as a nominee Shareholder	2.6.1	Nil
Application for non-objection to a transfer of shares in a Special Company	2.6.2 and 3.6	Nil
Application to conduct Holding Company Activities	3.4.1	5000
Application for the incorporation a Special Company	4.1	Nil
Annual fee for a Special Company	4.2.4	500
Application for the revocation of status of a Special Company	4.2.5	Nil
Application to amend the Articles of Association of a Special Company	Article 25.2 and 5	200
Change to the directors or secretary of a Special Company	Article 14.9 and 20A.9	200
Change concerning a Special Company's Support Services Provider	Article 16.1(a) and 23A(1)	200
Change concerning a Special Company's Shareholders (not including changes to Beneficial Owners)	Article 16.1(b) and 23A.1(b)	200

APP 3 STANDARD ARTICLES OF ASSOCIATION – HOLDING COMPANIES

For the purposes of Article 25 of the *QFC Special Company Regulations* and these Rules, these are the 'Standard Articles of Association' for a Holding Company.

INTERPRETATION

1. In these articles:

- (A) "the Companies Regulations" means the *QFC Companies Regulations 2005*;
- (B) "the Special Company Regulations" means the *QFC Special Company Regulations No. 5 of 2012*;
- (C) "the Regulations" means the Companies Regulations and the Special Company Regulations, together;
- (D) Holding Company means a company incorporated under the Special Company Rules and Special Company Regulations of the QFC;
- (E) unless otherwise indicated, words or expressions contained in these articles bear the same meaning as in the Regulations;
- (F) 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;
- (G) the clause and paragraph headings in these articles are for convenience only and will not affect the interpretation of these articles;
- (H) "written" or "in writing" includes all modes of representing or reproducing words in visible form, including in the form of electronic mail;
- (I) "shall" must be construed as imperative and 'may' shall be construed as "permissive";
- (J) a reference to a law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
- (K) 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;
- (L) headings are inserted for reference only and shall be ignored in construing these articles.

PURPOSE

2. The purposes of the Holding Company is to hold assets and ancillary activities related thereto and the activities that it is permitted to carry on will be limited to those Holding Company Activities as approved by the QFC Authority in its Licence to the Holding Company, from time to time.
3. The Holding Company shall not carry on any activities of the type described in Paragraphs 1 to 9, Part 1, Schedule 3 of the QFC Law in or from the QFC by way of business.
4. The Holding Company must not engage in any Regulated Activity with any third party that does not form part of its Holding Company Group unless it is duly authorised by the Regulatory Authority in relation to the conduct of such Regulated Activity.

SHARE CAPITAL

5. Subject to the Regulations, and without prejudice to any rights attached to any existing shares, shares may be issued with such rights or restrictions as the Holding Company may by resolution determine.
6. Subject to the Regulations, the Holding Company may issue, or convert existing non-redeemable shares, whether issued or not, into redeemable shares at the option of the Holding Company or the Member.
7. No person may be recognised by the Holding Company as holding any share upon trust.

SHARE CERTIFICATES

8. Unless the conditions of allotment of the shares otherwise provide, the Holding Company shall provide to every member:
 - (A) a share certificate for the shares of each class allotted to him;
 - (B) a share certificate for the shares transferred to him; and
 - (C) upon transferring a part of his shares, of any class, a share certificate for the balance of his holding.

Such share certificate shall be provided without payment but if the member requires additional share certificates, the Holding Company 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. No transfer of shares in the Holding Company shall take effect until the QFC Authority has confirmed in writing that it does not object to such transfer.
12. 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.
13. 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; and
 - (C) the transfer is in favour of not more than four transferees.
14. If the directors refuse to register a transfer of a share, they shall within one month notify the transferee accordingly.
15. The directors may suspend the registration of transfers of shares at such times and for such periods as determined by them.
16. The Holding Company may charge a reasonable fee for the registration of any instrument of transfer.
17. The Holding Company shall retain any instrument of transfer which is registered.
18. The Holding Company will not carry out any transfer of shares without following the relevant requirements and procedures set out in the QFC Special Company Regulations and the Special Company Rules.

TRANSMISSION OF SHARES

19. 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 Holding Company as having title to the shares.
20. 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 Holding Company and upon registration he shall have the same rights as the holders of the same class of shares.

ALTERATION OF SHARE CAPITAL

21. The Holding Company may by resolution:
 - (A) increase its share capital by creating new shares;
 - (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 amount; 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 Holding Company's share capital by the amount of the shares so cancelled.
- 22. 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.
- 23. The Holding Company 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

- 24. Subject to the provisions of the Regulations, the Holding Company may purchase its own shares.

GENERAL MEETINGS

- 25. The Holding Company is not required to hold a general meeting however, to the extent that the Holding Company calls a general meeting of members, the provisions set out below shall apply.
- 26. All general meetings other than annual general meetings shall be called extraordinary general meetings.
- 27. The directors may, and on the requisition of members in accordance with the Regulations, shall, call extraordinary general meetings.

REQUISITION AND NOTICE OF GENERAL MEETINGS

- 28. If the Holding Company holds a general meeting, an annual general meeting and an extraordinary general meeting shall be called by at least twenty-one days' notice to all the members, the directors and auditors.
- 29. 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.
- 30. 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 GENERAL MEETINGS

- 31. No meeting shall take place unless a quorum is present. Two persons entitled to vote shall constitute a quorum.
- 32. 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.
- 33. The chairman of the board of directors 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.

34. 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 Holding Company.
35. 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.
36. 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 the members having the right to vote.
37. 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.
38. The chairman may consent to the withdrawal of the demand for a poll.
39. 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.
40. The chairman shall have the deciding vote in the case of an equality of votes.
41. 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.
42. 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.
43. A resolution may be passed in writing in accordance with the Regulations.

VOTES OF MEMBERS

44. On a show of hands, every member present, including the representative of a body corporate member, shall have one vote. On a poll, every member shall have one vote for every share held. This article is subject to any rights or restrictions attached to any shares.
45. Joint members may only exercise one vote or one vote per share as the case may be. 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.
46. 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 Holding Company and within the time limit for filing proxies prior to any meeting being held or vote being taken.
47. 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.
48. A member may vote on a poll by proxy.
49. An instrument appointing a proxy shall be in writing in a form approved by the Holding Company and distributed with the notice of a meeting. The form approved and distributed by the Holding Company must include a section allowing the member to direct the proxy on how the proxy shall act.
50. The instrument appointing a proxy must be deposited at the registered office of the Holding Company 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 Holding Company.
51. A vote given or poll demanded by proxy is valid notwithstanding the determination of the member who appointed the proxy unless the Holding Company receives notice from the member in writing prior to the vote being taken or the poll being demanded.

NUMBER OF DIRECTORS

52. The Holding Company shall have at least one director

ALTERNATE DIRECTORS

53. 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 appointor as a director but is not entitled to remuneration for his services.
54. An alternate director shall be given notice of all meetings of which his appointor is entitled to receive notice and is entitled to attend and vote at such meetings.

55. An alternate director holds office for as long as his appointor holds office unless he is removed by written instrument by his appointor.
56. Any appointment or removal of an alternate director shall be given to the secretary of the Holding Company.
57. 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

58. Subject to the Regulations and these articles the business of the Holding Company shall be managed by the directors. No subsequent amendment to these articles shall invalidate any act of a director or the directors.
59. The directors may appoint a person to be the agent of the Holding Company.

DELEGATION OF DIRECTORS' POWERS

60. The board of directors may delegate any of its powers to a managing director, executive director or a committee of directors.

APPOINTMENT AND RETIREMENT OF DIRECTORS

61. At the first annual general meeting of the Holding Company, all directors shall retire from office. At every subsequent annual general meeting at least one third or a number nearest to one third of the directors who are subject to retirement by rotation shall retire.
62. 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.
63. A director shall remain in office, if so willing, if the Holding Company at the meeting at which he retires by rotation, resolves not to fill the vacancy.
64. 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.
65. Subject to the preceding articles, additional directors may be appointed by the Holding Company 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.
- 65A. 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

66. 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 Holding Company; or
 - (F) is removed by resolution of the Holding Company.

REMUNERATION AND EXPENSES OF DIRECTORS

67. The directors shall receive such remuneration as the Holding Company determines by resolution and shall receive payment of all expenses incurred in association with the carrying out of their duties as directors.

DIRECTORS' APPOINTMENTS AND INTERESTS

68. Subject to the Regulations, the directors may appoint one or more of their number to the office of managing director or to any other executive office under the Holding Company. 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.

DIRECTORS' GRATUITIES AND PENSIONS

- 69A. The 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

- 70A. Subject to the provisions of these articles, 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.
- 70B. The quorum for the transaction of the business of the directors shall be two or any other number fixed by the directors.
- 70C. 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.
71. The directors shall appoint one of their number to be the chairman of the board of directors who shall preside at all meetings and may at any time remove him from

that office. 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.

72. 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.
73. 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.
74. 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.
75. For the purposes of this article, an interest of a director includes an interest of any person who is connected to the director.
76. 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.
77. The Holding Company may by resolution suspend or relax any provision of these articles prohibiting a director from voting at a meeting.
78. 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

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

MINUTES

80. 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 Holding Company, of the holders of any class of shares in the Holding Company, and of the directors, and of committees of directors, including the names of the directors present at each such meeting.

DIVIDENDS

81. Subject to the provisions of the Regulations, the Holding Company 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.
82. 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 Holding

Company 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.

83. The directors may recommend and a general meeting 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.
84. 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 Holding Company. 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.
85. No dividend or other moneys payable in respect of a share shall bear interest unless otherwise provided by the rights attached to the share.
86. 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 Holding Company.

ACCOUNTS

87. No member shall have any right of inspecting any accounting records or other book or document of the Holding Company except as conferred by law or authorised by the directors or by the Holding Company.

CAPITALISATION OF PROFITS

88. The directors may with the authority of the Holding Company:
 - (A) subject as hereinafter provided, resolve to capitalise any undivided profits of the Holding Company not required for paying any preferential dividend (whether or not they are available for distribution) or any sum standing to the credit of the Holding Company's share premium account or capital redemption reserve;
 - (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 Holding Company of a nominal amount equal to that sum. The share premium account, the capital redemption reserve, and any profits which are not available for distribution may, for the purposes of this regulation, 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 Holding Company 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.

AMENDMENTS TO THESE ARTICLES

- 89. No amendments to these articles shall be made without the prior approval of the CRO. The Holding Company must give no less than twenty-one days' prior written notice on the Prescribed Form and for the Prescribed Fee to the CRO of any proposal to amend its Articles of Association.
- 90. The Holding Company must file its amended Articles of Association with the CRO within twenty-one days of the amendment taking effect.

NOTICES

- 91. Any notice required to be given under these Articles shall be in writing.
- 92. The Holding Company 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.
- 93. A person present, either in person or by proxy, at any meeting shall be deemed to have received notice of the meeting.
- 94. Every person who becomes entitled to a share shall be bound by any notice in respect of that share.
- 95. Proof that an envelope containing a notice was properly addressed, prepared 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.
- 96. A notice may be given by the Holding Company 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

- 97. The Holding Company shall indemnify every director or other officer or auditor of the Holding Company in respect of any liability incurred in defending any proceeding to the extent allowed by the Regulations.

APP 4 STANDARD ARTICLES OF ASSOCIATION – SPECIAL PURPOSE COMPANIES

For the purposes of Article 25 of *the QFC Special Company Regulations* and these Rules, these are the 'Standard Articles of Association' for a Special Purpose Company.

INTERPRETATION

1. In these articles:

- (A) "the Companies Regulations" means the QFC Companies Regulations 2005;
- (B) "the Special Company Regulations" means the QFC Special Company Regulations No. 5 of 2012;
- (C) "the Regulations" means the Companies Regulations and the Special Company Regulations together;
- (D) SPC means the Special Purpose Company incorporated under the rules and regulations of QFC;
- (E) unless otherwise indicated, words or expressions contained in these articles bear the same meaning as in the Regulations;
- (F) 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;
- (G) the clause and paragraph headings in these articles are for convenience only and will not affect the interpretation of these articles;
- (H) "written" or "in writing" includes all modes of representing or reproducing words in visible form, including in the form of electronic mail;
- (I) "shall" must be construed as imperative and 'may' shall be construed as "permissive";
- (J) a reference to a law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
- (K) 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; and
- (L) headings are inserted for reference only and shall be ignored in construing these articles.

PURPOSE

2. The purposes of the SPC is a Special Purpose Company and the activities that it is permitted to carry on will be limited to those Special Purpose Company Activities as approved by QFCA in its Licence, from time to time.
3. The SPC shall not carry on any activities of the type described in Paragraphs 1 to 9, Part 1, Schedule 3 of the QFC Law in or from the QFC by way of business.

SHARE CAPITAL

4. Subject to the Regulations, and without prejudice to any rights attached to any existing shares, shares may be issued with such rights or restrictions as the SPC may by resolution determine.
5. Subject to the Regulations, the SPC may issue, or convert existing non-redeemable shares, whether issued or not, into redeemable shares at option of the SPC or the member.
6. No person may be recognised by the SPC as holding any share upon trust, subject to the provisions of Article 12 of the Special Company Regulations, and Rule 2.6 of the Special Company Rules.

SHARE CERTIFICATES

7. Unless the conditions of allotment of the shares otherwise provide, the SPC shall provide to every member:
 - (A) a share certificate for the shares of each class allotted to him;
 - (B) a share certificate for the shares transferred to him; and
 - (C) upon transferring a part of his shares, of any class, a share certificate for the balance of his holding.

Such share certificate shall be provided without payment but if the member requires additional share certificates, the SPC may charge a reasonable fee for every share certificate after the first share certificate.

8. Every share certificate shall specify the number, class and distinguishing numbers of the shares to which it relates.
9. 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

10. No transfer of shares in the SPC shall take effect until the QFC Authority has confirmed in writing that it does not object to such transfer.
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.
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; and
 - (C) the transfer is in favour of not more than four transferees.
13. If the directors refuse to register a transfer of a share, they shall within one month 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 SPC may charge a reasonable fee for the registration of any instrument of transfer.
16. The SPC shall retain any instrument of transfer which is registered.
- 16A. The SPC will not carry out any transfer of shares without following the relevant requirements and procedures set out in the Special Company Regulations and the Special Company Rules.

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 SPC 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 SPC and upon registration he shall have the same rights as the holders of the same class of shares.

ALTERATION OF SHARE CAPITAL

19. The SPC may by resolution:
 - (A) increase its share capital by creating new shares;
 - (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 amount; 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 SPC'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 SPC 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 SPC may purchase its own shares.

SUPPORT SERVICE PROVIDER

- 23. Subject to the provisions of the Special Company Regulations and Special Company Rules, the SPC must appoint and at all times retain a Support Services Provider to provide it with the Corporate Administrative Services as required by the QFC Authority.

GENERAL MEETINGS

- 24A. The SPC is not required to hold a general meeting however, to the extent that the SPC calls a general meeting of members, the provisions set out below shall apply.
- 24B. All general meetings other than annual general meetings shall be called extraordinary general meetings.
- 24C. The directors may, and on the requisition of members in accordance with the Regulations, shall, call extraordinary general meetings.

REQUISITION AND NOTICE OF GENERAL MEETINGS

- 25. If the SPC holds a general meeting, a general meeting shall be called by at least twenty-one days' notice 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.

- 26. 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 GENERAL MEETINGS

- 27. No meeting shall take place unless a quorum is present. Two persons entitled to vote shall constitute a quorum.
- 28. 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.

29. The chairman of the board of directors 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.
30. 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 SPC.
31. 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.
32. Unless it is decided that a meeting is to be called and 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 the members having the right to vote.
33. 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.
34. The chairman may consent to the withdrawal of the demand for a poll.
35. 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.
36. The chairman shall have the deciding vote in the case of an equality of votes.
37. 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.
38. 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.

39. A resolution may be passed in writing in accordance with the Regulations.

VOTES OF MEMBERS

40. On a show of hands, every member present, including the representative of a body corporate member, shall have one vote.
41. 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 SPC and within the time limit for filing proxies prior to any meeting being held or vote being taken.
42. 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.
43. An instrument appointing a proxy shall be in writing in a form approved by the SPC and distributed with the notice of a meeting. The form approved and distributed by the SPC must include a section allowing the member to direct the proxy on how the proxy shall act.
44. The instrument appointing a proxy must be deposited at the registered office of the SPC at least 48 hours before the time at which the meeting at which the proxy is to be exercised is to be held.
45. A vote given by proxy is valid notwithstanding the determination of the member who appointed the proxy unless the SPC receives notice from the member in writing prior to the vote being taken.

NUMBER OF DIRECTORS

46. The SPC shall have at least one director.

ALTERNATE DIRECTORS

47. 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.
48. An alternate director shall be given notice of all meetings of which his appointor is entitled to receive notice and is entitled to attend and vote at such meetings.
49. An alternate director holds office for as long as his appointor holds office unless he is removed by written instrument by his appointor.
50. Any appointment or removal of an alternate director shall be given to the secretary of the SPC.
51. 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

52. Subject to the Regulations and these articles the business of the SPC shall be managed by the directors. No subsequent amendment to these articles shall invalidate any act of a director or the directors.
53. The directors may appoint a person to be the agent of the SPC.

DELEGATION OF DIRECTORS' POWERS

54. The board of directors may delegate any of its powers to a managing director, executive director or a committee of directors.

DISQUALIFICATION AND REMOVAL OF DIRECTORS

55. 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 SPC; or
 - (F) is removed by resolution of the SPC.

REMUNERATION AND EXPENSES OF DIRECTORS

56. The directors shall receive such remuneration as the SPC determines by resolution and shall receive payment of all expenses incurred in association with the carrying out of their duties as directors.

DIRECTORS' APPOINTMENTS AND INTERESTS

57. Subject to the Regulations, the directors may appoint one or more of their number to the office of managing director or to any other executive office under the SPC. 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.

DIRECTORS' GRATUITIES AND PENSIONS

58. The 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

59. Subject to the provisions of these articles, 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.
60. The quorum for the transaction of the business of the directors shall be two or any other number fixed by the directors.
61. 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.
62. The directors shall appoint one of their number to be the chairman of the board of directors who shall preside at all meetings and may at any time remove him from that office. 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.
63. 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.
64. 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.
65. 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.
65. For the purposes of this article, an interest of a director includes an interest of any person who is connected to the director.
66. 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.
67. The SPC may by resolution suspend or relax any provision of these articles prohibiting a director from voting at a meeting.
68. 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

69. Subject to the Regulations, the secretary shall be appointed and removed by the directors who shall decide on the terms, remuneration and conditions of appointment.
70. Subject to the Regulations, the secretary of the SPC shall be its Support Services Provider or any subsidiary of the Support Services Provider.

MINUTES

71. 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 SPC, of the holders of any class of shares in the SPC, and of the directors, and of committees of directors, including the names of the directors present at each such meeting.

DIVIDENDS

72. Subject to the provisions of the Regulations, the SPC 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.
73. 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 SPC 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 arrear. 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.
74. The directors may recommend and a general meeting 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.
75. 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 SPC. 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.
76. No dividend or other moneys payable in respect of a share shall bear interest unless otherwise provided by the rights attached to the share.

77. 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 SPC.

ACCOUNTS

78. No member shall have any right of inspecting any accounting records or other book or document of the SPC except as conferred by law or authorised by the directors or by the SPC.

CAPITALISATION OF PROFITS

79. The directors may with the authority of the SPC:
- (A) subject as hereinafter provided, resolve to capitalise any undivided profits of the SPC not required for paying any preferential dividend (whether or not they are available for distribution) or any sum standing to the credit of the SPC's share premium account or capital redemption reserve;
 - (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 SPC of a nominal amount equal to that sum. The share premium account, the capital redemption reserve, and any profits which are not available for distribution may, for the purposes of this regulation, 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 SPC 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.

AMENDMENTS TO THESE ARTICLES

80. No amendments to these articles shall be made without the prior approval of the CRO. The SPC must give no less than twenty-one days' prior written notice on the Prescribed Form and for the Prescribed Fee to the CRO of any proposal to amend its Articles of Association.
81. The SPC must file its amended Articles of Association with the CRO within twenty-one days of the amendment taking effect.

NOTICES

82. Any notice required to be given under these articles shall be in writing.
83. The SPC 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.

84. A person present, either in person or by proxy, at any meeting shall be deemed to have received notice of the meeting.
85. Every person who becomes entitled to a share shall be bound by any notice in respect of that share.
86. 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.
87. A notice may be given by the SPC 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

88. The SPC shall indemnify every director or other officer or auditor of the SPC in respect of any liability incurred in defending any proceedings to the extent allowed by the Regulations.