DAHIR NO. 1-96-124 OF (14 RABII II 1417)

ENACTING LAW NO. 17-95

RELATING TO PUBLIC LIMITED COMPANIES

(Amended and completed by the laws 81-99, 23-01, 20-05, 78-12)

TITLE ONE
GENERAL PROVISIONS

Article One:
The public limited company is a commercial company by reason of its form and whatever its purpose.

Its capital is divided into tradable shares representing contributions in cash or in kind, excluding any sweat equity.

It must have a sufficient number of shareholders to fulfil its purpose and ensure its management and control, without this number being less than five. Shareholders shall bear losses only up to the amount of their contributions and their commitments may not be increased except with their own consent.

Article 2:
The form, the duration, which cannot exceed 99 years, the corporate name, the registered office, the purpose and the amount of the capital shall be determined by the articles of association of the company.

Article 3:
The duration of the company shall commence as of the date of its registration in the trade register.

This duration may be extended one or more times without each extension exceeding 99 years.

Article 4:
Acts and documents emanating from the company and intended for third parties, particularly, letters, invoices, announcements and various publications must indicate the corporate name, preceded or followed immediately and legibly by the words "public limited company" or the initials "SA", the indication of the amount of the share capital and the registered office, as well as the registration number in the trade register.

Article 5:
Public limited companies whose registered office is located in Morocco are subject to Moroccan legislation.

Third parties may avail themselves of the statutory registered office, but the latter shall not be enforceable against them by the company if its real registered office is situated in another location.

Article 6:

The share capital of a public limited company may not be less than three million dirhams if the company makes public offerings and three hundred thousand dirhams otherwise.

Article 7:
Public limited companies have legal personality as of their registration in the trade register. The regular transformation of a public limited company into a company of another form or vice-versa does not lead to the creation of a new legal entity. The same shall apply to the extension.

Article 8:
Until the registration, the relations between shareholders are governed by the partnership agreement and by the general principles of the law applicable to the obligations and contracts.

Article 9: (repealed and replaced by article 5 of law no. 23-01 enacted by Dahir no. 1-04-17 of 21 April 2004 - 1st Rabii I 1425; O.G. of 06 May 2004) [amended and completed by article 1 of law 78-12]

Is deemed to be making a public offering any public limited company that:

- has its transferable securities admitted to listing on the Stock Exchange or on any other regulated market;
- issues or transfers the said securities under the conditions provided for by the laws and regulations in force.

Article 10:
The announcement prescribed by the laws and regulations does not by itself constitute a public offering within the meaning of article 9 above.

Article 11:
The articles of association of the company must be drawn up in writing.

If they are drawn up by a written private agreement, it shall be proceeded with the drawing up of as many originals as necessary for the submission of a copy to the registered office and the execution of the various formalities required.

Between shareholders, no means of evidence shall be admitted against the content of the articles of association.

Agreements between shareholders must be recorded in writing.

Article 12: [amended and completed by article one of Law 78-12]

In addition to the particulars listed in article 2 of this law, and without prejudice to any other useful information, the articles of association of the company must contain the following information:

1) the number of issued shares and their nominal value, distinguishing, where applicable, the different categories of shares created and the rights pertaining to each of these categories;

2) the form of the shares, whether exclusively registered, or registered or bearer;

3) in the event of a restriction on the free trading or transfer of shares, the particular conditions to which the transferees' approval is subject;

4) the identity of contributors in kind, the assessment of the contribution made by each of them and the number of shares delivered in return for the contribution;

5) the identity of beneficiaries of special benefits and the nature of these benefits;

6) the clauses relating to the composition, functioning and powers of the corporate bodies;

7) the provisions relating to the distribution of profits, the constitution of reserves and to the distribution of the liquidation surplus.

If the articles of association do not contain all the statements required by the law and the regulations or if a formality prescribed by them for the incorporation of the company has been omitted or irregularly completed, any interested party is entitled to a seek court order for the regularization, under penalty, of the constitution. The public prosecutor can act for the same purpose.

The action referred to in the preceding paragraph is prescribed by three years either from the date of registration of the company in the trade register, or from the date of the amending registration in the same register and the filing, in the annex, of the acts amending the articles of association.

Article 13:

Announcement by means of notices or announcements is made, as the case may be, by insertions in the "Official Gazette" or in a legal announcements newspaper.

Article 14:

Announcement by filing of acts or documents is made at the court registry where the trade register is kept.

Any submission of acts or documents referred to in the preceding paragraph shall be made in two copies certified by one of the founders or legal representatives of the company.

Article 15:
The announcement is carried out on the initiative and under the responsibility of the legal representatives of the company or any qualified agent.

During the liquidation, the liquidator performs, under their responsibility, the announcement formalities of the legal representatives.

Where an announcement formality relating neither to the constitution of the company nor to the modification of its articles of association has been omitted or irregularly carried out and if the company has not regularized the situation within thirty days from the date of receipt of the formal notice addressed to it, any interested party may request the president of the court, ruling in summary proceedings, to appoint an agent to carry out the formality.

Article 16:

With regard to the operations of the company occurring before the sixteenth day of publication of the acts and documents subject to this announcement in the "Official Gazette", these acts and documents are not enforceable against third parties who prove that they could not have had knowledge thereof.

If, in the announcement of the acts and documents referred to in article 14 above, there is a discrepancy between the text deposited in the trade register and the text published in the "Official Gazette", the latter may not be relied on as against third parties; the latter may nevertheless rely thereon, unless the company proves that they have had knowledge of the text deposited in the trade register.

TITLE II

CONSTITUTION AND REGISTRATION OF PUBLIC LIMITED COMPANIES

Article 17: (Amended by article 1 of law no. 20-05 enacted by Dahir no. 1-08-18 of 23 May 2008 - 17 Jumada I 1429, O.G. no. 5640 of 19 June 2008)

A public limited company is constituted by accomplishing the following four acts:

1) the signing of articles of association by all shareholders; failing this, the receipt by the founder(s) of the last subscription form;
2) the paying up of at least one quarter of the nominal value of each cash share, in accordance with article 21;
3) the transfer to the company being formed of contributions in kind after their valuation in accordance with articles 24 and following;
4) completion of the announcement formalities provided for in article 31.

Article 18:

The articles of association are signed by shareholders either in person or by proxy with a special power of attorney.

Article 19: (Amended by article 1 of law no. 20-05 enacted by Dahir no. 1-08-18 of 23 May 2008 - 17 Jumada I 1429, O.G. no. 5640 of 19 June 2008).

If the company makes a public offering, the articles of association signed by the founders are filed with the clerk's office of the court within whose jurisdiction the registered office of the company being formed is located or with a notary's office.

The share subscription form must contain the information set by decree and expressly mention that the articles of association may be consulted at the said court or office with the right of having a copy thereof at the expense of the applicant.

Article 20: (Amended by article 1 of law no. 20-05 enacted by Dahir no. 1-08-18 of 23 May 2008 - 17 Jumada I 1429, O.G. no. 5640 of 19 June 2008).

The first directors, the first members of the supervisory board and the first Statutory Auditors are appointed either by the articles of association or in a separate deed making a part of the articles of association and signed under the same conditions.

Their taking up of duties is effective as of the company's registration in the trade register.

The persons appointed to be directors are empowered following their nomination to appoint the chairman of the board of directors and, where applicable, the chief executive officer(s) and the deputy chief executive officer (s).

The persons appointed to be members of the supervisory board are authorized, following their nomination, to appoint the members of the management board.

Article 21: (Amended by article 1 of law no. 20-05 enacted by Dahir no. 1-08-18 of 23 May 2008 - 17 Jumada I 1429, O.G. no. 5640 of 19 June 2008).

The capital must be fully subscribed. Otherwise, the company cannot be incorporated.

Shares representing contributions in cash must be paid up when subscribing for at least one quarter of their nominal value. The balance is paid in one or more instalments upon a decision of the board of directors or the management board within a time limit that may not exceed three years from the registration of the company in the trade register. Failing this, any person concerned may ask the president of the competent commercial court, ruling in summary proceedings, to order the company, under penalty payment, to make calls for non-paid funds.

Shares representing contributions in kind are fully paid up when issued.

Article 22:

Funds from cash subscriptions are deposited in the name of the company being formed, in a blocked bank account, with the list of subscribers and an indication of the sums paid by each of them.

This deposit must be made within eight days of receiving the funds.

The custodian of funds has, until withdrawal, to communicate the list referred to in the 1st paragraph above to any subscriber who justifies their subscription. The applicant may be informed thereof and obtain at their own expense a copy thereof.

Article 23:

Subscriptions and payments are recorded by a declaration of the founders in a notarized deed or private deed filed with the court's clerk office of where the registered office is located.

The notary or the court's clerk of acts other than notarized, upon presentation of the subscription form and a certificate of the custodian bank, verifies the conformity of the declaration of the founders with the presented documents.

The declaration shall be accompanied by the list of subscribers, the statement of payments made by each of them and a duplicate or a copy of the articles of association.

Article 24: (Completed by article 1 of law no. 20-05 enacted by Dahir no. 1-08-18 of 23 May 2008 - 17 Jumada I 1429, O.G. no. 5640 of 19 June 2008).

The articles of association contains the description and valuation of contributions in kind. This is done in the light of a report attached to the articles of association and drawn up, under their responsibility, by one or more contribution auditors appointed by the founders.

If special benefits are stipulated in favour of persons who are partners or not, the same procedure is followed. For the purposes of this Law, a special benefit shall mean a preferential right to the profits and the surplus on a winding-up.

These contributions in kind and special benefits may also be the subject of a separate act but forming part of the articles of association and signed under the same conditions.

The provisions of this article shall not apply to State-owned companies, public subsidiaries and joint-stock companies as defined by article one of law no. 69-00 on State Financial Control of State-owned companies and other bodies, enacted by Dahir no. 1-03-195 of 16 Ramadan 1424 (11 November 2003).

Article 25:

The contribution auditor(s) is/are chosen among the persons authorized to act as statutory auditors.

They are subject to the incompatibilities provided for in article 161 of this law. They may be assisted, in the fulfilment of their mission, by one or more experts of their choice. The fees of these experts are charged to the company.

Their report describes each of the contributions, indicates which valuation method was adopted and why it was adopted, confirm that the value of the contributions corresponds at least to the nominal value of shares to be issued.

Article 26: (Completed by article 1 of law no. 20-05 enacted by Dahir no. 1-08-18 of 23 May 2008 - 17 Jumada I 1429, O.G. no. 5640 of 19 June 2008).

The report of the contribution auditor (s) shall be filed with the registered office and the registry office and made available for future shareholders at least five days before the signing of the articles of association by the said shareholders.

If the company makes a public offering, this report and the articles of association are submitted in accordance with article 19. A copy of the report is submitted to the Moroccan Securities Ethics Council in accordance with the terms and conditions set by the latter.

Article 27:

Persons who have acted on behalf of a company being formed before it has acquired the legal entity status are held jointly and indefinitely responsible for acts thus performed on behalf of the company, unless the first ordinary or extraordinary general meeting of the company duly constituted and registered does not resume the commitments arising from these acts.

These commitments are hence deemed to have been made from the beginning by the company.

Article 28:

In the event that, for whatever reason, the company is not incorporated, the founders cannot appeal against subscribers for commitments made or expenses incurred, except in case of fraud or non-compliance by the said subscribers with their commitments, if the company was not formed by their fault.

Article 29: (Completed by article 1 of law no. 20-05 enacted by Dahir no. 1-08-18 of 23 May 2008 - 17 Jumada I 1429, O.G. no. 5640 of 19 June 2008).

The statement of the acts performed on behalf of the company being formed in accordance with article 27 above, indicating for each of them the resulting commitment to the company, shall be made available for shareholders in accordance with the conditions provided for in article 26 of this law. The signing of the articles of association shall entail taking over of these commitments by the company when it will have been registered in the trade register.

If no public offering is made, the shareholders may, in the articles of association or by a separate deed, mandate one or more of them to make commitments on behalf of the company. If they are committed and that their terms are specified by the mandate, the registration of the company in the trade register shall entail the taking over by the company of such commitments.

If a public offering is made, the registration of the company in the trade register shall entail taking over commitments by the company if the first ordinary or extraordinary general meeting so decides.

Whether or not a public offering is made, the acts performed on behalf of the company being formed that have not been made known to future shareholders in accordance with the three preceding paragraphs must be taken over by a decision of the shareholders' ordinary general meeting.

Article 30: (Repealed by article 4 of law no. 20-05 enacted by Dahir no. 1-08-18 of 23 May 2008 - 17 Jumada I 1429, O.G. no. 5640 of 19 June 2008).

Article 31: paragraph 2 repealed by article 3 of law 78-12

For the application for registration of the company in the trade register to be admissible, the founders and first members of the administrative bodies, the management board and the supervisory board must file with the registry:

1) (Repealed by article 4 of law no. 20-05 enacted by Dahir no. 1-08-18 of 23 May 2008 - 17 Jumada I 1429, O.G. no. 5640 of 19 June 2008).
2) the original or a copy of the articles of association;
3) a copy of the subscription and payment of funds certificate indicating the subscriptions to the share capital and the proportion of shares paid up by each shareholder;
4) the authenticated list of subscribers indicating, in addition to their first name, family name, address, nationality, capacity and occupation, the number of shares subscribed and the amount of the payments made by each of them;
5) the report of the contributions auditor, if applicable;
6) a copy of the appointment document of the first members of the administrative, management or executive bodies and the first statutory auditors, where the said appointment is made by virtue of a separate act.

Article 32:

Public limited companies are registered in the trade register under the conditions provided for by the law relating to the said register.

Article 33: (Repealed and replaced by article 2 of law no. 20-05 enacted by Dahir no. 1-08-18 of 23 May 2008 - 17 Jumada I 1429, O.G. no. 5640 of 19 June 2008).

After registration in the trade register, the constitution of the company is subject to an announcement by means of notices in the "Official Gazette" and in a newspaper of legal announcements within a period not exceeding thirty days.

This notice contains the following information:

1) the corporate name followed, if applicable, by the acronym of the company;
2) the type of the company;
3) the corporate purpose stated briefly;
4) the period for which the company was incorporated;
5) the address of the registered office;
6) the amount of the share capital with the indication of the amount of cash contributions as well as the summary description and valuation of the contributions in kind;
7) the first name, surname, capacity and address of directors or members of the supervisory board and of the statutory auditor(s);
8) the statutory provisions relating to the constitution of reserves and distribution of profits;
9) the specific benefits provided for in favour of any person;
10) where applicable, the existence of clauses relating to the authorization of transferees of shares and the appointment of the corporate body empowered to decide on authorization applications;
11) the registration number in the trade register.

This notice shall be signed by the notary or the party who drew up the company's deed, if applicable, or by one of the founders, by a director or by a member of the supervisory board having been granted a special power to this effect.

Article 34: [amended and completed by article one of law 78-12]

The withdrawal of funds from subscriptions in cash is made by the representative of the board of directors or the management board against delivery of a certificate issued by the competent authority justifying that the company is registered in the trade register.

Article 35:

In case of non-incorporation of the company within six months after the funds deposit, the founders are required to return them to subscribers. Any subscriber may request an interim order appointing a person in charge of returning the paid funds and distributing them to subscribers.

The company shall be deemed not to have been incorporated within the period prescribed in the previous paragraph where all acts provided for in article 17 have not been fulfilled before the expiry of the said period.

Article 36:

In the case of conversion into a public limited company of an existing company, one or more conversion auditors in charge of assessing, under their own responsibility, the value of the company assets and liabilities and the special benefits are appointed, except with the unanimous consent of partners, by an interim injunction, upon the request of the corporate officers or one of them. The conversion auditors are also responsible for preparing the report on the situation of the company.

The partners decide on the evaluation of elements and the granting of the benefits referred to in the previous paragraph; they can only reduce them unanimously.

The provisions of the first and second paragraphs of article 25 are applicable to conversion auditors.

The conversion auditors' report must certify that the net position of the converted company is at least equal to the amount of its share capital. It is made available for the shareholders at the registered office at least eight days before the date of the meeting convened to decide on the conversion. In case of written consultation, the report must be sent to each partner and attached to the text of the proposed resolutions.

In the absence of unanimous approval of the partners, mentioned in the minutes, the conversion is deemed null.

Article 37:

Are subject to the same deposit and announcement conditions:

- any measure, deliberation or decision resulting in an amendment to the articles of association, excluding change of directors, members of the supervisory board and statutory auditors initially appointed in these articles of association;
- any measure, deliberation or decision establishing the dissolution of the company with the indication of the first name, surname, and address of the liquidators and the place of liquidation;
- any court decision ordering the dissolution or the nullity of the company;
- any measure, deliberation or decision establishing the completion of the liquidation.

The announcements provided for in this article must be made within 30 days from the date of the measures, deliberations, decisions or court decisions mentioned above.

Article 38: (Completed by article 1 of law no. 20-05 enacted by Dahir no. 1-08-18 of 23 May 2008 - 17 Jumada I 1429, O.G. no. 5640 of 19 June 2008).

Persons deprived of the right to administer or manage a company or those prohibited from exercising these functions as well as the persons convicted for less than five years for theft, embezzlement, breach of trust or fraud cannot found a public limited company.

TITLE III

ADMINISTRATION AND MANAGEMENT OF PUBLIC LIMITED COMPANIES

Chapter One: Company with a board of directors

Section I: Administrative and executive bodies

Article 39:

The public limited company is administered by a board of directors composed of at least three members and at most twelve members. This number is increased to fifteen when the Company's shares are listed on the stock exchange.

However, in case of merger, the numbers of twelve and fifteen may be exceeded up to the total number of directors in office for more than six months in merged companies, but may not be greater than twenty-four, twenty-seven in the case of a merger of a company listed on the stock exchange and another company, thirty in the case of a merger of two companies listed on the stock exchange.

Except in the case of a new merger, no appointment of new directors or replacement of directors who are deceased, dismissed or who have resigned shall take place as long as the number of directors has not been reduced to twelve or fifteen when the shares of the company are listed on the stock exchange.

In the event of death, dismissal or resignation of the chairman of the board of directors and if the board has not been able to replace them by one of its members, they may appoint, in accordance with the provisions of article 49, an additional director who shall be appointed to hold the office of chairman.

Article 40:

Directors are appointed by the ordinary general meeting.

In accordance with article 20, the first directors are appointed by the articles of association or in a separate deed forming part of the said articles of association.

However, in case of merger or demerger, the appointment may be made by the extraordinary general meeting.

Any appointment in infringement of the preceding provisions shall be null and void with the exception of those which may be subject to the provisions provided for in article 49.

Article 41:
The directors, individuals or legal entities, are subject to the capacity conditions and the incompatibility rules provided for by the laws in effect and, where applicable, by the articles of association. The director's mandate is incompatible with the duties of statutory auditor of the company in accordance with the provisions provided for in article 161.

Article 42: [amended and completed by article one of law 78-12]

Unless otherwise stated in the articles of association, a legal entity may be appointed as a director. Upon its appointment, it is required to designate a permanent representative who shall be subject to the same conditions and obligations, and shall incur the same civil and criminal liabilities as if they were a director in their own name and this, without prejudice to the joint and several liability of the legal entity they represent.

Should the legal entity revoke the mandate of its permanent representative, it must notify the company without delay, by registered letter, of such revocation as well as of the identity of its new permanent representative. The same shall apply in the event of the death or resignation of the latter.

Article 43:

A company employee may be only be appointed as a director if their employment agreement corresponds to an active employment. They shall not lose the benefit of this employment agreement. Any appointment in infringement of the provisions of this article shall be null and void. This nullity does not render the deliberations in which the director irregularly appointed engaged in void.

The number of directors tied to the company by an employment agreement cannot exceed one third of the board of director’s members.

Article 44:

Each director is required to hold a number of shares in the company, determined by the articles of association. Such number may not be less than the number required by the articles of association to grant shareholders the right to attend the ordinary general meeting, where appropriate.

(Paragraphs 2 and 3, repealed by article 4 of law no. 20 -05 enacted by Dahir no. 1-08-18 of 23 May 2008 - 17 Jumada I 1429, O.G. no. 5640 of 19 June 2008)

Article 45:

If, as of the date of their appointment, a director does not own the required number of shares or if during their term they cease to own this number, they are considered to have resigned as of right if they have not regularized their situation within a period of three months.

Article 46: (Repealed, by article 4 of law no. 20-05 enacted by Dahir no. 1-08-18 of 23 May 2008 - 17 Jumada I 1429, O.G. no. 5640 of 19 June 2008).

Article 47:

The statutory auditor(s) shall be responsible for ensuring the compliance with the provisions of articles 44 and 45 and shall denounce any infringement thereof in their report to the ordinary general meeting.

Article 48:

The term of office of directors is determined by the articles of association, without exceeding 6 years in case of appointment by the general meetings, and 3 years in case of appointment by the articles of association.

The functions of a director shall end at the end of the ordinary general meeting called to rule on the financial statements for the previous financial year and held in the year during which the said director’s term of office expires.

Directors shall be eligible for re-election unless otherwise stated in the articles of association. They may be dismissed at any time by the ordinary general meeting, without even their dismissal being included in the agenda.

Article 49:

In the event of a vacancy due to death, resignation or any other inability to act of the holder or holders of directors' seats without the number of directors falling below the statutory minimum, the board of directors may proceed with provisional appointments in the period between two general meetings.

Where the number of directors falls below the legal minimum, the remaining directors must call an ordinary general meeting within a maximum period of 30 days following the date of the vacancy in order to make up the numbers of the board.

If the number of directors falls below the statutory minimum, without however falling below the legal minimum, the board of directors shall be bound to make temporary appointments in order to make up its number within a period of 3 months following the date of vacancy.

The appointments made by the board of directors under paragraphs 1 and 3 above shall be subject to the ratification of the next ordinary general meeting. Failing ratification, the deliberations and acts previously carried out by the board nonetheless remain valid.

If the board of directors fails to make the required appointments or to call the meeting, any concerned party may request from the president of the Court, acting in summary proceedings, the designation of a representative responsible for calling the general meeting to make appointments or to ratify appointments taken in accordance with paragraph 3.

Article 50: (Completed by article 1 of law no. 20-05 enacted by Dahir no. 1-08-18 of 23 May 2008 - 17 Jumada I 1429, O.G. no. 5640 of 19 June 2008).

The board of directors can only validly deliberate in the actual presence of at least half its members.

Unless otherwise provided for by the articles of association, a director may empower another director in writing to represent them at a meeting of the board of directors. Each director may have only one proxy during the same session.

The articles of association may provide that the directors who participate in the meeting of the board of directors via videoconference facilities or via equivalent media that allow them to be identified shall be deemed present for the calculation of the quorum and majority. This provision shall not apply for the adoption of the decisions foreseen in articles 63, 67a, 67b and 72.

An attendance register is maintained and signed by all directors participating in the meeting and other persons attending it, under a provision of this law or for any other reason.

Unless the articles of association require a larger majority, decisions shall be taken by a majority of the members present or represented and, unless the articles of association otherwise provide, the chairman shall have a casting vote in case of a tied vote.

The directors and all other persons called to attend the meetings of the board of directors shall refrain from disclosing any information of a confidential nature received during or for the purposes of meetings after being warned thereof by the chairman.

Article 50 a: (added by article 3 of law no. 20-05 enacted by Dahir no. 1-08-18 of 23 May 2008 - 17 Jumada I 1429, O.G. no. 5640 of 19 June 2008).

All means allowing directors, members of the supervisory board or shareholders of the company, to participate remotely in the meetings of its management or corporate bodies shall be designated by way of videoconference facilities or equivalent media.

The videoconference media used must meet the following requirements:

- compliance with the technical characteristics that guarantee the effective participation in the meeting of management or corporate bodies whose deliberations shall be retransmitted continuously;

- advance identification of the persons participating in the meeting by this media;

- reliable recording of discussions and deliberations, for evidence.

The minutes of meetings of these bodies shall record details of any technical failure relating to the videoconference where it has disrupted the meeting.

Article 51:
The board of directors may set up a technical committee from among its members, and if it deems it necessary, with the assistance of third parties, whether or not they are shareholders, for reviewing issues submitted to them for their opinion. The activities of these committees and the opinions or recommendations made shall be reported to the meetings of the board.

The board shall set the composition and the powers of the committees acting under the board's responsibility.

All persons attending meetings of the said committees shall be subject to the obligation of discretion provided for in the last paragraph of article 50.

Article 52:
The deliberations of the board of directors shall be recorded in minutes drawn up by the secretary of the board under the authority of the chairman and signed by the latter and at least one director. Where the chairman is unable to attend, the minutes shall be signed by at least two directors.

Minutes of the meetings include the names of the directors present, represented or absent; they shall mention the presence of any other person who has also attended all or part of the meeting and the presence or absence of persons convened to the meeting under a legal provision.

These minutes shall be communicated to members of the board of director as soon as they are drawn up and that, at the latest, at the time of the call for the following meeting. The directors' comments on the text of the said minutes, or their requests for rectification, shall be recorded in the minutes of the following meeting, if they could not be taken into account earlier.

Article 53:

Minutes of the board meetings are recorded in a special register held at the registered office, numbered and initialled by the registrar of the court at the location of the company's registered office.

This register may be replaced by loose-leaf booklets consecutively numbered and initialled under the conditions provided for in the preceding paragraph. Any addition, removal, substitution or inversion of booklets is prohibited.

In all cases, this register or this collection shall be placed under the supervision of the chairman and the secretary of the board. It must be communicated to the directors and the statutory auditor(s) upon their request; the latter must, whenever it deems it necessary, inform the members of the board of directors or the board of directors and the supervisory board of any

irregularity in maintaining this register or these booklets and denounce it in their report to the ordinary general meeting.

Article 54:

Copies or extracts of minutes of proceedings shall be validly certified by the chairman of the board of directors only, or by a chief executive officer together with the secretary.

The submission of a copy or extract of the minutes is sufficient proof of the number of directors in office, of their attendance or of their representation at a board meeting.

During the liquidation of the company, copies or extracts shall be validly certified by a liquidator.

Article 55:(3rd paragraph, Completed by article 1 of law no. 20-05 enacted by Dahir no. 1-08-18 of 23 May 2008 - 17 Jumada I 1429 ; O.G. no.5640 of 19 June 2008).

The ordinary general meeting may allocate to the board of directors, as attendance fees, a fixed annual amount, which it shall freely determine, and which the board allocates among its members in the proportions that it deems adequate.

The board itself may allocate an exceptional compensation to some directors for their performance of missions and mandates assigned thereby on a special and temporary basis, and to members of the committees provided for in article 51, in accordance with the procedure prescribed in article 56.

It may also authorize reimbursement of travel expenses incurred in the interest of the company.

Remunerations and reimbursement of expenses shall be charged to operating expenses.

Subject to the provisions of article 43 above, the directors may not claim, as such, any other compensation from the company. Any clause to the contrary shall be deemed unwritten and any decision contrary to these provisions shall be deemed null and void.

Article 56: (Completed by article 1 of law no. 20-05 enacted by Dahir no. 1-08-18 of 23 May 2008 - 17 Jumada I 1429, O.G. no. 5640 of 19 June 2008). **[amended and completed by article 1 of law 78-12]**

Any agreement between a public limited company and any of its directors, its chief executive officer or deputy chief executive officer or its deputy chief executive officers, as the case may be, or any of its shareholders holding directly or indirectly more than 5 percent of the capital or voting rights must be subject to the prior authorization of the board of directors.

The same applies to agreements in which one of the persons referred to in the 1st paragraph above is indirectly involved or in which it has dealt with the company through an intermediary.

The agreements between a public limited company and an enterprise shall also be subject to the prior authorization of the board of directors, if one of the directors, chief executive officer or deputy chief executive officer or chief executive officers, as the case may be, of the company is an owner, indefinitely responsible partner, manager, director or chief executive officer of the company or member of its management board or supervisory board.

Article 57: **[amended and completed by article one of law 78-12]**

The provisions of article 56 shall not be applicable to agreements on ordinary operations concluded under normal conditions.

However, these agreements, except when, because of their purpose and their financial implications, are not significant to any of the parties, are reported by the party interested to the chairman of the board of directors. The list comprising the purpose and terms of the aforesaid agreements shall be reported by the chairman to the members of the board of directors and to the statutory auditor(s) within sixty days following the end of the financial year.

Article 58: (Completed by article 1 of law no. 20-05 enacted by Dahir no. 1-08-18 of 23 May 2008 - 17 Jumada I 1429, O.G. no. 5640 of 19 June 2008).

The director or the chief executive officer concerned must inform the board as soon as they become aware of an agreement to which article 56 applies. They cannot take part in the vote on the requested authorization.

The chairman of the board of directors shall inform the statutory auditor(s) within thirty days following their conclusion, of all the agreements authorized under article 56 and shall submit them to the approval of the next ordinary general meeting for approval.

The statutory auditor(s) present a special report, on these agreements, to the general meeting which shall rule on this report. The content of such report is set by decree.

Companies making a public offering must publish the statutory auditors' special report in accordance with the terms and conditions set by the Moroccan Capital Markets Authority.

The party concerned shall not be entitled to take part in the vote and its shares shall not be taken into consideration in calculating the quorum and the majority.

Article 58 a: **[inserted by article 2 of law 78-12]**

For companies making a public offering, the persons referred to in the first paragraph of article 56 of this law are also required to inform the board of directors of the elements allowing an evaluation of their interests relating to the conclusion of the agreements referred to in the same article. And in particular the nature of the relations existing among the parties of such agreements and the economic reasons justifying their conclusion as well as their different characteristics.

Article 58 b: **[inserted by article 2 of law 78-12]**

The company shall publish, within a maximum period of 3 days following the date of the conclusion of the agreement, the elements provided for in article 58a above, by any media of publication that the Moroccan Capital Markets Authority sets, subject to the financial penalty provided for in the first paragraph of article 420 above.

Article 59:

Where the implementation of the agreements concluded and authorized during the previous financial years has been continued in the last financial year, the statutory auditor shall be informed of this situation within thirty days following the end of the financial year.

Article 60: (Completed by article 1 of law no. 20-05 enacted by Dahir no. 1-08-18 of 23 May, 2008 - 17 Jumada I 1429, O.G. no. 5640 of 19 June 2008).

Agreements approved, or disapproved, by the meeting shall have their effects with regard to third parties, except when such agreements are cancelled for fraud.

Even where fraud is not involved, the harmful consequences to the company of the agreements disapproved may be borne by the director, chief executive officer, deputy chief executive officer or shareholder concerned and possibly the other members of the board of directors.

Article 61: (Completed by article 1 of law no. 20-05 enacted by Dahir no. 1-08-18 of 23 May 2008 - 17 Jumada I 1429, O.G. no. 5640 of 19 June 2008).

Without prejudice to the liability of the director, chief executive officer, deputy chief executive officer or shareholder concerned, the agreements referred to in article 56 which are concluded without the prior authorization of the board of directors may be cancelled where they have had harmful consequences on the company.

The action for nullity of the agreement shall be prescribed by three years following the date of the agreement. However, if such agreement has been concealed, this period shall be calculated as of the day its existence was revealed.

The nullity may be avoided by a vote of the general meeting upon a special report by the statutory auditor(s) stating the reasons why the authorization procedure was not followed. The provisions of paragraph 4 of article 58 shall be applicable.

The decision of the ordinary general meeting shall not preclude the action for damages aiming to repair the damage incurred by the company.

Article 62: (Completed by article 1 of law no. 20-05 enacted by Dahir no. 1-08-18 of 23 May, 2008 - 17 Jumada I 1429, O.G. no. 5640 of 19 June 2008).

It shall be prohibited, under penalty of nullity of the agreement, for the directors other than legal entities, under any form whatsoever, to contract loans from the company, from one of its subsidiaries or from another company that it controls within the meaning of article 144 below, to obtain an overdraft on a current account or otherwise from the company, or make the company endorse or guarantee their commitments towards third parties.

However, if the company operates a banking or financial institution, such prohibition shall not apply to ordinary operations of this business concluded under normal terms.

The same prohibition applies to chief executive officers, deputy chief executive officers, permanent representatives of directors that are legal entities and statutory auditors; this prohibition extends to spouses, ascendants and descendants up to the 2nd degree including the persons referred to in this article and to any intermediary.

Article 63:

The board of directors elects from among its members, within the conditions of quorum and majority provided for in article 50, a chairman who must be a natural person in order for the appointment to be valid.

The chairman shall be appointed for a term that cannot exceed that of their term of office as director. They may be re-elected.

The board of directors may dismiss them at any time. Any provision to the contrary shall be deemed unwritten.

Article 64:

The board of directors shall appoint, on the proposal of the chairman, a secretary of the board responsible for organizing meetings under the authority of the chairman, and drawing up and recording the minutes under the conditions specified in articles 52 and 53. The secretary may be a company’s employee or a qualified person chosen from outside the company, with the exception of the statutory auditors.

Article 65:

The board shall set the compensation amount of the chairman and the secretary of the board and the method of its calculation and payment.

Article 66:

In the event of temporary impediment or death of the chairman, the board of directors may delegate a director to the position of chairman.

In the event of temporary impediment, this delegation is granted for a limited duration; it is renewable. In the event of death, it is valid until the election of the new chairman.

Article 67: (repealed and replaced, by article 2 of law no. 20-05 enacted by Dahir no. 1-08-18 of 23 May 2008 - 17 Jumada I 1429; O.G. no. 5640 of 19 June 2008).

The general management of the company is carried out, under its responsibility, either by the chairman of the board of directors with the title of chairman and chief executive officer, or by another natural person appointed by the board of directors and bearing the title of chief executive officer.

Under the conditions specified by the articles of association, the board of directors shall choose between the two procedures for the exercise of general management referred to in the first paragraph. Shareholders shall be informed of such choice at the next general meeting and shall be subject to the formalities for filing, announcing and registration in the commercial register in compliance with the provisions provided for by the law.

Where the general management of the company is carried out by the chairman of the board of directors, the chairman must comply with the applicable provisions relating to the chief executive officer. Where there is no provision in the articles of association in this regard, the general management is carried out, under their responsibility, by the chairman of the board of directors.

When a chief executive officer is also a director, the duration of their duties cannot exceed that of their term of office.

Directors who are neither chairman, chief executive officer, deputy chief executive officer, nor employee of the company who are performing management functions must outnumber directors having one of these qualifications.

Article 67 a: (Added by article 3 of law no. 20-05 enacted by Dahir no. 1-08-18 of 23 May 2008 - 17 Jumada I 1429, O.G. no. 5640 of 19 June 2008).

Following a proposal by the chief executive officer, the board of directors may appoint one or more individuals who shall be responsible for assisting the chief executive officer and whose title shall be deputy chief executive officer.

The board of directors shall determine the compensation of the chief executive officer and the deputy chief executive officers.

Article 67 b: (Added by article 3 of law no. 20-05 enacted by Dahir no. 1-08-18 of 23 May 2008 - 17 Jumada I 1429, O.G. no. 5640 of 19 June 2008).

The board of directors may dismiss the chief executive officer at any time. The same applies, on proposal of the chief executive officer, to deputy chief executive officers. If the dismissal is decided without due cause, it may give rise to damages, except when the chief executive officer performs the functions of chairman of the board of directors.

When the chief executive officer ceases to carry out or is prevented from carrying out their duties, the deputy chief executive officers retain, unless otherwise decided by the board of directors, their duties and powers until the appointment of a new chief executive officer.

The employment agreement of the dismissed chief executive officer or deputy chief executive officer, who is at the same time an employee of the company, is not terminated solely by virtue of the dismissal.

Article 68:

Neither the company nor third parties may rely on irregularity of the appointment of the persons to conduct and manage the company, to evade their commitments, once such appointment has been duly published.

The company may not avail, with respect to third parties, of the appointments and terminations of employment of the persons referred to above, as long as they have not been duly published.

Section II: Functions and powers of administrative and executive bodies

Article 69: (Completed by article 1 of law no. 20-05 enacted by Dahir no. 1-08-18 of 23 May 2008 - 17 Jumada I 1429, O.G. no. 5640 of 19 June 2008).

The board of directors shall determine company business policies and ensure the implementation thereof. With the exception of powers expressly assigned to shareholders meetings and within the limits of the company's purpose, it handles all matters involving the proper functioning of the company and settles matters through its deliberations.

The board of directors shall carry out the controls and verifications it deems appropriate.

With respect to relationships with third parties, the company remains bound even by the acts of the board of directors not falling within the corporate purpose, unless it proves that the third party was aware that the said acts are beyond this purpose or that it could not have been unaware thereof given the circumstances, notwithstanding the fact that the sole publication of the articles of association is in itself sufficient proof thereof.

The provisions of the articles of association limiting the powers of the board of directors are not enforceable against third parties.

Article 70: (Completed by article 1 of law no. 20-05 enacted by Dahir no. 1-08-18 of 23 may 2008 - 17 Jumada I 1429, O.G. no. 5640 of 19 June 2008).

The transfer of property by the company and the total or partial transfer of shareholdings recorded in its fixed assets are subject to an approval by the board of directors. In addition, the articles of association may require the prior approval of the board of directors for carrying out certain disposition actions.

Sureties, endorsements and guarantees granted by public limited companies other than those operating banking or financial institutions shall be subject to an authorization by the board of directors, under penalty of unenforceability against the company under the conditions specified hereafter.

The board of directors may, within the total amount it sets, authorize the chief executive officer to grant sureties, endorsements or guarantees in the name of the company. Such authorization may also set, by commitment, an amount above which the company's surety, endorsement or guarantee cannot be granted. When a commitment exceeds either of the amounts so set, the authorization of the board of directors shall be required in each case.

The duration of the authorizations provided for in the preceding paragraph may not exceed one year, regardless of the duration of the secured, endorsed or guaranteed commitments.

By derogation from the provisions of the above paragraph, the chief executive officer may be authorized to grant sureties, endorsements or guarantees of an unlimited amount with respect to tax and customs administrations on behalf of the company.

The chief executive officer may delegate their powers in pursuance of the preceding paragraphs.

If sureties, endorsements or guarantees were granted for a total amount exceeding the limit determined for the current period, the excess amount shall not affect third parties who are unaware of this fact, unless the amount of the commitment in question alone exceeds one of the limits determined by the board of directors in pursuance of the provisions of paragraph 3 above.

Article 71:

The board of directors may decide to transfer the registered office to the same prefecture or province. However, this decision must be ratified by the next extraordinary general meeting.

Article 72: **[amended and completed by article 1 of law 78-12]**

The board of directors shall call shareholders' meetings, set their agenda and determine the terms of the resolutions to be submitted to them and those of the report to be presented on such resolutions.

At the end of each financial year, it shall draw up a statement of the various corporate assets and liabilities existing on this date, and shall draw up the annual summary financial statements, in accordance with applicable law.

In particular, it must present to the ordinary general meeting a management report containing the information provided for in article 142.

The board shall also be responsible, with regard to companies making public offering, for the information intended for shareholders and the public provided for by applicable laws and regulations.

Article 73: (Completed by article 1 of law no. 20-05 enacted by Dahir no. 1-08-18 of 23 May, 2008 - 17 Jumada I 1429, O.G. no. 5640 of 19 June 2008).

The board of directors shall be convened by the chairman, as often as is required for the proper conduct of corporate business and as provided for by this law.

The chairman sets the agenda of the board of directors, taking into account the requests for inclusion on the said agenda of proposals for decisions from each director.

In urgent cases, or should the chairman fail to do so, the meeting may be convened by the statutory auditor(s).

If the board has not met for more than two months, the chief executive officer or at least one third of the directors may request the chairman to convene a meeting of the board. If the chairman does not convene the meeting within 15 days as of the date of the request, the said chief executive officer or the said directors may convene the board of directors to meet.

The chief executive officer or the directors, as the case may be, shall draw up the agenda subject of the convening of the board in accordance with the preceding paragraph.

In the absence of any contrary statutory provisions, the convocation may be done by any means. In all cases, the call must take into account the place of residence of all the members

to schedule the date of the meeting. This call must be accompanied by the agenda of the meeting and the necessary information for directors to allow them to prepare for the deliberations.

Article 74: (repealed and replaced by article 2 of law no 20-05 enacted by Dahir no. 1-08-18 of 23 May 2008- 17 Jumada I 1429; O.G. no. 5640 of 19 June 2008).

Subject to the powers expressly granted to the shareholders' meetings and the board of directors by this law, and within the limits of the corporate purpose, the chief executive officer is vested with the most extensive powers to act on behalf of the company under any circumstances.

They represent the company in its relations with third parties. The company is even bound by the chief executive officer's acts not falling within the corporate purpose, unless it proves that the third party was aware that the said act is beyond this purpose or that it could not have been unaware thereof given the circumstances, notwithstanding the fact that the sole publication of the articles of association is in itself sufficient proof thereof.

The provisions of the articles of association or the decisions of the board of directors limiting the powers of the chief executive officer are void as against third parties.

Article 74 a: (Added by article 3 of law no 20-05 enacted by Dahir no. 1-08-18 of 23 May 2008 – 17 Jumada I 1429; O.G. no 5640 of 19 June 2008).

The chairman of the board of directors represents the board of directors. They organize and manage its tasks, and report to the general meeting thereof. They oversee the smooth functioning of the company's bodies and make sure, in particular, that the directors are able to fulfil their duty.

Each director receives all information necessary to fulfil their duty and may request the chairman to provide them with all documents and information they deem useful.

Article 75: (Amended by article one of law no 20-05 enacted by Dahir no. 1-08-18 of 23 May 2008 - 17 Jumada I 1429; O.G. no. 5640 of 19 June 2008).

Deputy chief executive officers are vested, with regard to the company, with powers whose scope and duration are determined by the board of directors on a proposal of the chief executive officer.

With regard to third parties, deputy chief executive officers have the same powers as the chief executive officer.

Article 76:

Non-executive directors are particularly in charge within the board of management control and the monitoring of internal and external audits. They may form themselves into an investment committee and a salaries and remunerations committee.

Chapter II: Companies with a Management board and a Supervisory board

Section I: Management and Supervisory Bodies of the Company

Article 77:

It might be stated in the articles of association of any public limited company that the latter is governed by the provisions of this chapter. In this case, the company remains subject to all rules applicable to public limited companies, except for those provided for in articles 39 to 76.

The insertion, or deletion, of this provision in the articles of association may be decided in the course of the company's existence.

In this case, the corporate name is either preceded or followed by the words "public limited company with a management board and a supervisory board", subject to the provisions of article 4.

Article 78:

The public limited company is managed by a management board made up of a number of members set by the articles of association, which may not be greater than five. However, when company shares are listed on the stock exchange, the articles of association may increase this number to seven.

For public limited companies whose capital is less than one million five hundred thousand dirhams, the functions assigned to the management board may be performed by one person only.

The management board carries out its functions under the control of a supervisory board.

Article 79:

Members of the management board are appointed by the supervisory board which confers to one of them the status of chairman.

When only one person performs the functions assigned to the management board, they are named sole chief executive officer.

For the appointment to be valid, members of the management board or the sole chief executive officer must be natural persons. They may be chosen from outside the shareholders. They may be employees of the company.

If a seat of member of the management board falls vacant, the supervisory board must fill this seat within a period of two months. Failing that, any party concerned may request the president of the court, acting in summary proceedings, to proceed with this appointment on a provisional basis. The person appointed may, at any time, be replaced by the supervisory board.

Article 80: (Amended by article one of law no. 20-05 enacted by Dahir no. 1-08-18 of 23 May 2008 – 17 Jumada; BO no. 5640 of 19 June 2008).

Members of the management board or the sole chief executive officer may be dismissed by the general meeting, and, in case the articles of association so provide, by the supervisory board. If the dismissal is decided without due cause, it may lead to the payment of damages.

The employment agreement of the dismissed member of the management board, who is at the same time an employee of the company, is not terminated solely by reason of their dismissal.

Article 81:

The articles of association determine the duration of the term of office of the management board within the range of two to six years. In the absence of statutory provisions, the duration of the term of office shall be four years. In the event of a vacancy, a replacement shall be appointed for the time remaining before the renewal of the management board.

Article 82:

The appointment deed sets the amount and mode of remuneration of each member of the management board.

Article 83:

The supervisory board shall consist of no less than three members and no more than twelve members. This maximum number may be increased to 15 when company shares are listed on the stock exchange.

However, in merger cases, the twelve and fifteen thresholds may be exceeded to equal the total number of members of the supervisory board serving since more than six months in each of the merged companies, without exceeding, however, twenty-four, twenty-seven in merger cases of a company whose shares are listed on the stock exchange and another company, and thirty in merger cases of two companies whose shares are listed on the stock exchange.

With the exception of new merger cases, the appointment of new members of the supervisory board, as well as the replacement of deceased, dismissed or resigning members of the supervisory board may not be proceeded with unless the number of members of the supervisory board is reduced to twelve or fifteen where shares of the company are listed on the stock exchange.

Article 84:

Each member of the supervisory board must hold a number of company shares set by the articles of association. This number may not be less than the one imposed by the articles of association for a shareholder to be able to attend the ordinary general meeting.

If, on the day of their appointment, a member of the supervisory board does not have the number of shares required, or if, during their term of office, they cease to be owners thereof, they are deemed to have automatically resigned, unless they regularize their situation within a period of three months.

(Paragraphs 3, 4 and 5, repealed by article 4 of law no. 20-05 enacted by Dahir no. 1-08-18 of 23 May 2008 - 17 Jumada I 1429; O.G. no. 5640 of 19 June 2008).

Article 85:

The statutory auditor(s) ensure, under their responsibility, the monitoring of the provisions provided for in article 84 and expose any violations in the report they submit to the annual general meeting.

Article 86: (Completed by article one of law no. 20-05 enacted by Dahir no. 1-08-18 of 23 May 2008 - 17 Jumada I 1429; O.G. no. 5640 of 19 June 2008).

None of the members of the supervisory board can become a member of the management board.

If a member of the supervisory board is appointed to the management board, their term of office shall end as soon as they take office.

No natural person, employee or corporate officer of a legal entity who is a member of the supervisory board of the company can be a member of the management board.

Article 87: (Completed by article one of law no. 20-05 enacted by Dahir no. 1-08-18 of 23 May 2008 - 17 Jumada I 1429; O.G. no. 5640 of 19 June 2008).

Members of the supervisory board are appointed by the articles of association, and in the course of the corporate life, by the ordinary general meeting. Nonetheless, the duration of their functions may not exceed six years, if appointed by the general meetings, and three years, if appointed by the articles of association.

In merger or demerger cases, the appointment may be made by the extraordinary general meeting.

Members of the supervisory board may be re-elected unless otherwise provided for in the articles of association. They may be dismissed at any time by the ordinary general meeting. Any appointment violating the preceding provisions is null except for the appointments that may be made under the conditions provided for in article 89.

Functions of a member of the supervisory board come to end following the ordinary general meeting having ruled on the financial statements of the preceding financial year, held in the year during which the term of office of the said member of the supervisory board ends.

Article 88:

A legal entity may be appointed to the supervisory board. Upon its appointment, it is required to designate a permanent representative who shall be subject to the same conditions and obligations and shall incur the same civil and penal responsibilities that they would if they were a member of the board on their own behalf without prejudice to the joint and several liability of the legal entity they represent.

When the legal entity dismisses its representative, it is required to provide at the same time for their replacement. It shall notify its decisions to the company without delay. It shall follow the same procedure in the event of the death or resignation of its permanent representative.

Article 89:

In the case of vacancy due to death, resignation or any other impediment of one or many seats of members of the supervisory board, this board may proceed, between two general meetings, with provisional appointments.

Where the number of members of the supervisory board falls below the legal minimum, the management board must convene the ordinary general meeting within a maximum time limit of thirty days as of the date of the vacancy in order to bring up the number of members of the supervisory board to the legal minimum.

Where the number of members of the supervisory board falls below the statutory minimum, without, however, being less than the legal minimum, the supervisory board must proceed with provisional appointments in order to bring up the number of its members to the required minimum within a time limit of three months as of the date of the vacancy.

The appointments made by the supervisory board under the first and third paragraphs of this article are subject to the ratification of the following ordinary general meeting. In case the appointments are not ratified, the deliberations made and the acts carried out by the board still remain valid.

Where the board fails to proceed with the appointments required, or if the meeting is not convened, any person interested may request the president of the court acting in summary proceeding to designate an officer in charge of convening the general meeting, in order to proceed with the appointments or to ratify the appointments having been made pursuant to the third paragraph.

Article 90: [amended and completed by article one of law 78-12]

The supervisory board elects a chairman from among its members and, if applicable, a deputy chairman in charge of convening the board and chairing the deliberations thereof. It also sets, if applicable, their remuneration.

In the event of the chairman's temporary incapacity or death, the supervisory board may delegate one of its members to carry out the functions of the chairman.

In the event of temporary incapacity, this delegation is granted for a limited, renewable period. In case of death, the said delegation remains valid until a new chairman is elected.

Under penalty of their appointment being declared null, the chairman and deputy chairman of the supervisory board are natural persons. They perform their functions during the term of office of the supervisory board.

Article 91:

The supervisory board may only deliberate duly if no less than half of its members are present.

Unless the articles of association provide for a greater majority, the decisions are made by a majority of the members present or represented.

Unless otherwise provided for by the articles of association, the chairman of the session shall have a casting vote in the event of a tie.

The provisions of articles 50 to 54 apply to the functioning of the supervisory board.

Article 92:

The general meeting may allocate to members of the supervisory board, in remuneration for their activity, as attendance fees, a fixed annual amount to be determined by this general meeting without being bound by statutory provisions or previous decisions. This amount shall be recorded as an operating expense.

The board shall distribute the amounts allocated to its members in the proportions it deems suitable.

Article 93:

The supervisory board may allocate exceptional remunerations for the missions and assignments or duties entrusted to members of this board; in this case these remunerations recorded as an operating expense shall be subject to the provisions of articles 95 to 99.

Article 94:

Members of the supervisory board may not, in this capacity, receive any remunerations, whether permanent or not, other than the ones provided for in articles 92 and 93.

Any contrary clause shall be deemed unwritten and any contrary decisions is null.

Article 95: (Completed by article one of law no. 20-05 enacted by Dahir no. 1-08-18 of 23 May 2008 - 17 Jumada I 1429; O.G. no. 5640 of 19 June 2008).

Any agreement concluded between a company and one of the members of the management board or of its supervisory board or one of its shareholders holding, either directly or indirectly, more than five percent of the capital or of the voting rights, is subject to the prior authorization of its supervisory board.

The same applies for the agreements in which one of the persons referred to in the previous paragraph is indirectly concerned or in which they deal with the company via an intermediary.

Are subject to this same authorization the agreements entered into between a company and an enterprise, if one of the members of the management board or of the supervisory board of the company is the owner, partner with unlimited liability, manager, director, chief executive officer or member of the management board or the supervisory board of the enterprise.

Article 96: [amended and completed ted by article one of law 78-12]

The provisions of article 95 are not applicable to the agreements on current operations concluded under normal conditions.

However, these agreements are reported to the chairman of the supervisory board by the concerned person, unless they are not significant to any of the parties by virtue of their purpose or financial implications. The list, comprising the purpose and the conditions of the said agreements, is sent by the chairman to members of the supervisory board and to the statutory auditor(s) within sixty days as of the end of the financial year.

Article 97: (completed by article one of law no. 20-05 enacted by Dahir no. 1-08-18 of 23 May 2008 - 17 Jumada I 1429; O.G. no. 5640 of 19 June 2008). **[amended and completed by article one of law 78-12]**

Members of the management board, members of the supervisory board or the interested shareholder are required to inform the supervisory board as soon as they become aware of an agreement to which article 95 applies. If this regards a member of the supervisory board, the said member cannot take part in the vote on the requested authorization.

The chairman of the supervisory board informs the statutory auditor(s) of any conventions authorised pursuant to article 95 above, and this within thirty days of the date of their conclusion and submits them for approval by the following ordinary general meeting.

Where the implementation of agreements concluded and authorized during previous financial years has been continued during the last financial year, the statutory auditors are informed of this situation within thirty days of the end of the financial year.

The statutory auditor(s) present a special report on the said agreements to the general meeting which decides on this report. The content of the said report is set by decree.

For companies making a public offering, the statutory auditors' special report must be published in accordance with the terms and conditions set by the Moroccan Capital Market Authority.

The party concerned may not take part in the vote and nor are their shares taken into consideration in the calculation of the quorum and the majority.

Article 97 a: [added by article 2 of law 78-12]

For companies making public offering, the persons referred to in paragraph one of article 95 of this law are also required to inform the supervisory board of elements allowing an evaluation of their interests relating to the conclusion of the agreements provided for in the same article; and particularly the nature of the existing relations between the parties of the said agreements and the economic grounds for their conclusion as well as their different characteristics.

Article 97 b: [added by article 2 of law 78-12]

The company releases, no later than 3 days, as of the date of the conclusion of the agreement, the elements provided for in article 97 a above, through any publication medium set by the Moroccan Capital Market Authority, subject to the fine provided for in the first paragraph of article 420 above.

Article 98: (Completed by article one of law no. 20-05 enacted by Dahir no. 1-08-18 of 23 May 2008 - 17 Jumada I 1429; O.G. no. 5640 of 19 June 2008).

The agreements approved by the general meeting, together with the ones not approved, shall have their effect with respect to third parties, unless when cancelled in cases of fraud.

Even in the absence of fraud, adverse effects of disapproved agreements on the company are charged to the concerned member of the supervisory board or member of the management board or shareholder and, possibly to other members of the management board.

Article 99:

Without prejudice to the responsibility of the concerned party, the agreements referred to in article 95 and concluded without prior authorization of the supervisory board, may be cancelled if they have had damaging consequences on the company.

The nullity action shall lapse after three years as of the date of the agreement. However, if the agreement has been concealed, the starting point of the limitation period is deferred to the date of its disclosure.

The nullity may be avoided by a vote of the general meeting upon a special report of the statutory auditor(s) specifying the reasons why the authorization procedure was not respected. The fourth paragraph of article 97 applies.

The decision of the ordinary general meeting shall not constitute prevent the action for damages aiming to repair the damage done to the company.

Article 100: (Completed by article one of law no. 20-05 enacted by Dahir no. 1-08-18 of 23 May 2008 - 17 Jumada I 1429; O.G. no. 5640 of 19 June 2008).

Under penalty of nullity of the contract, it is forbidden for members of the management board and the supervisory board other than the legal entities to contract loans, under any form whatsoever, from the company, or one of its subsidiaries or another company it controls pursuant to article 144 above, obtain an overdraft on a current account or otherwise from the company, or have the company endorse or guarantee their commitments towards third parties.

However, if the company runs a banking or financial institution, such prohibition shall not apply to ordinary operations of this business concluded under normal terms.

The same prohibition applies to permanent representatives of legal entities who are members of the supervisory board and to the statutory auditors; it also applies to spouses, and to ascendants and descendants up to the second degree of the persons referred to in this article as well as any intermediary.

Article 101:

Members of the management board and the supervisory board, as well as any person convened to the meetings of these bodies, are bound by the obligation of secrecy provided for in the last paragraph of article 50.

Section II: Functions and powers of the management and supervisory bodies of the Company

Article 102: (Completed by article one of law no. 20-05 enacted by Dahir no. 1-08-18 of 23 May 2008 - 17 Jumada I 1429; O.G. no. 5640 of 19 June 2008). **[amended and completed by article one of law 78-12]**

The management board is vested with the most extensive powers to act on behalf of the company under any circumstances; it shall exercise these powers within the limit of the

corporate purpose and subject to the powers expressly conferred by law to the supervisory board and to shareholders meetings.

In its relations with third parties, the company shall be bound even by the acts of the management board which do not fall within the scope of the corporate purpose, unless it proves that the third party was aware that the said act surpasses this purpose or that it could not have been unaware thereof given the circumstances, disclosure of the articles of association not being in itself sufficient proof thereof.

The provisions of the articles of association limiting the powers of the management board are void as against third parties.

The management board deliberates and makes its decisions under the conditions set by the articles of association. Unless otherwise provided for in the articles of association, members of the management board may, with the approval of the supervisory board, allocate among themselves the management tasks. However, this allocation may not, in any case, result in depriving the management board of its nature as a body ensuring the general management of the company on a collegial basis.

In the case of companies making public offering, the management board is, also, responsible for the information intended for shareholders and the public provided for by the legislative and regulatory provisions in force.

Article 103:

The chairman of the management board or, where appropriate, the sole chief executive officer represents the company in its relations with third parties. However, the articles of association may authorize the supervisory board to confer this representation power upon one or more of the management board's members who shall then bear the title of chief executive officer.

The provisions of the articles of association limiting the powers of the management board are void as against third parties.

Article 104: (3rd paragraph, amended by article one of law no. 20-05 enacted by Dahir no. 1-08-18 of 23 May 2008 - 17 Jumada I 1429; O.G. no. 5640 of 19 June 2008).

The supervisory board exercises permanent control over the management of the company by the management board.

The articles of association may require the prior approval of the supervisory board for the conclusion of the operations they list. When an operation necessitates the authorization of the supervisory board and the latter refuses, the management board may submit the dispute to the general meeting to decide.

The transfer of buildings by nature, the total or partial transfer of interests included in its fixed assets, as well as the creation of security interests, sureties, endorsements and guarantees, except in companies running a banking or financial institution, shall be subject to the approval of the supervisory board. The latter sets an amount for each transaction. However, the management board may be authorized to give, without any limitation in terms of the amount, sureties, endorsements or guarantees to the tax and customs administrations.

When an operation exceeds the amount set, the authorization of the supervisory board is required in each case.

The management board may delegate the powers granted to it pursuant to the previous paragraphs.

The absence of an authorization is void as against third parties, unless the company proves that the latter were aware or could not have been unaware thereof.

The supervisory board shall carry out, at any time of the year, the inspections and controls it deems necessary and may obtain the documents it deems useful for the performance of its mission. Members of the board may have access to all information and details relating to the company's life.

The management board shall present, at least once per quarter, a report to the supervisory board.

After the end of each financial year, and within a period of three months, the management board submits to the board, for the purposes of inspection and control, the documents referred to in article 141.

The supervisory board submits to the general meeting provided for by the same article its observations on the report of the management board and on the financial statements of the financial year.

Article 105:

The transfer of the registered office within the same prefecture or province may be decided by the supervisory board, subject to the ratification of this decision by the following extraordinary general meeting.

Chapter III: Common provisions

Article 106:

In cases where a public limited company with a board of directors has been merged with a public limited company with a management board and a supervisory board, the number of directors or members of the supervisory board may, where applicable, exceed twelve or fifteen up to the total number of directors and members of the supervisory board in office for more than six months in the merged companies but cannot exceed twenty-four or twenty-seven. The provisions of articles 39, paragraph 3 and 83 paragraph 3 are applicable.

Article 106 a: [added by article 2 of law 78-12]

For companies whose shares are listed on the stock exchange, an audit committee acting, where applicable, under the responsibility of the board of directors or the supervisory board must be created.

This committee ensures the monitoring of issues relating to the preparation and monitoring of accounting and financial information.

This committee, whose composition is set by the said board, consists of directors or members of the supervisory board excluding those who perform any other function within the company.

Members of the committee must have sufficient financial or accounting experience and be independent in terms of the criteria specified and published by the said board, in accordance with the terms and conditions set by the Moroccan Capital Market Authority.

Without prejudice to the powers and responsibilities of the administrative, executive and management bodies, the committee is particularly in charge of:

1) monitoring the preparation of the information for shareholders, the public and the Moroccan Capital Market Authority;
2) monitoring the effectiveness of the systems of internal control, internal audit and, where applicable, management of risks related to the company;
3) monitoring the legal control of the corporate financial statements and consolidated statements;

4) reviewing and monitoring the independence of the statutory auditors, in particular in terms of the provision of additional services to the controlled entity.

It issues a recommendation to the general meeting regarding the statutory auditors whose appointment was proposed.

It reports to the board of directors or the supervisory board on a regular basis regarding the exercise of its duties and informs them without delay of any difficulty encountered.

TITLE IV

SHAREHOLDERS MEETINGS

Article 107:

General meetings held during the corporate life are either general or special.

Special meetings convene only holders of the same share class.

Article 108:

General meetings are either ordinary or extraordinary. They represent all shareholders.

Article 109:

The decisions of general meetings are binding on everyone, even those who are absent, unable to act, dissenting or those who are deprived of voting rights.

Article 110: (Completed by article one of law no. 20-05 enacted by Dahir no. 1-08-18 of 23 May 2008 - 17 Jumada I 1429; O.G. no. 5640 of 19 June 2008)

Only the general meeting is entitled to amend all provisions of the articles of association; any contrary clause is deemed unwritten. It may not, however, as stated in article one, increase the commitments of shareholders, subject to the operations resulting from a reverse stock split carried out regularly, or change the nationality of the company.

It may only deliberate duly if the shareholders present or represented hold, on first call, at least half, and, on second call, one quarter of shares with voting rights. Failing this last quorum, the second general meeting may be postponed to a date no later than two months after the date on which it was originally convened.

It decides by a two-thirds majority of the votes of the shareholders present or represented.

The articles of association may provide that shareholders who attend the meeting via videoconference means or other equivalent means allowing for their identification under the conditions set by article 50 a of this law are deemed present for the purposes of the calculation of the quorum and the majority.

Article 111: (Completed by article one of law no. 20-05 enacted by Dahir no. 1-08-18 of 23 May 2008 - 17 Jumada I 1429; O.G. no. 5640 of 19 June 2008)

The ordinary general meeting takes any decisions other than the ones referred to in the previous article.

It may only deliberate validly on first call if the shareholders present or represented hold at least a quarter of the shares with voting rights. No quorum is required for the second call.

It shall act by a majority of the votes of the shareholders present or represented.

The articles of association may provide that, for the calculation of the quorum and the majority, shareholders attending the general meeting via videoconference means or via other equivalent means allowing for their identification under the conditions set by article 50 a of this law are deemed present.

Article 112:

When the company, within two years of its registration on the Trade Register, acquires a shareholder asset whose value is at least equal to one tenth of the share capital, an appraiser, in charge of the assessment, under their responsibility, of the value of this asset is appointed by order of the president of the court acting in summary proceedings upon request of the board of directors or the president of the supervisory board. This appraiser is subject to the provisions of article 25.

The report of the appraiser is made available to shareholders. The ordinary general meeting decides on the assessment of the asset, under penalty of nullity of the acquisition. The transferor cannot take part in the voting, neither on their own behalf, nor as a representative.

The provisions of this article do not apply when the acquisition of the share is carried out on the market in the form of listed shares, or under the control of a judicial authority, or in the context of current operations of the company concluded under normal conditions.

Article 113:

The special general meetings referred to in the 2nd paragraph of article 107 are empowered to deal with any decision that concerns the class of shares held by their members under the conditions provided for by this law.

The decision of a general meeting to change the rights relating to a class of shares is only final after approval by the special meeting of shareholders of that class.

Special meetings deliberate under the quorum and majority conditions provided for in article 111.

Article 114:

The quorum and majority rules provided for in articles 110, 111 and 113 only set a legal minimum that may be raised by the articles of association.

Article 115: (amended by article one of law no. 20-05 enacted by Dahir no. 1-08-18 of 23 May 2008 - 17 Jumada I 1429; O.G. no. 5640 of 19 June 2008)

The ordinary general meeting is held at least once a year within six months of the end of the financial year, subject to an extension of this period once for the same duration, by order of the president of the court acting in summary proceedings, upon the request of the board of directors or the supervisory board.

After reading its report, the board of directors or the management board submits to the ordinary general meeting the annual summary financial statements. In addition, the statutory auditor(s) describe(s) the execution of their mission and share(s) their findings.

Article 116: (amended by article one of law no. 20-05 enacted by Dahir no. 1-08-18 of 23 May 2008 - 17 Jumada I 1429; O.G. no. 5640 of 19 June 2008) **[amended and completed by article one of law 78-12]**

The general meeting is convened by the board of directors or the management board, failing that, and in emergency cases, it may also be convened by:

1) the statutory auditor(s);
2) a representative designated by the president of the court acting in summary proceedings upon the request, either of any concerned party in emergency cases, or of one or many shareholders representing at least one tenth of the share capital;
3) liquidators;

4) majority shareholders in capital or in voting rights following a public purchase or exchange offer or after a transfer of a block of securities changing the control of the company;
5) the supervisory board.

The statutory auditor(s) may only convene the general meeting after vainly convened by the board of directors or the supervisory board and the management board.

Should there be many statutory auditors, they shall act in agreement with each other and set the agenda. If they disagree about the possibility of convening the meeting, one of them may request the president of the court, acting in summary proceedings, to authorize the said notice, the other statutory auditors and the chairman of the board of directors or the supervisory board and the management board duly convened. The order of the president of the court, which sets the agenda, shall not be subject to any appeal.

The expenses incurred by the convening of the meeting shall be borne by the company.

Article 116 a: (added by article 3 of law no. 20-05 enacted by Dahir no. 1-08-18 of 23 May 2008 - 17 Jumada I 1429; O.G. no. 5640 of 19 June 2008)

The provisions of article 116 are applicable to special meetings.

Article 117:

The agenda of general meetings is decided by the author of the notice.

However, one or many shareholders representing at least five percent of the share capital may request the inclusion of one or many draft resolutions in the agenda.

Where the share capital of the company is greater than five million dirhams, the amount of the capital to be represented pursuant to the previous paragraph is reduced to two percent for the surplus.

Article 118:

With exception of various issues which can only be of minimal importance, the issues included in the agenda are written in such a way that their content and scope are clearly visible without reference to other documents.

The general meeting may not deliberate on an issue not included in the agenda. However, it may, in all circumstances, dismiss one or many directors or members of the management board and proceed with their replacement.

The agenda may not be amended upon second call.

Article 119:

The author of the notice must prepare and submit to each meeting a report on the issues included in the agenda and the resolutions submitted to the vote.

Article 120:

Any shareholder of a company not making public offering who wants to make use of the option provided for in article 117, paragraph 2 may request the company to notify them, by registered letter, of the expected dates of meetings or of some of them, at least thirty days before the said date. The company is required to send this notice together with the agenda and draft resolutions, if the shareholder has sent them the delivery costs.

Requests for the inclusion of draft resolutions in the agenda must be sent to the registered office by registered letter at least twenty days prior to the date of the meeting held on first call, date as per postmark.

Article 121: (amended by article one of law no. 20-05 enacted by Dahir no. 1-08-18 of 23 May 2008 - 17 Jumada I 1429; O.G. no. 5640 of 19 June 2008) **[amended and completed by article one of law 78-12]**

Companies making public offering are required, no later than thirty days before the shareholders meeting, to publish a convening notice for the meeting in a newspaper appearing on the list set by the legislative and regulatory texts in force. This notice contains the statements provided for in article 124 as well as the text of the draft resolutions to be submitted to the board of directors or the management board, completed by an accurate description of the procedures that shareholders must follow in order to take part and vote in the meeting, particularly the terms and conditions of proxy or postal vote.

It is possible for the meeting notice not to contain the information set out in paragraph 1 when the said information is released on the website of the company, no later than, the day of the publication of the said meeting notice. In this case, the latter shall indicate the address of the said website.

Requests for the inclusion of draft resolutions on the agenda must be submitted or sent to the registered office against a receipt within a period of ten days as of the publication of the notice provided for in the previous paragraph. Reference to this deadline shall be made in the notice.

Article 121 a: **[added by article 2 of law 78-12]**

During an interrupted period starting no later than the twenty-first day before the meeting, companies whose shares are listed on the stock exchange publish the following information and documents in their website referred to in article 155 a below:

1- the notice referred to in article 121;
2- the total number of existing voting rights and the number of shares making up the capital of the company on the publication date of the notice referred to in article 121, specifying, where applicable, the number of shares and voting rights existing on this date for each share class;
3- the documents to be submitted to the meeting;
4- the text of the draft resolutions to be submitted to the meeting. The draft resolutions submitted or deposited by shareholders are added to the website without delay after being received by the company;
5- postal and proxy vote forms, except in cases where the company sends these forms to all shareholders.

When, for technical reasons, these forms cannot be made accessible on its website, the company indicates on the latter the place, terms and conditions for their procurement. It sends them at its own expense to any shareholder requesting them.

Article 122: (amended by article one of law no. 20-05 enacted by Dahir no. 1-08-18 of 23 May 2008 - 17 Jumada I 1429; O.G. no. 5640 of 19 June 2008) **[amended and completed by article one of law 78-12]**

Convening meetings is done through a notice published in a legal announcements newspaper.

If all company shares are registered, the notice provided for in paragraph one may be replaced by a notice addressed to each shareholder under the forms and conditions set by the articles of association.

For companies making public offering, when the company does not receive any requests from shareholders for the inclusion of draft resolutions in the agenda, under the conditions

referred to in article 121 above, the meeting notice serves as a convening notice as published.

Article 123:

The time limit between the date of either the insertion or the last insertion in the legal announcements newspaper containing the convening notice, or the mailing of the registered letters and the date of the meeting is at least fifteen days on first call and eight days on second call.

Article 124: (amended by article one of law no. 20-05 enacted by Dahir no. 1-08-18 of 23 May 2008 - 17 Jumada I 1429; O.G. no. 5640 of 19 June 2008)

The convening notice must indicate the corporate name followed, where applicable, by its acronym, the form of the company, the amount of the share capital, the address of the registered office, the registration number in the trade register, days, time and place of the meeting as well as the nature of the ordinary, extraordinary or special meeting, its agenda and the text of draft resolutions. For draft resolutions emanating from the shareholders, the notice must indicate if they are agreed or not by the board of directors or the supervisory board.

The convening notice shall indicate, where appropriate, the conditions and terms of postal vote as provided for by article 131 a of this law.

Convening to a meeting held on second call must recall the date of the meeting which could not validly deliberate.

Article 125:

Any meeting irregularly convened may be cancelled. However, the nullity action shall not be admissible when all shareholders were present or represented.

Article 126:

Unless otherwise provided for in the articles of association, shareholders' meetings are held in the registered office or in any other place in the city where the registered office referred to in the convening notice is located.

Article 127:

The articles of association may impose a minimum share number, which may not, however, exceed ten, for shareholders to be entitled to attend ordinary general meetings.

Shareholders not holding the number required may gather together to reach the minimum required by the articles of association and be represented by one of them.

Article 128:

In all meetings, quorums are calculated based on the total shares making up the share capital or the share class concerned, from which are possibly deducted shares without voting rights pursuant to legal or statutory provisions.

Article 129:

Unless otherwise provided for in the articles of association, the voting right attached to the share belongs to the usufructuary in ordinary general meetings and to the bare owner in extraordinary general meetings.

Co-owners of undivided shares shall be represented in general meetings by one of them or by a single representative. In case of disagreement, the representative is appointed by the president of the court, acting in summary proceedings, upon the request of the co-owner who petitions first.

In the event of pledge on shares, the voting right is exercised by the owner. The pledgee is required to proceed with the deposit of pledged shares, if the debtor requests it and bears the costs.

Article 130:

The articles of association may subject the participation or representation in meetings, either to the registration of the shareholder on the record of registered shares of the company, or to the deposit, in the place indicated by the convening notice, of bearer shares or of a deposit certificate delivered by the depositary institution of these shares.

The period during which these formalities must be fulfilled is set by the articles of association. It may not be earlier than five days of the meeting date.

Article 131: (amended by article one of law no. 20-05 enacted by Dahir no. 1-08-18 of 23 May 2008 - 17 Jumada I 1429; O.G. no. 5640 of 19 June 2008)

A shareholder may be represented by another shareholder, by their spouse, ascendants or descendant; in companies making public offering, they may also be represented by any legal entity whose corporate purpose is the management of transferable securities portfolios.

Any shareholder may receive powers from other shareholders in order to represent them in a meeting and this without any limitation as to the number of proxies or votes one person is entitled to have, both personally and as a proxy holder, unless this number is set in the articles of association.

Unless otherwise provided for in the articles of association, for any proxy of a shareholder sent to the company with no indication of the proxy, the chairman of the general meeting issues a favourable vote for the adoption of the draft resolutions submitted or agreed by the board of directors or the supervisory board and an adverse vote for the adoption of all other draft resolutions. For any other votes, the shareholder must choose a proxy that will accept to vote as instructed by the principal.

Any clauses contrary to the provisions of the first two paragraphs are deemed unwritten.

Article 131 a: (added by article 3 of law no. 20-05 enacted by Dahir no. 1-08-18 of 23 May 2008 - 17 Jumada I 1429; O.G. no. 5640 of 19 June 2008)

The articles of association may stipulate that all shareholders may vote by mail or via a form. Forms with no voting indications or expressing abstention shall not be taken into consideration for the calculation of the majority of votes.

The voting form sent to the company by mail for the purposes of a meeting shall be valid for the following meetings convened with the same agenda.

As of the date on which the meeting is convened, a postal voting form and its appendices are handed or sent, at the expense of the company, to any shareholder requesting it, by any means provided for in the articles of association or in the convening notice. The company must comply with any request filed with or received by the registered office no later than ten days before the meeting date. This deadline is reduced to six days for companies not making public offering.

Only forms received by the company before the meeting is held are taken into consideration in the calculation of the quorum. The date after which voting forms may not be taken into consideration may not be later than two days before the meeting is held.

The content of the postal voting form, as well as the documents to be annexed thereto, are set by a decree.

Article 132:

The proxy granted for representation in a meeting by a shareholder is signed by the latter and indicates their first and last names as well as their address. The appointed proxy may not substitute another person.

The proxy is granted for one meeting only. It may, however, be granted for two meetings, one ordinary, and the other extraordinary, held on the same day or in a period of fifteen days.

The proxy granted for the purposes of a meeting remains valid for the following meetings convened with the same agenda.

Article 133:

The company may not vote with acquired or pledged shares. These shares are not taken into consideration to calculate the quorum.

Article 134:

At each general meeting, an attendance sheet is kept, indicating the first and last names and address of the shareholders and, where applicable, of their proxies, as well as the number of shares and votes they hold.

The attendance sheet to which are annexed the powers of representation received by shareholders or sent to the company must be duly signed by the present shareholders and by the proxies of the represented shareholders and shall be certified as accurate by the committee of the general meeting.

Article 135:

Shareholders meetings are chaired by the chairman of the board of directors or the supervisory board or, in their absence, by the person designated in the articles of association. Failing that, the general meeting elects a chairman by itself.

In case the meeting is convened by the statutory auditor(s), by a representative of justice or by liquidators, the meeting is chaired by the person or one of the persons who have convened it.

Are appointed as tellers of the meeting the two members thereof who have, either personally or as proxy holders, the greatest number of votes and accept this function.

The committee of the general meeting designates the secretary who may be the secretary of the board of directors provided for in article 64 or any other person chosen outside of the shareholders, unless otherwise provided for in the articles of association.

Article 136: [amended and completed by article one of law 78-12]

The deliberations of meetings are recorded in minutes signed by members of the committee and entered in a register or on loose-leaf booklets under the conditions set by article 53.

The minutes indicate the date and place of the meeting, the convening method, the agenda, the composition of the committee, the number of shares taking part in the vote

and the quorum achieved, the documents and reports submitted to the meeting, a summary of the debates, the text of resolutions put to the vote and the result of the votes.

The said minutes specify, at least, for each resolution, the number of shares for which votes have been validly cast, the proportion of the share capital represented by these votes, the total number of votes validly cast, as well as the number of votes cast for and against each resolution and, where applicable, the number of abstentions.

Companies whose shares are listed on the Stock Exchange release on their website, within a period not exceeding fifteen days after the meeting is held, the results of the votes carried out pursuant to the previous paragraph.

Article 137:

Where the general meeting fails to deliberate for lack of quorum, minutes are drawn up thereof by the committee of the said general meeting.

Article 138:

Copies or extracts of the minutes of the general meetings are validly certified, in accordance with the conditions provided for in paragraph one of article 54.

In the event of company liquidation, they are validly certified by one liquidator.

Article 139:

The deliberations carried out in violation of the provisions of articles 110, 111, 113 (paragraph 3), 117, 118 (paragraph 2) and 134 are void.

TITLE V

DISCLOSURE TO SHAREHOLDERS

Chapter one: Public limited companies not Making Public Offering

Article 140:

The author of the convening notice is required to make available to the shareholders or their proxies duly appointed the documents referred to in the next article.

Article 141: (added by article 3 of law no. 20-05 enacted by Dahir no. 1-08-18 of 23 May 2008 - 17 Jumada I 1429; O.G. no. 5640 of 19 June 2008) **[amended and completed by article one of law 78-12]**

As of the convening of the annual ordinary general meeting and within at least fifteen days before the meeting date, all shareholders are entitled to have knowledge of:

1) the agenda of the general meeting;
2) the text and explanatory statement of the draft resolutions submitted by the board of directors or the management board and, where applicable, by the shareholders;
3) the list of directors in the board of directors, members of the management board and the supervisory board, as well as, where applicable, the information relating to candidates of these bodies;
4) the inventory, the summary financial statements of the last financial year, the decisions of the board of directors or the management board, as well as, where applicable, the observations of the supervisory board;
5) the management report of the board of directors or the management board submitted to the general meeting, as well as, where applicable, the observations of the supervisory board;
6) the report of the statutory auditor(s) submitted to the general meeting and the special report provided for in the 3rd paragraph of article 58 or in the 4th paragraph of article 97;
7) proposed allocation of income;
8) the list provided for, as the case may be, in the second paragraph of article 57 or of article 96 above;
9) the list of agreements provided for in articles 56 and 95. However, any shareholder may obtain a copy of the said agreements at their own expense.

As of the convening of any other meeting, ordinary or extraordinary, general or special, any shareholder is also entitled, at least within a period of fifteen days of the meeting, to be informed, in the same location, of the text of draft resolutions and the report of the board of directors or management board and, where applicable, the report of the statutory auditor(s).

If the right to take part in the meeting is made conditional by the articles of association to the possession of a minimum number of shares, the documents and information abovementioned shall be sent to the representative of the group of shareholders who meet the required conditions.

Article 142:

The management report of the board of directors or of the management board must contain the information useful to the shareholders to allow them to assess the activity of the company during the last financial year, realized transactions, difficulties encountered, results achieved, formation of the distributable result, the proposal of allocating the said result, the financial situation of the company and its future prospects.

When the company has subsidiaries or interests or if it controls other companies, the report must contain the same information related thereto, together with their contribution to the corporate result; annexed to this is a status of these subsidiaries and interests with the indication of the percentages held by the end of the financial year as well as a status of other transferable securities held in portfolio at the same date and the indication of companies it controls.

If the company has acquired subsidiaries, interests, or the control of other companies during the financial year, a special indication is made.

Article 143:

Under the previous article, the following shall mean:

- subsidiary, a company where another company, called parent company, owns more than half of the capital;
- equity interest, the possession in a company by another company of a Fraction of the capital between 10 and 50%.

Article 144: (amended by article 1 of law no. 20-05 enacted by Dahir no. 1-08-18 of 23 May 2008 - 17 Jumada I 1429; O.G. no. 5640 of 19 June 2008)

A company is deemed as controlling another when:

- it holds alone or in concert with one or more shareholders directly or indirectly a fraction of the capital granting it the majority of voting rights in general meetings of this company; holds alone the majority of voting rights in this company by virtue of an agreement concluded with other partners or shareholders which is not against interests of the company;
- it determines alone or in concert with one or more shareholders, by virtue of the voting rights it has, the decisions at general meetings of the company.

It is presumed to exercise this control when it owns either directly or indirectly, a fraction of voting rights greater than 40% and no other partner or shareholder holds either directly or indirectly a fraction of these rights greater than 30%.

Any equity interest even when less than 10% held by a controlled company is deemed as indirectly held by the company controlling it.

For the purposes of applying paragraphs 1 and 2 of this article, persons acting in concert shall refer to natural or legal entities cooperating on the grounds of a formal or informal, written or oral agreement aiming to implement a common policy vis-à-vis the company.

Article 145:

Within fifteen days before any general meeting is held, any shareholder is entitled to obtain a list of the shareholders with an indication of the number and class of shares each shareholder holds.

Article 146:

Any shareholder is entitled, at any time, to obtain the corporate documents referred to in article 141 relating to the three last financial years as well as the minutes and attendance sheets of the general meetings held during these financial years.

Article 147:

Except for the inventory, the right to be informed entails the right to take a copy.

Article 148:

If the company refuses to disclose all or a part of the documents in contravention of the provisions of articles 41, 145, 146, 147 and 150, the shareholder who has been denied the disclosure of the said information may request the president of the court, acting in summary proceedings, to order the company, subject to a penalty, to disclose the said documents under the conditions provided for in the said articles.

Article 149:

Any shareholder exercising the right to obtain documents and information from the company may seek the assistance of a board.

Article 150:

The rights granted to shareholders by articles 141, 145 and 146 are exercised either by them or by their proxies, duly authorized, at the registered office.

The right of disclosure of documents, provided for in the articles referred to in the previous paragraph, also belongs to each of the co-owners of undivided shares, to bare owners and to the usufructuary of shares, as well as to owners of investment certificates and voting rights.

Article 151:

The articles of association may provide that the documents referred to in articles 141, 145 and 146, excluding the inventory, are automatically sent to registered shareholders to the address indicated by them, at the expense of the company, at the same time as the convening notice; the same applies to holders of bearer shares making a request for the said documents while proving their capacity.

Article 152:

In case the provisions of this chapter are violated, the meeting may be cancelled.

Chapter II: public limited companies making public offering

Article 153: repealed by article 3 of law 78-12

Article 154: repealed by article 3 of law 78-12

Article 155: (Completed by article 1 of law no. 20-05 enacted by Dahir no. 1-08-18 of 23 May 2008 - 17 Jumada I 1429; O.G. no. 5640 of 19 June 2008)

The provisions of articles 140 to 152 of this law are applicable to public limited companies making public offering.

In companies making public offering, the management report of the board of directors or the management board highlights the value and pertinence of the investments carried out by the company, as well as their foreseeable impact on the development of the latter. It, also, highlights, if applicable, the risks inherent to the said investments; it points out and analyses

the risks and events, encountered by the management or the administration of the company, which might have a favourable or unfavourable effect on its financial situation.

Article 155 a: [added by article 2 of law 78-12]

Companies making public offering are required to have a website in order for them to meet their obligations of disclosure to their shareholders.

Article 156: (Completed by article 1 of law no. 20-05 enacted by Dahir no. 1-08-18 of 23 May 2008 - 17 Jumada I 1429; O.G. no. 5640 of 19 June 2008)

The companies referred to in the preceding article 155 must release in a legal announcements newspaper, simultaneously with the convening notice of the annual ordinary general meeting, the summary financial statements relating to the preceding financial year, prepared in accordance with the legislation in force while clearly stating whether or not these statements are verified or not by the statutory auditors.

Chapter III: Common Provisions

Article 157:

One or many shareholders representing at least one tenth of the share capital may request the president of the court, acting in summary proceedings, to appoint one or many experts in charge of submitting a report on one or many management operations.

If the request is approved, the injunction shall determine the scope of the mission and the powers of the expert, the legal representatives and the company duly called at the hearing.

The injunction also sets where necessary, the fees of the expert(s) on a provisional basis. The fees shall only be paid at the end of the duties either by the company or by the applicant shareholders if it appears that the expertise application was unfair and was made with the purpose to harm the company.

This report is sent to the applicant, the board of directors, or the management board, and the supervisory board as well as the statutory auditors. It must be made available to shareholders for the purposes of the following general meeting, annexed to the report of the statutory auditor(s).

Article 158: (Completed by article 1 of law no. 20-05 enacted by Dahir no. 1-08-18 of 23 May 2008 - 17 Jumada I 1429; O.G. no. 5640 of 19 June 2008) **[amended and completed by article one of law 78-12]**

Two copies of the summary financial statements accompanied by one copy of the report of the statutory auditor(s) must be filed with the court registry, within a period of 2 months starting from the date of their approval by the general meeting.

This submission may be carried out by electronic means under the conditions set by regulations.

Failing that, any concerned party may request the president of the court, acting in summary proceedings, to order the company, subject to a penalty, to proceed with the said submission.

TITLE VI

CONTROL OF PUBLIC LIMITED COMPANIES

Article 159:

For every public limited company, one or many statutory auditors must be appointed to be in charge of controlling and monitoring the corporate financial statements under the conditions and for the purposes set by this law.

However, companies making public offering are required to at least two statutory auditors: the same requirement applies to banking and finance companies, investment, insurance, capitalization and savings companies.

Article 160:

No one can perform the functions of statutory auditor unless they are registered on official list of chartered accountants.

Article 161: (Completed by article 1 of law no. 20-05 enacted by Dahir no. 1-08-18 of 23 May 2008 - 17 Jumada I 1429; O.G. no. 5640 of 19 June 2008) **[amended and completed by article one of law 78-12]**

The following persons may not be appointed as statutory auditors:

1) the founders, contributors in kind, beneficiaries of specific advantages as well as directors, members of the supervisory board or the management board of the company or of one of its subsidiaries;
2) spouses, ascendants and descendants up to the second degree of the persons referred to in the preceding paragraph;
3) the persons who receive from the persons referred to in paragraph 1) above, of the company or one of its subsidiaries any remuneration for a service that may affect their independence or performs for the company or one of its subsidiaries functions that may make them in a position where they will have to decide with regard to documents, evaluations or positions to which they may have contributed in terms of their elaboration or placing them in a situation where they represent the company or its subsidiaries as well as the recruitment of staff;
4) accounting companies where one of the partners is in one of the situations provided for in the previous paragraphs, as well as the chartered accountant who is a partner in an accounting company when the latter falls in one of the said situations.

Two or more chartered accountants who are part of the same accounting company or the same firm may not be statutory auditors of one company.

Where one of the abovementioned incompatibility causes occurs during the term of office, the party concerned must cease performing their functions and inform the board of directors or the supervisory board thereof, within a maximum period of fifteen days after the occurrence of this incompatibility.

Article 162:

Statutory auditors may be appointed as directors, chief executive officers or members of the management board of companies they control only after a minimum period of 5 years as of the termination of their functions. They may not, within the same time limit, perform the said

functions in a company holding 10% or more of the capital of the company whose financial accounts they control.

Persons who have been directors, chief executive officers, or members of the management board of a public limited company may not be appointed as statutory auditors of this company within at least five years following the termination of their functions. They may not, within the same time limit, be appointed as statutory auditors in companies holding 10% or more of the capital of the company where they performed the said functions.

Article 163:

The statutory auditor(s) are appointed for three financial years by the shareholders ordinary general meeting. In the case provided for in article 20, the duration of their functions may not exceed one financial year.

The functions of the statutory auditors appointed by the shareholders ordinary general meeting expires after the meeting ruling on the financial statements of the third financial year is held.

The statutory auditor, appointed by the meeting as a replacement for another, may only serve for the remaining period of their predecessor's term of office.

If, upon expiry of a statutory auditor's term of office, a motion is submitted to the meeting against extension of their term, the statutory auditor, upon their request, may address the meeting,

Article 164: (Completed by article 1 of law no. 20-05 enacted by Dahir no. 1-08-18 of 23 May 2008 - 17 Jumada I 1429; O.G. no. 5640 of 19 June 2008)

One or more shareholders representing at least 5% of the share capital may request of the president of the court acting in summary proceedings the disqualification on valid grounds of the statutory auditor(s) appointed by the general meeting and request the appointment of one or more auditors that shall perform their functions in their stead. However, for companies making public offering, this request may also be made by the Moroccan Securities Ethics Council.

The president receives, under penalty of inadmissibility, a motivated request submitted within a period of thirty days as of the challenged appointment.

If the request is approved, the appointed statutory auditor(s) by the president of the court remain(s) in office until the appointment of (a) new statutory auditor(s) by the general meeting.

Article 165:

If the statutory auditors are not appointed by the general meeting, their appointment is made by an order of the president of the court, acting in summary proceedings, upon request of any shareholder, the directors duly summoned.

The mission thus conferred terminates when the general meeting provides for the appointment of the statutory auditors.

Article 166:

The permanent mission of the statutory auditor(s) is, excluding any interference in the management, the inspection of the company's assets and books, accounting documents and verifying the compliance of its accounting records with the rules in force. They also inspect the fairness and consistency, with the summary financial statements, of the information given in the management report of the board of directors or the management board and in the documents provided to shareholders regarding the company's assets, financial situation and results.

The statutory auditor(s) ensures equality has been observed among shareholders.

Article 167:

The statutory auditor(s) carry out, at any time of the year, all inspections and controls they deem appropriate and may immediately be provided with all documents they deem useful for the performance of their mission and particularly all agreements, books, accounting and minutes records.

To carrying out their control, statutory auditors may, under their responsibility, be assisted or represented by such experts or collaborators of their choice, whom they shall make known by name to the company.

The experts or collaborators shall have the same investigation rights as the statutory auditors.

The investigations provided for in this article may be carried out in the company as well as in parent companies or subsidiaries.

The statutory auditor(s) may also collect any information that is useful for the execution of their duties from third parties having carried out operations on behalf of the company. However, this right to be informed may not include the provision of documents, agreements, and documents held by third parties, unless they are authorized thereto by the president of the court acting in summary proceedings.

Article 168:

The professional secrecy may not be opposed to statutory auditors, except by officers of the court.

It may also not be opposed to statutory auditors by third-party agreement drafters, fund depositaries, or representatives of managers of the company, where the agreements, deposits or the exercise of their duties is directly related to the documents whose control is legally assigned to the statutory auditor(s) or the investigations they are entitled to carry out for the fulfilment of their information duties.

Article 169: (Completed by article 1 of law no. 20-05 enacted by Dahir no. 1-08-18 of 23 May 2008 - 17 Jumada I 1429; O.G. no. 5640 of 19 June 2008)

The statutory auditor(s) report to the board of directors or the management board and the supervisory board, as often as needed:

1) controls and inspection they carried out and different surveys they undertook;
2) items of the summary financial statements that they think should be amended, while making any useful observations on the evaluation methods used for drawing up those statements;
3) irregularities and inaccuracies they have discovered;
4) conclusions resulting from the observations and corrections above on the results of the financial year compared to those of the previous financial year;
5) any infringing acts they have knowledge of while performing their duties.

In addition, for companies making public offering, the statutory auditors report to the Council for the Moroccan Securities Ethics Council the irregularities and inaccuracies they have discovered during the exercise of their functions.

Article 170:

The statutory auditor(s) are convened to the meeting of the board of directors or the management board which approves the financial statements of the past financial year, as well as to all shareholders meetings.

They are also convened to meetings, where applicable, of the board of directors or the supervisory board at the same time as directors or members of the supervisory board, by registered letter with acknowledgment of receipt.

Article 171:

If many statutory auditors are in office, they may carry out their duties separately, but they shall prepare a joint report.

In case of disagreement among the statutory auditors, the report indicates the different views expressed.

Article 172:

The statutory auditor(s) prepare a report of the execution of the duties assigned to them to the general meeting.

When, during the financial year, the company acquires a subsidiary, takes control of another company or acquires a participation in another company pursuant to article 143, the statutory auditor(s) makes reference thereto in their report.

Article 173:

The summary financial statements and the management report of the board of directors or the management board are made available for the statutory auditor(s) at least sixty days before the notice convening the annual general meeting.

Article 174:

The statutory auditor(s) must particularly prepare and deposit at the registered office, at least fifteen days before the ordinary general meeting is held, the special report provided for in articles 58 (3rd paragraph) and 97 (4th paragraph).

Article 175:

In their report submitted to the general meeting, the statutory auditor(s)

1) either certify that the summary financial statements are regular and accurate and give a true and fair view of the results of the previous financial year as well as the financial situation and the assets of the company at the end of this financial year;
2) or make reservations as to the certification;
3) or refuse to certify the financial statements.

In the last two cases, they shall state the grounds thereof.

They also present in this report their observations on the accuracy of the information provided in the management report of the financial year and in the documents provided to shareholders on the financial position of the company, as well as on its assets and results and the concordance of the said information with the summary financial statements.

Article 176:

The statutory auditor(s) may always, in cases of emergency, convene the general meeting under the conditions provided for in article 116 (paragraphs 2 and 3).

Article 177:

The statutory auditors as well as their collaborators are bound by professional secrecy in terms of the facts, acts and information that they may have knowledge of due to their functions.

Article 178:

The deliberations made in the absence of a due appointment of the statutory auditor(s) or on the report of the statutory auditor(s) appointed or remaining in office contrary to the provisions of articles 160 and 161 are void.

The nullity action is cancelled if the deliberations are expressly confirmed by a general meeting on the report of the statutory auditor(s) duly appointed.

Article 179: (Completed by article 1 of law no. 20-05 enacted by Dahir no. 1-08-18 of 23 May 2008 - 17 Jumada I 1429; O.G. no. 5640 of 19 June 2008)

In case of fault or impediment for whatever reason, one or many statutory auditors may, upon the request of the board of directors, or the supervisory board, of one or many shareholders representing at least 5% of the share capital or the general meeting in any case be relieved of their duties by the president of the court, acting in summary proceedings, before the normal expiry date of their term of office.

The statutory auditors may also be relieved of their duties upon the request of the Council for the Moroccan Securities Ethics Council for companies making public offering.

Where one or many statutory auditors are relieved of their functions, they shall be replaced under the conditions provided for in article 163.

Article 179 a: (Added by article 3 of law no 20-05 enacted by Dahir no. 1-08-18 of 23 May 2008 – 17 Jumada I 1429; O.G. no 5640 of 19 June 2008). **[amended and completed by article one of law 78-12]**

In case of resignation, the statutory auditor prepares a document to be submitted to the board of directors, or to the supervisory board and to the next general meeting, in which they, explicitly, state the reasons behind their resignation. For companies making public offering, the said document is transferred, immediately after the resignation, to the Moroccan Capital Market Authority.

If the statutory auditor is not appointed by the general meeting, within sixty days as of the said resignation, they are appointed by order of the president of the court, acting in summary proceedings, upon the request of any shareholder, provided that the directors are duly convened.

The provisions of the second paragraph above are applicable in case of death of the statutory auditor.

The mission thus conferred is terminated once the general meeting provides for the appointment of the statutory auditor.

Article 180:

The statutory auditors are liable, both towards the company and third parties, for the adverse consequences of any fault or negligence committed by them while performing their functions.

They are not civilly liable for the violations committed by the directors or members of the management board or the supervisory board except if, having been aware thereof during the execution of their duties, they did not reveal them in their report to the general meeting.

Article 181:

Liability actions against the statutory auditors shall be barred after five years from the date the harmful event or following its disclosure where the wrong was hidden.

TITLE VII

CHANGES IN THE SHARE CAPITAL

Chapter one: Capital increase

Article 182:

The share capital may be increased once or more, either by issuing new shares, or by increasing the nominal value of existing shares.

Article 183:

The new shares may be paid up:

- either by a contribution in cash or in kind;
- or by compensation with liquid and payable debts of the company;
- or by incorporation of reserves, profits or issue premiums into the capital;
- or by conversion of bonds.

Article 184:

The capital increase by increasing the nominal value of shares requires the unanimous consent of shareholders unless it is realized by incorporation of reserves, profits or issue premiums.

Article 185:

New shares are issued either at their nominal amount, or with an issue premium.

Article 186: (Completed by article 1 of law no. 20-05 enacted by Dahir no. 1-08-18 of 23 May 2008 - 17 Jumada I 1429; O.G. no. 5640 of 19 June 2008)

Only the extraordinary general meeting is entitled to decide, on the report of the board of directors or the management board, on a capital increase.

This report states the reasons and terms of the proposed capital increase.

The general meeting may, however, delegate to the board of directors or the management board the powers necessary to carry out the capital increase on one or more occasions, to set the terms and conditions thereof, to observe its completion and to proceed with a correlative amendment of the articles of association.

The board of directors or the management board gives to the nearest subsequent general meeting an account of their use of the powers conferred pursuant to the previous paragraph, and this by means of a report describing particularly the final terms of the operation carried out. For companies making public offering, the elements to be included in this report are set by the Moroccan Securities Ethics Council.

Article 187:

The capital must be fully paid-up before any issue of new shares to be paid-up in shares, under penalty of the operation being declared null.

In addition, any capital increase by way of public offering carried out in less than two years after the formation of a company must be preceded by an inspection by the statutory auditor(s) of the company of the assets and liabilities as well as, where applicable, the special benefits granted.

Article 188:

The capital increase must be carried out, under penalty of nullity, within a period of three years as of the date of the general meeting having decided or authorized it, unless the increase is carried out by conversion of bonds into shares.

The amount of the capital increase must be fully subscribed. Otherwise, the subscription is deemed void.

Article 189:

Shareholders have a pre-emptive right to subscribe to new cash shares, proportionately to the number of shares they have. Any contrary clause is deemed unwritten.

During the subscription period, this right is tradable or transferrable in the same conditions as the share itself.

Shareholders may individually waive their pre-emptive right.

Article 190:

If expressly decided by the general meeting and if certain shareholders have not subscribed to the shares they were entitled to on an irreducible basis, shares thus made available are allotted to the shareholders having subscribed, on a reducible basis, to a greater number of shares, proportionately to their share in the capital and within the limit of their demand.

Article 191:

If the subscriptions on a reducible basis and, where appropriate, the allotments of a reducible basis have not absorbed the entire capital increase:

1) the balance is allocated in accordance with the decisions of the general meeting;
2) the increase amount may be limited to the amount of subscriptions if this option was expressly provided for by the meeting which has decided or authorized the increase.

Article 192: (Completed by article 1 of law no. 20-05 enacted by Dahir no. 1-08-18 of 23 May 2008 - 17 Jumada I 1429, O.G. no. 5640 of 19 June 2008).

The meeting that decides or authorizes a capital increase may cancel the pre-emptive subscription right for the entire capital increase or for one or more tranches of this increase. It decides, under penalty of nullity, on the report of the board of directors or the management board and on that of the statutory auditor (s). The content of this last report is fixed by a decree.

The report of the board of directors or the management board must indicate the reasons for the proposal cancellation of this right.

Article 193: (Completed by article 1 of law no. 20-05 enacted by Dahir no. 1-08-18 of 23 May 2008 - 17 Jumada I 1429, O.G. no. 5640 of 19 June 2008).

The general meeting that decides on the capital increase may, in favour of one or more persons, cancel the pre-emptive subscription right.

The issue price or the conditions for fixing this price are set by the general meeting on the report of the board of directors or the management board and on the special report of the statutory auditor (s). The content of this last report is fixed by a decree.

The report of the board of directors or the management board also indicates the names of the beneficiaries of the shares and the number of shares allocated to each of them.

The potential beneficiaries of new shares may not personally or by proxy vote at the meeting, waiving in their favour the pre-emptive subscription right; the quorum and majority required for this decision shall be calculated based on all shares, excluding those owned or represented by the said beneficiaries.

The provisions of the previous paragraph are also applicable to subsidiaries and companies controlled by the person or persons for whom the cancellation of the pre-emptive subscription right is proposed.

Article 193 a: [inserted by article 2 of law 78-12]

In the cases referred to in articles 192 and 193, the report of the board of directors or the management board shall be communicated by the company to the statutory auditor (s) at least forty - five (45) days before the date of the general meeting convened to decide on the capital increase.

The aforementioned report of the board of directors or the management board is made available to the shareholders, at the registered office of the company and / or on its site, no later than the date of publication of the meeting notice of the general meeting convened to decide on the capital increase.

Article 194:
In the cases referred to in articles 192 and 193, the statutory auditor (s) must indicate in their report whether the calculation bases adopted by the board of directors or the management board appear to them to be accurate and honest.

Article 195:
When the shares are encumbered with a usufruct, the pre-emptive subscription right attached to them belongs to the bare owner. If they sells the subscription rights, the proceeds of the sale or the property acquired by them from these sums are subject to the usufruct.

If the bare owner fails to exercise their right, the usufructuary may substitute them for subscribing to new shares or selling the rights. In the latter case, the bare owner may request the re-investment of the proceeds of the sale; property thus acquired is subject to usufruct.

The bare owner is deemed to have neglected their right, in respect of the usufructuary when they has not subscribed for new shares or sold the subscription rights, eight days before the expiry of the subscription period granted to the shareholders.

The provisions of this article shall apply in the absence of agreement of the parties.

Article 196:
When the company does not make a public offering, the shareholders are informed of the issue of new shares by means of a notice published at least six days before the subscription date in a newspaper of legal announcements.

If the company makes a public offering, the announcement is also added to a notice published in the Official Gazette. To this notice are annexed the latest certified summary statements.

When the shares are registered, the announcement is replaced by a registered letter sent at least fifteen days to shareholders before the opening date of the subscription.

The announcement must inform the shareholders of the existence for their benefit of the pre-emptive right and the conditions to exercise this right, the terms, place, the opening and closing dates of the subscription and the rate of issue of shares and their amount of release.

Article 197: [amended and completed by article one of law 78-12]

The time limit granted to old shareholders to exercise their subscription right may never be less than 20 days from the opening date of the subscription.

The subscription time limit shall end as soon as all irreducible subscription rights have been exercised.

Article 198:
The issue of new shares against contributions in cash or in kind is subject to the subscription and verification formalities required for the incorporation of the company, under the provisions of this chapter.

The issue of new shares by a public limited company making public offering is also subject to the disclosure requirements of legal entities making public offerings provided for in Title II of the Dahir law no. 1- 93-212 of 4 Rabii II 1414 (21 September 1993) mentioned above.

Article 199:
If the new shares are released by offsetting the company's debts, they are subject of a statement of account drawn up by the board of directors or the management board and certified as accurate by the statutory auditor (s).

Article 200:
The issue of bonds convertible into shares is subject to the prior authorization of the extraordinary general meeting. The general meeting decides on the special report of the statutory auditors on the proposed conversion bases.

This increase is definitively achieved by a mere conversion request accompanied by the subscription form.

This authorization must include, for the benefit of the bondholders, express waiver by shareholders of their pre-emptive subscription right to the shares that will be issued by conversion of bonds.

Article 201:
Any violation of the provisions contained in this chapter invalidates the capital increase.

Chapter II: Amortization of the nominal value of capital shares

Article 202:
Amortization of the nominal value of capital shares is carried out pursuant to provisions of the articles of association or a decision of the extraordinary general meeting and by distributable profits. This amortization can only be achieved by equal repayment on each share of the same category and does not result in a reduction of capital.

Shares totally redeemed are referred to as dividend shares.

Article 203:
Fully or partially redeemed shares proportionally lose the right to the first dividend and to the nominal value repayment, and retain all other rights.

Article 204:
When the capital is divided, either into capital shares and fully or partially redeemed shares, or into shares unequally redeemed, the extraordinary general meeting of shareholders may decide to convert the fully or partially redeemed shares into capital shares.

To this end, it provides that a compulsory deduction will be made, up to the redeemed amount of shares to be converted, from the portion of corporate profits of one or more financial years allocated to these shares after payment, for partially redeemed shares, of the first dividend or the interest accruing from the shares.

Article 205:
Shareholders may be authorized, under the same conditions, to pay to the company the redeemed amount of their shares plus, where necessary, the first dividend or the statutory interest for the past period of the current financial year and, possibly, of the preceding financial year.

Article 206:
The decisions provided for in articles 204 and 205 are subject to the ratification of the special meetings of each type of shareholders having the same rights.

Article 207:
The board of directors or the management board, as the case may be, makes the necessary amendments to the articles of association, insofar as these amendments correspond materially to the actual results of transactions provided for in articles 204 and 205.

Chapter III: Capital Reduction

Article 208:
The capital reduction is made either by lowering the nominal value of each share or by reducing the number of existing shares by the same proportion for all shareholders.

If the capital reduction is not due to the company losses, the number of shares may be reduced by cancellation of shares purchased by the company for this purpose.

Article 209:
The capital reduction is authorized or decided by extraordinary general meeting. The convening notice of shareholders must state the purpose of the reduction and how it will be carried out.

The extraordinary general meeting may delegate to the board of directors or the management board all powers to carry it out.

When the board of directors or the management board carries out the transaction, pursuant to the delegation of the general meeting, it draws up the minutes subject to the announcement formalities provided for in article 37 and proceeds with the corresponding amendment to the articles of association.

Article 210:
The capital reduction must not in any circumstances have the effect of either undermining shareholders equality or lowering the nominal value of the shares below the legal minimum.

Article 211:
The intended share capital reduction shall be sent to the auditor (s) at least forty-five days before the meeting.

The meeting decides on the report of the auditor (s) who make known their assessment of the reduction causes and conditions.

Article 212:
When the meeting approves an intended capital reduction which is not due to losses, the representative of bondholders' group and any creditor whose debt is prior to the date of filing the deliberations of the general meeting with the court clerk’s office can file an opposition to the reduction within thirty days from the said date before the president of the court ruling on summary proceedings.

The order of the president of the court rejects the appeal or orders either the repayment of debts or the provision of guarantees if the company offers any and if they are deemed sufficient.

Reduction transactions may not begin during the appeal period or, where appropriate, before the summary ruling has been made regarding this appeal.

If the president of the court ruling on summary proceedings accepts the appeal, the capital reduction procedure is immediately suspended until the provision of adequate guarantees or the repayment of the claims. If they rejects it, the capital reduction transactions may begin.

Article 213:
The general meeting which has decided a capital reduction not motivated by losses may authorize the board of directors or the management board to buy a specified number of shares to be cancelled.

The offer to purchase must be made to all shareholders proportionally to the number of shares they have.

For this purpose, a notice of purchase is made in a newspaper of legal announcements and in addition if the company makes public offering, in the Official Gazette.

However, if all company shares are registered, the announcements provided for in the preceding paragraph may be replaced by a notice sent as a registered letter with acknowledgment of receipt, at the expense of the company to each shareholder.

Article 214:
The notice provided for in the 3rd paragraph of article 213 states the name of the company and its form, the registered office address, the amount of the share capital, the number of shares considered for purchase, the price offered per share, the method of payment, the period during which the offer will be maintained and the place where it can be accepted. In the event that the number of shares offered for sale is greater than the number of shares that the company offers to buy, a proportional reduction is made.

The time limit referred to in the preceding paragraph may not be less than thirty days.

Article 215:

Shares purchased by the issuing company to reduce the capital must be cancelled thirty days after the expiry of the period referred to in article 214.

TITLE VIII
CONVERSION AND EXTENSION
OF PUBLIC LIMITED COMPANIES

First Chapter: Conversion

Article 216:
Any public limited company may be transformed into a company of another form if, during conversion, it has at least one year of existence and if it has prepared and approved by the shareholders the summary financial statements for the financial year.

Article 217:
The conversion of a public limited company can be decided only by a deliberation made pursuant to the conditions required for the amendment of articles of association, subject to the provisions of article 220.

Article 218:
The formalities to constitute the adopted company form as a result of conversion must be respected.

The conversion decision is published according to the conditions provided for in the case of amendment of articles of association.

Article 219:
The conversion decision is made pursuant to the report of the company's statutory auditor (s). The report certifies that the net position is at least equal to the share capital.

The conversion is subject, where appropriate, to the approval of the bondholders' meetings.

Article 220:
Conversion into a partnership is subject to agreement of all shareholders. In this case, the conditions provided for in articles 216 and 219 (1st paragraph) are not required.

The conversion into a limited partnership or a limited joint-stock partnership is decided under the conditions provided for the amendment of the articles of association of the public limited company and with the agreement of all shareholders to become general partners in the new company.

The conversion into a limited liability company is decided under the conditions provided for the amendment of the articles of association of companies of this form.

Article 221: (Completed by article 1 of law no. 20-05 enacted by Dahir no. 1-08-18 of 23 May 2008 - 17 Jumada I 1429, O.G. no. 5640 of 19 June 2008).

Shareholders opposed to the conversion have the right to withdraw from the company. In this case, they will receive a compensation equal to their rights in the corporate assets, set, in the absence of agreement, by an expert appointed by the president of the court, ruling in summary.

The withdrawal declaration must be sent by registered letter with acknowledgment of receipt within thirty days of the publication provided for in article 218 (2nd paragraph).

Any provision with the effect to exclude the withdrawal right shall be deemed void.

Chapter II: Merger and demerger

Section I: General Provisions

Article 222: [amended and completed by article one of law 78-12]

A company may be acquired by another company, or participate in the incorporation of a new company through a merger. It may make a part of its assets as a contribution to new companies or existing ones by means of demerger. It may finally make a contribution of its assets to existing companies or participate with them to form new companies by means of demerger-merger.

Companies in liquidation may carry out such transactions provided that the execution of distributing their assets between partners has not yet been started.

When one or more companies whose equity securities are listed on the stock exchange are part of one of the transactions referred to in this article, one of the transactions may be decided, under penalty of nullity, only if on the basis of an information document drawn up and approved by the Moroccan Capital Market Authority, and published under the conditions and forms required by law no. 44 - 12 on public offering and the information required of legal entities and bodies making public offering.

Article 223:

Transactions referred to in article 222 above may be carried out between companies of the same or different form.

They are decided by each of the companies concerned, under the conditions required for the amendment of its articles of association.

However, such transactions may not have the effect of amending the distribution of the partners' rights or increasing their commitments, except their unanimous agreement.

If the transaction involves creating new companies, each one of them is formed according to the rules specific to the form of the adopted company.

Article 224:

The merger entails dissolution without liquidation of the disappearing company and the transfer of all its assets to the receiving company, as it is on the date of final accomplishment of the transaction. The demerger entails the transfer of all demerged part of the company's assets, either to the new company simultaneously formed, or in case of demerger-merger, to the receiving company.

The transaction entails simultaneously the acquisition by partners of the disappeared or demerged company of the capacity of partners of the receiving companies, under the conditions set by the merger or demerger agreement.

However, there is no exchange of units or shares of the receiving company for units or shares of the disappeared or demerged company when such units or shares are held:

1) either by the receiving company or by a person acting in their own name but on behalf of that company;
2) either by the disappeared or demerged company, or by a person acting in their own name but on behalf of that company.

Article 225:

The merger or demerger takes effect:

1) in the event of creation of one or more new companies on the date of registration in the trade register of the new company or of the last one;
2) in all other cases, on the date of the last general meeting that approved the transaction, unless the contract provides that the transaction will take effect on another date, which must neither be later than the closing date of the current financial year of the receiving company (s) nor prior to the closing date of the last financial year of the company or companies transferring their assets.

Article 226:

All companies participating in any of the transactions referred to in article 222 draw up draft terms of merger or demerger.

This draft terms is filed with the registry of the court where the registered office of said companies is located and is subject of a notice published in a newspaper of legal announcements, by each company participating in the transaction; if at least one of these companies makes public offering, a notice must also be published in the Official Gazette.

Article 226 a: [inserted by article 2 of law 78-12]

Where one or more companies involved in a merger or demerger transaction does not have or do not have the form of a public limited company, the provisions of articles 233, 234 and 235 below apply.

However, companies that are not bound to appoint a statutory auditor and have not made such appointment must appoint an expert from among the chartered accountants to carry out the verifications provided for by the article 233 below.

The provisions of articles 161, 162, 164, 179 and 180 of this law are applicable to the aforementioned experts.

Article 227:

The draft terms of merger or demerger is decided by the board of directors or the management board, the manager (s) of each of the companies participating in the proposed transaction.

It must contain the following information:

1) the form, name or business name and registered office of all participating companies;
2) the reasons, purposes and conditions of the merger or demerger;
3) the description and valuation of the assets and liabilities that are expected to be transferred to the receiving or new companies;
4) the terms for the allotment of the units or shares and the date from which such units or shares are entitled to profits, as well as any specific terms relating to this right, and the date from which the transaction of the absorbed or demerged company will be , from an accounting point of view, considered as fulfilled by the company or companies receiving the contributions;

(5) the dates on which the accounts of the companies concerned which were used to establish the terms of the operation were adopted ;

6) the report on the exchange of company entitlements and, where necessary, the amount of the cash payment ;

7) the projected amount of the merger or scission premium ;

8) the rights granted to partners having special rights and to holders of securities other than shares, as well as special benefits, where necessary.

Article 228:

The opinion provided for by article 226 (2nd paragraph) contains the information specified in article 227 above.

Article 229:

The filing with the court registry and the announcement provided for in article 226 must take place at least thirty days before the date of the first general meeting convened to decide on the operation.

Section II: Provisions specific to public limited companies.

Article 230:

The operation referred to in article 222 and carried out only among public limited companies shall be subject to the provisions of this section.

Article 231:(Completed by article 1 of law no. 20-05 enacted by Dahir no. 1-08-18 of 23 May 2008 - 17 Jumada I 1429, O.G. no. 5640 of 19 June 2008).

The merger is decided by the extraordinary general meeting of each of the companies taking part in the operation.

The merger is subject, where necessary, in each of the companies taking part in the operation, to the ratification of special meetings of shareholders.

When, from the time of filing the proposed merger with the court registry and until the completion of the operation, the acquiring company permanently holds all the others shares representing the capital of the acquired companies, there shall be no need for the approval of the merger by the extraordinary general meeting of the acquired companies or for the preparation of the reports referred to in articles 232 and 233. The extraordinary general meeting of the acquiring company shall act in the light of the report from the contributions auditor in accordance with provisions of article 24.

The provisions of the preceding paragraph shall apply to the merger between subsidiaries whose shares are fully held by the same parent company. In such case, the extraordinary general meeting of the latter shall alone decide on the operation.

Article 232: (Completed by article 1 of law no. 20-05 enacted by Dahir no. 1-08-18 of 23 May 2008 - 17 Jumada I 1429, O.G. no. 5640 of 19 June 2008).

The board of directors or the management board of each of the companies shall draw up a written report which shall be made available to shareholders.

The report shall explain and justify the project in detail from a legal and economic standpoint, in particular concerning the exchange ratio of shares and the evaluation methods used which shall be consistent for the concerned companies as well as, where necessary, the specific difficulties of evaluation,. It shall also clearly and specifically mention the existence, where appropriate, of any links of interests between one or more members of the board of directors,

management board or supervisory board, and other company or companies taking part in the merging operation.

In case of a demerger, for companies benefiting from assets transfer, this report shall also mention the preparation of the statutory auditor(s) report on the evaluation of contributions in-kind and special benefits and shall indicate that it will be deposited at the court registry at the location of the companies registered office.

Article 233:

The board of directors or management board of each of the companies taking part in the merger operation shall communicate the draft to the statutory auditor(s) at least 45 days prior to the date of the general meeting convened to decide on the said draft.

The statutory auditor(s) shall be entitled to obtain from each company all relevant documents and to carry out all necessary verifications.

They shall ascertain that the relative value attributed to the shares of the companies participating in the operation is pertinent and that the exchange ratio is equitable.

The statutory auditor(s) report shall indicate the method(s) followed to set the proposed exchange ratio, whether they are adequate in such case, and describe any special valuation difficulties which have arisen.

They shall, in particular, verify whether the amount of net assets contributed by the acquired companies is at least equal to the amount of the capital increase of the acquiring company or the amount of the capital of the company created by the merger. The same verification shall be made with regard to the capital of the companies resulting from the demerger.

Article 234:(Completed by article 1 of law no. 20-05 enacted by Dahir no. 1-08-18 of 23 May 2008 - 17 Jumada 1429, O.G. no. 5640 of 19 June 2008).

Any public limited company participating in a merger or demerger operation must place the following documents at the disposal of shareholders at the registered office at least thirty days prior to the date of the general meeting convened to take a decision on the draft:

1) the draft terms of merger or demerger;

2) the reports referred to in articles 232 and 233;

3) the approved summary financial statements and management reports for the last three financial years of the companies involved in the operation;

4) an accounting statement, drawn up pursuant to the same methods and layout as the last annual balance sheet, adopted on a date which, if the latest summary financial statements on a financial year which ended more than six months before the date of the merger or demerger draft, must be less than three months prior to the date of this draft.

Any shareholder shall be entitled to obtain, upon request and free of charge, a full or partial copy of the abovementioned document from each of the companies involved in the merger or demerger operation.

Where the company or companies involved in the merger operation making initial public offering, the report referred to in paragraph 4 of article 233 above shall be submitted to the Council for the Moroccan Securities Ethics Council in accordance with the terms and conditions it sets.

Article 235:

The extraordinary general meeting of the acquiring company shall decide on the approval of contributions in kind.

Article 236:

The merger proposal shall be submitted to the bondholders' meetings of the acquired companies, unless the repayment of securities upon a mere request by them is offered to the bondholders.

The reimbursement offer shall be published in the Official Gazette and twice in two newspapers of legal announcements. The time interval between the two announcements is at least ten days.

Holders of registered bonds shall also be informed of the offer by registered letter. If all bonds are registered, the announcement mentioned above shall be optional.

Where there is a reimbursement on request, the acquiring company shall become the debtor of the bondholders of the acquired company.

Any bondholder who has not requested reimbursement within a period of 3 months as of date of last formality of announcement or of mailing the registered letter provided for in paragraph 3 of this article, shall maintain their title in the acquired company under conditions set by the merger agreement.

Article 237:

The draft demerger proposal shall be submitted to the bondholders' meetings of the company being divided, unless the repayment of securities upon a mere request by them is offered to these bondholders. In such case, the provisions of article 236, 1st and 2nd paragraphs shall be applicable.

Where there is a reimbursement by mere request, the companies receiving contributions resulting from the demerger shall be joint debtors of the bondholders who apply for reimbursement.

Article 238:

The merger or demerger proposal shall not be submitted to the bondholders' meetings of the acquiring company and the companies to which the assets are transferred respectively.

However, the ordinary general meeting of the bondholders may grant a mandate to the representatives of the group to lodge objection to the merger or demerger, under the conditions and effects provided for in article 239 (2nd paragraph and following).

Article 239:

The acquiring company shall be debtor of the non-bondholders creditors of the acquired company in place of the latter, without this substitution implies novation with respect to them.

Any non-bondholder creditor of one of the companies participating in the merger operation, may if the claim is prior to the announcement of the draft merger, lodge objection within a period of 30 days as of date of last announcement provided for in article 226 (2nd paragraph).

The objection shall be brought before the court of the registered office of the debtor company. It shall not suspend the continuance of merger operations.

Where the court considers the objection well founded, it shall order either the claims to be reimbursed, or the provision of guarantees for the benefit of the creditor by the acquiring company if it offers any and they are deemed adequate.

Failing reimbursement of the debts or provision of the guarantees ordered, the merger shall not have effect vis-à-vis the opposing creditor.

The provisions of this article shall not prevent implementation of agreements authorizing a creditor to request the immediate reimbursement of their claim in the case of a merger of the debtor company with another company.

Article 240:

The beneficiary companies of the contributions resulting from the demerger shall be the joint debtors of the bondholders and the non-bondholders of the company being divided, in place of the latter, without such substitution entailing a novation on their part.

However, by way of derogation from the preceding paragraph, it may be stipulated that the beneficiary companies of the demerger shall be bound only by the part of liabilities of the company being divided on their borne charges respectively and without joint and several liability.

In the latter case, non-bondholders creditors of the participating companies may lodge objection to the demerger, under the conditions and the effects stipulated in article 239, 2nd paragraph and following.

Article 241:

If the bondholders meeting of the acquired or split company has not approved the draft terms of the merger or demerger, as the case may be, or could not deliberate validly for luck of required quorum, the board of directors or the managing board may override.

The decision shall be published in the legal announcements publication in which was published the notice convening the meeting and in the Official Gazette if the company makes public offering.

The bondholders shall then maintain their title as bondholders in the acquiring company or companies benefiting from the contributions resulting from the demerger, as the case may be.

However, the bondholders meeting may grant a mandate to the representatives of the group to lodge objection to such operation under the conditions and the effects stipulated in article 239, 2nd paragraph and following.

Article 242:

The provisions of articles 231, 232, 233 and 235 shall be applicable to the demerger.

TITLE IX

TRANSFERABLE SECURITIES ISSUED BY PUBLIC LIMITED COMPANIES

Article 243:

The transferable securities issued by public limited companies are the shares forming the share capital, certificates of investment and bonds.

The rights to the allotment or subscription detached from transferable securities listed above are treated as transferable securities

The negotiable debt securities governed by law no. 35-94 enacted by Dahir no. 1-95-3 of 24 Sha'ban 1415 (January 26, 1995) are not transferable securities subject to the provisions of this law.

Article 244:

The issuance of founders shares or profit shares shall be prohibited after the entry into force of this law.

Article 245:

Shares and bonds shall either be in registered or bearer form.

Registered transferable securities are not materialized. The right of the holder arise from the sole registration on the transfers register referred to in the last paragraph of this article.

Any security that is not physically created shall be deemed to be registered.

Any holder of a transferable security may choose between registered and bearer form, unless otherwise stipulated by law.

The bearer security is transmitted by simple delivery.

The registered security is transmitted to third parties by a transfer on the register intended for that purpose.

Every public limited company must keep at its registered office a register known as the transfers register in which are recorded, in chronological order, subscriptions and transfers of each class of registered transferable securities. This register shall be numbered and initialled by the president of the court. Any holder of a nominal value issued by the company shall be entitled to obtain a certified copy by the chairman of the board of directors or the management board. In case of loss of the register, copies shall constitute conclusive evidence.

Chapter One: Shares

Article 246: (3rd paragraph, amended by article 1 of law no. 20-05 enacted by Dahir no. 1-08-18 of 23 May 2008 - 17 Jumada I 1429; O.G. no. 5640 of 19 June 2008).

Shares issued for cash shall be shares whose amount is paid up in cash or by compensation with liquid and due claims on the company and which are issued following the capitalization of reserves, profits or issue premiums.

All the other shares shall be contribution shares.

The nominal value of share shall not be less than fifty (50) dirhams. However, for companies whose securities are listed on the stock exchange, the minimum of nominal value is set at ten (10) dirhams.

Article 247:

Shares shall be negotiable only after registration of the company in the trade register or the completion of the capital increase.

Article 248: **[amended and completed by article 1 of law 78-12]**

The contribution share remains compulsorily registered during the two years following the registration of the company in the trade register or the completion of the capital increase.

The provisions of the preceding paragraph shall not apply to companies whose shares are listed on the stock exchange.

Article 249:

Shall be immediately tradable:

1) shares issued by a company whose shares are listed on the stock exchange, as remuneration for a contribution of securities themselves listed on the stock exchange ;

2) Shares provided to the State or to a public institution which makes contribution to a company of properties forming part of its assets.

Article 250:

Shares shall remain tradable after the dissolution of the company and until the completion of the liquidation.

Article 251:

The cancelation of a company or of a share issue shall not imply nullity of the negotiations which took place prior to the cancelation decision, where the form of the securities is in order; however, a purchaser may exercise a recourse in warranty against their seller.

Article 252:

Shares shall be indivisible with respect to the company, subject to the provisions of articles 129 and 150 (2nd paragraph).

If several persons are co-owners of a share, they must have an agreement appointing a common representative for the exercise of shareholders rights.

Failing the appointment of a common representative, communications and declarations made by the company to one of the co-owners shall have effect with regard to all parties.

Co-owners of the share shall be jointly liable for obligations attached to the capacity of a shareholder.

Article 253: (Amended by article 1 of law no. 20-05 enacted by Dahir no. 1-08-18 of 23 May 2008 - 17 Jumada I 1429, O.G. no. 5640 of 19 June 2008).

Except in the case of inheritance or transfer to either a spouse or an ascendant or descendant up to the 2nd degree included, the transfer of shares to a third party in any way whatsoever may be subject to the approval of the company by a clause in the articles of association.

Such a clause may be stipulated only if the shares are strictly in registered form under the law or articles of association.

Article 254:

Where the transfer shall be subject to the approval of the company, the request for approval must be notified to the company by registered letter with acknowledgement of receipt.

This request shall indicate the full name and address of the transferee, the number of shares to be transferred and the price offered.

Approval shall result either from a favourable response from the company notified to the transferor, or from a failure to reply within a period of three months from the date of the request.

Where the company does not approve the proposed transferee, the board of directors or the management board is required, within a period of three months from notification of the refusal, to have the shares purchased either by a shareholder or a third party, or, with the consent of the transferor, by the company with a view to a capital reduction.

If, on expiry of that period, the purchase has not taken place, the approval shall be deemed to be granted. However, that period may be extended once and for the same time limit upon the request of the company by an order of the president of the court, acting in summary proceedings.

Failing an agreement between the parties, the shares price shall be determined by an expert designated by both parties or, failing that, by the president of the court acting in summary proceedings.

Article 255:(Repealed and replaced, by article 2 of law no. 20-05 enacted by Dahir no. 1-08-18 of 23 May 2008 - 17 Jumada I 1429 ; O.G. no. 5640 of 19 June 2008)

Any clause in the articles of association of a company whose securities are listed on the stock exchange that submits the negotiability of the shares to the approval of the company shall be null and void.

Article 256:

The pledge of registered shares may be subject to the approval of the company pursuant to the conditions laid down in articles 253 and 254.
The consent for a plan to pledge shares shall mean approval of the transferee in the event of compulsory sale of the pledged shares, unless the company prefers, following the transfer, to buy back the shares without delay with a view to reducing its capital.

Article 257:

Agreements between shareholders or between shareholders and third parties may relate to the terms for the transfer of the company's rights and stipulate in particular that this transfer may take place only after a certain period of time or that it will, where applicable, automatically be carried out, and preferentially, to the benefit of shareholders or non-shareholders, beneficiaries of a pre-emptive right, at the price that would be offered by a third party acting in good faith or which would be set under the terms provided for in the articles of association.

A double voting right that is conferred to other shares, in view of the percentage of corporate capital that they represent, may be allocated by the articles of association or a subsequent extraordinary general meeting to all the fully paid shares for which a nominal registration will be justified for at least two years in the name of the same shareholder.

Moreover, in the event of a capital increase through the capitalization of reserves, profits or issue premiums, the double voting right may be granted, as from their issue to registered shares allocated free of charge to a shareholder in proportion to shares already held which bear this entitlement.

Article 258:

Any share entitled to double voting rights in accordance with the provisions of article 257 above, shall lose such right in case of transfer of ownership to third parties or in the event of conversion of shares into bearer shares.

However, the transfer of share ownership by way of inheritance does not deprive them of the double voting right nor does it suspend the time limit provided for in article 257.

In the event of merger or demerger, these shares retain their double voting right which may be exercised in the context of the company benefiting from the merger or the de-merger, on the condition that these articles of association permit it.

Article 259:

Subject to the provisions of articles 257, 260 and 261, the voting right attached to capital shares or dividend shares as defined in article 202 is proportionate to the proportion of the capital they represent and each share shall give right to at least one vote. Any clause to the contrary shall be deemed null and void.

The issue of multiple voting shares is prohibited except in the case provided for in article 257 above.

Article 260:

The articles of association may restrict the number of votes each shareholder shall have in meetings, provided that such restriction is imposed on all shares, without any distinction as to category, other than non-voting priority dividend shares.

Article 261:

Subject to the provisions of articles 316 to 319 and 332, the articles of association may provide for the creation of non-voting priority dividend shares; they are governed by articles 263 to 271.

The creation of non-voting priority dividend shares is only allowed for companies that generated distributable profits during the last two financial years.

Article 262:

During the company's incorporation, or during its existence, preference shares which have advantages over all other shares may be created, pursuant to the provisions of articles 259 and 260.

Non-voting priority dividend shares may also be creates under the conditions laid down in articles 263 to 271, subject to the provisions of articles 257 (2nd paragraph) and 259 to 261.

Article 263:

Non-voting priority dividend shares may also be created through a capital increase or by way of converting common shares already issued; they can be converted into common shares.

Non-voting priority dividend shares may not represent more than one quarter of the share capital. Their nominal value is equal to that of common shares or, where applicable, common shares of any of the categories previously issued by the company.

Holders of non-voting priority dividend shares are entitled to the rights granted to the other shareholders, except the right to participate and vote, in respect of such shares, in shareholders' general meetings of the company.

In the event of the creation of non-voting priority dividend shares by way of converting common shares already issued or in case of conversion of non-voting priority dividend shares into common shares, the extraordinary general meeting shall determine the maximum amount of shares to be converted and set the conditions for the conversion based on the statutory auditors' special report. Their decision shall only be final after the approval by the special meeting of holders of non-voting priority dividend shares and by the extraordinary general meeting of holders of bonds convertible into shares.

The conversion offer is made at the same time and in proportion to the share of all shareholders in the share capital, with the exception of the persons referred to in article 268. The extraordinary general meeting sets the period during which the shareholders can accept the conversion offer.

Article 264:

Non-voting priority dividend shares grant entitlement to a preference dividend drawn from the distributable profit of the financial year before any other allocation. If it turns out that the preference dividend may not be fully paid due to a shortfall of distributable profit, it must be distributed equally among holders of non-voting priority dividend shares. Entitlement to the payment of the preference dividend that has not been paid in full due to the shortfall of distributable profit shall be carried forward to the following financial year and, if applicable, to the subsequent two financial years or, if the articles of association so provide, to the subsequent financial years. This right is exercised primarily in relation to the payment of the preference dividend due in respect of the financial year.

The preference dividend can neither be lower than the first dividend calculated pursuant to the articles of association, nor lower than an amount equalling 7.5 % of the paid-up amount of the capital represented by the non-voting priority dividend shares. These shares cannot grant entitlement to the first dividend.

After payment of the preference dividend as well as the first dividend, if the articles of association so provide, or a dividend of 5% for the benefit of all common shares calculated under the conditions referred to in articles of association, non-voting priority dividend shares have, in proportion to their nominal value, the same right as common shares.

In the event where common shares are split into classes giving rise to unequal rights for the first dividend, the amount of the first dividend referred to in the second paragraph of this article shall be the first highest dividend.

Article 265:

When the preference dividends due in respect of three financial years have not been fully paid, holders of corresponding shares acquire, in proportion to the share in the capital these shares presents, a voting right equal to that of the other shareholders.

The voting right referred to in the previous paragraph shall subsist until the expiry of the financial year during which the preference dividend has been fully paid, including the dividend due in respect of the previous financial years.

Article 266:

Holders of the non-voting priority dividend shares are convened to a special meeting.

All shareholders holding non-voting priority dividend shares may participate in the special meeting. Any clause to the contrary shall be deemed null and void.

The special meeting of holders of non-voting priority dividend shares may issue an opinion before any decision of the general meeting. It shall then act by the majority of the votes validly cast by the shareholders in person or by proxy. In the event of a ballot, blank ballot papers shall not be taken into account. The opinion shall be addressed to the company. It shall be brought to the attention of the general meeting and recorded in its minutes.

The special meeting may designate one or, if the articles of association so provide, more proxyholders to represent holders of non-voting priority dividend shares at the general meeting of shareholders and, where applicable, to express their opinion before any vote of the latter. This notice shall be recorded in the minutes of the general meeting.

Subject to article 267, any decision to amend the rights of holders of non-voting priority dividend shares shall only be final after approval by the special meeting referred to in first paragraph of this article, acting under the quorum and majority conditions provided for in article 113 (last paragraph) of this law.

Article 267:

In the event of a capital increase by cash contributions, holders of non-voting priority dividend shares are entitled, under the same conditions as common shareholders, to a pre-emptive subscription right. However, the extraordinary general meeting may decide, after opinion of the special meeting referred to in article 266, that they shall have a pre-emptive right to subscribe, under the same conditions, to new non-voting priority dividend shares that would be issued in the same proportion.

The free allotment of new shares, following a capital increase through capitalization of reserves, profits or issue premiums, shall apply to holders of non-voting priority dividend shares. However, the extraordinary general meeting may decide, after opinion of the special meeting provided for in article 266, that holders of non-voting priority dividend shares shall

receive, instead of common shares, non-voting priority dividend shares to be issued in the same proportion.

Any increase of the nominal value of existing shares following a capital increase through capitalization of reserves, profits or issue premiums, shall apply to non-voting priority dividend shares. The preference dividend provided for in article 264 shall then be calculated, as of the date of the capital increase, on the new grossed-up nominal value amount, where applicable, of the issue premium paid upon subscription of old shares.

Article 268:

Members of the board of directors, the management board or the supervisory board, and chief executive officers of a public limited company and their spouses, as well as their un-emancipated minor children cannot hold, in any form whatsoever, non-voting priority dividend shares issued by this company.

Article 269:

It is prohibited for a company that has issued non-voting priority dividend shares to depreciate the nominal value of shares of its capital stock.

In the event of capital reduction not due to losses, the non-voting priority dividend shares are purchased, prior to common shares, under the terms and conditions referred to in the last two paragraphs of article 270 and cancelled.

The non-voting priority dividend shares have, in proportion to their nominal value, the same rights as the other shares in the reserves distributed during the corporate financial year.

Article 270:

The articles of association may grant the company the option to impose the purchase, either of all of its own non-voting priority dividend shares, or of certain classes thereof, each class being determined by the date of its issue. The repurchase of a class of non-voting priority dividend shares must concern all shares of this class. The repurchase is decided by the general meeting ruling under the conditions set in article 209. The provisions of article 212 are applicable. All repurchased shares shall be cancelled and the capital reduced by right.

The repurchase of non-voting priority dividend shares may only be required if a special stipulation has been inserted for this purpose in the articles of association prior to the issue of these shares.

The value of non-voting priority dividend shares is determined on the day of the repurchase by way of mutual agreement between the company and a special general meeting of the selling shareholders, acting under the terms and conditions of quorum and majority provided for in article 113, last paragraph. In case of disagreement, article 254 (6th paragraph) shall be applied.

The repurchase of non-voting priority dividend shares may only take place if the preference dividend due in respect of the previous financial years and the current financial years has been fully paid.

Article 271:

Non-voting priority dividend shares are not taken into account for the determination of the percentage of the capital of a company held by another company.

Article 272:

It shall be prohibited, as from the date of entry into force of this law, to redeem shares by way of drawing lots.

Article 273:

A cash share is a registered shares until it is fully paid up.

Article 274:

At least one-fourth of the nominal value of shares to be subscribed for in cash must be paid at the time of subscription.

The balance must be paid up on one or more occasions, upon the decision of the board of directors or the management board under the conditions provided for in article 21 (2nd paragraph).

Where the shareholder fails to pay the sums remaining to be paid on the amount of shares subscribed to and called at the times determined by the board, the company sends them a formal notice by registered letter with an acknowledgement of receipt.

If after at least thirty days the said formal letter remains without effect, the company may, without any authorization from the judicial authorities, resume the sale of the shares not paid up.

Shares not listed on the stock exchange are sold at public auction by the ministry, a notary or a brokerage firm. For this purpose, the company publishes a sale notice in a newspaper of legal announcements indicating the numbers of the shares to be sold at least thirty days after the formal notice provided for in the previous paragraph.

The company informs the debtor, and where applicable their co-debtor, by registered letter with an acknowledgement of receipt, of this sale and indicates the date and number of the newspaper where the said notice was published.

The sale of these shares may not take place earlier than twenty days after the registered letter is sent.

(8th paragraph, repealed by article 4 of law no. 20-05 enacted by Dahir no. 1-08-18 of 23 may 2008 - 17 Jumada I 1429; O.G. no. 5640 of 19 June 2008).

Article 275:

The net proceeds from the sale are pro tanto allocated to the company. They are imputed on what is due in principal and interest by the defaulting shareholder and then on the reimbursement of the expenses incurred by the company to carry out the sale.

The defaulting shareholder either remains debtor or profits from the difference.

The purchaser is registered in the register of transfers.

Article 276:

In case the sale cannot take place due to absence of purchasers, the board of directors or the management board may pronounce the forfeiture of the shareholder's rights attached to the shares concerned and keep the sums paid, without prejudice to damages.

If the shares cannot subsequently be sold during the financial year where the forfeiture of the defaulting shareholder's rights was pronounced, they must be cancelled with correlative reduction in capital.

Article 277:

The defaulting shareholder, successive transferees and subscribers are jointly and severally liable for the unpaid amount of the share. The company may act against them either before or after the sale, or simultaneously with it in order to obtain the sum due and have the expenses incurred reimbursed.

Any person who pays off the company shall be entitled to take action for the entire sum against successive holders of the same share. The last one thereof shall be liable for the final debt amount.

Two years after the date where the requisition of transfer is sent, any subscriber or shareholder who has transferred their security shall no longer be liable for the payment not yet called.

Article 278:

Thirty days after the formal notice provided for in article 274 (paragraph 3), the shares for whose amount the due payments were not carried out shall cease to entitle their holders to admission to and voting in shareholders' general meetings and shall be deducted when calculating the quorum.

The right to dividends and the pre-emptive right to subscribe for the capital increases attached to these shares shall be suspended upon expiry of the said thirty days.

Article 279: [amended and completed by article one of law 78-12]

The company may not have, whether directly or via an intermediary acting in their own name for the account of the company, a percentage of capital exceeding the one set by regulation. For companies whose shares are not listed on the stock exchange, shares held must be in the registered form and be fully paid up upon their acquisition.

Failing that, members of the board of directors or the management board are required, under the conditions provided for in article 352, to pay up the shares.

The acquisition of company shares may not lead to a decrease in the company's net position to an amount lower than the amount of the capital plus non-distributable reserves.

The company must have reserves, other than the legal reserve, whose amount shall at least be equal to the value of the total shares it owns.

Shares owned by the company shall not grant a voting right nor entitle it to receive dividends.

In case of a capital increase by subscription of shares in cash, the company may not exercise by itself the pre-emptive subscription right. The general meeting may decide not to take into consideration the said shares for the determination of the pre-emptive subscription rights attached to the other shares; failing that, the rights attached to the shares held by the company

must be, before the end of the subscription period, either sold on the stock market, or distributed among shareholders in proportion to the rights of each one of them.

Article 280: [amended and completed by article one of law 78-12]

It is prohibited for the company to:

1) Subscribe for and purchase its own shares, either directly, or via a person acting in their own name, but for the account of the company, unless the acquisition of these shares is aimed at their cancellation in order to reduce the capital pursuant to the provisions of the 2nd paragraph of article 208.

   Founders, or, in the case of a capital increase, members of the board of directors, the management board or the supervisory board are required to pay up the shares subscribed for or acquired by the company in violation of the provisions of the previous paragraph;

   When the shares have been subscribed for or acquired by a person acting in their own name but for the account of the company, this person shall be required to pay up the said shares jointly and severally with the founders or, as the case may be, the members of the board of directors, the management board or the supervisory board; this person is also deemed to have subscribed for these shares for their own account.

   Shares held in violation of the provisions of article 279 and this paragraph must be transferred within a period of six months as of their subscription or their acquisition; upon expiry of this period, they must be cancelled.

2) Pledge its own shares, whether directly or via an intermediary acting in their own name, but for the account of the company.

   Shares pledged by the company must be returned to their owners within a period of one year; the restitution may take place within a period of two years if the transfer of the security to the company is a result of a universal transfer of assets or a court decision; failing that, the pledge agreement shall be null and void.

   The prohibition provided for in the first paragraph shall not apply to the ordinary operations of credit institutions.

3) Advance funds, grant loans or create a security for the purpose of subscribing for or purchasing its own shares through a third party.

   The provisions of this paragraph shall not apply to current operations of credit institutions.

Article 281: [amended and completed by article one of law 78-12]

By way of derogation from the provisions of paragraph (1) of article 280 above, companies whose securities are not listed on the stock exchange may purchase their own shares on the stock market in order to boost the liquidity of the market of the said shares or to transfer them, either for a consideration or free of charge, to employees or managers of the company.

For this purpose, the ordinary general meeting must have expressly authorized the company to trade in its own shares on the stock market. It sets the terms for the operation and particularly

the maximum purchase prices and minimum sale prices, the maximum number of shares to be acquired and the time limit during which the acquisition must be carried out. This authorization may not be granted for a period exceeding eighteenth months.

The said operation may only be decided, under penalty of nullity, based on the information document prepared and referred to by the Moroccan Capital Markets Authority and published, under the conditions and forms required by law no. 44- 12 on public offering and the information required from legal entities and bodies making a public offering.

Shares held beyond the duration of eighteen months abovementioned must be transferred within a period of six months.

The forms and conditions under which these repurchases may be carried out are set by the administration after consultation with the Moroccan Capital Markets Authority.

Chapter II: Investment Certificates

Article 282:

The extraordinary general meeting of a public limited company may decide, based on the report of the board of directors or the management board and on that of the statutory auditors, to create, within a proportion not exceeding one quarter of the share capital, investment certificates representing pecuniary rights and voting rights certificates representing other shares attached to the shares issued during a capital increase or a splitting of existing shares.

Article 283:

In the case of capital increase, holders of shares and, if any, holders of investment certificates, are granted a pre-emptive right to subscribe for the investment certificates issued, and the procedure followed is that of capital increases. Holders of investment certificates waive their pre-emptive right in special meetings convened and ruling pursuant to the rules of the shareholders' extraordinary general meeting. Voting rights certificates are distributed to holders of shares and holders of voting rights certificates, if any, in proportion to their rights.

Article 284:

In the event of a share split, the creation offer of investment certificates is done for all holders of shares in the same time and at a proportion equal to their share of the capital. Upon expiry of the period set by the extraordinary general meeting, the balance of non-allocated creation possibilities is distributed among shareholders who have requested to benefit from this supplementary distribution in a proportion equal to their share of the capital and, in any event, within the limit of their requests. The balance remaining after this distribution, is distributed by the board of directors or the management board.

Article 285:

The voting right certificate must be in registered form. The investment certificate is tradable; its nominal value is equal to that of shares.

Where the shares are divided, the investment certificates are divided too.

Article 286:

Voting right certificate may only be transferred if accompanied by an investment certificate. However, it may also be transferred to an investment certificate holder. The transfer entails as of right a reconstitution of the share in either case. The share is also reconstituted as of right when held by an investment certificate and a voting right certificate holder. The latter shall make a declaration thereof to the company within fifteen days. In the absence of such declaration, the share is deprived of the voting right until settlement and within a period of thirty days following this.

Certificate representing less than one voting right may not be allocated. The general meeting sets the terms for allocating certificates of rights to fractions of shares.

Article 287:

In the event of a merger or demerger, investment certificates and voting rights certificates of the company disappearing may be exchanged for shares of the companies receiving the transferred assets.

Article 288:

Holders of investment certificates shall have access to corporate documents under the same conditions as shareholders.

Article 289:

In case of a free distribution of shares, new certificates must be created and granted free of charge to owners of old certificates, in proportion to the number of new shares attributed to old shares, unless waived by them in favour of all or some holders.

Article 290:

In the event of a capital increase in cash, new investment certificates are issued in such numbers that the proportion that existed before the increase between common shares and voting rights certificates is maintained after the increase, considering that this will be fully realized.

Owners of investment certificates have, proportionately to the number of securities they own, an exclusive pre-emptive right to subscribe on an irreducible basis to new certificates. At a special meeting, convened and ruling under the rules governing an extraordinary general meeting of shareholders, owners of investment certificates may waive this right. Non-subscribed certificates are distributed by the board of directors or the management board. The completion of the capital increase is assessed on its fraction corresponding to the issue of shares. However, by way of derogation from the provisions of the first paragraph above, if the owners of certificates waive their pre-emptive subscription right, new certificates shall not be issued.

Voting rights certificates corresponding to new investment certificates are allotted to owners of old voting rights certificates in proportion to their rights, save waiver by them in favour of all or some holders of voting rights certificates.

Article 291:

In case of an issue of bonds convertible into shares, holders of investment certificates have, proportionately to the number of securities they have, a pre-emptive right to subscribe to them on an irreducible basis. Their special meeting, convened and ruling pursuant to the rules of the extraordinary general meeting of shareholders, may waiver the said right.

The said bonds may only be converted into investment certificates. Voting rights certificates corresponding to the investment certificates issued upon conversion are allocated to holders of voting rights certificates existing at the date of allocation of investment certificates in proportion to their rights, unless waived by them in favour of all or some of the voting rights certificates. This allocation occurs at the end of each financial year for bonds convertible at any time.

Chapter III: Bonds

Section I: General Provisions

Article 292: (2nd paragraph, amended by article one of law no. 20-05 enacted by the Dahir no. 1-08-18 of 23 May 2008 - 17 Jumada I 1429; O.G. no. 5640 of 19 June 2008).

Bonds are tradable securities that grant, for the same issue, the same debt collection rights for the same nominal value.

This nominal value may not be less than 50 dhs. However, for companies whose securities are listed on the Stock Exchange, the minimum nominal amount is set at ten (10) dirhams.

Article 293:

The issue of bonds is only allowed for public limited companies:

1) who have two years of existence and have completed two successive financial years whose summary financial statements were approved by shareholders;
2) whose share capital was fully paid up.

These provisions are not applicable to:

1) issues of bonds benefitting from the guarantee of State, or of other legal entities authorized by the State to grant such guarantee;
2) Issues of bonds pledged by debt securities on the State or on other legal entities subject to guarantee by the State of their receivables.

Article 294:

Only the ordinary general shareholders' meeting is allowed to decide on or authorize the issue of bonds as well as to authorize, where applicable, the creation of securities in order to ensure the reimbursement of the bonds.

The said meeting may delegate to the board of directors or the management board the powers necessary to proceed, within a period of five years, with one or more bonds issue and set the procedures thereof.

However, in companies whose main purpose is to carry out bond issue aimed at financing loans they make, the board of directors or the management board are entitled as of right, unless otherwise provided for in the articles of association, to issue these loans.

Article 295:

The company may not pledge any of its own obligations.

Article 296:

Bond loans may only be guaranteed by a real security or the commitment either of the State or of a legal entity authorized by the State for this purpose.

The issue of bonds guaranteed by a real security must be subject to a prior request to the competent bodies to register the said security following the procedure in force in favour of bondholders covering the amount of the projected loan.

The cancellation, reduction or cantonment of the registration may be obtained only by release of the representative of the group of bondholders authorized by the general meeting of the group or by decision of the president of the court of the company's registered office ruling in summary proceedings.

Article 297:

Before any bond issue by public offering, the issuing company is required to prepare the information notice provided for in article 13 of the Dahir providing law no. 1-93-212 abovementioned of 4 Rabii II 1414 (21 September 1993), pursuant to the provisions of article 14 of the said Dahir.

Article 298: (2nd paragraph, amended by article one of law no. 20-05 enacted by the Dahir no. 1-08-18 of 23 May 2008 - 17 Jumada I 1429; O.G. no. 5640 of 19 June 2008).

The procedures provided for by the provisions of article 22 and 23 regarding subscription for shares apply to subscription to bonds.

The amount of the bond loan must be fully subscribed. Failing that, the subscriptions shall be deemed void unless the meeting having decided or authorized the issue have not expressly provided for the limitation of the issue amount to the amount subscribed or to a threshold set by it, while deciding on the terms of guarantee and protection of the subscribers' interests that may be affected by this decision.

Article 299:

Holders of bonds of the same issue shall be grouped together to defend their common interests as one group having legal personality.

However, in the event of successive bond issues, the company may, where a clause in each bond indenture provide so, group into one group the bondholders that have identical rights.

Article 300:

The group is represented by one or more representatives elected by the ordinary bondholders' general meeting within a period of one year as of the opening of subscription and no later than thirty days before the first scheduled amortization.

Pending the holding of the general meeting, the board of directors' proceeds, as soon as the subscription is opened, with the appointment of a provisional representative from the persons entitled to exercise the duties of business agent.

Where the board of directors fails to appoint a provisional representative since the opening of subscription, the latter may be appointed by the president of the court upon a request of any party concerned. The same procedure applies, when the ordinary bondholders' general meeting fails to appoint a representative of the group of bondholders.

These representatives may be dismissed at any time.

Article 301:

Directors and the persons working for the debtor company and the companies guaranteeing the loan may not be appointed as representatives of the group.

Article 302:

Representatives of the group have the authority, unless restricted by decision of the bondholders' general meeting, to carry out on behalf of the group any management act necessary for the protection of common interests of bondholders.

Article 303:

Only representatives of the group duly authorized by the bondholders' general meeting are empowered to take legal action on behalf of all bondholders.

Legal actions taken against all bondholders of the same group may only be brought against the representatives of the said group.

Article 304:

Representatives of the group may not interfere in the management of corporate matters. They have access to the shareholders' general meetings, but without voting rights.

They have the right to be provided with the documents made available to shareholders under the same conditions as the latter.

Article 305:

Bondholders belonging to the same group may be convened to a general meeting at any time.

In case there are many groups of bondholders, they may not under any circumstances deliberate in one common meeting subject to the provisions of the 2nd paragraph of article 299.

Article 306:

The bondholders' meeting is convened either:

- by the board of directors or the management board;
- on the initiative of the representative(s) of the group;
- by bondholders provided they represent at least 10% of bonds and inform the representative(s) of the group:
- by liquidator where the company is in liquidation.

Article 307:

Convening the shareholders' general meeting shall be done under the same conditions of form and time limits as the shareholders' meetings. They deliberate under the same quorum and majority conditions provided for in article 113.

The voting rights attached to bonds are proportionate to the portion of the loan they represent. Each bond entitles to one vote at least.

The right to vote to general meetings belongs to the bare owner.

Any general meeting illegally convened may be cancelled. However, the nullity action shall not be admissible where all bondholders of the group concerned are either present or represented.

Article 308:

The general meeting deliberates in all measures aiming to ensure the defence of bondholders and the execution of the loan agreement and in general all the measures of a conservatory or administrative nature.

Article 309:

Any decision involving the rights of bondholders must be approved by the bondholders' general meeting.

In the absence of approval, the company may only override the said decision by offering to repay the bondholders making such request within three months as of the date of the modification.

Article 310:

Notwithstanding any provision to the contrary, shareholders' general meetings can neither increase the commitments of bondholders, nor establish unequal treatment of bondholders of the same group, nor decide to convert bonds into shares subject to the provisions of article 324.

Article 311:

Bondholders are not allowed to individually exercise control over the operations of the company or request to be provided with corporate documents. However, they may require the company at any time to provide them with the information they need as bondholders.

Article 312:

Bonds redeemed by the issuing company, as well as bonds drawn and redeemed, shall be cancelled and may not be put back in circulation.

Article 313:

In the absence of special provisions in the bond indenture, the company may not impose on bondholders an early redemption of the bond.

Article 314:

In case of premature dissolution of the company, not resulting from a merger or demerger, the bondholders' general meeting may require the payment of the bonds and the company may impose it.

Article 315:

In the event of judicial reorganization or liquidation of the company, representatives of the group of bondholders shall be entitled to act on its behalf.

Section II: Bonds convertible into shares

Article 316:

Public limited companies meeting the conditions provided for in section I of this chapter may issue bonds convertible into shares while complying with the special conditions set by this section.

This possibility to issue bonds convertible into shares does not apply to companies where the state holds either directly or indirectly more than 50% of the capital.

Article 317:

The shareholders' extraordinary general meeting must give her authorization prior to the issue.

Unless otherwise decided pursuant to article 192 the right to subscribe to convertible bonds belongs to shareholders under the conditions provided for in terms of subscription to new shares.

The authorization must imply, in favour of holders of bonds convertible into shares, express waiver by shareholders of their pre-emptive right to subscribe to shares that would be issued through conversion of the said bonds.

Article 318:

In the report to be submitted to the meeting, the board of directors or the management board, is required to indicate the reasons for the issue and specify the time limit during which the option granted to shareholders may be exercised, as well as the bases for the conversion of bonds into shares.

Article 319:

The conversion may only take place at the option of the holders and only under the conditions and on the conversion bases set by the bond indenture of the said bonds. This indenture indicates either that the conversion would take place during one or many determined option periods, or that it would take place at any time.

The issue price of bonds convertible into shares may not be less than the nominal value of the shares that the bondholders would receive in case of the conversion option.

The statutory auditors submit to the shareholders' meeting a special report on the proposals submitted to them in terms of the conversion bases.

Article 320: (Completed by article one of law no. 20-05 enacted by the Dahir no. 1-08-18 of 23 May 2008 - 17 Jumada I 1429; O.G. no. 5640 of 19 June 2008).

As of the date of the vote in the general meeting, provided for in article 317, and as long as bonds convertible into shares exist, the issue of shares to be subscribed for in cash, the issue of new convertible bonds, the incorporation into the capital of reserves, profits or issue premiums and the distribution of reserves in cash or in portfolio securities shall not be authorized unless the rights of the bondholders opting for the conversion are reserved.

For this purpose, the company must allow the bondholders opting for the conversion, as the case may be, either to subscribe to shares or new convertible bonds on an irreducible basis, or to obtain new shares free of charge, or to receive cash or securities similar to the securities distributed in the same quantities or proportions as well as under the same conditions, except in terms of dividends, as if they had been shareholders at the time of the said issues, incorporations or distributions.

However, provided that the company's shares are listed on the stock exchange, the bond indenture may provide for, instead of the measures set in the previous paragraph, an adjustment of the conversion bases originally set, to take into account the implications of issues, incorporations or distributions, under the conditions and pursuant to the calculation methods to be controlled by the Moroccan Securities Ethics Council.

Where bonds convertible into shares exist, any company proceeding with the operation referred to in paragraph one must inform the bondholders via a notice published in a legal announcements newspaper before the commencement of the operation. The content of the said notice and the time limit for its publication are set by decree.

Article 321:

In case of an issue of bonds convertible into shares at any time, the conversion may be requested during a time limit whose starting date may neither be later than the first repayment date, nor later than the fifth anniversary of the start of the issue and which expires three months after the redemption date of the bond. However, in case of a capital increase of merger, the board of directors or the management board may suspend the exercise of the right to obtain the conversion during a period that may not exceed three months.

Shares granted to bondholders shall be entitled to the dividends paid in respect of the financial year during which the conversion was requested.

Where, due to one of the conditions referred to in paragraph one of this article, the number of shares corresponding to the bonds held by the bondholder requesting the conversion does not constitute a whole number, the bondholder may request the delivery of the next higher number of shares, subject to a compensation of their value by a payment in cash.

The capital increase made necessary by virtue of the conversion is definitively realized, solely due to the conversion request accompanied by the subscription form and, where applicable, the payments triggered by the subscription for shares in cash.

During the month following the end of each financial year, the board of directors or the management board take note of, where possible, the number and nominal amount of the shares issued by conversion of bonds during the previous financial year and makes the necessary amendments to the clauses of the articles of association relating to the amount of the share capital and the number of shares they represent. They may also, at any time, take note of the above-mentioned information for the current financial year and make the correlative statutory amendments.

Article 322:

As of the date of the meeting provided for in article 317 and as long as bonds convertible into shares exist, it is prohibited for the company to amortize the nominal value of shares of its capital stock or to reduce the latter by means of return and to modify the distribution of profits. However, the company may create preference shares without voting rights the bondholders' rights are preserved under the conditions provided for in article 320.

In the case of a capital reduction prompted by losses incurred, which would be carried out through a reduction, either of the nominal amount of shares, or of the number of the latter, the rights of bondholders opting for a conversion of their securities shall be consequently reduced, as if the said bondholders had been shareholders since the date the issue date of the bonds.

Article 323:

As of the issue date of the bonds convertible into shares, and as long as such bonds exist, the absorption of the issuing company by another company or merger with one or many companies into a new company is subject to the prior approval of the extraordinary general meeting of the bondholders concerned. If the company does not approve the absorption or merger, or if it has not been able to validly deliberate for lack of the required quorum, the provisions of article 241 are applicable.

Bonds convertible into shares may be converted into shares of the absorbing or new company, either the option deadline(s) provided for by bond the indenture, or at any time as the case may be.

Convertible bonds might be converted into shares of the absorbing or new company, either during the option period(s) referred to in the bond indenture or, at any time as the case may be. The conversion bases are determined by redressing the exchange ratio set by the said indenture by the exchange ratio of the absorbing or new company against shares of the issuing company, taking into account, where applicable, the provisions of article 320.

Based on the report of the board of directors or the management board and on the statutory auditors' report, referred to in article 319 (3rd paragraph), the general meeting of the absorbing or new company decides on the approval of the merger and on the waiver of the pre-emptive subscription right provided for in article 317 (3rd paragraph)

The absorbing or new company shall be substituted for the issuing company for the purpose of implementing articles 319 (1st paragraph) and 320 and, where applicable, articles 321 and 322(1st paragraph).

Article 324:

When the issuing company of convertible bonds is subject to a procedure aiming to handle the company's difficulties, the time limit foreseen for the conversion of the said bonds into shares is open as of the judgement approving the continuation plan of the company and the conversion may be made at the discretion of each bondholder under the conditions referred to by this plan.

Article 325:

The decisions taken in violation to the provisions of articles 316 to 323 shall be null and void.

TITLE X

CORPORATE FINANCIAL YEAR, INCOME AND DIVIDENDS

Article 326:

The duration of the corporate financial year is twelve months. However, the first and last financial years might be less than twelve months.

Article 327:

At the end of each financial year, the board of directors or the management board draws up the summary financial statements as defined by law No. 9-88 relating to accounting obligations for commercial activities, enacted by Dahir no. 1-92-138 of 30 Jumada II 1413 (25 December 1992). It approves the net income of the financial year and an allocation proposal to be submitted to the approval of the annual ordinary general meeting.

Article 328:

In addition to the requirements provided for in article 13 of the above-mentioned law no. 9-88, the amendments involved in the presentation of the summary financial statements, as well as in the valuation methods used, are indicated in the management report and, where applicable, in the report of the statutory auditors.

The formation costs of the company are amortized at the latest by the expiry of the fifth financial year and prior to any distribution of profits.

The capital increase costs are amortized at the latest by the expiry of the fifth financial year following the year in which they were incurred. These costs might be charged to the amount of issue premiums related to this increase.

The revaluation surplus arising from the revaluation of assets is not distributable.

Article 329:

Under penalty of the decision being declared void, a levy of 5% is made on the net profit of the financial year, less previous losses, where applicable, to be allocated to the formation of a reserve fund named legal reserve.

This allocation is no longer compulsory once the amount of the legal reserve exceeds 10% of the company's share capital.

The company shall also carry out any other levies on the profit of the year, for the formation of reserves imposed either by the law, or by the articles of association, or any optional reserves whose constitution may be decided, before any distribution, by decision of the ordinary general meeting.

Article 330:

Distributable income is comprised of net income of the financial year, less prior losses and amounts to be placed in reserve pursuant to article 329 and increased by retained earnings of previous financial years.

Except in the event of capital reduction, no distribution may be made to shareholders when the net position is, or becomes, subsequent to the latter, less than the amount of the capital plus reserves that the law or the articles of association do not allow to distribute.

Article 331:

After approval of the summary financial statements for the financial year and recognition of the existence of distributable sums, the ordinary meeting sets the portion allocated to shareholders in the form of dividends. Any dividend distributed in breach of the provisions of article 330 above shall be fictitious.

The decision of the meeting shall in the first place set the portion to be allocated to the shares having priority rights or special advantages.

It must also set a first dividend attributable to common shares, calculated on the paid-up and not yet repaid amount of the share capital. This first dividend, if not distributed in whole or in part in respect of a given financial year, may be deducted in priority from the distributable net profit of the following financial year(s), subject to the provisions of the second paragraph of this article; this levy is binding on the meeting if the articles of association so provide.

The balance may constitute a surplus dividend, after deduction of the sums allocated to reserves in addition to the allocation made under Article 329, and those carried forward.

It is prohibited to determine a fixed dividend for the benefit of the shareholders; any clause to the contrary shall be null and void unless the State warrants the shares a minimum dividend.

Article 332:

The procedures for the payment of the dividends voted by the general meeting are set by the latter or, failing that, by the board of directors or the management board. This payment should be made no later than nine months after the end of the financial year, unless an extension is granted by order of the president of the court, ruling in summary proceedings, at the request of the board of directors or the management board.

Article 333:

The general meeting may decide to distribute, exceptionally, amounts deducted from optional reserves, other than retained earnings, which it has at its disposal. The reserves corresponding to the retention of own shares are not available. In addition, any deduction from the reserves to provide a provision account is prohibited.

Any distribution decision affecting the optional reserves must indicate precisely the accounts from which the deductions are made; it may be made at any time during the financial year by the ordinary general meeting.

Article 334:

The dividend right is deleted when the company holds its own shares

It may be suspended as a sanction if the owners or bare-owners of the shares have not paid up the payments due or, in case of consolidation, have not submitted them to the group.

If the shares are subject to a usufruct, the dividends are due to the usufructuary; however, the proceeds of the distribution of reserves, excluding retained earnings, are allocated to the bare-owner.

In the event of a transfer of shares, the purchaser is entitled to the dividends not yet paid, unless otherwise agreed by the parties, notified to the company.

Article 335:

The rights arising from articles 331 and 334 are prescribed by five years from the date of payment of the dividend for the benefit of the company.

Amounts not collected and non-prescribed constitute a claim of the beneficial owners against the Company, not bearing interest, unless they are converted into a loan, on mutually agreed terms.

Article 336:

The company may not require shareholders to return dividends unless the distribution has been made in violation of articles 330 and 331 and it is established that such shareholders were aware of the irregular nature of this distribution at the time of the distribution, or could not have been unaware of it in view of the circumstances.

TITLE XI

NULLITIES AND CIVIL LIABILITY

Chapter one: Nullities

Article 337:

The nullity of a company or of any acts or deliberations amending the articles of association can only result from an express provision of this law of the unlawful or contrary to public order purpose of the company or the incapacity of all the founders.

Any statutory clause contrary to a mandatory provision of this law, the breach of which is not sanctioned by the nullity of the company, shall be deemed unwritten.

Article 338:

The nullity of the acts or deliberations other than those provided for in article 337 above may only result from the breach of a mandatory provision of this law, or from one of the causes of nullity of contracts in general.

Article 339:

The nullity action shall be extinguished where the cause of nullity has ceased to exist on the day the court gives a ruling on the merits at first instance.

Article 340:

The court before which an action for nullity is brought may, even automatically, set a time limit to enable the nullity to be cured. It may not pronounce the nullity in less than two months after the date of the request instituting proceedings.

If, in order to cure a nullity, a meeting must be convened or a consultation of shareholders must be carried out, and if it is justified to regularly convene such meeting or to send to the shareholders the text of the draft decisions accompanied by the necessary documents, the court shall, by judgment, grant the time necessary for the shareholders to take a decision.

If, on expiry of the aforementioned period, the shareholders have not taken any decision, the court shall rule on the nullity action.

Article 341:

The provisions of articles 339 and 340 are not applicable in the nullity cases provided for in articles 984, 985 and 986 of the Dahir of 9 Ramadan 1331 (12 August 1913) on the Code of Obligations and Contracts.

Article 342:

In the event of nullity of acts or deliberations subsequent to the incorporation of the company, based on a vitiated consent or on the incapacity of a shareholder, and when the regularization may occur, any person interested may send a formal notice, by registered letter, to the party qualified to operate it, either in order to regularize or to take action for annulment within six months under penalty of foreclosure. This formal notice shall be reported to the company.

When the nullity action is brought within the period provided for in the preceding paragraph, the company or any shareholder may submit to the court any measure likely to obviate the interest of the applicant, in particular through a repurchase of their company entitlements. In such a case, the court may either pronounce the annulment or make the proposed measures obligatory, where they were previously adopted by the company in accordance with the conditions laid down for the statutory amendments. The vote of the shareholder the repurchase of whose rights is requested has no influence on the decision of the company.

In the event of disagreement, the value of the company entitlements to be reimbursed to the shareholder is set pursuant to the 6th paragraph of article 254.

Article 343:

When the nullity of acts or deliberations subsequent to the incorporation of the company is based on a breach of the announcement rules, any person having interest in the regularization of the said act or the deliberation may send a formal notice to the company to proceed with it within thirty days of such notice.

In the event that this situation is not regularised within this deadline, any interested party may request the president of the court, acting in summary proceedings, to appoint an agent to carry out the formality at the expense of the company.

Article 344:

The nullity of a merger or demerger operation can only result from the nullity of the deliberation of one of the meetings that decided the operation.

Where it is possible to remedy the irregularity likely to lead to nullity, the court hearing the action for nullity of a merger or demerger, shall grant the companies concerned a time limit to regularize the situation.

Article 345:

The nullity actions of the company or acts or deliberations subsequent to its incorporation shall be prescribed by three years as of the day when the nullity is incurred, subject to the foreclosure referred to in article 342.

However, the action for annulment of a merger or a demerger shall be prescribed after six months from the date of the last entry in the trade register necessitated by the operation.

Article 346:

When the nullity of the company is pronounced it shall be dissolved as of right without retroactivity, and its liquidation shall be proceeded with.

For the company, the nullity has the effect of a dissolution rendered by the court.

Article 347:

Neither the company nor the shareholders may claim nullity with regard to third parties acting in good faith.

Article 348:

When a court decision declaring the nullity of a merger or demerger becomes final, this decision shall be announced in accordance with article 37.

It shall have no effect on the obligations owed by or to the companies to which the asset(s) are transferred between the date on which the merger or demerger takes effect and the date of the announcement declaring the nullity decision.

In the case of a merger, the companies having participated in this operation shall be jointly and severally liable for the performance of the obligations referred to in the previous paragraph borne by the absorbing company. The same applies in the case of demerger, of the split company with regard to the obligations of the companies to which the assets are transferred. Each of the companies to which the assets are transferred shall be liable for the obligations to be borne by it, arising between the date on which the demerger takes effect and the date of the announcement declaring the nullity decision.

Chapter II: Civil Liability

Article 349:

The company’s founders, first directors, first members of the management board and the supervisory board shall be jointly and severally liable for the damage deriving either from the omission of a mandatory detail in the articles of association, or from the omission or improper fulfilment of a formality prescribed by this law on the formation of the company.

The provisions of the preceding paragraph shall apply, in case of an amendment to the articles of association, to directors, to members of the management board and members of the supervisory board in office during the said amendment.

The action shall be barred after five years, as the case may be, from the date of registration in the trade register, or amending registration.

Article 350:

The company's founders responsible for the nullity and the directors, members of the management board or the supervisory board in office at the time when the nullity was pronounced may be declared jointly and severally liable for the damage incurred by shareholders or third parties as a result of the nullity of the company.

Shareholders whose contributions or benefits have not been audited and approved may also be jointly and severally liable.

Article 351:

The liability action based on the nullity of the company or of the actions and deliberations subsequent to its formation shall be barred five years from the day when the annulment decision became final.

Disappearance of the cause of nullity shall not preclude the exercise of the action for damages aiming to repair of the damage caused by the defect by which the company, the act or the deliberation was vitiated.

Such action shall be prescribed by five years from the day when the nullity was cured.

Article 352:(Amended by article 1 of law no. 20-05 enacted by Dahir no. 1-08-18 of 23 May 2008 - 17 Jumada I 1429 ; O.G. no. 5640 of 19 June 2008).

The directors, the chief executive officer and, as the case may be, the deputy chief executive officer or the members of the management board shall be liable, personally or jointly, as the case may be, towards the company or third parties, either for breaches of the statutory or regulatory rules relating to public limited companies, for breaches of the articles of association or for misconduct in their management.

If several directors, or several directors and the chief executive officer or, as the case may be, the deputy chief executive officer or the members of the management board have cooperated in the same action, the court shall apportion liability among them in terms of payment of damages.

Shareholders who, on the basis of provisions of the first paragraph, intend to request the directors, members of the management board or the chief executive officer and, as the case may be, the deputy chief executive officer, compensation for the damage which they have suffered personally as a consequence of the same actions may grant mandate to one or more of them in order to act on their behalf before the competent court under the following conditions:

1) the mandate must be in writing and expressly state that they give the agent or officers the power to perform on behalf of the grantor all the procedural acts; they specify, if it is necessary, that they carry the power to exercise the remedies;

2) the court application must state the first name, last name and address of each of the mandates and the number of shares held by them. It specifies the amount of compensation claimed by each of them.

Article 353:(Amended by article 1 of law no. 20-05 enacted by Dahir no. 1-08-18 of 23 May 2008 - 17 Jumada I 1429, O.G. no. 5640 of 19 June 2008)

Apart from legal action for damage suffered personally, the shareholders may, individually or as a group bring an action suit in the company's interest against directors, chief executive officer and, where applicable, the deputy chief executive officer or the members of the management board. The applicants are entitled to institute proceedings for the compensation of the entire damage suffered by the company, to which, if necessary, the damages are awarded.

To this end, the shareholders may, in their common interest and at their expense, entrust one or more among them to represent them in sustaining the action in the company's interest both in demand and defence against directors, chief executive officer and, where applicable, the deputy chief executive officer or members of the management board.

The withdrawal during the proceedings of one or more shareholders, whether they have lost the status of shareholders or that they voluntarily withdrew, has no effect on the continuation of the said proceeding.

When the action in the company's interest is brought under the conditions provided for in this article, the court can only decide if the company has been regularly questioned through its legal representatives.

Article 354: (2nd paragraph, amended by article 1 of law no. 20-05 enacted by Dahir no. 1-08-18 of 23 May 2008 - 17 Jumada I 1429, O.G. no. 5640 of 19 June 2008)

Any clause of the articles of association, that has the effect of subordinating the exercise of the action in the company's interest to the prior notice or authorization of the general meeting, or that would include in advance waiver of this action, is deemed to be unwritten.

No decision of the general meeting may have the effect of extinguishing a liability action against directors, chief executive officer and, if applicable, the deputy chief executive officer or the members of the management board for misconduct in the achievement of their term of office.

Article 355: (Amended by article 1 of law no. 20-05 enacted by Dahir no. 1-08-18 of 23 May 2008 - 17 Jumada I 1429, O.G. no. 5640 of 19 June 2008).

The liability action against directors, chief executive officer and, where applicable, deputy chief executive officer or the members of the management board, both social and individual, is

prescribed by five years, from the action of damage or concealment, of its revelation. For the elements included in the summary financial statements, the prescription begins to run from the date of filing with the court registry provided for in article 158. However, when the action is defined as a crime, the action is prescribed by twenty years.

Article 355 a:(Added by article 3 of law no. 20-05 enacted by Dahir no. 1-08-18 of 23 May 2008 - 17 Jumada I 1429, O.G. no. 5640 of 19 June 2008).

The members of the supervisory board are liable for personal faults committed in the performance of their duties. They are not liable for any acts of management and the results thereof. They shall be held liable in civil law for criminal offences committed by members of the management board if, having been aware thereof, they did not report the said offences to the general meeting.

The provisions of articles 354 and 355 are applicable.

TITLE XII

DISSOLUTION OF PUBLIC LIMITED COMPANIES

Article 356:
The early dissolution of the company is pronounced by the extraordinary general meeting.

Article 357:
If due to losses noted in the summary financial statements, the net position of the company becomes falls below one quarter of the share capital, the board of directors or the management board is required, within three months following the approval of the financial statements showing this loss, to convene the extraordinary general meeting in order to decide if it is necessary, to pronounce the early dissolution of the company.

If the dissolution is not pronounced, the company is required, no later than the end of the second financial year following that during which the losses have been recorded, and subject to the provisions of article 360, to reduce its capital by an amount at least equal to the losses that could not be charged to reserves if, within this period, the shareholders' equity has not been reconstituted at least up to a value equal to one quarter of the share capital.

In any case, the decision adopted by the general meeting is published in a legal announcements newspaper and in the Official Gazette, submitted to the court registry and registered in the trade register.

In the absence of the general meeting, as in the case where this meeting could not validly deliberate upon the last convocation, any interested party may petition to the court for the dissolution of the company. The same applies if the provisions of paragraph 2 of this article have not been applied.

Article 358:
The dissolution may be pronounced in court at the request of any interested party if the number of shareholders is reduced to less than five for over a year.

Article 359: (Amended by article 1 of law no. 20-05 enacted by Dahir no. 1-08-18 of 23 May 2008 - 17 Jumada I 1429; O.G. no. 5640 of 19 June 2008).

In the cases provided for in articles 357 and 358, the court may grant the company a maximum period of one year to regularize the situation; it may not pronounce the dissolution if the regularization took place the day they decides on the merits in first instance.

Article 360:
Reduction of the capital to a lower amount must be followed within one year by an increase that would bring it to the amount provided for in article 6, unless, within the same period, the company has not been transformed into a company of another form. Failing that, any interested party may

apply to court for the dissolution of the company, two months after giving the representatives of the latter formal notice to regularize the situation.

The action is extinguished where the said cause of dissolution ceases to exist on the day the court rules on the merits in first instance.

TITLE XIII

LIQUIDATION OF PUBLIC LIMITED COMPANIES

Article 361:
Subject to the provisions of this title, the liquidation of public limited companies is governed by the provisions contained in the articles of association and the provisions of the Dahir of 9 Ramadan 1331 (12 August 1913) on the Code of Obligations and Contracts, which are not contrary.

Article 362:
The company is in liquidation from the moment of its dissolution for any reason whatsoever. Its corporate name is followed by the words "public limited company in liquidation".

The legal personality of the company remains for the purposes of liquidation, until the closure of the latter.

The dissolution of a public limited company only has effect with regard to third parties from the date on which it is registered in the trade register.

Article 363:
The instrument of appointment of liquidators is published within a period of thirty days, in a newspaper of legal announcements and, also, if the company has made a public offering, in the Official Gazette.

It shall contain the following information:

1) the name of the company followed, where applicable, by its acronym;
2) the type of the company, followed by the words "in liquidation";
3) the amount of the share capital;
4) the address of the registered office;
5) the registration number of the company in the trade register;
6) the cause of the liquidation;
7) the first name, surname and address of the liquidators;
8) where applicable, the limitations placed on their powers.

Shall also be indicated in the same insertion:

1) the place where the correspondence must be addressed as well as the place where the acts and documents relating to the liquidation must be notified;

2) the court with whose registry shall be filed, as an appendix to the trade register, the acts and documents relating to the liquidation.

On the initiative of the liquidator, the same indications are brought, by simple letter, to the knowledge of the holders of registered shares and bonds.

Article 364:
The dissolution of the company does not automatically result in the termination of the leases of the building used for its corporate activity, including the residential premises attached to these buildings.

If, in the event of an assignment of the lease, the guarantee obligation can no longer be ensured under the terms of the latter, it may be substituted, by decision of the president of the court ruling in summary proceedings, for any guarantee offered by the assignees or a third party is considered sufficient.

Article 365:
Except with the unanimous consent of shareholders, the transfer of all or part of the assets of the company in liquidation to a person who has served as director, member of the management board or supervisory board, chief executive officer or statutory auditor of the company, can only take place with the authorization of the court, the liquidator and the statutory auditor(s) duly heard.

Article 366:
The transfer of all or part of the assets of the company in liquidation to the liquidator or to their employees, to their spouses, parents or relatives up to the 2nd degree included is prohibited even in the event of resignation of the liquidator.

Article 367:
The overall transfer of the assets of the company or the contribution of the assets to a company, in particular by way of a merger, is authorized under the conditions of quorum and majority provided for in terms of extraordinary meetings.

Article 368:
The shareholders are convened at the end of the liquidation to decide on the final financial statements, on the discharge of the liquidator's management and the discharge in respect of their term of office and to note the closing of the liquidation.

Failing this, any shareholder may request the president of the court, ruling in summary proceedings, to appoint an agent to proceed with the convening of the meeting.

Article 369:

If the meeting to close liquidation provided for in article 368 cannot deliberate or refuses to approve the financial statements of the liquidator, it is decided by court order, upon request of the latter or any party concerned.

In such case, the liquidators deposit their financial statements with the court registry where any party concerned may have knowledge of them and may make a copy thereof at their own expense.

The court decides on the said financial statements and, where appropriate, on the completion of the liquidation, in the stead and place of the shareholders’ meeting.

Article 370:

The notice of closure of liquidation, signed by the liquidator, is released, on the latter's initiative in the legal announcements newspaper having made the release provided for in article 363 (paragraph one) and, where the company has made a public offering, in the official gazette.

It shall include the following statements:

1) The corporate name of the company followed, where appropriate, by its acronym;
2) The form of the company, followed by the indication "in liquidation";
3) The share capital amount;
4) The address of the registered office;
5) The registration number of the company in the trade register;
6) The first and last names and address of the liquidator;
7) The date and place of the meeting to close liquidation, if the financial statements of the liquidators have been approved by this meeting or, failing that, the date of the court decision provided for in article 369, as well as reference to the court having pronounced the said decision;
8) The court registry where the financial statements of the liquidators have been deposited.

Unless otherwise provided for in the articles of association, the shareholders' equity remaining after the reimbursement of the nominal amount of shares is allocated to shareholders proportionally to their participation in the share capital.

Article 371:

The liquidator is liable, both in respect of the company and third parties, for the adverse consequences of any error committed by them while performing their duties.

Liability actions against the statutory auditors shall be barred under the conditions provided for in article 355.

Article 372:

Any action against shareholders who are not liquidators or their surviving spouses, heirs or assignees, shall be barred after five years as of the registration of the dissolution of the company in the trade register.

TITLE XIV

PENAL SANCTIONS

Chapter One: General Provisions

Article 373: (Amended by article one of law no. 20-05 enacted by Dahir no. 1-08-18 of 23 May 2008 - 17 Jumada I 1429; O.G. no. 5640 of 19 June 2008).

For the purposes of this title, the expression “members of the administrative, management and executive bodies” refers to:

- In public limited companies with a board of directors, members of the board of directors including, the chairman and the chief executive officers external to the board and the deputy executive officers;
- In public limited companies with a management board and a supervisory board, members of these bodies within their respective competencies.

Article 374:

The provisions of this title regarding members of the administrative, management and executive bodies are applicable to any person who has, actually, whether directly or via an intermediary, assumed the management, administration or operation of public limited companies under the aegis of or in the stead and place of their legal representatives.

Article 375: (Amended by article one of law no. 20-05 enacted by Dahir no. 1-08-18 of 23 May 2008 - 17 Jumada I 1429; O.G. no. 5640 of 19 June 2008).

The sanctions provided for in this title shall be doubled in case of a repeat offence.

By way of derogation from the provisions of articles 156 and 157 of the penal code, is considered to be a repeat offender whoever, having previously been sentenced by a judgement that has acquired the force of res judicata to imprisonment or to a fine, commits the same offence within less than 5 years after the expiration of the sentence or after the prescriptive time limit.

Article 376: (Repealed by article 4 of law no. 20-05 enacted by Dahir no. 1-08-18 of 23 May 2008 - 17 Jumada I 1429; O.G. no. 5640 of 19 June 2008).

Article 377:

By way of derogation from the provisions of articles 55, 149 and 150 of the Penal Code, fines provided for in this law may not be reduced below the legal minimum and conditional sentences may only be ordered for imprisonment sentences.

Chapter II: Violations Relating to the Constitution

Article 378: (Completed by article one of law no. 20-05 enacted by Dahir no. 1-08-18 of 23 May 2008 - 17 Jumada I 1429; O.G. no. 5640 of 19 June 2008).

The founders and first members of the administrative, management and executive bodies having issued shares, whether before the registration of the said company in the trade register, or at any period whatsoever, shall be punished by a fine of 4,000 to 20,000 dirhams if the registration was obtained by fraud, or without properly completing the constitution formalities for the said company.

The fine provided for in the previous paragraph shall be doubled if the shares have been issued without the cash shares being paid-up at the time of the subscription of at least one quarter or without the initial shares being fully paid-up prior to the registration of the company in the trade register.

The same persons shall be punished by the fine provided for in the previous paragraph if they fail to maintain the cash shares in the nominative form until they are fully paid-up.

Imprisonment for one to six months may, also, be pronounced when the company in question is a public limited company making a public offering.

Article 379:

The following shall be punished by imprisonment for one month to six months and a fine of 8,000 to 40,000 dirhams or only one of these two sanctions:

1) Anyone who, knowingly, for the purpose of issuing the certificate of the depositary that records subscriptions and payments, certifies as true and authentic subscriptions they know are fictious or declare that funds not yet made definitively available to the company have been actually paid, or submits to the depositary a list of shareholders stating fictious subscriptions or the payment of funds not definitively made available to the company;
2) Anyone who, knowingly, through simulation of subscriptions or payments, or by publication of subscriptions or payments that do not exist or of any other false facts, obtain or try to obtain subscriptions or payments;
3) Anyone who, knowingly, in order to obtain subscriptions or payments, release the names of persons, falsely designated as being or expected to be related to the company in whatever capacity;
4) Anyone who, fraudulently, causes a contribution in kind to be given an evaluation greater than its real value.

Article 380: (Repealed by article 4 of law no. 20-05 enacted by Dahir no. 1-08-18 of 23 May 2008 - 17 Jumada I 1429; O.G. no. 5640 of 19 June 2008).

Article 381: (Amended by article 4 of law no. 20-05 enacted by Dahir no. 1-08-18 of 23 May 2008 - 17 Jumada I 1429; O.G. no. 5640 of 19 June 2008).

The founders and members of the administrative, management and executive bodies of a public limited company, as well as owners or holders of shares shall be punished by imprisonment for

one to three months and a fine of 6,000 to 30,000 dirhams or by only one of these two sanctions if they, knowingly, trade:

1) (Repealed by article 4 of law no. 20-05 enacted by Dahir no. 1-08-18 of 23 May 2008 - 17 Jumada I 1429; O.G. no. 5640 of 19 June 2008);
2) Cash shares not retained in the registered form until they are fully paid-up;
3) (Repealed by article 4 of law no. 20-05 enacted by Dahir no. 1-08-18 of 23 May 2008 - 17 Jumada I 1429; O.G. no. 5640 of 19 June 2008);
4) Cash shares for which the payment of one quarter was not made;
5) Promises of shares, except for promises of shares to be created in the context of a capital increase in a company where old shares are already listed on the stock exchange.

Article 382:

Any person who, knowingly, either takes part in the trading, or sets or publishes the value of the shares or promises of shares referred to in this article shall be punished by the penalties provided for in the previous article 381.

Article 383:

Any person who, knowingly, accepts or maintains the duties of contributions auditor, notwithstanding the incompatibilities and legal prohibitions, shall be punished by imprisonment for one to six months and a fine of 8,000 to 400,000 dirhams or by only one of these two sanctions.

Chapter III: Violations Relating to the Management and Administration

Article 384:

Members of the administrative, management and executive bodies of a public limited company shall be punished by imprisonment for one to six months and a fine of 100,000 to 1,000,000 dirhams or only one of these two sanctions if:

1) In the absence of an inventory or via a fraudulent inventory, they, knowingly, cause fictious dividends to be distributed to shareholders;
2) Even in the absence of any distribution of dividends, they, knowingly, publish or present to shareholders, for the purpose of concealing the real situation of the company, annual summary financial statements not giving, at the end of each financial year, a true and fair view of the results of the financial year’s operations, the financial situation and the assets;
3) They make use, in bad faith, of company assets or debt in a manner they know is against the economic interests of the company for personal purposes or for the benefit of another company or enterprise in which they are directly or indirectly interested;
4) They make use, in bad faith, of the powers conferred to them and/or the votes they have, in this capacity, in a manner they know is contrary to the economic interests of the company for personal purposes or for the benefit of another company or enterprise in which they are directly or indirectly interested.

Article 385: (Amended by article 1 of law no. 20-05 enacted by Dahir no. 1-08-18 of 23 May 2008 - 17 Jumada I 1429; O.G. no. 5640 of 19 June 2008).

The chairman or director chairing the session who fails to record the deliberations of the board of directors in the minutes pursuant to the provisions of article 53 shall be punished by a fine of 3,000 to 15,000 dirhams.

Article 386: (Amended by article 4 of law no. 20-05 enacted by Dahir no. 1-08-18 of 23 May 2008 - 17 Jumada I 1429; O.G. no. 5640 of 19 June 2008).

Members of the administrative, management or executive bodies of a public limited company who fail to compile an inventory, draw up summary financial statements and a management report, for each financial year, shall be punished by a fine of 20,000 to 200,000 dirhams.

Chapter IV: Violations Relating to the Shareholder Meetings

Article 387:

The following persons shall be punished by imprisonment for one to six years and a fine of 8,000 to 40,000 dirhams or by only one of these sanctions:

1) Anyone who, knowingly, stops a shareholder from taking part in a shareholders meeting;
2) Anyone who, while fraudulently introducing themselves as owners of shares, take part in the voting of a shareholders meeting, whether directly or via an intermediary;
3) Anyone who is granted, guaranteed or promised advantages to vote a certain way or not to take part in a vote, as well as anyone who grants, guarantees or promises these advantages.

Article 388: (Amended by article 1 of law no. 20-05 enacted by Dahir no. 1-08-18 of 23 May 2008 - 17 Jumada I 1429; O.G. no. 5640 of 19 June 2008).

Members of the administrative, management and executive bodies of a public limited company who fail to convene the ordinary general meeting within six months of the end of the financial year or during its extension period or fail to submit the annual summary financial statements and the management report for the approval of the said meeting shall be punished by a fine of 30,000 to 300,000 dirhams.

Article 389:

Members of the administrative, management and executive bodies of a public limited company who fail to convene, to each meeting, within the legal time limit, shareholders holding registered securities for at least thirty days, under the forms provided for by the articles of association shall be punished by a fine of 8,000 to 40,000 dirhams.

Article 390:

The chairman of a public limited company who fails to make available to the shareholders, under the conditions provided for by this law, the information required for holding meetings shall be punished by a fine of 6,000 to 30,000 dirhams.

Article 391:

members of the administrative, management and executive bodies of a public limited company shall be punished by a fine of 4,000 to 20,000 dirhams if they fail to provide any shareholder making a request thereof with a proxy form that complies with the provisions set by the articles of association, as well as:

1) the list of directors or members of the management board or the supervisory board in office;
2) the text and explanatory statement of the draft resolutions included in the agenda;
3) where appropriate, a notice on the candidates to the administrative, management and executive bodies;
4) the reports of the board of directors or the management board and the statutory auditors that shall be submitted to the meeting;
5) for annual ordinary general meetings, the annual summary financial statements.

Article 392:

Members of the administrative, management or executive bodies of a public limited company who do not make available to all shareholders the following information at the registered office of the company shall be punished by a fine of 8,000 to 40,000 dirhams:

1) within a period of fifteen days before the annual ordinary general meeting, the documents mentioned in article 141;
2) within a period of fifteen days before an extraordinary general meeting, the text of the proposed draft resolutions, of the report of the board of directors or the management board and, where applicable, of the report of the statutory auditor(s) and of the merger project;
3) within a period of fifteen days before the general meeting, the list of shareholders prepared no later than thirty days before the meeting date including the first and last names and address of each holder of registered shares and each holder of bearer shares having expressed, up to that date, their intention to take part in the meeting as well as the number of shares each shareholder known to the company holds;
4) at any time of the year, the following documents corresponding to the last three financial years submitted to the general meetings: inventory, annual summary financial statements, report of the board of directors or the management board, report of the statutory auditors, attendance sheet and minutes of the meetings.

Article 393:

Members of the administrative, management or executive bodies of a public limited company shall be punished by a fine of 6,000 to 30,000 dirhams if they, knowingly:

1) fail to keep an attendance sheet, for any shareholders meeting, signed by the shareholders present and proxyholders, certified as accurate by the committee of the general meeting and containing:
   a) the name, surname and address of each shareholder present and the number of shares they hold as well as the number of voting rights attached to these shares;
   b) the name, surname and address of each proxyholder and the number of shares held by their principals as well as the number of voting rights attached to these shares;
   c) the name, surname and address of each shareholder represented and the number of shares they hold, as well as the number of voting rights attached to these shares or, in the absence of this information, the number of powers granted to each proxyholder;
2) fail to annex to the attendance sheet the powers granted to each proxyholder;
3) fail to record the decisions of each general meeting in minutes signed by members of the committee, and preserved in a special register at the registered office indicating the date and location of the meeting, the convening method, the agenda, the composition of the committee, the number of shares taking part in the vote and the quorum achieved, the documents and reports submitted to the meeting, a summary of the debates, the text of the resolutions put to the vote and the result of the votes.

Article 394:

The chairman of the meeting and members of the committee of the meeting not abiding by the provisions governing voting rights attached to shares, during shareholders meetings, shall be punished with the sentences provided for in article 393.

Chapter V: Violations Relating to Changes in the Share Capital

Section I: Capital Increase

Article 395: (Completed by article 1 of law no. 20-05 enacted by Dahir no. 1-08-18 of 23 May 2008 - 17 Jumada I 1429; O.G. no. 5640 of 19 June 2008).

Members of the administrative, management or executive bodies of a public limited company shall be punished by a fine of 4,000 to 20,000 dirhams if they issue shares during a capital increase:

1) either before the certificate of the depositary has been issued;
2) or before the appropriate completion of the preliminary formalities of the capital increase;

The fine provided for in the preceding paragraph shall be doubled if shares are issued without the company's capital previously subscribed being fully paid up, or without the new contributed shares being fully paid up prior to the amending registration in the trade register, or, without the new cash shares being paid up at the time of the subscription of at least one quarter of their nominal value and, where applicable, the whole issue premium.

The same persons shall be punished with the fine provided for in the preceding paragraph if they fail to maintain the cash shares in the nominative form until they are fully paid-up.

Imprisonment for one to six months may, also, be pronounced where the company concerned is a public limited company making a public offering.

The provisions of this article shall not be applicable to shares properly issued by conversion of convertible bonds at any time.

Article 396:

Subject to the provisions of articles 189 to 193, members of the administrative, management and executive bodies of a public limited company shall be punished by a fine of 10,000 to 100,000 dirhams if, during a capital increase, they:

1) fail to grant shareholders, proportionately to the number of shares they have, a pre-emptive right to subscribe for cash shares;
2) fail to reserve for shareholders a period of at least twenty days as of the opening of subscription, in order for them to exercise their subscription right;
3) fail to grant the shares made available, for lack of a sufficient number of pre-emptive subscriptions, to shareholders having subscribed on a reducible basis to a number of shares higher than the number they could subscribe for on a pre-emptive basis, proportionately to the rights they have;
4) in case of an earlier issue of bonds convertible into shares, fail to reserve the rights of bondholders who opted for the conversion;
5) in case of an earlier issue of bonds convertible into shares, for as long as convertible bonds exist, amortize the nominal value of capital shares or reduce the capital by way of repayment, or amend the distribution of profits or distribute reserves without taking the measures necessary to preserve the rights of bondholders who opted for the conversion.

Article 397:

Anyone who commits the violations provided for in article 396, for the purpose of depriving either the shareholders or some of them, or holders of convertible bonds or some of them, of a part of their rights in the assets of the company shall be punished with imprisonment for one month to one year and a fine of 35,000 to 350,000 dirhams or only one of these two sentences.

Article 398:

Members of the administrative, management or executive bodies or the statutory auditor(s) of a public limited company who, knowingly, provide or confirm incorrect information in the reports submitted to the general meeting called to decide on the cancellation of the shareholders' pre-emptive subscription right shall be punished by imprisonment for one month to one year and a fine of 12,000 to 120,000 dirhams or by only one of these sentences.

Article 399:

The provisions of articles 379 to 383 on the constitution of public limited companies are applicable in case of a capital increase.

Section II: Amortization of the nominal value of capital shares

Article 400: (Amended by article 1 of law no. 20-05 enacted by Dahir no. 1-08-18 of 23 May 2008 - 17 Jumada I 1429; O.G. no. 5640 of 19 June 2008).

Members of administrative, management or executive bodies of a public limited company who proceed with the amortization of the nominal value of capital shares through random selection shall be punished by a fine of 7,000 to 35,000 dirhams.

Section III: Capital Reduction

Article 401:

Members of the administrative, management or executive bodies of a public limited company shall be punished by a fine of 10,000 to 50,000 dirhams if they, knowingly, proceed with a reduction of the share capital:

1) without respecting the equality of shareholders;
2) without informing the statutory auditors of the share capital reduction project, at least forty-five days before the date of the general meeting called to decide.

Article 402:

Members of the board of directors, management or management bodies of a public limited company who, in the name of the company, have subscribed, acquired, pledged, retained or sold shares issued by the latter in breach of the provisions of articles 279 to 281, will be punished by a penalty provided for in article 401.

The same penalty will be imposed on the members of the board of directors, management or management bodies of a public limited company who, in the name of the latter, have carried out the following operations: advancing funds, offering loans or granting security for subscription or purchase of its own shares by a third party, operations prohibited by article 280 (paragraph3)

Chapter VI: Violations relating to control

Article 403: (Completed by article 1 of law no. 20-05 enacted by Dahir no. 1-08-18 of 23 May 2008 – 17 Jumada I 1429; O.G. NO. 5640 of 19 June 2008).

Members of the board of directors, management or management bodies of a public limited company who would have failed to have the Statutory Auditors of the company appointed will be punished by one to six months of imprisonment and a fine of 10,000 to 50,000 dirhams, or only one of these penalties.

The same members who fail to convene the Statutory Auditors of the company to shareholders meetings in which the presentation of the said Statutory Auditors' report is required will be punished by a fine provided for in the previous paragraph.

Article 404:

Whoever, in their personal name or as a member of a Statutory Auditor's company knowingly accepts, performs or maintains the duties of the Statutory Auditor, notwithstanding legal incompatibilities, will be punished by one to six months of imprisonment and a fine of 8,000 to 40,000 dirhams.

Article 405:

Any Statutory Auditor who, either in their personal name or as a member of a Statutory Auditors' company, knowingly gives or confirms false information on the situation of the company or fails to reveal to the board of directors, management or management bodies any offences which would have come to their knowledge in connection with the performance of their duties, will be punished by six to one year of imprisonment and a fine of 10,000 to 100,000 dirhams or only one of these penalties.

Article 446 of the Penal code is applicable to the Statutory Auditors

Article 406:

Members of the board of directors, management or management bodies or any person serving the company who, knowingly have put obstacle to the verifications or experts controls or Statutory Auditors appointed pursuant to articles 157 and 159 or who refused to grant them an on-the-post necessary documents to exercise their duties, and particularly all contracts, books, accounting documents and minutes registers, will be punished by one to six months of imprisonment and a fine of 6,000 to 30,000 dirhams or only one of these penalties.

Chapter VII: Violations relating to dissolution

Article 407:

Members of the board of directors, management or management bodies of a public limited company who, knowingly, when the net position of the company, due to losses recorded in the summary financial statements, becomes lower than the quarter of the share capital will not, within three months following the approval of the financial statements in which such losses were disclosed, have convened the Extraordinary General Meeting to decide whether or not to dissolve early the company, will be punished by one to six months and a fine of 4,000 to 20,000 dirhams or only one of these penalties.

Chapter VIII: Violations relating to transferable securities issued by the public limited company

Section I: Violations relating to shares

Article 408: (Amended by article 1 of law no. 20-05 enacted by Dahir no. 1-08-18 of 23 May 2008 – 17 Jumada I 1429; O.G. no. 5640 of 19 June 2008).
Members of the board of directors, management or management bodies of a public limited company will be punished by a fine of 6,000 to 30,000 dirhams:

1) who will have not made the calls for funds in order to achieve the full release within the legal period;
2) who have issued or allowed to issue bonds, while the share capital was not fully paid up, subject to the provisions of the second paragraph of article 293.

Article 409:

Shall be punished with a penalty of 8,000 to 40,000 dirhams, the members of administrative, executive or management bodies:

1) whose company has issued non-voting priority dividend shares in excess of the percentage fixed by article 263;

2) who will have impeded the appointment of agents representing the holders of non-voting priority dividend shares and the exercise of their mandate;

3) who have failed to consult, under the conditions referred to in articles 266, 267 and 269, a special meeting of holders of priority dividend shares without voting right;

4) whose company will have amortized the nominal value of the share capital while all the non-voting priority dividend shares have not been fully bought back and cancelled;

5) whose company, in the event of capital reduction not prompted by losses, will not have purchased, for the purpose of their cancellation, non-voting priority dividend shares before common shares.

Article 410:

Members of the administrative, executive or management bodies of a public limited company that hold, directly or indirectly, under the conditions referred to in article 268 of the priority dividend shares without voting right of the company they manage shall be punished with penalties provided for in article 409.

Section II: Violations relating to the founders shares

Article 411:

The founders, members of the administrative, executive or management bodies who will have issued, after the entry into force of this law and on behalf of a public limited company, founder shares, shall be punished by a fine of 8,000 to 40,000 dirham.

Section III: Violations relating to bonds

Article 412:

Members of the administrative, executive or management bodies of a public limited company who have issued marketable bonds on behalf of this company before the company has prepared the summary financial statements of two successive financial years duly approved by the shareholders and that it has two years of existence, subject to the second paragraph of article 293 shall be punished by a fine of 8,000 to 40,000 dirhams.

Article 413:

Members of the administrative, executive or management bodies of a public limited company shall be fined 8,000 to 40,000 dirhams if they:

1) have issued, on behalf of this company, marketable bonds which do not grant, in the same issue, the same debt rights for the same nominal value;
2) have issued to the bondholders securities in which the form, the business name, the capital, the address of the registered office of the issuing company, the date of incorporation of the company, the date of its expiry, the order number, the nominal value of the security, the rate and the time of the payment of the interest and the conditions of repayment of the principal, the amount of the issue and the special guarantees attached to the securities, the unamortized amount at the time of the issue of bonds or debt securities previously issued and, if applicable, the period within which the option granted to bondholders to convert their securities into shares must be exercised and the bases for such conversion;
3) have issued, on behalf of this company, marketable bonds whose nominal value would be lower than the legal minimum.

Article 414:

Shall be punished by imprisonment for one to six months and a fine of 8,000 to 40,000 dirhams or only one of these penalties:

1) those who have deliberately prevented a bondholder from attending a general meeting of bondholders;
2) those who, by falsely appearing as bondholders, have participated in the vote in a general meeting of bondholders, whether they have acted directly or via a third party;
3) those who have been granted, guaranteed or promised benefits to vote in a certain way or not to participate in the vote, as well as those who have granted, guaranteed or promised such benefits.

Article 415:

Shall be punished by a fine of 6,000 to 30,000 dirhams:

1) members of the administrative, executive or management bodies, the statutory auditors or the employees of the debtor company or of the company guaranteeing all or part of the liabilities of the debtor company as well as their spouses, parents or relatives up to the 2nd degree inclusive who have represented bondholders at the general meeting, or have agreed to be representatives of the bondholders' group;
2) persons prohibited from exercising the activity of banker or from the right to manage or administer a company in any capacity, who have represented the bondholders at the meeting of the bondholders or who have agreed to be the representatives the bondholders' group;
3) holders of amortized and redeemed bonds who have taken part in the bondholders' meeting;
4) holders of amortized and non-redeemed bonds who have taken part in the bondholders' meeting without being able to invoke, in order to justify non-repayment, the default of the company or a dispute relating to the conditions of repayment;
5) members of the administrative, executive or management bodies of a public limited company who have taken part in the bondholders' meeting on the basis of bonds issued and repurchased by this company.

Article 416:

Any chairman of the general meeting of bondholders who has failed to record the decisions of any general bondholders' meeting in the minutes, transcribed in a special register kept at the registered office and stating the date and place of the meeting, the convening notice, the agenda, the composition of the board, the number of bondholders participating in the vote and the quorum reached, the documents and reports submitted to the meeting, a summary of the discussions, the text of the resolutions put to the vote and the voting results shall be punished by a fine of 5,000 to 25,000 dirhams.

Article 417:

Shall be punished by a fine of 10,000 to 100,000 dirhams:

1) members of the administrative, executive or management bodies of a public limited company who have offered or paid to the representatives of the bondholders' group a salary or remuneration greater than that allotted to them by the meeting or by court order;

2) any representative of the bondholders' group who has accepted a salary or remuneration greater than that allotted to them by the meeting or by court order, without prejudice to refunding the sum paid to the company.

Article 418:

Where one of the infringements provided for in article 413 (1) and (2) and articles 415, 416 and 417 has been fraudulently committed in order to deprive the bondholders or some of them of a part of the rights attached to their debt securities, the fine may be raised to 120,000 dirhams and imprisonment from six months to two years may, also, be imposed.

Chapter IX: Violations relating to announcements

Article 419:

Shall be punished by a fine of 1,000 to 5,000 dirhams the members of the administrative, executive or management bodies of a public limited company who have failed to indicate on the acts or documents emanating from the company and intended for third parties the company name, immediately preceded or followed by the words "public limited company" or the initials "SA" or the indication provided for in article 77 (3rd paragraph), together with the statement of the amount of the share capital and the registered office.

Article 420: (Amended by article 1 of law no. 20-05 enacted by Dahir no. 1-08-18 of 23 May 2008 - 17 Jumada I 1429, O.G. no. 5640 of 19 June 2008) **[amended and completed by article one of law 78-12]**

Without prejudice to the application of specific legislation, in particular that relating to the information required of legal entities making a public offering, any founder, director, chief executive officer, deputy chief executive officer or member of the management board who fails to proceed within the due time limits either with one or more submissions of documents or acts at the court registry, or with one or more announcement measures provided for by this law shall be punished by a fine of 10,000 to 50,000 dirhams.

However, the persons referred to in the preceding paragraph may file the documents referred to in article 158 above within an additional period of 2 months.

This filing shall be accompanied by the payment of a late penalty of 5,000 dirhams to the public treasury in accordance with the code on the recovery of public debts enforcedly issued by the president of the competent court.

Failing regularization within this additional period, the provisions of the first paragraph of this article shall apply.

Chapter X: Violations relating to liquidation

Article 421: (Completed by article 1 of law no. 20-05 enacted by Dahir no. 1-08-18 of 23 May, 2008 - 17 Jumada I 1429; O.G. no. 5640 of 19 June 2008)

Shall be punished by a fine of 5,000 to 25,000 dirhams the liquidator of a company who has not, within thirty days of their appointment, published in a newspaper of legal announcements, in addition to the "Official Gazette" if the company has made a public offering, the instrument appointing them as liquidator and to proceed with the filing of the decisions pronouncing the dissolution with the court registry and their registration in the trade register.

Imprisonment for one to three months may also be pronounced, if the liquidator of a company has not convened the shareholders, at the end of liquidation, to decide on the final financial statements, the discharge of their management and of their term of office, and to declare the closing of the liquidation or has not, in the case provided for in article 369, filed their accounts with the court registry nor requested their approval by the court.

Article 422: (Amended by article 1 of law no. 20-05 enacted by Dahir no. 1-08-18 of 23 May 2008 - 17 Jumada I 1429, O.G. no. 5640 of 19 June 2008)

Any liquidator who deliberately breaches the obligations imposed on them by the provisions of articles 1064 to 1091 of the Dahir of 9 Ramadan 1331 (12 August 1913) on the Code of Obligations and Contracts and those of this Act, with respect to the inventory, the preparation of the summary financial statements, holding of meetings, informing shareholders and the preservation of the corporate funds and documents shall be punishable by the penalties provided for in the second paragraph of article 421.

Article 423:

Shall be punished by imprisonment from one to six months and a fine of 8,000 to 40,000 dirhams or only one of these two penalties, any liquidator who, with a bad faith:

1) has made use of property or credit of the company in liquidation they knew to be against its economic interest, for personal purposes or to the benefit of another company or enterprise in which they were directly or indirectly interested ;
2) has transferred all or part of the assets of the company in liquidation contrary to the provisions of articles 365 and 366.

Article 424:

Shall be liable to imprisonment for one to six months and a fine of 4,000 to 20,000 dirhams or one of these two sentences only, any liquidator who distributes the share capital among the shareholders before the settlement of the liabilities or prior to the establishment of sufficient reserves to ensure settlement or who, unless otherwise provided for in the articles of association, fails to share the equity remaining, after redemption of the nominal value of the shares, between shareholders in the same proportion as their equity participation.

TITLE XV

THE SIMPLIFIED PUBLIC LIMITED COMPANY

Chapter 1: Provisions applicable to the simplified public limited company

Article 425:

In order to create or manage a joint subsidiary or to create a company which will become their common parent, two or more companies may form a simplified public limited company governed by the provisions of this title.

The simplified public limited company is constituted in consideration of the person of its members.

The latter freely agree on the organization and operation of the company, subject to the provisions below.

The general rules concerning public limited companies apply to the simplified public limited company only to the extent that they are compatible with those provisions.

Article 426:

Only companies whose capital is at least equal to two million dirhams or to the equivalent of this amount in foreign currency, can be a member of a simplified public limited company.

The associated company, which reduces its capital below this minimum must, within six months of this reduction, either increase its capital up to this amount or transfer its shares under the conditions set by the articles of association.

Failing this, the company must dissolve and transform itself into a company of another type.

The dissolution may be requested in court by any interested party or by the public prosecutor. The court may grant a maximum period for the partner to regularize their situation. It cannot pronounce the dissolution if, on the day it decides on the merits in first instance, the regularization has taken place.

Article 427:

The company is constituted by articles of association signed by all partners.

The capital they set must be fully paid up as soon as these articles of association are signed.

The company cannot make a public offering.

Article 428:

A company of any form may, unanimously, become a simplified public limited company if all its partners fulfil the conditions provided for in articles 425 and 426.

Article 429:

The articles of association may provide for the inalienability of shares for a period not exceeding ten years.

They may also submit any transfer of shares to the prior approval of the company. In this case, any assignment that has not received this approval is void.

They may further stipulate that a partner may be required to transfer their shares and that if they fail to make such an assignment, their non-pecuniary rights shall be suspended.

The articles of association may also require the partner whose control, within the meaning of article 144, is amended, to inform the company thereof. The latter may decide to suspend the exercise of the non-pecuniary rights of this partner and exclude them.

The provisions of the preceding paragraph apply to the partner who has acquired this quality as a result of a merger, a demerger or a dissolution.

Article 430:

If the articles of association do not specify the calculation of the transfer price when the company implements a clause mentioned in article 429, this price is set, in the absence of agreement between the parties, by an expert appointed by order of the president of the court, ruling in summary proceedings. When the shares are bought back by the company, the latter is required to transfer them within a period of six months or to cancel them.

Article 431:

The statutory provisions referred to in articles 429 and 430 may only be amended unanimously.

Article 432:

The articles of association set the conditions under which the company is managed.

However, the company must have a chairman, originally designated in the articles of association and, afterwards, in the manner that these articles of association determine.

This president may be a legal entity. In this case, the managers of this legal entity are subject to the same conditions and obligations and incur the same civil or criminal responsibilities as if they were president in their own name, without prejudice to the joint and several liability of the legal entity they manage.

Article 433:

The statutory auditor presents a report to the partners on the agreements entered into either directly or via an intermediary between the company and its chairman or managers.

The partners decide on this report.

Unapproved agreements shall nevertheless produce their effects, provided that the person concerned and possibly the chairman and the other managers bear the corresponding harmful consequences for the company.

The provisions of the preceding three paragraphs are not applicable to agreements relating to current transactions entered into under normal conditions.

Article 434:

The prohibitions provided for in articles 62 and 100 apply, under the conditions set by these articles, to the chairman and managers of the company.

Article 435:

The chairman represents the company with respect to third parties. They are invested with the most extensive powers to act in all circumstances on behalf of the company within the limit of the corporate purpose.

In relations with third parties, the company is bound even by the acts of the chairman which do not fall within the corporate purpose, unless it proves that the third parties knew that the said act exceeded this purpose or that it could not have been unaware thereof given the circumstances, being excluded that the only publication of the articles of association suffices to constitute this proof.

Statutory clauses limiting the powers of the chairman are unenforceable against third parties.

In relations between partners, the powers of the chairman and, where applicable, of the other managers provided for in the articles of association are defined by them. Insofar as the general rules relating to public limited companies apply, the chairman or the managers designated by the articles of association for that purpose shall have all the administrative, executive and management powers.

The rules setting the responsibility of the members of administrative, executive and management bodies are applicable to the chairman and managers of the simplified public limited company.

Article 436:

The articles of association determine the decisions to be collectively made by the partners under the forms they provide.

However, the powers vested in the extraordinary and ordinary general meetings of public limited companies, in terms of increases, amortization of the nominal value of capital shares or reduction of the capital, mergers, demergers, appointments of statutory auditors, summary financial statements and profits are, pursuant to the conditions set by the articles of association, exercised collectively by the partners.

Chapter II: Penal Sanctions

Article 437:

The provisions of articles 375 to 383, 386 and 395 to 399 inclusive are applicable to simplified public limited companies.

The sanctions incurred by members of the administrative, executive or management bodies of public limited companies are applicable to the chairman and the managers of simplified public limited companies.

The provisions of articles 398, 404 and 405 are applicable to the statutory auditors of simplified public limited companies.

Article 438:

The chairman of a simplified public limited company who fails to indicated on the acts and documents emanating from the company and intended for third parties the corporate name, directly preceded or followed by the words “simplified public limited company” or the initials “SAS”, as well as the indication of the amount of the share capital and the registered office shall be punished by a fine of 2,000 to 10,000 dirhams.

Article 439:

Managers of a simplified public limited company who make a public offering shall be punished by a fine of 2,000,000.

Article 440:

The provisions of articles 437 to 439 are applicable to any person who effectively exercises the management of a simplified public limited company in the room and stead of the chairman and the managers of the company.

TITLE XVI

Miscellaneous and transitional provisions

Article 441:

All the time limits provided for in this law shall be clear time limits.

Article 442:

Where one of the penalties provided for by this law is pronounced, the court may order, on the convicted person charges, either the full insertion or by extract of its decision in the newspaper it designates, or the posting on the places it indicates.

In addition, the court may pronounce the commercial forfeiture in accordance with the provisions of articles 717 and 718 of the Commercial Code.

Article 443:

This law applies to companies that will be established on the territory of the Kingdom as of the date of implementation of the provisions relating to the trade register appearing in Book 1 of the law no 15-95 of the Commercial Code.

Nevertheless, the constitutive formalities previously accomplished will not have to be renewed.

Article 444: (Amended, Dahir no. 1-99-327 of 30 December 1999 enacting the law no. 81-99; O.G no. 4758 of 6 January 2000)

The companies established prior to the publication date of this law will be subject to its provisions at the end of the third year following the year it comes in force or upon the publication of the amendments to the articles of association in order to bring them into line with the said provisions.

The purpose of the harmonization is to repeal, amend or replace, if necessary, the statutory provisions that are against the mandatory provisions of this law and provide them with the supplements that the said law makes mandatory. It may be carried out by amending the old articles of association or by adopting the new ones.

It may be decided by the shareholders meeting under the conditions of validity of ordinary decisions, notwithstanding any contrary legal or statutory provisions, with the conditions to amend only, as to the substance, the clauses that are not compatible with this law.

However, the transformation of the company or increasing its capital by means other than, capitalization of reserves, profits or issue premiums, will only be carried out under the conditions required for the amendment of the articles of association.

Article 445:

Where, for any reason whatsoever, the shareholders meeting has been unable to reach a valid decision, the proposed harmonization of the articles of association shall be subject to approval by the president of the court, acting in summary proceedings, at the request of legal representatives of the company.

Article 446:

If no harmonization is necessary, it is noted by the shareholders meeting whose decision is the subject of the same notice as the decision amending the articles of association. This law applies to the company as of the accomplishment of these formalities.

Article 447:

Where the articles of association are not aligned with provisions of this law within the prescribed time limit above, the statutory clauses contrary to these provisions shall be deemed unwritten upon expiry of this period.

Article 448:

Where the share capital is not increased, at least up to the minimum amount provided for by article 6, public limited companies whose share capital is lower than this amount must, before the expiry of the prescribed time limit, declare its dissolution or transform itself into a company of another form for which the legislation in force does not impose a minimum capital higher than the existing capital.

Companies who fail to abide by the provisions of the previous paragraph shall be dissolved upon expiry of the prescribed time limit.

Article 449:

Directors of the company who, voluntarily, fail to align the articles of association with the provisions of this law shall be liable to a fine of 2,000 to 10,000 dirhams.

The court shall prescribe a new time limit, which shall not exceed six months, during which the articles of association must be aligned with the provisions of this law.

If this new time limit is not observed, the concerned directors shall be liable to a fine of 10,000 to 20,000 dirhams.

Article 450:

This law does not repeal the legislative and regulatory provisions governing the companies subject to a special regime.

Clauses of the articles of association of these companies, which comply with the legislative provisions repealed by article 451 but are contrary to the provisions of this law not covered by the special regime of the said companies, shall be aligned with this law. For this purpose, the provisions of articles 444 to 449 are applicable.

Article 451: (Amended, Dahir no. 1-99-327 of 30 December 1999 enacting the law no. 81-99; O.G no. 4758 of 6 January 2000)

The provisions relating to matters governed by this law and particularly the following texts as amended or completed shall be repealed, subject to their transitional implementation until the end of the third year as of the date of entry into force of this law on companies who failed to proceed with the alignment of their articles of association:

1) the provisions of title IV of the Dahir of 9 Ramadan 1331 (12 August 1913) on the commercial code, relating to public limited companies:
2) the provisions of the Dahir of 17 Dhu al-Hijjah 1340 (11 August 1922) relating to joint stock companies.

The provisions of this law shall not apply to public limited companies with variable capital and employee-owned companies which remain governed by the provisions of the above-mentioned Dahir of 17 Dhu al-Hijjah 1340 (11 August 1922);

3) the provisions of the Dahir of 29 Shawwal 1374 (20 June 1955) on founders' shares issued by the companies, in as much as they regard public limited companies;
4) the provisions of the Dahir of 21 Dhu al-Hijjah (10 August 1955) laying down a pre-emptive subscription right for capital increases in favour of shareholders, in as much as they concern public limited companies.

Article 452: (Amended, Dahir no. 1-99-327 of 30 December 1999 enacting the law no. 81-99; O.G no. 4758 of 6 January 2000)

Public limited companies having issued founders' shares before the publication of this law must proceed, before the end of the third year following the date of the said publication, either with the purchase, or with the conversion of these securities into shares.

The conversion or repurchase are decided by the shareholders' extraordinary general meeting.

Members of the administrative, management and executive bodies who fail to fulfil the obligation provided for in this article shall be punished by the sanctions provided for in article 411.

Article 453:

References to the provisions of the texts repealed by article 451 included in the legislative or regulatory texts in force apply to the corresponding provisions enacted by this law.

Article 454:

Pending the establishment of courts having jurisdiction for the settlement of disputes between traders or for the purposes of the implementation of this law, such disputes shall be decided in accordance with the legislation in force.

OG no. 4422 of 17-10-1996 Page 661.
OG no. 4758, 06-01-2000 Page 5.
OG no. 5210 of 06-05-2004 Page 668.
OG no. 5640 of 19-06-2008 Page 384.
OG no. 6432 of 21-01-2016 Page 55