

In the Name of Allah, the Gracious, the Merciful

Republic of Sudan

The Companies Act, 1925



Memorandum and Articles of Association

of the Bank of Khartoum

(A Public Limited Company)

August 2004



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In the Name of Allah, the Gracious, the Merciful

Republic of Sudan

The Companies Act, 1925

Memorandum of Association of the Bank of Khartoum

(Public Limited Company)

- (I)- Name of the Public Company : Bank of Khartoum;
- (II)- Quarters of the Company : Khartoum, Bank of Khartoum Building, intersection of Jamhuriya Street with Qasr Street ;
- (III)- Objects for constitution of the Company :-
 - (1) shall conduct banking business, pertaining to commercial banks, as to such policies, as the Central Bank may issue;
 - (2) this Company shall possess, acquire or appropriate, in any other legal way, all the rights and obligations of the Bank of Khartoum, formerly registered as a private company;
 - (3) shall accept deposits and open accounts and grant financing, in accordance with the provisions of Islamic Sharia, in consideration of the necessary securities;
 - (4) shall collect and pay orders and payment vouchers and otherwise of papers of value;
 - (5) shall issue bills of exchange, cheques, notes, and also negotiate bills of exchange, deeds and notes of any type; on condition of the freedom thereof from any Sharia prohibition;
 - (6) shall draw, extract, accept, endorse, execute and issue bills of exchange, promissory notes, cheques, bills of lading, advance notes and any instruments capable of negotiation, transfer or collection, and deal in such instruments, in any way, as may be compatible with Islamic Sharia;

- (7) shall act as an executor and trustee of legacies and settlements, concerning the clients and otherwise, and act, as agent, for any government, or other authority, or for any public, or private corporation, or institution;
- (8) shall represent the various banking corporations;
- (9) shall carry out dealing in foreign exchange, in such way, as may be compatible with Islamic Sharia;
- (10) shall carry out such other operations, as the business thereof may require, and generally shall carry out all banking and commercial business, for its own account, or the account of others, or in participation therewith;
- (11) shall practise all banking activities, outside the Republic of Sudan;
- (12) shall lend any amount of money, as to such ways and conditions, as the Bank of Sudan may prescribe, and strive to issue financial certificates, to secure satisfaction of loans and funds, as it may borrow, or to secure the discharge thereby, of any obligation, or obligations, as it may undertake;
- (13) the Company shall operate, in the field of conducting technical, economic and investment researches, in general, and the various feasibility studies;
- (14) it shall enter into agreements, with any government authority, inside, or outside the Republic of the Sudan, or any companies, institutions or persons, as may appear to achieve the objects thereof, or anyone of the same, and to obtain, from such bodies, any contracts, privileges or favours ;
- (15) the Company shall work, in the field of issue of shares, or any financial, or commercial instruments, and transfer and deal therein;

- (16) shall constitute any other company, or companies, carrying commercial business, or otherwise, or acquire shares therein, where the same returns thereto, with a direct, or indirect benefit;
- (17) shall purchase, hire, sell, mortgage or acquire estates, and construct thereon all buildings and facilities, to achieve the objects thereof, and shall likewise have the right to dispose of the estates, by sale, where it deems it suitable, or appropriate to dispose of the same by sale;
- (18) the Company shall establish, or constitute any subsidiaries thereof, in any place, inside and outside the Sudan, after taking the necessary approval of the Bank of Sudan;
- (19) the Company shall work, in all the auxiliary, finishing, or complementary fields, in the banks objects;
- (20) shall make any regulations, or orders, as it may deem necessary, for securing the good management;
- (21) the Company for the sake of achieving its objects, shall have the following powers :-
- (a) the company may render all the services thereof, or any part of the same, as set out in the objects thereof, to any person, or body, Sudanese, or alien, whether inside, or outside the Sudan, as to such consideration, as may be agreed upon;
 - (b) concluding contracts;
 - (c) the Company may establish, subscribe to, or merges into any other company;
 - (d) the Company may purchase property, hire, possess or acquire the same, whether estates or movable , or any rights, facilities or privileges, or obtain, in any way, any one thereof, and dispose of the same;

- (e) the Company may build, establish, maintain, extend, remove or substitute any of its immovable, or movable property, or vacate any site, as the interest of the Company may require;
- (f) the Company may obtain such loans and facilities, as may be necessary, from local and foreign sources;
- (g) the Company may present tenders, enter into auctions and lowest bids, invite others to enter such lowest bids, tenders and highest bids, as it may offer;
- (h) the Company may possess, or acquire, in any legal way, names, business, trade marks, industrial designs or patents, having such connection, as may help in achieving the objects of the Company;
- (i) the Company may establish and issue mortgages, privileges, notes, instruments and various securities;
- (j) the Company may subscribe to, or participate with any other person, whether natural, or corporate, to carry out any investment, commercial or banking work, or activity;
- (k) the Company may register business, pertaining thereto, or by participation with others ;
- (l) it may pay all, or part of the charges, fees and expenses, relating to its formation, constitution or registration;
- (m) perform any work, or business, as the Company may deem necessary , or appropriate, or by nature enable it to achieve all, or part of the objects thereof, or directly, or indirectly raise the value of the property, or assets of the same;
- (n) to reward any person, or company, either in cash , or by allotment of shares, or debentures, concerning the Company, which are paid in full, or in part, or by any other appropriate way ;

- (o) to sell, or dispose, in any other manner, of any of the property of the Company, as to such consideration, as may be acceptable to the Company ;
- (p) to distribute, among its subscribers, shares , debentures or securities, relating to companies owned by this Company, or it has the right to dispose thereof;
- (q) the Company may insure all, or part of its belongings , or property, against risks, injuries, responsibilities or faults of any type.

(IV)- Liability of members shall be limited ;

(V)- The allowed capital of the Company is 15,750,000,000 Dinars, "only fifteen milliard, and fifty million Sudanese Dinars", divided into 15,750,000 shares, "only fifteen million, and seven hundred fifty thousand shares".

The value of one share is 1000 Sudanese Dinars, "one thousand Dinars".

The Company shall have the right to increase the capital, and shall be entitled, by permission of the court, to reduce the same .

In the Name of Allah, the Gracious, the Merciful

Republic of Sudan

The Companies Act, 1925

The Bank of Khartoum Company

(A Public Company of Liability Limited by Shares)

The Internal Regulations

1. Table "A", attached to the Companies Act, 1925 shall not apply to this Company, save where there is no provision in the Regulations.
2. This is a Public Company, and the liability of subscribers thereto is limited, and the public shall be invited to subscribe to the shares of the Company, in accordance with the provisions of the Act, and any other law having a connection.
3. In these Regulations, unless the context otherwise requires, the words and phrases shall have the following meanings :-

"Act",	means the Companies Act, 1925;
"Board",	means the Board of Directors;
"Company",	means the Bank of Khartoum;
"Extra-ordinary resolution",	means the resolution, passed by the General Assembly, by the majority of three-quarters of the subscribers, personally present, or whoever may deputize therefor. The resolution shall be confirmed, in a subsequent meeting, by the majority of the subscribers, personally present, or whoever may deputize therefor. The confirming meeting shall be held, within a period, not less than

"General Assembly",

"Ordinary resolution",

"Register",

fourteen days, and not more than one month, of the date of the meeting, which has originally passed the resolution;

means the General Assembly of the Company's subscribers;

means the resolution, passed by the General Assembly, by the majority, provided for in regulation 35, hereof;

means the register of subscribers.

4. Amendment of these Regulations shall be by a special resolution, to be passed by the General Assembly .
5. Amendment of the Memorandum of Association of the Company shall be by a special resolution, to be passed by the General Assembly, and ratified by the competent court .
6. The General Assembly, by an extra-ordinary resolution, may increase the capital of the Company; provided that subscribers shall have priority in subscribing to such shares, and within such limits, as the Khartoum Stock Exchange Act, 1994, or any law, as may replace it, may allow .
7. The General Assembly, by a special resolution, may decrease the capital of the Company, after approval of the competent bodies, under the laws in force.
8. The General Assembly, by an ordinary resolution, may consolidate the capital of the Company, or part thereof, or divide the same into shares, having a higher value.
9. The General Assembly, by an ordinary resolution, may divide the shares of the Company, or part thereof, into shares of lesser value.

10. Every subscriber shall obtain a certificate, sealed by the Company's seal, showing what he owns of shares, and the paid amounts. As for the holder of any shares, or co-owners of undivided shares, delivery of the shares certificate, to any one thereof, shall be deemed sufficient, as the same being delivered to all .
11. The Company shall not issue any shares, or instruments , as may be inconsistent with Islamic Sharia .
12. In case of death of the subscriber, his heir, executors of his will, or the administrator of his estate, as the case may be, shall be the only persons, whom the Company recognizes, as having the right to the shares, through the Khartoum Stock Exchange.

Right of lien of shares and sale thereof

13. The Company shall have the first and paramount right to lien on all, or part of the shares, whether the value thereof is fully paid, or not, in securing repayment of the subscriber's debts, or satisfaction of the obligations thereof, towards the Company, whether the time of satisfaction has become due, or not . Such right of lien includes the dividends due .
14. The Company, in such manner, as the Khartoum Stock Exchange Act may specify, may sell any shares, from those, upon which there is a right of lien; provided that disposal by sale shall not be made, save where the right, for which the lien is prescribed, has become due for payment immediately; and on condition of the expiry of the period of fourteen days, of the date of notifying the subscriber, in writing, of repayment of the amounts due for payment .

Shares

- 15.(1) All the unallotted shares shall be offered for public subscription, in accordance with the Khartoum Stock Exchange Act in use, or any other law, as may replace it .
- (2) In case of subscription of more than the offered shares, the Board may allot the shares to the subscribers, each with the proportion of what he has subscribed .
16. The Company shall not recognize any person, who holds any share, in his capacity as trustee thereof; and shall not likewise be bound by, or recognize any share, or other right, with respect to the share, save the absolute right of the registered holder of the same, with the exception of what may expressly be excluded, under the provisions of these Regulations .
17. Every registered subscriber shall have the right to obtain one free certificate, sealed by the Company's seal, shown therein the number of shares he owns, and the value paid therefor; and the certificate shall be, as to such form, as the Board of Directors may prescribe.
18. Where any shares certificate is defaced, worn out, damaged or lost, the same may be renewed, or a substitute therefor may be issued, after producing such sufficient evidence, as the Board of Directors may require, and be satisfied therewith . Upon the issue of a substitute , for the said certificate, the Company shall be relieved of any liability, relating to the original certificate. Where the incentive for renewing the certificate is attributed to defacing, or age thereof, the defaced, or old certificate shall be produced and delivered to the Company .

19. The Company shall not use any part of the funds thereof , in purchasing the shares of the same, or loans thereby, upon the security of such shares.

Claming the value of shares

20. Subject to any agreement to the contrary, the Board of Directors, may demand any subscriber, at any time, to pay such amount, or installment, as may not be paid for his shares, and specify the date, way and places of payment, and notify the subscriber thereof in writing, two weeks, at least, before the date fixed for payment; and the subscriber shall pay the amount, or instalment, due from him, at such date, in such way and places, as may be set forth in such notification. The date of the claim shall be deemed, from the date of the decision of the Board of Directors therefor .
21. Where the subscriber does not respond by payment, he shall be notified by another notice, wherein there shall be shown that the share, or shares, subject of the claim, shall be liable to be struck off , where the amount of the claim is not paid, within the period of fourteen days, and hence they may thereafter be struck off .
22. A subscriber shall be bound to pay, to the Company, the amounts due, where the struck off shares are not sufficient to pay the value of such shares, as may have been struck off, disposed of, by sale, or as a right of lien may be thereupon .
23. The secretary of the Board of Directors shall record such decisions of the Board, as may relate to lien and striking the shares off, and such recording shall be deemed decisive cogent evidence, and shall likewise be deemed a proper deed, for whom these shares have been sold; and the name of the said purchaser shall be entered in the register, as a subscriber to the Company, in accordance with the Khartoum Stock Exchange Act.

Relinquishing and transfer of ownership of shares

24. Transfer of the ownership of shares of the Company shall be subject to the Khartoum Stock Exchange Act .
25. The Board of Directors may reject the registration of relinquishing any share, transfer or disposal thereof, in any of the following cases :-
 - (a) the shares being under lien, or mortgage;
 - (b) the certificate of ownership of shares being lost.
26. Subject to the provisions of the Khartoum Stock Exchange Act, any person, who becomes entitled to a share, by reason of the death, or bankruptcy of any subscriber, shall have the right, upon producing such evidence, as the Board of Directors may require, from time, to time , to be registered as a subscriber, with respect to the said share, and shall likewise have the right, instead of being registered as such, to relinquish the share completely, as if the deceased, or bankrupt has the right. However the Board of Directors, in any of the two cases, shall have the same right to reject, or suspend registration, conferred thereon, in the case where the deceased, or bankruptcy relinquishes the share, before death, or bankruptcy .
27. The person, in whom the share vests, by reason of the death, or bankruptcy of its owner, shall be entitled to the profits dividends, and otherwise of rights, to which he may be entitled, as if he is a registered owner of the share; however he shall not be entitled – before his being registered, as a subscriber to the Company, with respect to the said share –to exercise, for its sake, any right, as the subscription to the Company may confer thereon, with respect to meetings thereof.

Amendment of the capital

28. The Bank, after approval of the Bank of Sudan, may, by an extraordinary resolution, increase its capital, by such amount, as the resolution may specify; provided that the Khartoum Stock Exchange shall be notified thereof.
29. Subject to any otherwise provision, as may be contained in the increase of the capital resolution, 50% of the new shares, consequential to such increase, shall be offered, to the registered subscribers, at the date of convention of such meeting, by the proportion of the shares they hold of the issued capital. Such offer shall be made by notice therefor, showing the number and type of the offered shares, and specifying the period, within which if no acceptance of the offer comes from them, the same shall be deemed rejection therefrom. Upon expiry of such period, or where notification, from those to whom the offer is made, does not come rejecting the same, the Board of Directors may dispose of such shares, as to such way, as the resolution may specify, and be approved by the Khartoum Stock Exchange .
30. The new shares shall be subject to the same conditions, set out in there Regulations, pertaining to payment of the required amounts and instalments, on the shares, the right of lien thereon, transfer of ownership and striking thereof off and otherwise of the conditions, applicable to the shares of the original capital .
31. The Company may pass on ordinary resolution, by which it cancels any shares, not accepted by the person, to whom they are allotted , or no agreement has been made for allotment ; and it may allot all, or part of such shares, in accordance with such resolution.
32. The Company, by a special resolution, may :-
 - (a) consolidate and sub-divide its capital into shares, having value greater than the value of its present shares;

- (b) name shares, having value lesser than the values, specified by the Memorandum of Association of the Company; on condition of being subject to the provisions of paragraph (d) of sub-section (1) , of section 46, of the Companies Act, 1925;
- (c) cancel such shares, as may have exhausted all the stages of the periods of offering for subscription, and are not accepted, or subscribed by any person; and decrease its capital, by the value of the shares, it has cancelled, in this way;
- (d) decrease the capital thereof .

The Sharia Control Commission

- 33. There shall be established, at the Company, a Sharia Control Commission, the number of members of which shall not exceed five members, from Scientists of Islamic Sharia and law, to be appointed by the General Assembly, by an ordinary resolution, upon the recommendation of the Board of Directors; and the term of their membership shall be three years, and may be renewed. The General Assembly shall specify, by regulations , the functions and emoluments of the Commission .
- 34. Subject to the provisions of the Companies Act, a general meeting shall be held, within six months, of the date of allowing the Company to practise work; and the same shall be known as the establishing meeting, and likewise a general meeting may be held once annually, at a date, not exceeding four months, of the date of end of the financial year, and at such time and place, as the Board of Directors may prescribe, and be mentioned thereby, in the call for meeting.

35. The general meetings, mentioned in regulation 34 above, shall be known as ordinary general meetings, and the other general meetings shall be known as extra-ordinary general meetings ... Such meetings shall have competence, on the following :-

(a) an ordinary general meeting shall be competent to discuss and pass the budget, profits and losses account, election of the members of the Board of Directors, and specifying their remuneration and allowances, discuss the report of the Board of Directors, on the progress of business of the Company, and approve the same, and any other subjects, as the Board may deem fit, appoint the certified auditor, and specify the remuneration of the certified auditor, or authorize the Board therefor;

(b) the extra-ordinary meeting shall be competent to consider increasing, or reducing the capital, change the type of shares, allot, or re-allot shares, increase or reduce the number of members of the Board of Directors, amend the Memorandum of Association, or the Regulations, liquidate, or merge, change of the objects, or whatever the Board of Directors and subscribers owning, not less than 10% of the paid capital, may deem to be discussed;

(c) the general meeting shall not deliberate on matters, other than those enlisted in the agenda thereof.

36.(1) The Board of Directors may call for an extra-ordinary general meeting, at any time, as they may deem fit.

(2) The Board of Directors shall immediately call for an extra-ordinary meeting, where it is requested, in writing, by holders of not less than ten per cent. (10%) , of the shares, issued by the Company; on condition that all the amounts due thereon, and required to be paid by the Company, shall be paid.

- (3) The Board of Directors shall call for an extra-ordinary general meeting, where the accumulated losses of the Company, amount, at any time, to half the paid capital, to consider treatment of th financial position, or winding up; provided that holding the meeting shall not exceed one month, of the date of knowledge, by the Board , or its Chairman, of the same.
- (4) Regard, in applying this regulation, shall be had to all what is set out in section 71, of the Companies Act.
37. When a special resolution is intended to be passed, the two meetings may be held, by one call; and no objection shall be made that the call for the second meeting is conditional on passing the resolution, in the first by the necessary majority .
38. Notice of call for holding a general meeting shall be issued, fourteen days, at least, before holding the same (other than the day, on which holding the meeting is notified). The said notice shall show the place, day and hour of the meeting. Where the purpose of the meeting is to consider a special work, there shall be mentioned the character of such work , generally, and the notice shall be issued in the manner, shown in these Regulations, or any other way, as the Board of Directors may prescribe . Notices shall be sent in accompaniment of the agenda of the meeting, in addition to any other appendeces, as the Board of Director may prescribe the same, to the persons authorized to receive them, under the Regulations of the Company; and that non-receipt, by any subscriber, of the notice shall not avoid the procedure of such meeting, or the resolutions, adopted therein .

39. Any general meeting may be held, at any time, within a period lesser than the period, specified in regulation 38 , and by a shorter notice, where the Board of Directors prescribes the same, by reason of urgent and important circumstances. Any general meeting may be held, at any time, by a shorter notice, where the majority of members agree thereon orally, by telephone, or telegraph or in writing.
40. No work shall be transacted, in any general meeting, save after the quorum is constituted, and the quorum shall not be constituted, save upon attendance of the holders of not less than 51% of the shares, issued by the Company; on condition that all the amounts due thereon, and which the Company required their payment, have been paid. Share holders may attend personally, or through proxies, in accordance with the provisions of these Regulations .
- 41.(1) Where the quorum is not constituted, within one hour, of the date fixed for the meeting, the same shall be dismissed, where the call is upon request of members. In all the other cases, the meeting shall be adjourned to the same day, in the subsequent week, at the same time and place. Where the quorum is not constituted, in the adjourned meeting, within one hour, of the time fixed for the meeting, the members present shall constitute the quorum .
- (2) Resolutions, passed by the general meeting, properly formed, and held in pursuance of the Act and the Regulations, shall be binding to all subscribers, whether present in such meeting, or absent, or objecting to the resolution, or resolutions .
- (3) No contest shall be made, to the Chairman of the Board of Directors, against any resolution, or the capacity of those, who attended the meeting, after the end of the meeting. Where there is an objection, the same shall be presented, before, or during holding the meeting, and the decision of the Chairman thereon shall be final.

42. All the general meetings shall be presided by the Chairman of the Board, and where he is absent, or does not attend, within one hour, of the time fixed for holding the meeting, or he is not desirous of presiding the meeting, or his office is vacant, the present members of the Board shall select, from among them, a chairman for the meeting ; and where the same is not possible, those present shall select one, from among them, by the majority of shares, to preside the meeting .
43. The Chairman, upon the approval of any meeting, in which the quorum is constituted, may adjourn any meeting, from time to time; and from place to another, and the Chairman shall adjourn any meeting, as mentioned, by direction of the majority of those present, however no work shall be transacted, in the adjourned meeting, otherwise than such business, as may not have been achieved, in the original meeting. In case of adjournment, for the period of fourteen days, or more call for the adjourned meeting shall be made in the same way of calling for the original meeting, and other than the same notice shall not be destined, for the adjourned meeting, or the business, intended to be achieved therein .
- 44.(1) Every resolution shall be submitted, for voting thereon, in a general meeting, which shall be determined, by show of hands, save where voting is required (before, or upon declaring the result of show of hand) by the Chairman, or at least five of the present subscribers, or the holders of not less than 10%, ten per cent. , of the shares, issued by the Company . Where ballot is not required, declaration, by the Chairman, then the resolution, by show of hands, shall be deemed as being passed by unanimity, or a particular majority, or that it has failed; and registering all that, in the record of meetings of the Company, is conclusive evidence of

- passing the resolution, or its failure, and the number of registered votes, and those for, and against the same.
- (2) Voting shall be by poll, where the resolution relates to election and removal of members of the Board of Directors.
- (3) Members of the Board of Directors shall not participate in voting, in the general meeting, where the resolution relates to specifying the remuneration, or relieving them from liability, or removal thereof.
45. Where poll is required, in time, and as has to be, the same shall be conducted, as to such way, as the Chairman may specify; and the result of poll shall be the resolution, passed in such meeting, as in which such poll has been required .
46. There shall forthwith be conducted any poll, requiring election of the Chairman, or adjournment of the meeting, and any poll, as may be required, for any other matter, shall be conducted, at such time, as the Chairman may specify.
47. Where votes are equal- whether the same is in case of voting, by show of hands, or by poll, in any general meeting- the chairman of such meeting shall have the right to a second, or casting vote.
48. Every subscriber, who personally attends, or deputizes a proxy therefor, shall have one vote, where voting is by show of hands. As for the case of voting by poll, every subscriber shall have one vote, for every share he owns .
49. In the case of subscribers, who own one share, or more in undivided shares, or jointly , the vote of one having precedence shall be accepted, whether he attends, by himself, or through a proxy, and the votes of others, participating with him, shall be neglected. For this purpose precedence shall be prescribed, according the arrangement of the names, as they appear in the register .

50. A subscriber of no capacity may give his vote, whether by show of hands, or poll, through his trustee, or Sharia guardian; and such trustee, or guardian may authorize any person to deliver his vote, on his behalf .
51. In case of poll , votes shall be delivered by the share holder, or through a proxy therefor; provided that no company, institution or the like, shall vote by proxy , save under a valid resolution, passed by the board of directors thereof, in accordance with section 73, of the Companies Act .
52. No subscriber shall have the right to attend, or vote, in a general meeting , save where he has paid all the claims, and any other amounts, due therefrom then, on the shares he owns .
53. The instrument of appointing the proxy shall be issued in writing, under the hand of the subscriber, who appoints his authorized proxy. Where the proxy is a company, the proxy instrument shall be sealed by the Company seal, or under the hand of one of its officials, or agent thereof, who, in both cases, shall be authorized therefor.
54. A proxy shall not be required to be a subscriber to the Company .
55. The instrument of appointing the proxy, or authorization (where there is authorization) , or a legal copy of such proxy, or authorization shall be deposited, at the Company's office, seventy two hours, at lest, before the date of holding the meeting , wherein it is intended that the appointed person is to vote; and where such condition is not given due regard, the proxy shall not be valid.
56. The instrument, by which the authorized proxy is appointed, shall be as to such form , as the Board of Directors may approve .

Board of Directors

57. The number of members of the Board of Directors shall not be more than eleven, with the exclusion of the General Manager, who shall be an ex officio member.
58. Notwithstanding what is provided for in regulation 57, the Company may increase, or decrease, by a special resolution, the number of members of the Board of Directors.
59. The Board of Directors shall consist of eleven members, as follows :-
- (a) nine members, to be elected by the general meeting;
 - (b) the General Manager, ex officio. He shall not have the right to vote, and shall not be taken, into account, upon calculating the quorum of meetings of the Board;
 - (c) two members, from those possessed of financial, economic and banking qualifications and experiences, to be appointed by the Board, in the second meeting thereof, after the general meeting in which it has been elected;
 - (d) where two, or more persons of those elected under paragraph (a) above, are equal in the number of votes, their arrangement shall be descending, according to the shares they own. Where shares are equal, they shall be determined by toss, unless they agree among themselves.
60. A member of the Board, who is elected under regulation 59(a) shall be required to be the owner of one thousand shares, unless he is the representative of, or deputed by a corporate person-company-corporation - institution- owning not less than ten shares.

61. The ordinary general meeting shall specify, from time to time, the costs and remuneration of members of the Board, upon the recommendation of the Board, out of the net profits, after deducting the tax and Zakat.
62. The Company shall be bound to pay the travel and lodging expenses, which are incurred by the member of the Board, by reason of his official work.

Chairman of the Board of Directors

63. The Board of Directors, in the first meeting thereof, after the general meeting which elected it, shall elect a chairman for the Board, from among the members of the same. The term of chairmanship shall terminate by the end of the session of the Board; and he may be re-elected .
- 64.(1) The powers, or functions of the Board shall not be delegated, save to the committees of the Board, and the executive management; and there shall be excluded, from the same, the Chairman of the Board; on condition that the powers, and functions, delegated thereto shall not be from the powers and functions of the committees of the Board, or the executive management. The delegation may be withdrawn, from the Chairman, by the ordinary majority, notwithstanding any other contrary provision .
- (2) The Chairman, or member of the Board shall appoint another, as agent, or deputy, in any work of the business of the Board, and the committees thereof.
- (3) The Board shall not delegate the power of allotment of shares, or claiming payment of the value of shares, or cancel the same, borrowing money, or the issue of financial bonds, making mortgage, security or undertaking , upon the Company's property, its capital, divide the profits or any of the matters, as their approval

may require an extra-ordinary majority in the Board. Likewise the powers and functions, conferred upon the Board, on the part of general meetings, or the matters concerning the approval of the terms of service, emoluments, remuneration, privileges or incentives of employees, or amendment of the administrative charter and scale of posts of the Company shall not be delegated .

The General Manger

- 65.(1) The Board shall appoint the General Manager of the Company, and his deputies, from those possessed of qualifications, experience and competence, and specify their powers, duties, terms of service and remuneration thereof; and the Board may terminate their service, or remove them, as the Act and the Regulations may specify .
- (2) Appointment in other executive and administrative posts shall be made, in accordance with the regulations, made by the Board.
- (3) The Chairman, and members of the Board shall not interfere, in the daily executive management business of the Company; provided that their relations, with the Company, shall be through meetings of the Board, and the committees thereof.

The Secretary

- 66.(1) The Board shall appoint a secretary for the Company, and specify the duties, functions, powers, terms of service, privileges and remuneration thereof. Subject to such conditions the Board may remove him, and appoint another person in his place .
- (2) The Secretary shall be required to be professionally qualified , in a suitable way, and have adequate experience .
- (3) Besides any functions, as the Board may prescribe, the Secretary shall assume the following responsibilities, to :-

- (a) record and keep the records of the general meetings, and meetings of the Board, and the committees of the same;
- (b) prepare shares certificates , and keep the register of subscribers;
- (c) prepare for general meetings, and meetings of the Board, in accordance with directions of the Chairman;
- (d) deliver the call to members of the Board;
- (e) record , keep and convey the resolutions of the Board and its committees, to the executive management;
- (f) record the names of members of the Board of Directors, who are present, or absent, from meetings of the Board, and the members thereof;
- (g) keep and organize the registers, files, correspondence and resolutions, relating to general meetings , and meetings of Board and members of the same;
- (h) deposit all the required documents, with the Commercial Registrar General;
- (i) keep specimens of signatures of members of the Board;
- (j) keep all the regulations, made by the Board;
- (k) keep a register of appointments of officials, which are approved by the Board .

Powers and duties of the Board of Directors

67. The Board shall manage the business of the company, and they may pay the expenses of its institution and registration, and exercise all the powers of the Company, which the Companies Act, or the Regulations does not require the exercise thereof , in a general meeting; provided that the Board shall abide by giving due regard to the provisions of the Act, and these Regulations , and all the provisions, made by the Company, in a general meeting; on condition that such provisions shall not be inconsistent with the

provisions of the Act, and these Regulations; however any provisions made by the Company, in a general meeting, shall not annul any act previously done by the Board, and would be sound, had such provisions not been made .

- 68.(1) The Board may , from time to time, appoint, under a power of attorney, any company, or person, to be an agent for the Company, for any purposes, and at such amount of powers and freedom of action (not exceeding the conferred functions, and practices, by the Board, under these Regulations), for any period, and as to such conditions, as the Board may deem fit. The power of attorney may contain appropriate conditions, to facilitate the task of the persons dealing with such agents.
- (2) The purpose, for which the power of attorney is granted, shall not be among the functions of the executive management.
- (3) An agent shall not be authorized to depute others as agents.
69. The Company may exercise the powers, conferred thereon, under section 84, of the Companies Act, pertaining to use of the seal, outside the Sudan, by a resolution from the Board of Directors .
70. The Board may require, or borrow , for the purposes of the Company, any amount of money, as it may deem fit; and the Board shall have the right to give security , for the repayment of any of the said amounts, through mortgage, or encumbrance over all, or part of the property of the Company, or its deposits, at present, or in the future, or by the issue of debentures, over all, or part of the property of the Company, or any other way, as the Board may deem fit.
71. Any debentures, or other securities, on the part of the Company, shall be by a resolution, from the Board, as to such conditions, and considerations and way, as it may deem that they achieve the interest of the Company

72. The Board may establish any mortgage, encumbrance, undertaking or security, over all , or part of the property of the Company and its deposits, to compensate any of its members, or any other person, who claims a personal claim , for payment of an amount, originally due from the Company.
73. No member of the Board shall occupy any other office, in the Company, in addition to membership of the Board , and the General Manager shall be excluded from the same.
74. No member of the Board shall conclude any contracts, or conduct any commercial transactions, with the Company, in which he has an interest, and a claim shall be made, from him, for any profits, as he may acquire from such contracts, or transactions, for his being a member of the Board of Directors.
- 75.(1) Any of the members of the Board, who has a direct, or indirect interest, in any subject, matter or proposed contract, with the Company, shall forthwith declare, to the Board, the nature of his interest, in such subject, matter or contract.
- (2) A member of the Board shall not attend the meeting, which discusses any subject, matter or contract, in which he has an interest; and the same shall apply to the business of committees of the Board.
76. A member of the Board may be a member of the board of directors, officer, official or the owner of an interest in any other company, having a common interest, with this Company, (in case of the absence of a contrary agreement), the member of the Board shall not be bound to show the Company any return , or profit, as he may have obtained, in his capacity as a member of the board of directors, officer, official or owner of an interest in such company .

77. Where this Company owns any shares, in another company, the Board may elect any of its members, or another person, to exercise the right to vote, on behalf thereof, in the meetings of such company, as to such form, as the Board may deem fit, including the right to nominate members of the board of directors of such company, some of them or other than them, for membership of the board of directors of that company, and the elected member, or person shall not be entitled to appoint, or select a person to deputize therefor, and the right, to the same, shall remain with the Board.
78. The Board of Directors shall give due regard to the provisions of the Companies Act, and in particular those relating to registration of the details of any mortgage, or encumbrance, on the property of the Company, and keep the register of members of the Board, and send on annual statement of the subscribers of the Company, to the Commercial Registrar General, and a summary of the statements, relating thereto, and notice of any consolidation, or increase of the capital, or transmission of shares, into debentures, and copies of any special resolutions, with a copy of the register of the names of the members of the Board of Directors, and notice of any changes therein .
79. The Board of Directors shall peruse the position of the Company, every three months, in a meeting, to be held for this purpose, in the presence of the internal auditor / internal inspector; and the executive management shall present the following reports, in every meeting :-
- (a) a quarterly report, on the progress of implementing the polices and resolutions of the Board;

- (b) a quarterly report, on the financial position of the Company, in general, on the side of its soundness, the position of its profitability and the actual and expected losses;
- (c) a quarterly report, on the position of the Company, in foreign exchange, on the side of assets, and the present and future obligations;
- (d) a quarterly report, on the performance of the Company, in general.

Making regulations and disciplinary procedure

80.(1) The Board shall make regulations, for organizing its business, and the business of its committees and the executive management thereof, and specifying the powers, functions and duties of the committees and executive management, the officials and labour .

(2) Without prejudice, to the generality of what is set out in sub-regulation (1), the Board shall make the following regulations, or rules :-

- (a) regulations of specify the number of administrations of the Company, the chart of every administration, its functions and duties;
- (b) the terms of service regulations of the employees, showing the ways of appointment, emoluments, privileges and remuneration thereof, and the manner of terminating the service of the same;
- (c) discipline of employees regulations, or rules;
- (d) regulations , or rules, for organizing the business of committees.

(3) The Board may make regulations for organizing the following matters :-

- (a) financial regulations;
 - (b) purchases;
 - (c) single, or double signatures.
81. The Board may make, from time to time, regulations, to specify and govern the performance and conduct of members of the Board.

Forming committees

82. The Board may delegate, any of its powers, to a committee, or committees it forms, from among its members, or from the executives, at the Company; and the committee, or committees shall fully abide by the instructions of the Board, and the Regulations.

83.(1) Any committee shall elect a chairman therefor , from among its members, and specify the term of his chairmanship (where the constitution resolution does not appoint the chairman). Where no chairman is elected, or elected, but he does not attend any meeting, within half an hour, of the time fixed for its convention, or where the chairman of the committee is not desirous of presiding such meeting, the members shall elect any one of them, to preside the meeting.

(2) Where the Chairman of the Board is appointed in one of such committees, he shall be the ex officio chairman thereof; and where he does not attend any meeting, within half an hour, of the time fixed for its convention, or where he is not desirous of presiding such meeting, the members present shall elect any one of them, to preside the meeting .

84. Any of such committees may hold its meetings , or adjourn them, as it may deem fit, and determine the matters, submitted, at any meeting, by the majority of the members present; and where the votes are equal, the chairman of the meeting shall have a second, or casting vote .
85. The business, which is determined, at the meeting of the Board, or the meeting of any of the Board committees, or which is performed by any person, in his capacity as member of the Board of Directors, shall not be avoided, by reason of fault, in the election of any of the Board members, or appointment of any of the committees members, or that person, who has acted, in his capacity as a member of the Board, or that all of them, or any one thereof has lost his qualification for membership of the Board; on condition that the Board, or committee shall not know such fault, or loss of qualification, at the time of determining the business concerned .
86. Call for meetings of the Board shall be sent to the addresses of the members, registered at the Company, at least one week, before the fixed date; provided that the call shall include the place, time and the agenda of the meeting .

Procedure of the Board of Directors business

87. The Board of Directors may meet to conduct the business thereof, and adjourn ,or organize it meetings , as it may deem fit. The Chairman of the Board alone, or one-third of the members of Board jointly, may call the Board, for meeting, at any time, by a letter, addressed to the Secretary; and the Secretary shall notify all members of the Board of any meeting, intended to be held, before sufficient time .
88. The quorum, for meetings of the Board, shall be six members.

89. The Chairman shall preside all meetings of the Board. Where he is absent, does not attend the meeting, within half an hour, of the time fixed for the meeting, or where he is not desirous of presiding the meeting, those present shall elect a chairman for that meeting, from among themselves .
- 90.(1) All the matters, which are submitted, at meetings of the Board, shall be resolved by the majority of votes of those present. Where the votes are equal, the chairman of the meeting shall have a second, or casting vote.
- (2) Notwithstanding what is set out in sub-regulation (1) above, the resolutions, relating to the following matters shall be passed by the assent of two-thirds of the present and absent members of the Board (provided that a fraction shall not be approximated), namely :-
- (a) removal of the General Manager ;
 - (b) passing and amendment of Regulations;
 - (c) appointment of agent, under regulation 68, hereof;
 - (d) instituting companies;
 - (e) the transactions, pertaining to one of members of the Board, with the Company;
 - (f) delegation and revocation of delegation of the powers of the Board .
91. Any written memorandum, containing any resolution, and signed by all members of the Board, shall be deemed as a resolution, passed by a Board meeting, which has been held by the ordinary way, and such memorandum shall be included into, or attached to the minutes of the first subsequent meeting of the Board.

- 92.(1) Notwithstanding what is provided for in regulation 59 hereof, where a seat is vacant in the Board of Directors, the remaining members may transact their business. Where the number of the remaining members amounts to less than the quorum, necessary for holding the meetings, call shall forthwith be made for holding an extra-ordinary general meeting, and all the remaining powers of the Board shall be suspended, pending holding the general meeting, and filling the vacant seats.
- (2) Notwithstanding the provisions of sub-regulation (1) above, where the seat of the member of the Board, elected on behalf of a corporate person – company, corporation or institution – falls vacant, such corporate person may appoint a substitute member .

Secrecy preserved

- 93.(1) A member of the Board shall preserve the secrecy of deliberations and resolutions of the Board, and he shall not disclose what takes place of discussions, or deliberations, to any person .
- (2) A member of the Board, and every official and workman shall preserve secrecy of work in the Company, and shall not disclose any of the matters of the Company, to any person, save within the limits of such, as the law may impose disclosure thereof .

End of session of members of the Board of Directors

94. Session of the Board is three years.
95. All members of the Board shall retire , at the first ordinary general meeting, after the establishing meeting .
96. A retired member of the Board may be re-elected .

- 97.(1) No person shall be elected, for membership of the Board of Directors, under regulation 59(a), at any general meeting, save after giving a written notification, to the Company, one week at least, before the date of the meeting, signed by one of the subscribers, who are entitled to attend and vote, showing his desire to nominate such personand also a memorandum, from the nominated person, accepting the nomination .
- (2) Notwithstanding what is provided for in sub-regulation (1) above, the corporate person may nominate its representative, or deputy, by a letter, from its board of directors.
- (3) The requirements of the Banking Business (Organization) Act, 1991, pertaining to the prior approval of the Central Bank, of nomination of the person desirous of nomination, shall be satisfied.
98. The Company may, at any time, by an ordinary resolution, remove any of the Board members, before the expiry of his term, and it may elect any other person, in his place, by an ordinary resolution; provided that removal shall not be made, upon the recommendation of the Board.

Loss of membership of the Board of Directors

- 99.(1) A member of the Board loses his membership of the Board, in the following cases :-
- (a) his resignation , by a written notification, and acceptance, by the Board, of his resignation;
 - (b) loss of his capacity;
 - (c) his bankruptcy, settlement, or agreement with his creditors, by reason of his bankruptcy, the issue of an order appointing a receiver thereof, or the issue of an order, from a competent court, to wind up the same;

- (d) his absence, from meetings of the Board, three consecutive times, without prior permission, from the Chairman, or acceptable excuse, and passing, by the Board, of a resolution of vacancy of his seat, by reason of that;
 - (e) the general meeting removing him, in accordance with regulation 98, hereof;
 - (f) the corporate person, in whose name he has succeeded, ordering the same, by a written letter, to the Board;
 - (g) his no longer being an owner of the minimum limit of shares, qualifying for membership of the Board;
 - (h) the Central Bank ordering his removal;
 - (i) his death,
 - (j) his conviction, of an offense, involving honour and honesty;
 - (k) his non-payment of all the amounts, due from him, for the shares he owns, and registered in his name;
 - (l) loss of his office by virtue of the law.
- (2) The Board may, by the majority of two-thirds of the votes (without approximating the fraction) , remove any member, in any of the following cases :-
- (a) his having a direct, or indirect interest, in any agreement, matter or subject, with the Company, and his non-declaration, to the Board, in accordance with regulation 75, hereof;
 - (b) his contravention of the regulations, or the rules of order and conduct, made thereunder;
 - (c) his disclosure of one of the Company's secrets, without legal justification;
 - (d) his having done such negligence, or conduct, as may prejudice the interest of the Company .

- 100.(1) Where it is personally attributed, to the member, elected as deputy of a corporate person, any of the cases, set out in regulation 99, and the same is not attributed to the principal member, membership of the principal member shall not be affected, by what is attributed to its representative. In such case, the representative shall be removed, and the principal member shall appoint another representative, within two weeks .
- (2) A corporate member of the Board of Directors may change its representative, at any time, as it may deem fit .
101. The Company shall be bound to compensate, from its funds, members of its Board of Directors, its auditors, General Manager, Secretary and the other officials thereof, and any trustee of their affairs and the heirs and administrators of the estates of the same, for any suits, proceedings, costs and losses, and any other injuries, as they may be subjected to, or affect them, as a result of any work, as they may have performed, in their said capacities, and there shall be excluded, from the same, any work, as may result from negligence, or bad intention .
102. The Company, at any general meeting, may resolve to pay profits dividends; provided that the same shall not exceed such dividends, as the Board may recommend.
103. No profits dividends shall be paid, to subscribers, save from such profits, as the Company may have achieved.
104. Profits dividends shall be distributed, among the subscribers, proportionately according to the number of shares, they own in the Company .
- 105.(1) Whenever distribution of profits, among the subscribers, is resolved, by a general meeting, the Board shall execute the resolution, within the two months period, prescribed under the Khartoum Stock Exchange Act .

- (2) Subscribers shall be notified of the profits dividends, resolved to be paid to them, by notice in the local newspapers, on the day next to the general meeting, which resolved the same, for a period of one day, at least.

The reserve

- 106.(1) The Board, before recommending payment of any profits dividends, to subscribers, shall allocate, from the profits of the Company, any reserves, imposed by any law . It may also form any other general, or special reserves, as it may deem fit, to meet emergencies, or fix the profits dividends, or for any other purpose, they may be used thereon, in a good way; and pending the expenditure of the special reserves funds, on any of the purposes, for which they have been formed, the Board shall be given the freedom of action, as to the use thereof, in the Company's business, in any way, as it may deem fit; however they shall not be utilized, in the purchase of shares of the Company, and any profits, as may not be distributed among subscribers, or deposited in a reserve account, the Board may transmit to the account of profits of the next year, or years.

Profits transmitted to the capital

107. The Company, in a general meeting- upon- the recommendation of the Board-may resolve to transmit any part of the Company funds(whether from a reserve fund, reserve account or the profits and losses account), to the capital of the Company ; provided that the same proportions they are entitled thereto, as if it is not divided as profits dividends; on condition that such amount shall not be paid in cash, but used, either in payment of any postponed amounts of the value of the shares, owned by the subscribers, or payment of the full value of additional shares, allotted by the

Company, and distributed thereby, among subscribers, at the same proportions, previously referred to; and the amount may be used for both purposes, and the Board shall execute such resolution .

108. Upon passing such resolution, as is referred to in regulation 107, the Board shall take all the necessary accounts measures, allot and issue shares of paid value (where the matter requires that) and do all such, as by nature, may execute the resolution .

Accounts

109. The Board shall give due regard to implement the provisions of sections from 123, to 128, of the Companies Act .

Audit of accounts

110. There shall be appointed auditors, for the Company accounts, and the duties thereof shall be specified, in accordance with the provisions of sections 137 and 138 , of the Companies Act and the Banking Business (Organization) Act .

The seal

111. The Board shall prepare a seal for the Company, and shall as well secure its keeping , and no deed, or instrument shall be sealed by the Company seal, save under a resolution, from the Board; provided that the same shall be in the presence of one of the Board members, at least the Secretary, or any other person, to be appointed, by the Board, for this purpose. The Board member, the Secretary and the other person, aforesaid shall sign every document, or instrument sealed by the seal of the Company, in their presence .

Disclosure of the Company secrets

112. No subscriber to the Company shall obtain, or demand any information, on the work of the Company, its commercial transactions, the clients or trade secrets thereof, other than the information, relating to the Company accounts and business, which are submitted, before the general meeting, under these Regulations, or under the Companies Act; and no subscriber shall inspect any books, documents, correspondence or instruments concerning the Company, save within such, as may be allowed, under the provisions of these Regulations and the Companies Act.

Notices

113. Notices shall be served, by the Company, to every one of its subscribers, by publication in a newspaper spreading in the area of the registered office of the Company; and by sending the same, to him, at his address recorded in the Company register.
14. Whenever the notice is sent, it shall be deemed as have reached the subscriber; on condition that the address, to which it is sent, is correct. It shall be deemed served, as well, at the date, at which the notice can reach him.
115. Where the subscriber has no address in the Sudan, or he has not notified the Company of his address outside the Sudan, though which he can be served with notices, appearance of the notice in a newspaper, distributed within the limits of area of the registered office of the Company, shall be deemed sufficient service, made on the day, on which the notice is published.
116. the Company can serve notice on the joint subscribers of one share, by serving notice to the subscriber, whose name is recorded first in the register of subscribers.

117. The Company may send notices, to those who become entitled to its shares, as a result of the death, legacy or bankruptcy of a subscriber, by their sending thereto, by a letter, addressed by their names, or the address of any one of them, their trustee, or the address of the receiver in bankruptcy or any other way, as the Company may deem fit .
118. Call for attending general meetings shall be sent to every one of the Company subscribers, inside, or outside the Sudan, other than those, who did not pay all the claims, and any other amounts, due therefrom , for the shares they own. In emergency cases addressing the call, to the subscribers, as aforesaid, may be disregarded, and be satisfied with addressing the call to them, through publication in one of the local newspapers, once at least, where the Board resolves the same .
119. The Board may call any person, who is not a subscriber to the Company, to attend any general meeting, and participate in the discussions; provided that he shall not participate in voting, nor shall he be calculated, for the quorum purpose .
120. Upon winding up the Company, the liquidator may, by a special resolution, distribute all, or any of the assets of the Bank, among the members, in kind, as to such proportions and way, as such resolution may specify; on condition always that where distribution is proposed, in such way, as may be inconsistent with the present rights of members, every member shall have the right not to assent, in accordance with the other rights, as if the special resolution has been passed and confirmed, in accordance with section 204, of the Companies Act, 1925, or any amendment, as may be in force .

Promoters

Name of promoter	No. of shares	Address	Signature
Bank of Sudan	11,519,244	Bank of Sudan Tower, Khartoum-the Confluence	(Signed)
Ministry of Finance	116,356	Federal Ministry of Finance-Nile Street	(Signed)
Sudanese Development Institution	27,760	Sudanese Development Institution Building-Amarat, 15 th . Street	(Signed)
Sheikan Insurance and Reassurance Company	6,940	Sheikan Insurance and Reassurance Company Building-Arab Market	(Signed)
Duty-Free Markets and Zones Company	6,940	Duty-Free Markets and Zones Institution Building-Khartoum	(Signed)
Omdurman National Bank	27,760	Omdurman National Bank Building-Palace Stree-Khartoum	(Signed)
Financial Investment Bank	27,760	Financial Investment Bank Building-Sayed/ Abdel-Rahman Street	(Signed)
Abdel-Wahab Muhammad Sa'eid	5,000	Co/Bank of Khartoum, Main Centre	(Signed)

Promoters :-

We the persons, whose names and addresses are hereinafter set out, are desirous of forming a company from ourselves, in pursuance of this Memorandum of Association, and every one of us undertakes to take, from the capital of the Company the number of shares, set forth opposite the name of every one of us, as follows :-

Name of promoter	No. of shares	Address	Signature
Bank of Sudan	11,519,244	Bank of Sudan Tower-Khartoum-the Confluence	(Signed)
Ministry of Finance	116,356	Federal Ministry of Finance-Nile Street	(Signed)
Sudanese Development Institution	27,760	Sudanese Development Institution Building-Amart-15 th Street	(Signed)
Sheikan Insurance and Reassurance Company	6,940	Sheikan Insurance and Reassurance Company Building-Arab Market	(Signed)
Duty-Free Markets and Zones Company	6,940	Duty-Free Markets and Zones Institution Building-Khartoum	(Signed)
Omdurman National Bank	27,760	Omdurman National Bank Building-Palace Street-Khartoum	(Signed)
Name of promoter	No.of	Address	Signature

	shares		
Financial Investment Bank	27,760	Financial Investment Bank Building-Sayed/Abdel-Rahman Street	(Signed)
Abdel-Wahab Muhammad Sa'eid	5,000	Co/Bank of Khartoum- Main Centre	(Signed)
Abdel-Salam Al-Khabeir Enterprises	5,000	Abdel-Salam Al-Khabeir Enterprises-Khartoum	(Signed)
Abu-Bakr Hamad Abdel-Rahim	5,000	Co/Bank of Khartoum-Main Centre	(Signed)
Fadl Muhammad Kheir	5,000	Khartoum-telephone 0912300396	(Signed)
Buakir Al-Kheir Company	5,000	Trade Union Association of Employees of the Bank of Khartoum	(Signed)
Abdalla Muhaisin Abdel-Rahman Al-Angary	52,240	Khalij Financial Investment Company-Khartoum	(Signed)

Date on the -----, of -----, 2004

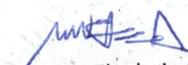
The above signatures have been attested to by :

Legal Counsel

(Legal Administration, Bank of Khartoum)

I hereby certify that the above MEMORANDUM AND ARTICLE OF ASSOCIATION is authentic.

Issued under my seal & signature on 26/4/2016


Hisham Elzubair Abdelatif

Advocate & Comm. For Oath

Khartoum. Sudan