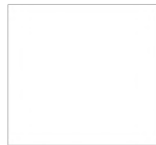


Audit comm report



31/12/2022

Summary of the Audit committee's report for the year ended 31 December 2022, which is read out during the General Assembly

Greetings

The Audit committee is pleased to provide the shareholders of Al-Dawaa Medical Services with a summary of its annual report on the work, performance and observations of the Committee for the fiscal year ended 31 December 2022. The Audit committee aims to verify the adequacy of the internal control system and implement it effectively and to make any recommendations to the Board of Directors that will activate and develop the system in order to achieve the purposes of the company and protect the interests of shareholders and investors efficiently and at a reasonable cost, to assist the Board of Directors in implementing its responsibilities related to internal oversight, accounting policies and financial reports and support the independence and objectivity of internal and external review.

The composition of the Audit committee and the number of its meetings:

The Audit committee was formed on the basis of a decision of the General Assembly and consists of three members.

1- Mr. Ibrahim bin Salem Al-Ruwais, chairman of the committee, member of the Board of Directors, independent.

2- Mr. AbdulRahman Abdullah Al-Dahim (member of the committee - independent from outside the Council) specialized in financial and accounting affairs

3- Mr. Walid Essam Sabri (member of the committee - independent from outside the Council)

The Committee held six meetings in 2022.

The audit committee's opinion on the adequacy of the company's internal and financial control and risk assessment system:

The results of the internal audit did not show a fundamental weakness in the internal control system and procedures, In addition, did not reach the Committee any comments or observations from the company's employees or stakeholders regarding any infringement of financial or other reports through the company's approved and operated whistle-blowing system, also internal audit department evaluated overall internal control system for the company based on COSO Framework and the result was "good & needs Improvement"

and based on the data received by the audit committee from both the Financial Department, the Internal Audit Department and the external auditor, this was supported by the conviction of the audit



شركة الدواء للخدمات الطبية مساهمة مدرجة

AL-DAWAA MEDICAL SERVICES CO. Joint Stock Listed

رأس المال : ٨٥٠,٠٠٠,٠٠٠ ريال سعودي Paid Up Capital : S.R. 850,000,000

committee of the efficiency and effectiveness of the company's internal control system and procedures of the company, in addition that there is any internal control system, regardless of the integrity of its design and the effectiveness of its application, cannot provide absolute confirmation. In conclusion, the Audit committee thanked the Board of Directors of the company, represented by His Excellency the Chairman of the Board, Mr. Samir Bin Mahmoud Fayyad Abdul Hadi, and the members of the Board and the CEO of the company for their support and support to the committee to accomplish its tasks and follow up to achieve the goals and aspirations of the company's shareholders, as well as the company's employees for their good performance during 2022.

Thanking you

Chairman of the Audit committee

Mr. Ibrahim bin Salem al-Ruwais

Business and contracts

Date: 16/04/2023

Notification from the Board of Directors of Aldawaa Medical Services co.

The General Assembly of Shareholders

Based on the requirements of Article (71) of the Companies Law, which stipulates that any member of the Board of Directors shall, upon becoming aware of any interest he has, whether direct or indirect, in the business and contracts that are for the company's account, and that this notification shall be recorded in the minutes of the Board meeting at its meeting, and this member may not participate in voting on the resolution issued in this regard in the Board and the General Assemblies, and the Board shall inform the General Assembly when it convenes about the works and contracts that a member has The Board has a direct or indirect interest therein, and the reporting shall be accompanied by a special report from the Company's auditor prepared in accordance with the auditing standards adopted in the Kingdom. The following is a list of transactions with members of the Board of Directors related to sales, purchases, services and other transactions carried out by the company during the year ending on December 31, 2022:

1- Sales provided by Al-Dawaa Medical Services to the following company:

Company Amount (in Saudi Riyals)	Nature of relationship With Board Members	Nature of transactions	Amount (in Saudi Riyals)	Amount (in Saudi Riyals)
1 Saudi Arabian Cooperative Insurance Company – SAICO.	Indirect interest with board member Hassan Abdullah Al-Somali.	Pharmacy Sales.	6,313,191	All transactions were conducted on a commercial basis and without preferential benefits

2- Services provided and purchases from companies to Al-Dawaa Medical Services Company:

Company Amount (in Saudi Riyals)	Nature of relationship With Board Members	Nature of transactions	Amount (in Saudi Riyals)	Amount (in Saudi Riyals)
1 Mawarid Trading Co.	Indirect interest with chairman Samir Mahmoud Abdulhadi, and board member Hamad Mohammad Al-Huthaili,	Supplying products.	1,617,980	All transactions were conducted on a commercial basis and without preferential benefits
2 ACE Gallagher Insurance	Indirect interest with chairman Samir Mahmoud Abdulhadi, and board member Hamad Mohammad Al-Huthaili,	Providing insurance services.	426,447	All transactions were conducted on a commercial basis and without preferential benefits.
3 Digital Business Systems Company for Information Technology	Indirect interest with chairman Samir Mahmoud Abdulhadi, and Board members Hamad Mohammad Al-Huthaili, Waleed Mohammad Al-Jaafari, and Mohammed Saad Butti Al-Farraj,	Providing information technology services and support, networking and data centers.	61,238,779	All transactions were conducted on a commercial basis and without preferential benefits.
4 Meshraf General Contracting Company	Indirect interest with board members Waleed Mohammad Al-Jaafari, and Mohammad Saad Butti Al-Farraj,	Construction of pharmacy branches.	120,174,994	All transactions were conducted on a commercial basis and without preferential benefits.
5 966 Motors Establishment	A direct interest with board member Mohammed Saad Butti Al-Farraj	Services provided to the company.	5,759,031	All transactions were conducted on a commercial basis and without preferential benefits.
6 Zahwa Trading Services Company	Indirect interest with board member Mohamed Saad Butti Al-Farraj	Supply contracts.	9,460,906	All transactions were conducted on a commercial basis and without preferential benefits.
7 Kanaf Charitable Association	Indirect interest with board member Mohamed Saad Butti Al-Farraj	Collecting donations from point of sales.	100,860	All transactions were conducted on a commercial basis and without preferential benefits.





شركة الدواء للخدمات الطبية مساهمة مدرجة AL-DAWAA MEDICAL SERVICES CO. Joint Stock Listed

رأس المال : ٨٥٠,٠٠٠,٠٠٠ ريال سعودي S.R. 850,000,000 Paid Up Capital

8	Mrs. Nouf Saad Al-Farraj (Contributor)	Indirect interest with board member Mohamed Saad Butti Al-Farraj	Rent a building for the company's office in Al-Khobar.	200,000	All transactions were conducted on a commercial basis and without preferential benefits.
9	Najam Suhail Company for Trading and Marketing	Indirect interest with board member Mohamed Saad Butti Al-Farraj	Shelving purchases for pharmacies.	2,927,306	All transactions were conducted on a commercial basis and without preferential benefits.
10	Classic Travel & Tours Agency	Indirect interest with board member Waleed Mohammed Aljaafari	Reservations of travel tickets for the company's employees.	24,004,659	All transactions were conducted on a commercial basis and without preferential benefits.
11	Wala Cooperative Insurance Company	Indirect interest with board member Waleed Mohammed Aljaafari	Vehicle insurance, fire, marine insurance.	5,426,191	All transactions were conducted on a commercial basis and without preferential benefits.
12	Eastern Province Cement Company	Indirect interest With board members Waleed Mohamed Al-Jaafari, Mohammed Saad Butti Al-Farraj, and Ibrahim Salem Al-Ruwais	Rent offices for company employees and utility bills.	2,632,511	All transactions were conducted on a commercial basis and without preferential benefits.

1. We confirm to the shareholders that the transactions described in this notification have been reviewed and approved by the Chief Executive Officer and Chief Financial Officer of the company as well as members of the Board of Directors.
2. We confirm to the shareholders that all the transactions described in this notification have been recorded in the company's financial statements for the year ending on December 31, 2022 AD, and only material information has been disclosed in those financial statements for the year ending on December 31, 2022 AD, in accordance with the requirements of the approved International Financial Reporting Standards in the Kingdom of Saudi Arabia and other standards and versions approved by the Saudi Organization for Certified Public Accountants.
3. We confirm to the shareholders that there is no preference for stakeholders in the aforementioned businesses and contracts, and we confirm to the shareholders the correctness of the transactions described in this notification.

Thank you

Board of directors

Chairman

Mr.Samir Mahmoud Abdulhadi.

Board member & MD

Mr.Waleed Mohammed Aljaafari.

Board member

Mr.Hamad Mohammed Al-Huthaili

Vice chairman

Mr.Ibrahim Salem AlRowais

Board member

Mr.Hassan Abdullah Alsomali.

Board member & CEO

Mr.Mohammed Saad Al-Farraj.



Ernst & Young Professional Services (Professional LLC)
Paid-up capital (SR 5,500,000 – Five million five hundred thousand Saudi Riyal)
Adeer Tower, 15th Floor
Prince Turki Bin Abdulaziz Street, Al Khobar Corniche
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Kingdom of Saudi Arabia
Head Office – Riyadh

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ey.com

(1/3)

LIMITED ASSURANCE REPORT TO THE SHAREHOLDERS OF AL DAWAA MEDICAL SERVICES COMPANY (A SAUDI JOINT STOCK COMPANY)

Scope:

We have been engaged by Al Dawaa Medical Services Company (A Saudi Joint Stock Company) (the "Company") to perform a "limited assurance engagement", as defined by International Standards on Assurance Engagements as endorsed in the Kingdom of Saudi Arabia, hereafter referred to as (the "Engagement"), to report on the Company's compliance with the requirements of Article (71) of the Companies' Law (the "Subject Matter"), contained in the attached Declaration (Appendix 1) presented by the Chairman of Board of Directors ("BOD") of the company to the Ordinary General Assembly with respect to the business and contracts in which some members of Board of Directors of the Company have a direct or indirect personal interest for the year ended 31 December 2022.

Criteria Applied by the Company:

In preparing the Subject Matter, the Company applied the below criteria (the "Criteria"). Such Criteria were specifically designed for the Declaration presented by the Chairman of Board of Directors of the company to the Ordinary General Assembly (Appendix 1). As a result, the subject matter information may not be suitable for another purpose.

- Article (71) of the Companies' Law issued by the Ministry of Commerce ("MOC") as amended (1439H -2018G).
- The Declaration presented by the Chairman of the Board of Directors of the Company (Appendix 1).
- The Declarations presented by the members of the Company's Board of Directors with respect to the business and contracts in which a member of the Company's Board of Directors have a direct or indirect personal interest for the year ended 31 December 2022.

The Company's Responsibilities:

The Company's management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the Subject Matter, such that it is free from material misstatement, whether due to fraud or error.

EY's Responsibilities:

Our responsibility is to express conclusion on the presentation of the Subject Matter above based on evidence we have obtained.

We conducted our engagement in accordance with **International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ("ISAE 3000")** endorsed in the Kingdom of Saudi Arabia, and the terms of reference for this engagement as agreed with the Company on 10 April 2023. Those standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in order for it to be in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

**LIMITED ASSURANCE REPORT
TO THE SHAREHOLDERS OF AL DAWAA MEDICAL SERVICES COMPANY
(A SAUDI JOINT STOCK COMPANY) (continued)**

Independence and quality controls:

We have maintained our independence and confirm that we have met the requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) that is endorsed in the Kingdom of Saudi Arabia, and have the required competencies and experience to conduct this assurance engagement.

EY also applies International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of Procedures Performed:

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Subject Matter and related information and applying analytical and other appropriate procedures.

Our procedures included, but were not limited to:

- Obtaining the declaration presented by the Chairman of the Board of Directors, which includes the financial information relating to the business and contracts in which some members of the Company's Board of Directors have a direct or indirect personal interest for the year ended 31 December 2022, in accordance with the requirements of Article (71) of the Companies' Law (Appendix 1).
- Reading the minutes of BOD meetings that mention any declaration for any member of the BOD regarding the business and contracts that they have with the Company for the year ended 31 December 2022.
- Obtaining declarations from the members of the Board of Directors regarding the business and contracts that they have with the Company for the year ended 31 December 2022.

**LIMITED ASSURANCE REPORT
TO THE SHAREHOLDERS OF AL DAWAA MEDICAL SERVICES COMPANY
(A SAUDI JOINT STOCK COMPANY) (continued)**

Limited Assurance Conclusion:

Based on our limited assurance procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the information in the Subject Matter above, has not been properly prepared, in all material aspects, in accordance with the applicable criteria.

Other Matters

- The attached (appendix 1) has been stamped by us for identification purposes.

For Ernst & Young Professional Services



Marwan S. AlAfaliq
Certified Public Accountant
License No. (422)



Al Khobar: 25 Ramadhan 1444 H
16 April 2023

Auditor



Ernst & Young Professional Services (Professional LLC)
Paid-up capital (SR 5,500,000 – Five million five hundred thousand Saudi Riyal)
Adeer Tower, 15th Floor
Prince Turki Bin Abdulaziz Street, Al Khobar Corniche
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(1/8)

**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF AL DAWAA MEDICAL SERVICES COMPANY
(A SAUDI JOINT STOCK COMPANY)**

Opinion

We have audited the consolidated financial statements of Al Dawaa Medical Services Company (A Saudi Joint Stock Company) ("the Company") and its subsidiaries (collectively referred to as "the Group"), which comprise the consolidated statement of the financial position as at 31 December 2022, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) that is endorsed in the Kingdom of Saudi Arabia that is relevant to our audit of the consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with this Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming auditor's opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's Responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF AL DAWAA MEDICAL SERVICES COMPANY
(A SAUDI JOINT STOCK COMPANY) (continued)

Key Audit Matters (continued)

Key audit matter	How our audit addressed the key audit matter
<p><i>Change in estimated useful lives of property and equipment</i></p> <p>As at 31 December 2022, the carrying value of property and equipment amounts to Saudi Riyals 941.8 million and are carried at cost, net of accumulated depreciation and impairment losses, if any.</p> <p>The Group management determines the residual values and estimated useful lives for calculating depreciation and reassess, on an annual basis, as required by the International Accounting Standard 16 'Property, plant and equipment' (IAS 16) as endorsed in the Kingdom of Saudi Arabia. These estimates and judgements are made after considering multiple factors including historical and future anticipated usage and movability of similar assets.</p> <p>In addition to the Group management's assessment of the useful lives of property and equipment, the Group management also used external specialist. Based on the review carried out for the year ended 31 December 2022, the Group management revised the range of estimated useful lives of only 'leasehold improvements' category from 5 - 6.67 years to 5 - 10 years. This change resulted in the depreciation expense for the year ended 31 December 2022 to be lower by Saudi Riyals 33.1 million as compared to what it would have been using the previous useful lives. The change in useful lives was applied prospectively from 1 April 2022.</p>	<p>Our audit procedures included, among others, the following in relation to:</p> <ul style="list-style-type: none"> • Obtained an understanding of the procedures and methodology followed by Group management to assess the useful lives of the property and equipment. • Obtained assessments of the Group management and external specialist to evaluate their reasonableness in accordance with the requirements of IAS 16. • Assessed the competence, objectivity and independence of the specialist used by the Group management. • Tested changes of the revised useful lives of respective assets in the fixed asset register and recomputed the related depreciation. • Assessed the adequacy and appropriateness of the related disclosures in the consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF AL DAWAA MEDICAL SERVICES COMPANY
(A SAUDI JOINT STOCK COMPANY) (continued)

Key Audit Matters (continued)

Key audit matter	How our audit addressed the key audit matter
<p><i>Change in estimated useful lives of property and equipment (continued)</i></p> <p>We considered this as a key audit matter as the assessment of the review of the useful lives requires significant judgements and estimates by the Group management.</p> <p><i>Refer to note 3.8 to the consolidated financial statements for the accounting policy relating to the property and equipment, note 5.2.1 for the disclosure of significant accounting estimates and note 16 for the disclosure of matter related to change in useful lives.</i></p>	
<p><i>Remeasurement of lease liabilities</i></p>	
<p>As at 31 December 2022, the right-of-use assets and lease liabilities amounts to Saudi Riyals 1,586 million and Saudi Riyals 1,577 million, respectively.</p> <p>At the commencement date of the lease, the Group recognises lease liabilities measured at present value of lease payments to be made over the lease term. The Group management applies significant judgment in the determination of lease term and, among other factors, considers all relevant facts and circumstances that create an economic incentive for the lessee to exercise, or not to exercise, the option, including any expected changes in facts and circumstances from the commencement date until the exercise date of the option.</p>	<p>Our audit procedures included, among others, the following:</p> <ul style="list-style-type: none"> • Obtained our understanding of the Group's management process in the determination of lease term and the assessment performed by Group's management for change in lease term. • Reviewed lease contracts, on a sample basis and, assessed the appropriateness of lease term determined by the Group's management. • Involved our internal specialist to review the measurement and remeasurement of lease liabilities and to recompute the Group's management calculation of lease liabilities.

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF AL DAWAA MEDICAL SERVICES COMPANY
(A SAUDI JOINT STOCK COMPANY) (continued)

Key Audit Matters (continued)

Key audit matter	How our audit addressed the key audit matter
<p><i>Remeasurement of lease liabilities (continued)</i></p> <p>During the year, the Group management reevaluated its business model relating to pharmacies and as a result, observed that the Group's expected average rental period have increased. Accordingly, the Group remeasured the lease liabilities and recognised Saudi Riyal 566 million as remeasurement of lease liabilities.</p> <p>We considered this as a key audit matter due to the size of the account balance and the assessment of the review of the lease term requires significant judgements and estimates by the Group management.</p> <p><i>Refer to note 3.9 to the consolidated financial statements for the significant accounting policy, note 5.1.2 for the significant judgement and note 17 which discloses the of matter related to reassessment of lease liabilities.</i></p>	<ul style="list-style-type: none"> • Evaluated appropriateness of the discount rate used to compute the present value for remeasurement of lease liabilities. • Assessed the adequacy and appropriateness of the related disclosure in the consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF AL DAWAA MEDICAL SERVICES COMPANY
(A SAUDI JOINT STOCK COMPANY) (continued)

Key Audit Matters (continued)

Key audit matter	How our audit addressed the key audit matter
<p><i>Existence and valuation of inventories</i></p> <p>As at 31 December 2022, the gross value of Inventories amounted to Saudi Riyals 1,092 million (2021: Saudi Riyals 1,337 million) and the provision for slow moving and inventory items amounted Saudi Riyals 10.6 million (2021: Saudi Riyals 5.3 million).</p> <p>The carrying value of inventory is reduced by provisions including those relating to estimated losses due to slow moving items (note 21).</p> <p>The Group has cyclical and periodical inventory count system in place to conduct the stock count in warehouses and pharmacies throughout the year.</p> <p>The Group's significant purchases are covered under the agreement with certain vendors where the Group is able to return the expired inventory.</p> <p>We considered it to be a key audit matter given that:</p> <ul style="list-style-type: none"> The Group deals with significant values of inventory items at hundreds of locations with high volume of daily transactions which increases the risks associated with inventory and Significant judgement and assumptions applied by the Group management in assessing the level of provisions required as of yearend which includes assessment of inventory levels in relation to revenue for the period in consideration. <p><i>Refer to note 3.14 to the consolidated financial statements for the significant accounting policy, note 5.2.10 for the significant accounting estimates and note 21 which discloses the inventories and associated impairment.</i></p>	<p>Our audit procedures included on the existence and valuation the following:</p> <ul style="list-style-type: none"> Attended a sample of inventory counts of the warehouses and pharmacies, to validate counts performed by the Group. Evaluated the stock taking process and the provisioning processes. When reviewing Group management's inventory count processes and controls, we also obtained the understanding of the process for controlling or managing stock movements during the count and evaluated its reasonableness. Evaluated the assumptions made by Group management, and particularly the key assumption that current system provision levels are consistent with historical pattern, in assessing stock obsolescence provisions through an analysis of inventory items by category and age as well as the level of inventory write downs in these categories during the year. Assessed reasonableness of the assumptions used in estimating the provision including reviewing of accuracy and completeness of the key inputs with the underlying supports. Reviewed on sample basis purchase agreements with certain vendors for the Group's entitlement to return the expired inventory. Assessed the adequacy of related disclosure included in the consolidated financial statements of the Group.

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF AL DAWAA MEDICAL SERVICES COMPANY
(A SAUDI JOINT STOCK COMPANY) (continued)

Other information included in the Group's 2022 Annual Report

Other information consists of the information included in the Group's 2022 annual report, other than the consolidated financial statements and our auditor's report thereon. The Board of Directors is responsible for the other information in its annual report. The Group's 2022 annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Company's 2022 annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Board of Directors and Those Charged with Governance for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants and the provisions of Companies' Law and the Company's By-laws, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those Charged with Governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF AL DAWAA MEDICAL SERVICES COMPANY
(A SAUDI JOINT STOCK COMPANY) (continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

As part of an audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF AL DAWAA MEDICAL SERVICES COMPANY
(A SAUDI JOINT STOCK COMPANY) (continued)**

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

for Ernst & Young Professional Services



Marwan S. AlAfaliq
Certified Public Accountant
License No. 422



Al Khobar: 1 Ramadhan 1444H
23 March 2023

Bylaw

Bylaw before amendment

Al-Dawaa Medical Services company .

Bylaw

Al-Dawaa Medical Services Company

(A closed Saudi joint stock company)

Chapter One: Transferring the Company

Article 1: transformation

In accordance with the provisions of this articles of association and the provisions of the Companies Law issued by Royal Decree No. (M/3) dated 28.01.1437 corresponding to 11.11.2015 and its regulations, Al-Dawaa Medical Services Company, registered in the Commercial Register in Al-Khobar City with No. 2051025701 on 23.09.1422 corresponding to 09.12.2001, is transferred [from a closed Saudi joint stock company, to a Saudi public joint stock company](#) according to the following:

Article 2: Name of the company

The name of the company is "Al-Dawaa Medical Services Company" (Saudi public joint stock company).

Article 3: Objectives of the Company

The company carries out and implements the following purposes:

- 1) Real estate activities.
- 2) Professional, scientific and technical activities.
- 3) Interweaving.
- 4) Education.
- 5) Administrative and support services.
- 6) Transformative Industries.
- 7) Transportation and storage.
- 8) Wholesale and retail trade and repair of motor vehicles and motorcycles.
- 9) Human health and social work activities.

The company carries out its activities in accordance with the applicable regulations and after obtaining the necessary licenses from the competent authorities, if any.

Article 4: Participation and ownership in companies

The company may participate in other companies and may also establish companies on its own with limited liability or closed joint stock

Provided that the capital is not less than five (5) million riyals, it may also own shares and shares in other existing companies or merge with them. It has the right to participate with others in the

establishment of joint stock or limited liability companies, after fulfilling the requirements of the regulations and instructions followed in this regard. The company may also dispose of these shares or shares, provided that this does not include mediation in their trading

Article 5: company's head office

The head office of the company is located in the city of Al-Khobar, and it may establish branches, offices, agencies or affiliated companies within the Kingdom

Article 6: Duration of the Company

The duration of the company is ninety-nine (99) Gregorian years starting from the date of its registration in the Commercial Register as a joint stock company. This period may always be extended by a decision issued by the extraordinary general assembly at least one year before the expiry of its term.

Article 7: Capital

Determine the company's capital eight hundred and fifty million (850,000,000) Saudi riyals divided into eighty-five million (85,000,000) nominal shares of equal value. The value of each of them is (10) ten Saudi riyals, and all of them are ordinary shares in kind.

Article 8: Subscription for Shares

The shareholders have subscribed to the entire capital of the eighty-five million (85,000,000) broad-based shares, paid in full, and their total value is eight hundred and fifty million (850,000,000) Saudi riyals. Shareholders acknowledge their joint responsibility for their own funds towards third parties that the full capital of the company has been paid before the conversion. The capital increase is forty-eight million (840,000,000) Saudi riyals. It was done by:

- 1) Transferring an amount of (000,788,500) Saudi riyals from the retained earnings account.
 - 2) Transferring an amount of (5,150,000) Saudi riyals from the account of the proposed capital increase.
- According to the certificate of the auditor (Ernst & Young & Co. (Country Accountants) issued on October 28, 1442 AH corresponding to May 10, 2021

Article 9: Sale of Unrealized Shares

- 1) The shareholder is obligated to pay the value of the share on the dates specified for this. And if he fails to fulfill the due date. The Board of Directors may, after being notified by a registered letter, sell the share in a public auction or the stock market, as the case may be, in accordance with the regulations set by the competent authority.
- 2) The company shall collect the amounts due to it from the sale proceeds and return the remainder to the shareholder. If the sale proceeds are not sufficient to meet these amounts. The company may collect the remainder of all other shareholder funds.

3) Nevertheless, the shareholder who defaulted on payment until the day of the sale may pay the value owed by him in addition to the expenses incurred by the company in this regard.

4) The company cancels the sold share in accordance with the provisions of this article. It gives the buyer a new share bearing the number of the canceled share.

It shall indicate in the stock register that the sale has occurred, indicating the name of the new owner

Article 10: Issuance of Shares

The shares are nominal and may not be issued for less than their nominal value. However, it may be issued with a higher value than this value, and in this last case the difference in value is added in a separate item in the shareholders' equity. It may not be distributed as dividends to shareholders. The share is indivisible against the company. If the shareholder is owned by multiple persons, they must choose one of them to act on their behalf in using the rights related to him. These persons shall be jointly liable for the obligations arising from the ownership of the share.

Article 11: Share Certificates

The company issues stock certificates so that they have serial numbers and signed by the chairman of the company's board of directors or whomever he delegates from among the members of the board and stamped with the company's seal. The stock includes in particular the number and date of the ministerial decision issued licensing the conversion of the company, the number and date of the ministerial decision announcing the conversion of the company and the nominal value of the share; The amount paid, the company's purpose in brief, its head office, and its term. Shares may have coupons with serial numbers and including the share number attached to it.

Article 12: The company's purchase, sale and pledge of its shares

1) The company may buy or mortgage its shares in accordance with the controls set by the competent authority. The shares purchased by the company do not have votes in the shareholders' assemblies.

2) The company may purchase its shares in order to impose their allocation to its employee within the employee shares program and in accordance with the regulations issued by the competent authority. The company may also sell treasury shares in one stage or several stages in accordance with the controls set by the competent authority.

Article 13: Trading in Shares

Shares subscribed by shareholders may not be traded except after publishing the financial statements for two fiscal years, each of which is not less than twelve (11) months from the date of the issuance of a decision to transform the company, or after obtaining the approval of the competent authority to the contrary. The cook of these shares shall be marked with an indication of their type, the date of the company's transformation and the period during which trading is prohibited.

Nevertheless, during the prohibition period, the ownership of shares may be transferred in accordance with the provisions of the sale of rights from one of the shareholders to another shareholder or from the heirs of one of the shareholders in the event of his death to third parties or in the event of execution on the funds of the insolvent or bankrupt shareholder. The priority of owning those shares is for other shareholders.

The provisions of this Article shall apply to what the shareholders subscribe to in the event of an increase in the capital before the expiry of the prohibition period.

Article 14: Shareholders Register

The company's shares are traded by entering the shareholder register prepared or contracted to be prepared by the company, which includes the names of the shareholders, their nationalities, places of residence, professions, share numbers and the amount paid out of them. This entry is indicated on the share. The transfer of the nominal share ownership against the company or third parties shall not be considered valid except from the date of entry in the said register.

Article 15: Capital Increase

1) The Extraordinary General Assembly may approve an increase in the company's capital. Provided that the capital has been paid in full. It is not required that the capital has been paid in full if the unpaid part of the capital belongs to shares issued in exchange for transferring debt instruments or financing instruments to AMB and the period specified for their conversion to their foundations has not expired.

2) The Extraordinary General Assembly may, in all cases, allocate the shares issued upon the capital increase, or part thereof, to employees of the company and its subsidiaries, or some of them, or any of that. Shareholders may not exercise the right of priority when the company issues the shares allocated to employees.

3) The shareholder who owns the share at the time of the issuance of the extraordinary general assembly's decision approving the capital increase has priority in subscribing to the new shares issued in exchange for cash shares" and informing them of their priority by publishing in any daily newspaper or by informing them by registered mail of the decision to increase the capital and the subscription terms, duration and start date and its end.

4) The Extraordinary General Assembly has the right to suspend the priority right of the shareholders to subscribe to the capital increase in exchange for cash shares, or to give priority to more shareholders in the cases it deems appropriate for the interest of the company.

5) The shareholder has the right to sell or relinquish the priority right during the period from the time of the issuance of the General Assembly's decision approving the capital increase until the last day of subscribing to the new shares associated with these rights, in accordance with the regulations set by the competent authority.

7) Subject to what was mentioned in paragraph (?) above. The new shares are distributed to the priority rights holders who have applied for subscription.

Proportion of their pre-emptive rights out of the total pre-emptive rights resulting from the capital increase. Provided that what they receive does not exceed what they requested of the new shares. The remainder of the new shares shall be distributed to the priority rights holders who requested more than their two shares, in proportion to the rights they own from the total rights resulting from the capital increase. Provided that what they receive does not exceed what they have requested of the new shares, and by offering the remainder of the shares to others. Unless the Extraordinary General Assembly decides or the Capital Market Law provides otherwise.

Article 16: Capital Reduction

The Extraordinary General Assembly may decide to reduce the capital if it exceeds the company's needs or if it suffers losses. In the latter case alone, the capital may be reduced below the limit stipulated in Article (fifty-fourth).

The reduction decision is issued only after a special report is read, followed by the auditor on the reasons for him and on the obligations of the company regarding the effect of the reduction in these obligations.

(10) days from the date of publishing the reduction decision in a daily newspaper distributed in the area in which the company's head office is located. If one of the creditors objects and submits his documents to the company on the aforementioned date. The company must pay him his debt if he is present or provide him with a guarantee sufficient to pay him if it is deferred.

Chapter Three: Bonds and Sukuk

Article 17: Promissory notes and sukuk (debt instruments):

1) The company may issue debt or financing instruments of equal value, negotiable and indivisible, in accordance with the provisions of Islamic Sharia and in accordance with the provisions of the Companies Law.

2) The company may - by a decision of the extraordinary general assembly - in accordance with the provisions of Islamic Sharia and in accordance with the Capital Market Law and other relevant laws and regulations. Issuing any type of tradable debt instruments, whether in the Saudi currency or elsewhere, inside or outside the Kingdom of Saudi Arabia. such as bonds and sukuk. The extraordinary general assembly may authorize the board of directors to issue these debt instruments, including bonds and sukuk. whether issued those instruments at the same time or through a series of releases or through one or more programs established by the Board of Directors from time to time. And all of this at times and in amounts and according to the conditions approved by the Board of Directors. He has the right to take all necessary measures in this regard.

3) The company may also issue debt instruments or financing instruments that are convertible into shares, after the issuance of a resolution from the extraordinary general assembly specifying the maximum number of shares that may be issued in exchange for those instruments or bonds. Whether these instruments or sukuk were issued at the same time or through a series of issues. Or through one or more programs to issue debt instruments or financing instruments. The board of directors issues - without the need for a new approval from the extraordinary general assembly - new shares in exchange for those instruments or sukuk that their holders request to convert. Immediately after the end of the transfer request period specified for the holders of those instruments or sukuk. The Board shall take what is necessary to amend the company's articles of association with regard to the number of issued shares and the capital. The board of directors must declare that it is complete

Procedures for each capital increase in the manner specified in this bylaw to announce the decisions of the extraordinary general assembly.

Chapter Four: Board of Directors

Article 18: Company Management

The company shall be managed by a board of directors consisting of six (6) members elected by the ordinary general assembly of shareholders for a period not exceeding three (3) years. As an exception to this, the shareholders shall appoint the first board of directors for a period of five (5) years, and the members of the board of directors will be determined at the meeting of the transformational assembly. In all cases. The number of independent members of the Board of Directors shall not be less than two members or one third of the members of the Board (whichever is more).

Article 19: Termination of Board Membership

Membership of the Council is determined by the expiry of its term or by the expiry of the member's term of office in accordance with any system or instructions in force in the Kingdom. However, the ordinary general assembly may at any time dismiss all or some of the members of the board of directors, without prejudice to the dismissed member's right towards the company to claim compensation if the dismissal occurred for an unacceptable reason or at an inappropriate time. Responsible before the company for the damages resulting from the retirement.

Article 20: Vacant position in the Council

If the position of a member of the board of directors becomes vacant, the board may appoint a temporary member in the vacant position according to the order of obtaining votes in the assembly that elected the board. Provided that he has an understanding of experience and sufficiency, and he must inform the competent authorities within five (5) working days from the date of appointment. If the necessary conditions for the convening of the board of directors are not met due to the number of its members being less than the minimum number stipulated in the Companies Law or this bylaw, the remaining members must invite the ordinary general assembly to convene within sixty (0) days to elect the necessary number of members.

Article 21: Powers of the Council

Taking into account the powers established for the General Assembly. The board of directors shall have the widest powers in managing the company to achieve its objectives. For this purpose, the Council may (by way of example but not be limited to):

- 1) Represent the company and sign in its name and on its behalf before third parties, notaries inside and outside the Kingdom, ministries, agencies, bodies, governmental and non-governmental institutions, individuals, companies, all governmental and private financing funds and institutions, banks, banks, Saudi and non-Saudi financial houses;

- 2) Appointing and dismissing arbitrators, experts and lawyers, and fixing lawyers' fees. Receiving and delivering commercial records, licenses, judgments, clearances, commercial papers, checks and all other documents;

- 3) Registration of agencies and trademarks, extraction, modification and cancellation of trial records and licenses, opening subscriptions to the Chamber of Commerce, and handing over, receiving and terminating all transactions and procedures of the company with all ministries, agencies, bodies, and governmental, public and private institutions inside and outside the Kingdom;
- 4) Approval of the company's business plan and approval of its annual capital budget and operational plans;
- 5) Approval of transactions that take place outside the normal scope of work and whose value exceeds an amount to be determined by the Board at a later time;
- 6) Log in. or carry out business that is materially different from the business of the Company;
- 7) Log in. or terminate. Any partnership, joint venture agreements, affiliated ventures, or incorporation. or the acquisition of. or act on. or restructuring. or merger of any subsidiary of the Company in any way. or establishing or closing any branches, offices or agencies;
- 8) Signature. Or terminate. or to amend in the name and on behalf of the Company all agreements, contracts, tenders, bids, decisions, minutes, records and other documents;
- 9) Approval of the incorporation of companies and signing on behalf of and on behalf of the company the articles of incorporation of those companies. And decisions to amend them of all kinds, including - but not limited to - decisions to increase or decrease the capital. Or modifying the objectives of the company, or exit of one of the partners, or assignment of shares and acceptance of the price. Or amend any of the articles of the articles of incorporation of such companies in which the company is a partner, or open branches for it. or appointing its managers, or liquidating it, or canceling its commercial records, before the Ministry of Commerce, the Ministry of Investment, the Notary Public, the Ministry of Interior, the Ministry of Municipal and Rural Affairs, and other relevant bodies;
- 10) Opening bank accounts and investment accounts inside or outside the Kingdom, managing them, depositing in them, withdrawing from them, investing their funds and closing them;
- 11) Obtaining loans and credit facilities of all kinds, including loans of more than three (3) years. In the name of and on behalf of the company from government and private funds, financial institutions, banks, and Saudi and non-Saudi financial houses;
- 12) Mortgaging the company's assets or offering them as security;
- 13) Approval of the guarantees, compensation and undertakings provided by the company that are not included in the financial plan and/or budget;
- 14) Purchasing, renting and leasing lands and real estate in the name and on behalf of the company, signing eviction deed and related contracts, and receiving and paying the price;

15) Buying and selling movables within the company's usual scope of business in the company's name and on behalf of the company, signing related contracts and receiving and paying the price;

16) The right to discharge the company's debtors from their obligations. Whenever it is in the interest of the company. And in accordance with the applicable accounting standards, provided that the minutes of the Board include the details of its decision in the minutes of the relevant meeting. Subject to the following conditions: (1) The release shall be at least one full year after the debt arose. and (2) that the maximum amount to be it may be cleared for each year for one debtor. (3) Discharge is a right of the board of directors and may not be delegated;

17) Approving and amending the company's internal, financial, administrative and technical bylaws. and policies and regulations for its employees.

Determining the responsibilities of the company's executive management and their compensation. He has the right to delegate any of his powers to the executive management of the company;

18) Acknowledgment of any capital expenditures for the company that were not included in the budget;

19) The permanent and temporary committees emanating from the Board of Directors and the adoption of their bylaws, except for the Audit Committee and the Nomination and Remuneration Committee, whose bylaws are approved by the General Assembly;

20) Appointing the company's senior employees, including the executive management, from among the managers or others, determining their powers and dismissing them; And

21) take any action of insolvency, bankruptcy or liquidation;

22) draw up internal regulations for its business;

23) Appointing a Secretary to the Board of Directors based on the proposal of the Chairman of the Board of Directors;

24) Delegating or delegating one or more of its members or third parties to carry out a specific work or certain works, or some or all of its powers, canceling this power of attorney or delegation in whole or in part, and giving them the right to delegate others. The council may also, within the limits of its competence, delegate one or more of its members or a third party to carry out certain work or businesses.

Article 22: Remuneration of Council Members

The annual remuneration for the Board of Directors, its committees and the executive management shall be determined and approved by the Board of Directors based on the recommendation of the Remuneration and Nomination Committee without prejudice to what is stated in this policy. The standard value of remuneration and attendance allowances shall be determined as follows:

Sr.	Details	Amount
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1	Annual remuneration for the board of directors membership	300,000 SAR
2	Annual remuneration for the auditing committee membership	120,000 SAR
3	Annual remuneration for the Remuneration and Nominations Committee membership	100,000 SAR
4	Allowance for attending any of the board or committee meetings	3,000 SAR

The report of the Board of Directors to the Ordinary General Assembly shall include a comprehensive statement of all the remunerations, expense allowances and other benefits received by the members of the Board of Directors during the fiscal year; It shall also include a statement of what the members of the Board of Directors received in their capacity as employees or administrators, or what they received in return for technical or administrative work or consultancy, and it shall also include a statement of the number of the Board of Directors sessions and the number of sessions attended by each member from the General Assembly last meeting date.

Article 23: Powers of the Chairman, Deputy, Managing Director and Secretary

The Board of Directors appoints from among its members a Chairman and a Vice Chairman and may appoint a Managing Director. It is not permissible to combine the position of Chairman of the Board of Directors with any other executive position in the company.

The Chairman of the Council is responsible for the following duties:

1. Representing the association before others and acting on its behalf in communicating with official and unofficial bodies in the Kingdom and abroad.
2. Presiding over the meetings of the General Assembly and the meetings of the Board of Directors.
3. Inviting the General Assembly to hold its regular and extraordinary meetings.
4. Receiving a request to hold the extraordinary meetings of the Board of Directors and the General Assembly.
5. Announcing the opening, closing, halting and adjourning sessions
6. Managing the sessions, presenting the research topics for voting, and declaring the discussion closed
7. Permission to distribute bulletins, periodicals, literature and research results according to a plan prepared by the Board of Directors.
8. Signing the exchanged correspondence between the association and its clients.
9. Representing the company in its relationship with third parties, governmental and private agencies, before notaries, labor and workers offices, higher and primary committees, the Committee for the Resolution of Securities Disputes, commercial papers and civil rights committees, police departments, and chambers of commerce and industry.

10. The right to sign on behalf of the company on all contracts and commercial, financial and administrative transactions and to sign the articles of incorporation and amendments appendices for the companies that contribute or participate in, and this includes the appendices of the amendment contracts for the companies that contribute or participate in, and this includes the appendices of the incorporation contracts related to the increase or decrease of capital.
11. The right to sign on behalf of the company contracts, decisions and documents for the purchase of land and real estate.
12. The right to sign on behalf of the company contracts, decisions and documents of sale, discharge, acceptance and mortgage on behalf of the company, for its interest, and in its name.
13. The right to sign on behalf of the company with banks, to withdraw and deposit, and to open and close accounts.
14. The right to represent the company before the courts, arbitration bodies, third parties, and all other judicial committees and arbitration bodies, in claiming and filing cases, pleading, defending, litigating, clearing, reconciling, accounting, dividing, sorting, swearing, accepting, directing, refuting them, leaving litigation, accepting and receiving judgments, negating them, and appealing them. Hearing and responding to cases, acknowledgment, denial, conciliation, waiver, acquittal, bringing witnesses and evidence and challenging them, answering, wounding and amending, appealing forgery, denying lines, seals and signatures, requesting a travel ban and lifting it, requesting seizure and execution, agreeing to resort to arbitration, requesting arbitration Appointment of experts and arbitrators Appealing the reports of experts and arbitrators, returning and replacing them, filing a request for nullity, requesting the application of Article 23 of the Shari'a pleadings system, requesting the execution of judgments, opposing them and receiving the execution that takes place in the name of the company, accepting and denying judgments, objecting to judgments and requesting an appeal, petitioning review The judge, requesting insertion and interference, waiving all rights and issues from the company, waiving the judgment - in whole or in part, or by one of the methods of appealing it, or lifting the interdiction or leaving the mortgage while the debt remains, or alleging forgery, the judge mentioned, or the selection of the expert or his response, and signing what It is necessary, before the Sharia courts, before the administrative courts (the Board of Grievances), before the Sharia medical committees, the labor committees, the committees for the resolution of financial disputes and the committees for the settlement of banking disputes, at the offices of adjudication of commercial paper disputes and committees for the settlement of commercial disputes, at the customs committees and fraud committees Commercial, at the Control and Investigation Authority, at the Bureau of Investigation and Public Prosecution,

reviewing all relevant authorities, completing all necessary procedures, signing what requires that, and delegating powers to others, as well as the right to delegate others, and others have the right to delegate and dismiss others in all or some of the above.

15. The right to delegate any of the powers granted to him in this Article to third parties under a written authorization.

The vice president shall replace the chairman of the board of directors in his absence.

In the event of his appointment, the Managing Director shall have the powers specified in his appointment decision

The board of directors shall appoint a secretary to be chosen by it from among its members or from others, and shall be responsible for the following:

- 1.** Preparing the agenda of the Board of Directors and the General Assembly.
- 2.** Coordination with the executive management in adding the topics that the executive management deems or the chairman of the board of directors sees them being added to the items on the agenda of any of the board meetings or the general assembly.
- 3.** Preparing the invitation and taking the necessary procedures for the meeting of the general assembly and the board of directors, and editing the relevant minutes, recording them and keeping them in the records prepared for this.
- 4.** Receiving messages related to the council and presenting them to the council or the council president, as the case may be.
- 5.** Follow up on the decisions of the board of directors.
- 6.** Organizing clerical work, records and keeping documents.
- 7.** Submitting reports to the board of directors for consideration
- 8.** Circulating and publishing the decisions that the Board of Directors considers to be circulated and published.
- 9.** Presenting membership applications to the Board of Directors.
- 10.** Preparing the annual report and submitting it to the Board of Directors in preparation for submission to the General Assembly.

The board of directors determines the remuneration of the secretary in its appointment decision.

The term of the chairman, his deputy, the managing director and the secretary of the board of directors shall not exceed the term of their membership in the board, and they may be re-elected and the board may dismiss them or any of them at any time without prejudice to the right of those dismissed for compensation if the dismissal occurred for an unlawful reason or at an unlawful time Appropriate.

Article 24: Board Meetings

The Board of Directors meets at least four (4) times a year at the invitation of its Chairman, and the invitation is via e-mail or any other means of communication to each member and sent at least ten (10) working days before the date set for the meeting, and the Chairman of the Board must invite the Board To the meeting when requested to do so by two (2) members

Article 25: Quorum of the Board Meeting

The meeting of the Board shall not be valid unless attended by at least three (3) members in person. A member of the Board of Directors may delegate other members to attend the Board's meetings on his behalf in accordance with the following rules:

1. A member of the Board of Directors may not represent more than one member in attending the same meeting.
2. The representation must be fixed in writing.
3. The representative may not, with regard to the representative's vote, vote on decisions that the system prohibits the representative from voting on.

The decisions of the Council are issued by a majority of the opinions of the members present or represented therein. In the event of a tie, the side with which the chairperson voted shall prevail.

The Board of Directors may issue resolutions by passing in urgent matters by presenting them to the separate members unless one of the members requests in writing the meeting of the Board for deliberation and these decisions are presented to the Board in the first following meeting for approval.

Article 26: Council deliberations

The deliberations and decisions of the Board of Directors shall be recorded in minutes signed by the Chairman of the Board, the members of the Board of Directors present and the Secretary. These minutes shall be recorded in a special register signed by the Chairman of the Board of Directors and the Secretary. The Board of Directors may hold the meeting remotely, using modern technology.

Chapter 5: Shareholders' Assemblies

Article 27: Attending Assemblies

Every subscriber, regardless of the number of his shares, has the right to attend the transformational assembly, and each shareholder has the right to attend the general assembly of shareholders, and for this

he may delegate another person other than the members of the board of directors or the company's employees to attend the general assembly.

Article 28: Transformational Assembly

Shareholders invite all subscribers to hold a transformational assembly within forty-five (45) days from the date of the ministry's decision licensing the transformation of the company. If this quorum is not present, the second meeting shall be held an hour after the end of the period specified for the first meeting, provided that the invitation for the first meeting shall include that. In all cases, the second meeting shall be valid regardless of the number of subscribers represented in it.

Article 29: Functions of the Transformational Assembly

The transformational association is concerned with the matters mentioned in Article 63) of the Companies Law.

Article 30: Functions of the Ordinary General Assembly

With the exception of the matters of the Extraordinary General Assembly, the Ordinary General Assembly is concerned with all matters relating to the Company, including, without limitation, the following:

- 1) Appointing and removing members of the Board of Directors.
- 2) Authorizing a member of the board of directors to have a direct or indirect interest in the business and contracts that are made for the company's account, in accordance with the provisions of the Companies Law and its regulations.

- 3) Permission for a member of the Board of Directors to participate in a business that would compete with the company, or in its competition in one of the branches of the activity that it engages in, in accordance with the provisions of the Companies Law and its regulations.
- 4) Monitoring the extent to which the members of the Board of Directors adhere to the provisions of the Companies Law and its bylaws and other relevant regulations and the company's articles of association, and examining any damage arising from their violation of these provisions or mismanagement of the company's affairs and determining the liability arising therefrom, and taking what it deems appropriate in this regard in accordance with the Companies Law and its regulations
- 5) Forming an audit committee in accordance with the provisions of the Companies Law and its regulations.

- 6) Approval of the company's financial statements.
- 7) Approval of the report of the Board of Directors.
- 8) Deciding on the proposals of the Board of Directors regarding the method of distributing net profits.
- 9) Appointing the company's auditors, determining their remuneration, reappointing and changing them, and approving their reports.
- 10) Looking into the violations and errors committed by the company's auditors in the performance of their duties, and any difficulties - notified by the company's auditors - related to enabling the board of directors or the company's management for them to view the books, records and other documents, data and clarifications necessary to perform their tasks, and take the necessary action In this regard
- 11) Stop setting aside the company's statutory reserve when it reaches (30%) of the company's paid-in capital, and decide to distribute what exceeds this percentage to the company's shareholders in the fiscal years in which the company does not achieve net profits.
- 12) Using the company's consensual reserve in the event that it is not allocated for a specific purpose, based on a proposal from the Board of Directors and in ways that benefit the company or shareholders.
- 13) Form and dispose of other reserves for the company, other than the statutory reserve and the consensual reserve.
- 14) Deduct sums from the company's net profits for the establishment of social institutions for the company's employees or the assistant to exist from these institutions, in accordance with the provision of Article one hundred and twenty-nine of the Companies Law.
- 15) Approval before issuing a decision to sell more than fifty percent (50%) of the company's assets, whether the sale was made through one transaction or several transactions within twelve months from the date of the first sale transaction, and in the event that the sale of those assets included what falls within the competences of the General Assembly extraordinary, the approval of the extraordinary general assembly must be obtained.

The Ordinary General Assembly shall be held at least once a year during the six months following the end of the company's financial year. Other Ordinary General Assemblies may be called whenever the need arises.

Article 31: Functions of the Extraordinary General Assembly

The Extraordinary General Assembly is specialized in the following:

- 1) Amending the company's articles of association with the exception of matters that are prohibited from being amended by law.

- 2) Increasing the company's capital in accordance with the conditions established in the Companies Law and its regulations.
- 3) Reducing the company's capital if it exceeds the company's need or if it suffers financial losses, in accordance with the conditions established in the Companies Law and its regulations.
- 4) A report on the formation of a consensual reserve for the company as stipulated in this bylaw and allocated for a specific purpose, and its disposal.
- 5) Determining the continuation or dissolution of the company before the term specified in this bylaw.
- 6) Approval of the purchase of company shares.
- 7) Issuance of debt instruments or financing instruments that are convertible into shares, and an indication of the maximum number of shares that may be issued against such instruments or bonds.
- 8) Allocating the shares issued upon the capital increase, or part thereof, to employees of the company and its subsidiaries or some of them, or any of that.
- 9) Suspending the right of priority for shareholders to subscribe to increase the capital in exchange for cash shares, or giving priority to non-shareholders in the cases it deems appropriate for the interest of the company.

The Extraordinary General Assembly may issue resolutions on matters originally within the competences of the Ordinary General Assembly, under the same terms and conditions prescribed for the Ordinary General Assembly.

Article 32: Invitation to Associations

General or special assemblies of shareholders are convened at the invitation of the Board of Directors, and the Board of Directors must invite the Ordinary General Assembly to convene if requested by the auditor, the audit committee, or a number of shareholders representing (5%) of the capital at least. The auditor may invite the assembly to convene if the board does not invite the assembly within thirty (30) days from the date of the auditor's request.

The invitation to convene the general assembly shall be published in a daily newspaper distributed at the company's head office at least twenty one (21) days before the date fixed for the meeting. Nevertheless, it may be sufficient to send the invitation on the aforementioned date to all shareholders by registered letters. A copy of the invitation and the agenda shall be sent to the competent authorities, within the period specified for publication.

Article 33: Record of attendance at assemblies

Shareholders who wish to attend the general or special assembly register their names at the company's head office or through the electronic registration provided by the company, prior to the time set for the assembly

Article 34: Quorum of the Ordinary General Assembly Meeting

The meeting of the Ordinary General Assembly shall not be valid unless attended by shareholders representing half of the capital, if the necessary quorum is not available to hold this meeting, an invitation is issued to a second meeting to be held an hour after the end of the period specified for convening the first meeting, provided that the invitation includes an indication of the possibility of holding this meeting. In all cases, the second meeting shall be valid regardless of the number of shares represented in it.

Article 35: Quorum of the Extraordinary General Assembly Meeting

The meeting of the Extraordinary General Assembly is not valid unless attended by shareholders representing two thirds of the capital. If this quorum is not available in the first meeting, an invitation is sent to a second meeting to be held an hour after the end of the period specified for convening the first meeting, provided that the invitation to hold the first meeting includes what indicates Announcing the possibility of holding this meeting. In all cases, the second meeting shall be valid if attended by a number of shareholders representing at least a quarter of the capital.

If the necessary quorum is not available at the second meeting, an invitation is sent to a third meeting to be held in the same conditions stipulated in Article (32) of this regulation, and the third meeting will be valid regardless of the number of shares represented therein, after the approval of the competent authority.

Article 36: Voting in Assemblies

Each subscriber has a vote for every share he represents in the transformational assembly, and every shareholder has a vote for every share he represents in the general assemblies, and the cumulative vote must be used to elect the board of directors.

Article 37: Assemblies Decisions

Decisions in the transformational assembly are issued by an absolute majority (more than 50%) of the shares represented therein, and the decisions of the ordinary general assembly are issued by an absolute majority (more than 50%) for the shares represented in the meeting. If it is a decision related to increasing or decreasing the capital, extending the term of the company, or dissolving it before the expiry of the period specified in its articles of association, or its merger with another company, it shall not be valid unless it is issued by a majority of three quarters of the shares represented at the meeting.

Article 38: Discussion in Assemblies

Each shareholder has the right to discuss the topics listed on the assembly's agenda and address direct questions about them to the members of the board of directors and the auditor. The board of directors or the auditor answers the shareholders' questions to the extent that does not jeopardize the company's interest. If the shareholder deems that the answer to his question is not convincing, he shall appeal to the assembly, and its decision in this regard shall be enforceable.

Article 39: Presiding over assemblies and preparing minutes

The meetings of the general assemblies of shareholders are chaired by the chairman of the board of directors or his deputy in his absence, or whoever is delegated by the board of directors from its members for that in the absence of the chairman and his deputy.

Minutes of the meeting of the assembly are drawn up, including the number of present or represented shareholders, the number of shares they hold in person or by proxy, the number of votes assigned to them, the taken decisions, the number of votes approved or disagreed with them, and a complete summary of the discussions that took place at the meeting. The minutes are recorded regularly after each meeting in a special register. It is signed by the assembly's president, secretary and vote collector.

Chapter Six: Audit Committee

Article 40: Formation of the Committee

By a decision of the Ordinary General Assembly, an audit committee of non-executive members composed of the Board of Directors, whether shareholders or others, shall be formed, provided that the number of its members shall not be less than three (3) and not more than five (5) members.

Article 41: Committee meeting quorum

For a meeting of the Audit Committee to be valid, the attendance of the majority of its members is required, and its decisions are issued by a majority vote of those present. When the votes are equal, the side with which the head of the committee voted shall prevail.

Article 42: Committee's Functions

The Audit Committee is responsible for monitoring the company's business, and for this purpose it has the right to review its records and documents and to request any clarification or statement from the members of the Board of Directors or the Executive Management, and it may ask the Board of Directors

to invite the company's general assembly to convene if the Board of Directors obstructs its work or if the company is exposed for serious damage or loss.

Article 43: Committee Reports

The Audit Committee shall consider the company's financial statements, reports and notes provided by the auditor, and express its views on them, if any. It shall also prepare a report on its opinion regarding the adequacy of the company's internal control system and the other work it has carried out within its jurisdiction. The board of directors shall deposit a sufficient copies of this report at the company's head office at least twenty-one (21) days before the date of the general assembly to provide each of the shareholders who desire a copy of it, and the report is read during the assembly.

Chapter Seven: The Auditor

Article 44: Appointment of the auditor

The company must have an auditor (or more) from among the auditors licensed to work in the Kingdom, to be appointed annually by the Ordinary General Assembly, and to determine his remuneration and the duration of his work. The association may also at any time change it without prejudice to its right to compensation if the change occurred at an inappropriate time or for an illegal reason.

Article 45: Powers of the Auditor

The auditor at any time has the right to review the company's books, records and other documents, and he also has the right to request data and clarifications that he deems necessary to obtain, in order to verify the company's assets, obligations and other matters that fall within the scope of his work. The Chairman of the Board of Directors shall enable him to perform his work. If the auditor encounters difficulty in this regard, he shall prove this in a report submitted to the board of directors. If the board does not facilitate the work of the auditor, he must request the board of directors to invite the ordinary general assembly to look into the matter.

Chapter Eight: Company Accounts and Profit Distribution

Article 46: The fiscal year

The company's fiscal year begins on the first day of January and ends at the end of December of each year, provided that the first fiscal year after the conversion is a continuation of the fiscal year before the conversion.

Article 47: Financial Documents

1) At the end of each financial year of the company, the board of directors must prepare the company's financial statements and a report on its activity and financial position for the past fiscal year. This report includes the proposed method for distributing profits. The board puts these documents at the auditor's disposal (45) days at least days before the date set for convening the general assembly.

2) The company's board of directors, chief executive officer and financial manager must sign the documents referred to in paragraph (1) of this article, and copies of them shall be deposited at the company's head office at the shareholders' disposal at least twenty-one (21) days before the date set for holding the general assembly.

3) The chairman of the board of directors shall provide the shareholders with the company's financial statements, the board's report, and the auditor's report, unless they are published in a daily newspaper distributed at the company's head office. He shall also send a copy of these documents to the competent authorities, prior to the date of the public assembly for at least fifteen (15) days

Article 48: Distribution of profits

The company's annual net profits are distributed as follows:

1) (10%) of the net profits shall be set aside to form the statutory reserve of the company, and the Ordinary General Assembly may decide to discontinue this setting aside when the said reserve reaches (30%) of the paid-up capital.

2) The Ordinary General Assembly may, based on the proposal of the Board of Directors, set aside (5%) of the net profits to form a consensual reserve to be allocated for the purposes determined by the General Assembly.

3) The Ordinary General Assembly may decide to form other reserves, to the extent that achieves the interest of the company or ensures the distribution of second profits as much as possible to the shareholders.

4) After that, a percentage of not less than 3% of the paid-up capital of the company shall be distributed to the shareholders.

5) The company may distribute interim dividends to its shareholders on a semi-annual or quarterly basis after meeting the statutory requirements.

Article 49: Entitlement to profits

The shareholder shall be entitled to his share of the profits in accordance with the decision of the General Assembly issued in this regard, and the decision shall indicate the due date and the date of distribution. The eligibility for dividends shall be for the owners of shares registered in the shareholders' records at the end of the day specified for entitlement

Article 50: Company losses

1) If the losses of the joint-stock company is an amount up to half of the paid-up capital, at any time during the fiscal year, any official of the company or the auditor must immediately inform the Chairman of the Board of Directors, and the Chairman of the Board of Directors must immediately inform the members of the Board of that, and the Board of Directors within Fifteen (15) days from becoming aware of this, call the extraordinary general assembly to meet within forty-five (45) days from the date of becoming aware of the losses; to decide either to increase or reduce the company's capital in accordance with the provisions of the Companies' system, to the extent that the percentage of losses decreases to less than the paid-up capital, or to dissolve the company before the term specified in the Companies Law.

2) The company is considered dissolved by the force of the companies' system if the general assembly did not meet within the period specified in paragraph (1) of this article, or if it met and was unable to issue a decision in the matter, or if it decided to increase the capital in accordance with the conditions prescribed in this article and the subscription was not completed in each capital increase within ninety days from the issuance of the Assembly's decision to increase it.

Chapter Nine: Disputes

Article 51: Liability claim

Every shareholder has the right to file a liability lawsuit for the company against members of the board of directors if the mistake that was made would cause a special harm to him. The shareholder may not file the said lawsuit unless the company's right to file it still exists, and the shareholder must inform the company of his intention on filing a lawsuit.

Chapter Ten: Dissolution and liquidation of the company

Article 52: Expiration of the company

The company enters, upon its expiry, the phase of liquidation and retains the legal personality to the extent necessary for liquidation. The decision of voluntary liquidation is issued by the extraordinary

general assembly. The decision of liquidation must include the appointment of the liquidator, determining his authority, his fees, the restrictions imposed on his authority, and the time period required for liquidation, and the period of voluntary liquidation should not exceed five (5) years, and it may not be extended for more than that except by a judicial order. The authority of the company's board of directors ends with its dissolution. However, they remain in charge of the company's management, and they are considered to be liquidators for others until the liquidator is appointed, and the shareholders' assemblies remain in place during the liquidation period, and their role is limited to exercising their powers that do not conflict with the qualifications of the liquidator.

Chapter Eleven: Final Provisions

Article 53:

The Companies System and its bylaws shall be applied to everything that is not provided for in this regulations.

Article 54

This system shall be deposited and published in accordance with the provisions of the Companies Law and its regulations.

Bylaw after amendment

AL-DAWAA for Medical Services Company

(a Saudi joint stock company listed)

Section 1: Transforming the company

Article 1: Transformation

In accordance with the provisions of this Law and the provisions of the Companies Regulation issued by Royal Decree No. (M/3) of 28/01/1437 AH and the Regulations of the AL-DAWAA Company for Medical Services, registered in the Commercial Register of Khobar City, no. 2051025701, and dated 23/09/1422 AH, the closed Saudi Stock Company shall be transformed into a Saudi Stock Company [listed](#) as follows:

Article 2: Name of the company

The company's name is Al-Duwa Medical Services Company, a Saudi-[listed](#) joint stock company

Article 3: Company purposes

The company engages and performs the following purposes:

- 1) Real estate activities.
- 2) Professional, scientific and technical activities.
- 3) Construction.
- 4) Education.
- 5) Administrative and support services.
- 6) Manufacturing Industries.
- 7) Transport and storage.
- 8) Wholesale and retail trade and repair of motor vehicles and motorcycles.
- 9) Human health and social work activities.

The company conducts its activities in accordance with the regulations in force and obtains the necessary licenses from the competent authorities, if any.

Article 4: Participation and ownership in companies

A company may participate in other companies. It may also **establish** individual companies with a limited liability or closed share, provided that the capital is not less than QR5 million. It may also own shares and shares in other existing companies or merge with them. They have the right to

participate with third parties in the establishment of joint stock or limited liability companies after the requirements of the relevant regulations and instructions have been met. The company may also dispose of these shares or shares, provided that this does not include mediation in their circulation.

Article 5: Principal status of the company

The main center of the company is located in Khobar. It may establish branches, offices, agents or subsidiaries inside and outside Saudi Arabia whenever the interest of the company requires a decision by the Board of Directors.

Article 6: Duration of the company

The term of the company is ninety-nine (99) CE starting from the date of its registration in the trade register as a joint stock company. This period may always be extended by an extraordinary General Assembly resolution at least one year before the expiration of the term.

Section 2: Capital and equity

Article 7: Capital

The company's capital was 850 million (850,000,000) Saudi Riyals divided into 85 million (85,000,000) shares of equal value, each valued at ten (10) Saudi Riyals, all of which are ordinary shares in kind.

Article 8: Share-holding

The shareholders of the entire capital stock of 85,000,000 (85,000,000) have subscribed a fully paid nominal stock of 850,000,000 Saudi Riyals (SAR 850,000,000). The shareholders of their joint liability in their private funds to third parties acknowledge that the company's full capital was met before the conversion. The capital increase of 840,000,000 Saudi Riyals was by:

- 1) Transfer of SAR 788,500,000 from the retained earnings account.
- 2) Transfer of SAR 51,500,000 from the proposed capital increase account.

According to the certificate of the Comptroller of Accounts (Ernst Wing & Co. (Certified Accountants) issued on 28/10/1442 A.H. corresponding to 10/05/2021.

Article 9: Sale of non-performing shares

- 1) The shareholder shall pay the amount of the share by the dates designated therefor. If it fails to meet the due date, the Governing Council may, after being informed by registered letter or by any **means of modern technology**, sell the share in the auction or **financial market**, as the case may be, in accordance with the regulations determined by the competent authority. Other shareholders may have priority in the purchase of the shares of the outstanding shareholder.
- 2) If the proceeds of the sale are not sufficient to meet these amounts, the company may meet the remainder of all other shareholder funds, **and the remainder shall be returned to the shareholder.**
- 3) **The rights relating to shares which are defaulted on the expiration of the due date shall be suspended until they are sold or paid in accordance with paragraph 1 of this article, including the right to receive a share of the net profits to be distributed and the right to attend and vote on the decisions of associations. However, the shareholder who is not paid until the day of sale may pay the amount due to him in addition to the expenses incurred by the company in this respect, in which case the shareholder shall have the right to apply for the dividends to be distributed.**
- 4) The company shall cancel the certificate of the stock sold in accordance with the provisions of this Article, give the buyer **a new certificate of the share** with the same number, indicating in the register of shareholders the occurrence of the sale with the necessary data for the new owner.

Article 10: Issuance of shares

The shares are nominal and may not be issued less than their nominal value but may be issued higher than that value. In the latter case, the difference in value is added to a separate item of equity. They may not be distributed as dividends to shareholders. A share is indivisible vis-à-vis a company. If the share is owned by multiple persons, they must choose one to represent them in the use of the rights to which it relates. Such persons are jointly liable for obligations arising from the ownership of the share.

Article 11: Certificates of shares

The company issues certificates of shares in the form of serial numbers and signed by the chairman of the company's board of directors or other board members and stamped with the company's seal. The shares include, in particular, the number and date of the ministerial decision authorizing the company's transformation, the number and date of the ministerial decision announcing the company's transformation, and the value of the shares' nominal value; The amount paid for it, the purpose of the company in brief, its main position and duration, and the shares may have coupons with serial numbers and included in the number of shares attached thereto.

Article 12: Purchase, sale and mortgage of shares

First: The company's stock purchase controls

A company may purchase its ordinary, excellent, or recoverable shares in accordance with the following guidelines:

1. The purchase of shares is for the purpose of reducing the company's capital or of holding it as a stock.
2. The percentage of the company's treasury shares at any one time (10%) of the stock category to be purchased.
3. The company must, by virtue of a report issued by the company's statutory accountant, meet the following conditions of solvency:
 - Before the company purchases its shares, it must have working capital for a period of twelve (12) months immediately following the date of completion of the purchase of the shares.
 - The value of the company's assets shall not be less than the value of its liabilities (including potential liabilities) before and immediately after it pays for the purchase of these shares, according to the latest audited preliminary financial statements or audited annual financial statements, whichever is later.

- The debit balance for treasury shares shall not exceed the company's balance of retained earnings.
4. Extraordinary approval by the General Assembly of the procurement process, setting the upper limit for the number and purposes of the shares to be purchased, the method of financing the procurement process, and the authorization to the Governing Council to complete the purchase within a maximum period of twelve months from the date of the aforementioned extraordinary decision of the General Assembly, the terms and conditions to be announced by the company immediately after the issuance of this decision. The extraordinary General Assembly may at any time issue a decision to change the purposes for the purchase of shares.
 5. Unless the purpose of the purchase of shares is to reduce the company's capital, stock purchases may take place at a maximum of 10% of the quantity approved by the General Assembly for purchase within one trading day, unless the entire approved quantity, or the remainder of the approved quantity not purchased, is less than 10% of the trading volume of the company's shares on the day prior to the purchase.
 6. The purchase price shall not exceed (5%) the closing price of the market on the day before the day on which the purchase is made.
 7. The purchase of shares shall not result in a decrease in public ownership from the category of shares subject to purchase to less than 30% or any other percentage of public ownership specified in the company's prospectus approved by the Commission.
 8. Unless the purpose of the stock purchase is to reduce the company's capital, stock purchases must be made through the market – not through a special deal–.
 9. Failure to purchase shares during the following periods:
 - The 15 days preceding the end of the fiscal quarter until the date on which the company announced its initial financial statements after examination.
 - The 30 days preceding the end of the financial year until the date on which the company announces its initial financial statements after examination or audited annual financial statements.

10. The company does not have a sales order on purchase.

Second, the company buys its shares with a view to holding them as treasury shares

A company may purchase its own shares for the use of treasury shares only for the following purposes:

1. If the Board of Directors or its authorized representative finds that the market share price is below its fair value.
2. Fulfillment of the right of holders of convertible debt instruments to convert to equity in accordance with the terms and conditions of those instruments.
3. The operations of exchanging for the acquisition of shares, company shares or the purchase of an asset.
4. allotted to company employees under the employee equity program.
5. Any other purpose approved by the Commission.

Market notification of the procurement process

The company shall immediately notify the market, in accordance with the mechanism determined by the market, of its operations related to the purchase of its shares in the market and the purpose of the purchase; The market will publish this information in its periodic report on the buying of shares by companies.

Disclosure of Treasury shares

The annual report of the Board of Directors shall contain details of the treasury shares held by the company and of the uses of such shares.

Fifth. Balance of distributable profits

A company may not purchase its own shares in an amount exceeding the balance of the distributable profits, whether purchased using its own cash balances or through external sources of financing.

Sixth: The company buys its shares with the aim of reducing its capital

The company shall observe the provisions of Article 37/100 of the Companies Regulations if the company's purchase of its shares is intended to reduce its capital.

Article 13: Stock trading

Shares of a company are traded by registration in the shareholders' register. Transfer of shares against the company or others shall only be deemed valid from the date of this entry.

The company's shares trade in accordance with the provisions of the Financial Market Regulation and its implementing regulations.

Article 14: Registry of shareholders

Shares of a company are traded by registration in the shareholder register prepared or contracted by the company, which includes the names, nationalities, places of residence, occupation, numbers of shares and the amount paid for them. Transfer of ownership of a nominal stock against a company or other person is only valid from the date of entry into the said register.

Article 15: Increase in capital

- 1) The Extraordinary General Assembly may decide to increase the company's capital, and [the company's capital may be increased within the limits of the authorized capital by a decision of the company's board](#), provided that the capital has been paid in full. Capital is not required to have been paid in full if the unpaid portion of the capital is owed to shares issued for the conversion of debt instruments or financing instruments into equity and the period for conversion into equity has not yet expired.
- 2) An unusual general assembly may in any case allocate the issued shares when increasing the capital or a portion thereof to employees of the company and subsidiaries OR some of the subsidiaries, or any of the above. Shareholders may not exercise the right of priority when the company issues employee shares.
- 3) The shareholder at the time of the extraordinary decision of the General Assembly to approve the increase of the [source capital](#) or the [decision of the Governing Council to approve the increase within the limits of the authorized capital shall have priority](#) in the subscription of new shares issued in exchange for cash quotas. They shall be notified of their priority by publication in a daily newspaper or by notification to them, by registered mail, at the [address of the extraordinary address of the shareholders' registry, or through modern technical means, of the](#) decision to increase the capital and

the terms and conditions of the subscription, its duration, [how and the](#) date of commencement and termination, [taking into account the type and category of the share owned](#).

- 4) The Extraordinary General Assembly may suspend the priority right of underwriting shareholders by increasing capital in exchange for cash quotas or [grant priority](#) to non-shareholders in cases it deems to be in the interest of the company.
- 5) The shareholder may sell or waive the right of priority [in return for money or without compensation as specified in the regulations](#).
- 6) Taking into account paragraph (4) above, new shares shall be distributed to holders of priority rights who have applied for subscription in proportion to their total priority rights resulting from the increase in capital, provided that they do not exceed the claimed new shares, and the remainder of the new shares shall be distributed to holders of priority rights who have requested more than their share, in proportion to their total priority rights resulting from the increase in capital, provided that [they](#) receive not more than the new shares [they](#) requested, and the remaining shares shall be deposited to third parties, unless the extraordinary General Assembly or the financial market system decides otherwise.

Article 16: Reduction of capital

1. The Extraordinary General Assembly may decide to reduce the capital if the company's need is increased or the company suffers losses. In the latter case alone, capital may be reduced below the limit set out in article [\(fifty-ninth\)](#) of the corporate system. A reduction decision shall be made only after [a statement](#) has been read out [in the General Assembly by the Governing Council on the reasons for the reduction, the liabilities of the company and the effect of the reduction on its fulfillment, and a report from the auditor of the company shall be annexed to this statement. Such a statement may be submitted only to contributors in cases where a General Assembly resolution is passed](#).
2. If the reduction of capital is the result of an increase in the need of the company, creditors shall be invited to raise their objections, if any, to the reduction at least [\(forty-five\) days](#) before the [date specified for the extraordinary meeting of the General Assembly to take the decision to reduce, accompanied by a statement explaining the amount of capital before and after the](#)

reduction, the date of the meeting and the effective date of the reduction, if any of the creditors objected to the reduction and provided the company with its documents at that date, the company shall pay the debt to him if it is in good time or provide him with sufficient guarantee to meet it if it is in time. A creditor who has notified the company of an objection to the reduction and whose debt has not been paid if it is already, or if it is deferred, has the right to apply to the competent judicial authority before the date specified for the extraordinary session of the General Assembly for the decision to be taken, in which case the competent judicial authority may order the debt to be paid or provide adequate security or postpone the convening of the extraordinary meeting of the General Assembly as the case may be.

3. A reduction shall not be required before a creditor who has made an application at the time provided for in paragraph (2) of this article unless it has satisfied its debt forgiveness or has obtained sufficient security to satisfy its unpayable debt.
4. Equity holders of both types and classes should be considered when reducing capital.

Section 3: Bonds and instruments

Article 17: Bonds and instruments (debt instruments):

- 1) A company may issue debt instruments or financing instruments that are negotiable and indivisible in accordance with the provisions of Islamic Sharia and in accordance with the provisions of the corporate system.
- 2) A company may – by an extraordinary General Assembly resolution – in accordance with the provisions of the Islamic Shariah and in accordance with the financial market system and other relevant regulations and regulations, issue any type of negotiable debt instrument, whether in Saudi currency or otherwise, within or outside the Kingdom of Saudi Arabia, such as bonds and instruments. The extraordinary General Assembly may authorize the Governing Council to issue such debt instruments, including bonds and instruments, whether they are issued simultaneously or through a series of issuances or through one or more programs established by the Governing Council from time to time, in amounts and on conditions approved by the Governing Council, and shall have the right to take all necessary action in so doing.

- 3) A company may also issue debt instruments or equity–convertible financing instruments following a decision of the extraordinary General Assembly setting out the maximum number of shares that may be issued against such instruments, whether issued simultaneously or through a series of issuances, or through one or more programs for the issuance of debt instruments or financing instruments. The Governing Council shall issue new shares for those instruments or instruments that the holders are required to transfer, immediately upon the expiration of the specific transfer request period for the holders of such instruments or instruments, or [upon the fulfillment of the conditions for their automatic conversion to equity or the expiration of the specified period for such transfer](#). The Board shall take the necessary action to amend the company's statutes with respect to the number of shares and capital issued. The Board of Management shall increase the listing of the [capital in the registry](#).

Section 4: Governing Council

Article 18: Management of the company

The company is managed by a board of directors consisting of six (6) members, [who are required to be natural persons to be](#) elected by the regular general assembly of shareholders for a term not exceeding [four \(4\) years](#). [The members of the board of directors may be re–elected](#). The first board of directors shall be appointed by shareholders for a term of five (5) years. In all cases, the number of independent board members shall be not less than two members or one third (whichever is greater) of the board.

Article 19: Expiration of the membership of the Council

1. Membership of the Board shall expire upon expiry of its term or upon expiration of its term in accordance with any regulations or instructions in force in the Kingdom [or upon termination at the request of the Board](#). [The Governing Council shall convene the ordinary General Assembly a period of 90 days before the end of its session; to elect a Governing Council for a new session.](#)
2. [If it is not possible to elect a Governing Council for a new session and the current session of the Council ends, its members shall continue to perform their functions until the election of a Governing Council for a new session, provided that the term of office of the members of the Council whose session has ended does not exceed 90 days from the date of the end of the session of the Council. The Governing Council shall take the necessary measures to elect a replacement Governing Council before the expiration of the term of office specified in this paragraph.](#)

3. Upon receipt of a request from one or more shareholders representing (10%) of the company having voting rights to remove all or some of the board members in accordance with the provisions of the corporate system, the Governing Council shall include in the invitation to the ordinary General Assembly the name of the applicant and the grounds for the request. The member concerned shall be entitled to make a statement in respect of the request at the relevant regular meeting of the General Assembly.
4. If a board member resigns and has notes on the company's performance, he or she shall submit a written statement to the chairman, which shall be brought to the attention of the board members.
5. The ordinary General Assembly may at any time remove all or some of the members of the Board of Directors. In such case, the ordinary General Assembly shall elect a new Board of Directors or a replacement, as the case may be, of the dismissed member, in accordance with the provisions of the Regulations. A member of the Board may retire by written notification to the President of the Board. If the President of the Board is dismissed, notification shall be given to the other members of the Board and to the Secretary of the Board. In both cases, the retirement shall take effect from the date specified in the notification, provided that it is in due time. Otherwise, the member shall be liable before the company for the damage caused by the retirement. Once the chairman and members of the Governing Council have resigned, they shall convene the ordinary General Assembly to elect a new Governing Council. The suspension shall not apply until the election of the new Council, provided that the duration of the retiring Council shall not exceed (120) days from the date of such retirement. The Governing Council shall take the necessary measures to elect a replacement Governing Council before the expiration of the term of office specified in this paragraph.
6. The General Assembly may, on the recommendation of the Governing Council, terminate the membership of any member who has not attended (three) consecutive meetings or (five) sporadic meetings during his or her term of office without a legitimate excuse accepted by the Governing Council.
7. When a member of the board of directors has terminated by one of the methods of membership, the company shall notify the Authority and the market immediately, stating the reasons therefor.

Article 20: Vacancy in the Council

1. If a member of the Board of Directors is vacant, the Board shall appoint an interim member to the vacant post, provided that he or she is experienced and competent. The [Trade Register and the Financial Market Authority](#) shall be notified thereof [within fifteen \(15\) working days](#) from the date of appointment. The appointment shall be submitted to the regular General Assembly at its first meeting and the new member shall complete the term of his or her predecessor.
2. [If a member of the Board of Directors becomes vacant because of his death or retirement and does not result in a breach of the conditions necessary for the validity of the Board's session because of a shortage of its members below the minimum number provided for in the Regulations or the Company's Regulations, the Board may temporarily appoint to the vacant position a qualified and experienced person, to be notified of the Trade Register as well as the Board within fifteen \(15\) days from the date of appointment, to be submitted to the ordinary General Assembly at its first meeting, and to complete the term of his predecessor.](#)
3. If the conditions for the convening of the Governing Council are not met by a shortage of its members above the minimum number provided for in the company or corporate system, the remaining members shall convene the ordinary General Assembly within sixty (60) days to elect the necessary number of members,
4. [In accordance with Article 19 and Article 20 of the present Statute, if no board of directors is elected for a new session or the necessary number of members of the board of directors is completed, each stakeholder may request the competent judicial authority to appoint experienced and competent persons, at the number it deems appropriate, to supervise the administration of the company and to convene the General Assembly within 90 days; to elect a new board of directors, complete the necessary number of board members as the case may be, or request the dissolution of the company.](#)

Article 21: Powers of the Council

Subject to the prerogatives prescribed by the General Assembly, the Board of Directors shall have the widest authority to manage the company for its purposes. For this purpose, the Board may (but not limited to):

- 1) To represent and sign in its name and on behalf of the company before third parties and in front of notaries, ministries, agencies, governmental and non-governmental institutions,

individuals, companies, all funds and institutions of public and private finance, banks and financial houses in Saudi Arabia and elsewhere;

- 2) Appointment and dismissal of arbitrators, experts and lawyers, determination of fees of lawyers, receipt and delivery of commercial records, licenses, judgment instruments, receivables, commercial papers, checks and all other documents;
- 3) Registering agencies and trademarks, extracting, modifying and deleting trade records and licenses, opening subscriptions to the Chamber of Commerce, and delivering, receiving and terminating all transactions and procedures of the company to all ministries, agencies, bodies and governmental, public and private institutions inside and outside the Kingdom;
- 4) Approval of the company's business plan and approval of its operational plans and annual capital budget;
- 5) Approval of deals made outside the scope of business-as-usual, the value of which exceeds an amount to be determined by the Council at a later date;
- 6) Engaging in or doing business that is fundamentally different from the company's;
- 7) Entering into, terminating, establishing, acquiring, disposing of, restructuring, integrating in any way a company's subsidiary, or establishing, closing, or closing any branches, offices, or agencies;
- 8) Signing, terminating or modifying on behalf of the company all agreements, contracts, bids, decisions, minutes, records and other documents;
- 9) Approving the establishment of companies, signing on behalf of the company and on behalf of the company contracts, and decisions to amend all types of companies, including – but not limited to – decisions to increase or reduce capital, to modify the company's purposes, to dismiss a partner, to waive quotas and accept the price, to amend any of the terms of the contract for the establishment of such companies in which the company is a partner, to open branches, to appoint its directors, to liquidate it, or to write off its business records, before the Ministry of Commerce, the Ministry of Investment, the Secretary of Justice, the Ministry of Interior, the Ministry of Municipal and Rural Affairs and others concerned;
- 10) Opening, managing, depositing, withdrawing, investing and closing bank accounts and investment accounts inside or outside the Kingdom;

- 11) Obtaining loans and credit facilities of all types, including loans exceeding three (3) years, on behalf of the company and on behalf of the company from government and private funds and financial institutions, banks and financial houses in Saudi Arabia and other countries;
- 12) encumbrance or security of the company's assets;
- 13) Approval of the guarantees, compensation and undertakings provided by the company that are not included in the financial plan and/or budget;
- 14) Purchase, lease and lease land and real estate on behalf of and on behalf of the company, sign voiding instruments and relevant contracts, and receive and pay the price;
- 15) Purchase and sale of movables within the scope of business of the company, on behalf of the company and on behalf of the company;
- 16) The right to discharge the debtors of a corporation from their obligations, whenever it is in the interest of the company, in accordance with applicable accounting standards, provided that the minutes of the board include the reasoning of its decision in the minutes of the meeting concerned, subject to the following conditions: (1) the discharge is a minimum after one year after the debt has arisen, (2) the maximum amount that may be discharged per year for the debtor is set, and (3) the discharge is a right of the board of directors that cannot be delegated;
- 17) Approves and amends the internal, financial, administrative and technical regulations of the company, the policies and regulations of its employees, and the responsibilities of the executive management of the company and their compensation. It has the right to delegate any of its powers to the executive management of the company;
- 18) The approval of any capital expenditure of the company that has not been budgeted;
- 19) The composition of the standing and provisional committees of the Governing Council and the adoption of their regulations, with the exception of the Review Committee and the Nominations and Awards Committee, whose regulations are adopted by the General Assembly;
- 20) The appointment, powers and dismissal of senior staff of the company, including executive management, from among managers or others; And
- 21) Any insolvency, bankruptcy or liquidation proceeding;
- 22) To draw up an internal regulation of its work;
- 23) Appointment of a Secretary of the Governing Council at the proposal of the President of the Governing Council;

24) Appointing or delegating one or more of its members or third parties to undertake a particular work or certain functions, or some or all of its powers, and canceling this power of attorney or authorization in whole or in part, and giving them the right to delegate to others.

The Council shall also, within its competence, delegate one or more of its members or third parties to undertake a particular work or work.

Article 22: Remuneration of members of the Council

The annual remuneration of the Governing Council, its committees and executive management shall be determined and approved by the Governing Council. The amount of such remuneration shall be determined by the regular General Assembly, taking into account that the remuneration shall be fair, stimulating and proportionate to the performance of the member and of the company. The remuneration of the members of the Governing Council may vary in amount to reflect the extent of the member's experience, competencies, functions, independence, number of meetings attended and other considerations. Remuneration of independent board members shall not be a percentage of the profits earned by the company nor be directly or indirectly based on the profitability of the company.

The standard value of remuneration and attendance allowances shall be as follows:

Number	Statement	Amount
1	Annual bonus for board membership	300,000 rials
2	Annual remuneration for Review Committee membership	120,000 rials
3	Annual bonus of membership of the Committee on Rewards and Nominations	100,000 rials
4	Allowance for attendance at any council or committee meeting	3,000 rials

The report of the Governing Council to the regular General Assembly shall contain a comprehensive statement of all remuneration, expense allowance and other benefits received or deserved by members of the Governing Council during the financial year, as well as a statement of the number of meetings of the Council and of the number of meetings attended by each member.

Article 23: Powers of the President, Vice–President, Delegate and Secretary

The Board of Directors shall appoint a Chairman and a Vice–Chairman from among its members. It may appoint a Delegate Member [and an Executive Chairman](#). The position of Chairman may not be combined with any executive position of the company.

The President of the Council shall have the following functions:

1. Represent the Association before others and represent it in contact with official and unofficial bodies in the Kingdom and abroad.
2. Presiding over meetings of the General Assembly and of the Governing Council.
3. To invite the General Assembly to hold its regular and extraordinary meetings.
4. Receipt of the request for extraordinary meetings of the Governing Council and the General Assembly.
5. Declaration of the opening, closing, suspension and adjournment of meetings
6. Conduct of meetings, presentation of research topics for voting and announcement of closure of debate .
7. Authorize the distribution of bulletins, periodicals, writings and research findings according to a plan prepared by the Governing Council.
8. Sign correspondence between the association and its clients.
9. Represent the company in its relationship with third parties, government and private entities, and before notaries, labor offices, workers' offices, supreme and primary committees, the Securities Disputes Adjudication Commission, the Commercial Securities and Civil Rights Committees, police departments, and chambers of commerce and industry.
10. The right to sign, on behalf of a company, all commercial, financial, and administrative contracts and transactions and to sign incorporation contracts and amendment supplements for companies that contribute to or participate in them. Annexes to the amendment contracts of companies that participate in or contribute to such companies may be included in the incorporation contract appendices relating to the increase or reduction of capital.
11. The right to sign on behalf of a company contracts, decisions and documents for the purchase of land and real estate.
12. The right to sign, accept and mortgage on behalf of, for and in the interest of, the company and on behalf of the company, contracts, decisions, sales and discharge documents.

13. The right to sign a company with banks, to withdraw and deposit, and to open and close accounts.

14. The right to represent the company before the judiciary, arbitral tribunals, third parties and all other judicial committees and arbitral tribunals in claims and proceedings, pleading, pleading, litigation, conciliation, litigation, apportionment, apportionment, oath, oath, acceptance, directive or restitution, request, leave to dispute, accept, receive, deny, challenge and appeal judgments, hear and respond to claims, admit, deny, reconcile, waive, discharge, appeal, bring witnesses and evidence, answer, wound, amend, challenge, forgery, denial, seals, seals and signatures, request travel bans, and lifting, request booking, execution, consent to arbitration, request appointment, appointment of experts and arbitrators, appointment of experts and arbitrators, and submission of reports, and requests, and requests for the application of and requests 0 The system of Shariah Pleadings, demanding the execution of judgments, opposing them and seizing what happens from execution on behalf of the company, accepting and denying judgments, objecting to judgments and requesting appeals, seeking review, seeking restitution, asking for recourse, asking for pretrial hearing in all proceedings before all courts, receiving judgment instruments, requesting the resignation of the judge, requesting the intervention and interference, waiving all rights and cases against the company, waiving judgment – in whole or in part – or through the means of appealing, lifting the quarantine or abandoning of the mortgage while remaining in debt, claiming fraud, dismissing the judge, selecting or returning the expert, signing the necessary requirements to the Sharia courts, at the administrative courts (Court), at the Medical Legal Committees, at the Legal Courts, at the Finance Committees, the resolution of disputes, the Committee, the Committee, the Commercial Committee, the Committee, the Committee, the Chamber of Commercial Commerce Board, the Chambers, the Chambers of Commercial Chambers of Commerce, the Chambers of The Investigation and Public Prosecution Authority, review all the relevant parties, complete all the necessary procedures, and sign as required. It shall have the power of delegation to others, and it shall have the right to appoint third parties and third parties the right to appoint and dismiss third parties in all or part of the above.

15. The right to delegate to third parties any of the powers conferred on him by this Article by written authorization.

The Vice-President shall replace the Chairman in his absence.

If appointed, the delegated member shall have the powers specified in the decision appointing him

The Board of Directors shall appoint a Secretary of the Board, who shall select him from among its members or from others. He shall have the following competencies:

1. Preparation of the agenda of the Governing Council and the General Assembly.
2. Coordinate with executive management in the addition of topics that executive management or the President of the Governing Council may wish to add to the agenda items of any Council or General Assembly meeting.
3. Prepare the invitation and take the necessary action to convene the General Assembly and the Governing Council, record the minutes thereof, and record them and keep them in the records prepared therefor.
4. Receive communications concerning the Council and present them to the Council or the President of the Council as the case may be.
5. Follow-up to Governing Council decisions.
6. The organization of clerical works and records and the preservation of documents.
7. Submit reports to the Governing Council for consideration.
8. Circulate decisions that the Governing Council may wish to circulate and publish.
9. Submit membership applications to the Governing Council.
10. Preparation of the annual report to the Governing Council for submission to the General Assembly.

The remuneration of the [secretary](#) is determined by the Governing Council in the decision to appoint the secretary, and the [secretary of the Governing Council may only be discharged by a decision of the Governing Council](#).

The term of office of the President of the Council, the Vice-President, the Delegate, the Secretary, and the member of the Governing Council shall not exceed the term of their respective members of the Council. They may be re-elected. The Council may at any time remove them or any of them without prejudice to the right of an isolated person to compensation if the isolation is carried out for an unlawful reason or at an inappropriate time.

Article 24: Meetings of the Board

The Governing Council shall meet at least four times a year at the invitation of its President. The invitation shall be via e-mail or any other means of communication to each member and shall be sent at least **five (5)** days before the date set for the meeting. The President of the Council shall call the Council to meet when requested by any **member** of the Council.

Article 25: Quorum for the Board's meeting

The board meeting shall not be valid unless at least three (3) members of the board of directors are present on **their own behalf or on behalf**. The board member may delegate other members to attend the board meetings, **provided that the member of the board of representatives has no more than one representative**, in accordance with the following rules:

1. A member of the Governing Council may not represent more than one member in the same meeting.
2. The assignment must be fixed by writing.
3. The Deputy may not vote on decisions.

Meetings of the Governing Council shall be located by the Governing Council and may be held using modern technology. Decisions of the Council shall be taken by a majority of the members present, **at least on** the basis of originality or on behalf of the Council. In the event of a tie, the side with which the chairperson voted shall prevail. **The decision of the Governing Council shall take effect from its date of issuance, unless it provides that it shall take effect at a later time or upon the realization of certain conditions**.

The Governing Council may issue decisions on urgent matters to be presented to the members separately unless a member requests to write a meeting of the Council for deliberation. **Such decisions shall be adopted by a majority of at least the votes of** its members and shall be submitted to the Council for adoption at its next meeting.

Article 26: Deliberations of the Board

The deliberations and decisions of the Governing Council shall be recorded in minutes signed by the President of the Council, the members of the Governing Council present and the Secretary.

These minutes shall be recorded in a special record signed by the Chairman and the Secretary.

Modern techniques may be used to sign, document deliberations and decisions and record minutes.

The Governing Council may hold the meeting remotely and using modern technology.

Section 5: Shareholders' Associations

Article 27: Attendance of Associations

Each contributor shall have the right to attend the general assemblies of contributors and, in so doing, may be delegated by a person other than a member of the Board of Directors.

Article 28: Transformative Assembly

Shareholders call on all subscribers to hold a transformational assembly within forty-five (45) days from the date of the Ministry's decision to authorize the transfer of the company. The validity of the meeting requires the presence of a number of subscribers representing at least half of the capital. If such a quorum is not available, the second meeting shall be held one hour after the expiration of the time limit for the first meeting and the invitation of the first meeting shall contain it. In any event, the second meeting would be valid no matter how many officers were represented.

Article 29: Ordinary General Assembly terms of reference

Except in matters of which the General Assembly has extraordinary competence, the ordinary General Assembly shall have competence in all matters relating to the corporation, including but not limited to:

- 1) Election and dismissal of Board members.

- 2) Authorize a board member to have a direct or indirect interest in the work and contracts performed for the company, in accordance with the provisions of the Companies Regulations and Rules.
- 3) Authorize a board member to take part in a business that would compete with the company or with a branch of the activity in which it engages, in accordance with the provisions and regulations of the company system.
- 4) To monitor the extent to which members of the board of directors comply with the provisions of the corporate system, its regulations and other relevant regulations and the corporate statute, to examine any damage caused by their contravening or mismanaging the affairs of the company and to determine the liability thereof, and to take any action it deems appropriate in this regard in accordance with the corporate system and regulations.
- 5) [See](#) and [discuss](#) company balance sheets.
- 6) [Review](#) and [discussion](#) of the report of the Governing Council.
- 7) To decide on the proposals of the Governing Council on the method of distribution of net profits.
- 8) [Appointment, remuneration, reappointment, dismissal, discussion and decision on one or more company auditors.](#)
- 9) Examine irregularities or errors in the performance of the functions of the company's auditors, and any difficulties – notified by the company's auditors – related to the ability of the board of directors or the management of the company to access books, records and other documents, statements and explanations necessary for the performance of their duties, and to take any appropriate action in this regard.

- 10) The determination of the use of the company's reserves if they are not earmarked for a specific purpose in the company's principal system, provided that the use of these reserves is based on a proposal by the board of directors and in the ways that benefit the company or shareholders.
- 11) Configure company reserves and determine their uses.
- 12) Deduction of net profits of a company for social purposes of its employees, as provided in Article XXIII.100 of the Companies Regulations.
- 13) Approval before issuing a decision to sell more than fifty percent (50%) of the value of the company's assets, whether sold through one or several transactions, within twelve months of the date of the first sale, and if the sale of those assets includes items falling within the extraordinary competence of the General Assembly, the extraordinary approval of the General Assembly shall be obtained.

The ordinary General Assembly shall be held at least once a year during the six months following the end of the financial year of the corporation, and other ordinary general assemblies may be convened as necessary.

Article 30: Extraordinary terms of reference of the General Assembly

The Extraordinary General Assembly shall have the following powers:

- 1) Modification of a company's statutes, except where modification is prohibited by law.
- 2) Increase the company's capital in accordance with the conditions prescribed in the company system and regulations.
- 3) Reduction of the company's capital in the event it exceeds the company's needs or suffers financial losses, in accordance with the conditions prescribed in the companies' regulations.

- 4) Report the use of the reserve for specific purposes in the company's platform.
- 5) Report the company's continuation or dissolution before the deadline specified in this system.
- 6) Approve the company's purchase of its shares.
- 7) Issuance of debt instruments or equity-convertible financing instruments and indication of the maximum number of shares that may be issued against such instruments or instruments.
- 8) The allocation of issued shares, when capital is increased in part or in part, to employees of a company and its subsidiaries, or any other part thereof.
- 9) Discontinuing the priority right of shareholders in underwriting by increasing the capital in exchange for cash quotas or giving priority to non-shareholders in cases it deems appropriate for the benefit of the company.
- 10) Issue or approve the purchase of outstanding shares or recoverable shares, based on a text in the company's basis system and in accordance with the executive regulation of the corporate system of listed shareholders.

The Extraordinary General Assembly may issue decisions on matters that are already within the regular competence of the General Assembly under the same conditions and conditions as the regular Assembly.

Article 31: Inviting associations

The annual General Assembly shall be held at least once during the six months following the end of the financial year of the company. Other ordinary general assemblies may be called whenever necessary. General and private assemblies of shareholders shall be convened by the Governing Council. The Governing Council shall convene the ordinary General Assembly within 30 days of the request of the Audit Committee, the Auditor or a number of shareholders whose ownership represents

at least 10% of the shares of the company with voting rights. The Auditor may convene the regular General Assembly if the Board does not invite the Assembly within thirty (30) days of the request of the Auditor. The application referred to in this Article shall indicate the items on which shareholders are required to vote.

The invitation to convene the General Assembly shall be published at least twenty-one (21) days in advance of the deadline on the website of the Market and the Company's website. However, the invitation may only be addressed at that time to all shareholders by registered letters on their addresses contained in the Register of Contributors or by advertising the invitation through modern technology. A copy of the invitation and agenda shall be sent to the Trade Register and the Financial Market Authority within the time limit for publication, and it shall include the invitation to meet the General Assembly in accordance with the following guidelines at least:

- A. Statement of the person entitled to attend the meeting of the Assembly and the right to appoint a non-member of the Governing Council of his/her choice, statement of the right to contribute to the discussion of topics on the agenda of the Assembly and to ask questions and how to exercise the right to vote.
- B. Venue, date and time of the meeting.
- C. The type of association, whether it is a public or private association.
- D. Agenda of the meeting, including items for voting by contributors.

The meeting of the General Assembly, the contributor's participation in the deliberations and the voting on resolutions may be convened by means of modern technology.

The requirement for the annual regular General Assembly to convene an extraordinary General Assembly shall be met in the six months following the end of the Company's financial year and shall include its agenda.

Article 32: Register of Attendance of Associations

Shareholders who wish to attend the General Assembly or the Special Assembly shall register their names at the Headquarters of the Company or through an electronic registration provided by the Company, before the time limit set for the Assembly.

Article 33: Quorum for the regular General Assembly

The ordinary meeting of the General Assembly shall be valid only if it is attended by shareholders representing half [the company with voting rights](#). If there is no quorum for such a meeting, a second meeting shall be convened one hour after the expiration of the time limit for the first meeting, provided that the convening of the first meeting includes the indication of the possibility of such a meeting. In any event, the second meeting would be valid irrespective of the number of shares [that had voting rights](#) represented.

Article 34: Quorum for the Extraordinary Meeting of the General Assembly

An extraordinary meeting of the General Assembly shall be valid only if it is attended by shareholders representing two thirds of [the company with voting rights](#). If such a quorum is not available at the first meeting, a second meeting shall be convened one hour after the expiration of the time limit for the first meeting, provided that the convening of the first meeting includes the indication of the possibility of such a meeting. In any event, the second meeting is valid if attended by a number of shareholders representing at least one quarter [of the company with voting rights](#).

If the necessary quorum is not available at the second meeting, an invitation shall be sent to a third meeting to be held in the same conditions as provided for in Article ([ninety-first](#)) of this Law. The third meeting shall be valid, regardless of the number of shares [having voting rights](#) represented therein

Article 35: Voting in Assemblies

1– Each subscriber shall have the right to vote for each right represented in the general assemblies. Cumulative voting shall be used in the election of the Board of Directors.

2– Blue chips may not give the right to vote in general assemblies to shareholders, unless the company fails to pay the specified percentage of the company's net profits to the shareholders after deducting the reserves, if any, for a period of three consecutive years.

Notwithstanding the provision of paragraph (2) of this article, blue-chip stocks are given the right to vote in the General Assembly to shareholders if the decision of the General Assembly entails the reduction of the company's capital, its liquidation or the sale of its assets. Each Premium Arrow will have one vote in the General Assembly meeting.

Article 36: Decisions of Associations

Ordinary General Assembly resolutions shall be issued by a majority of the voting rights represented at the meeting. Extraordinary General Assembly resolutions shall be issued by a two-thirds majority of the voting rights represented at the meeting, unless the decision is to increase or reduce the capital, to extend the term of the company or to dissolve it before the expiration of the period specified in its Statute, to merge it with another company or to divide it into two or more companies. It shall not be valid unless adopted with the consent of three-fourths of the voting rights represented at the meeting. Election of the President of the General Assembly. The Board of Directors shall register with the Trade Register the extraordinary decisions of the General Assembly specified by the Regulations within (fifteen) days from the date of their issuance, provided that the General Assembly resolution shall apply from its date of issuance, except in cases where the Regulations, the Company

Basis System or the Decision Issued provide that it is valid at another time or when certain conditions are met.

Article 37: Debate in Assemblies

Each contributor has the right to discuss the topics on the agenda of the Assembly and to ask questions of the members of the Governing Council and the Auditor. The board of directors or the auditor answers shareholders' questions to the extent that the company's interest is not impaired. If the contributor considers that the answer to his question is not convincing, he has appealed to the Assembly, and its decision is in force.

Article 38: Chairing Associations and Preparing Reports

General shareholder assemblies shall be presided over by the chairman or deputy chairman of the board of directors in his absence or by any of its members designated by the board of directors in the absence of the chairman or deputy chairman. [Failing that, the President of the General Assembly shall be appointed by Council contributors or by a vote.](#)

A record shall be drawn up at the meeting of the Assembly containing the number of shareholders present or represented, the number of shares held by them on [behalf of the Office](#), the number of votes assessed, the decisions taken, the number of votes approved or contrary to them, and a comprehensive summary of the discussions that took place at the meeting. The minutes shall be recorded regularly after each meeting in a special register to be signed by the President, the Secretary-General and the Collector.

Section 6: Review Committee

Article 39: Composition of the Committee

A committee of shareholders or other shareholders shall be established by a decision of the Board of Directors which shall include at least one independent member and shall not include any executive board members. The number of members of the audit committee shall not be less than three or more than five, and the member shall be a financial and accounting specialist.

Article 40: Quorum for the Committee's meeting

The validity of a review committee meeting shall be conditional upon the attendance of a majority of its members. Decisions shall be issued by a majority of the votes of the members present.

Where there is a tie, the side with which the chairman voted shall prevail.

Article 41: Terms of reference of the Commission

The Audit Committee shall be responsible for monitoring the business of the company and, to this end, shall have the right to examine its records and documents and request any clarification or statement from the members of the board of directors or executive management. It may request the board of directors to convene the general assembly of the company if the board of directors impedes its work or the company suffers serious damages or losses.

Article 42: Reports of the Committee

The audit committee shall consider the company's financial statements, reports and notes submitted by the auditor, and shall provide its views, if any, on them. It shall also prepare a report on its opinion on the adequacy of the company's internal control system and on other work within the scope of its

competence. The Board of Directors shall deposit adequate copies of this report in the Company's principal position at least twenty-one (21) days prior to the date of the General Assembly to provide a copy to each of the shareholders who so wish. The report is read out during the Assembly.

Section 7: Auditor

Article 43: Appointment of the Auditor

- 1- The company shall have one (or more) auditor among the auditors licensed to work in the Kingdom who is appointed annually by the General Assembly. His remuneration, work time and scope shall be determined. He may be reappointed, provided that the total term of the auditor does not exceed seven consecutive or separate financial years. This period shall be recalculated after not less than three consecutive financial years from the date of the last financial year in which he worked on the audit of the company, taking into account that the auditor's work may not be combined with the establishment of the auditing company, its management or the membership of its board of directors. The auditor shall not be a partner, employee or relative of any of the founders, directors, board members or employees of the company. He may not purchase shares or shares in the company whose accounts he audits, or sell them during the period of review.

- 2- The Auditor may, as the case may be, be dismissed by the General Assembly or by shareholders, without prejudice to his right to compensation for damage sustained if he has a claim. The Director or the Chairman of the Board of Directors shall notify the competent authority of the decision and the reasons for the decision within a period not exceeding five days from the date of issuance of the decision.

3- An auditor may retire his or her assignment by written notification to the company, the date of submission or a later date specified in the communication, without prejudice to the right of the company to compensation for damage sustained if any. The retired auditor is obliged to submit to the company and competent authority, when reporting, a statement of the reasons for his retirement, and the Governing Council shall convene the General Assembly to consider the reasons for the retirement and to appoint another auditor and determine his fees, duration and scope.

Article 44: Powers of the Auditor

The Auditor may, at any time, examine the company's documents, accounting records and supporting documents, and request data and clarifications that it deems necessary to obtain to verify the company's assets and obligations, and other matters falling within the scope of its work. The manager or board of directors of the company shall enable him to perform his duty. If the auditor encounters difficulty in this regard, this is demonstrated in a report to the Director or the Governing Council. If the Director or the Governing Council does not facilitate the work of the Auditor, they shall be requested to invite partners or contributors to the meeting or the General Assembly to convene, as the case may be, to consider the matter. The Auditor may issue such an invitation if it is not addressed by the Director or the Governing Council within (thirty) days from the date of the Auditor's request.

Section 8: Company accounts and distribution of profits

Article 45: Fiscal year

The Company's financial year starts from the first of January and ends at the end of December of each year. The first fiscal year after the transition is to be a complement to the fiscal year before the transition.

Article 46: Financial documents

- 1) At the end of each financial year, the Board of Directors shall prepare the Company's financial statements and a report on its activity and financial position for the previous financial year. This report shall include the method proposed for the distribution of profits. The Board shall make these documents available to the Auditor at least forty-five (45) days before the date of the General Assembly.
- 2) The documents referred to in paragraph 1 of this Article shall be signed by the chairman, CEO and CFO of the company and copies thereof shall be deposited at the head office of the company at the shareholders' disposal
- 3) The Chairman of the Board of Directors shall provide shareholders with the financial statements of the company, the report of the Board of Directors and the report of the Auditor—if any—unless published in any of the modern technical means at least twenty-one days before the date set for the annual ordinary session of the General Assembly, in addition to depositing them with the competent authorities by system.

Article 47: Distribution of profits

The company's annual net profits are distributed as follows:

- 1) A net profit (10%) is avoided for the formation of a firm's statutory reserve. The ordinary General Assembly may decide to discontinue such a set-off when the said reserve (30%) of the paid capital reaches.
- 2) The ordinary General Assembly may, on the proposal of the Governing Council, avoid (5%) net profits to form a Convention reserve for the purposes to be determined by the General Assembly.

- 3) The ordinary General Assembly may, [when determining the share of shares in the net profits](#), decide to establish other reserves, to the extent that it is in the interest of the company or to ensure that as much fixed dividends as possible are distributed to the shareholders. The Association may also deduct from the net profits sums [for social purposes for](#) company employees.
- 4) The remainder is then distributed to shareholders with a minimum of 3% of the company's paid capital.
- 5) A company may distribute interim dividends to its shareholders on a semi-annual or quarterly basis after they have met the statutory requirements.

Article 48: Benefit enpartment

The shareholder shall be enpartd to its share of profits in accordance with the General Assembly resolution on the distribution of profits to shareholders or the [decision of the Governing Council to distribute interim dividends](#). The resolution shall set out the due date and the date of distribution. The decision shall be implemented [within 15 working days from the due date of such dividends specified in the General Assembly resolution or in the Governing Council's decision to distribute interim dividends](#).

Article 49: Losses of the company

- 1) If the losses of a joint stock company amount to half of the [source capital](#), the [Board of Directors shall disclose this loss and its recommendations on such losses within \(60\) days from the date of its knowledge of the amount, and shall convene the General Assembly in extraordinary session within \(180\) days from the date of its notification to consider the continuation of the company and take any necessary action to address or resolve such losses..](#)
- 2) A company shall be considered to be subject to the force of the corporate system if the General Assembly does not meet within the period specified in paragraph 1 of this article, if it meets and is unable to pass a decision on the matter, or if it decides to increase the capital in accordance with the conditions prescribed in this Article and not to underwrite each increase in the capital within ninety days from the decision of the Assembly to increase.

Section 9: Disputes

Article 50: Action for liability

Each shareholder has the right to bring the corporate liability action against the board members if the error they have made would cause its own injury. The shareholder may file the said action only if the right of the company to do so is still valid. The shareholder must inform the company of its intention to file the lawsuit.

Section 10: Dissolution and liquidation of the company

Article 51: Termination of the Corporation

A company shall lapse on one of the grounds for extinction set forth in Article (243rd) of the Companies Regulations and shall cease to enter into liquidation in accordance with the provisions of Part XII of the Companies Regulations. If the company has lapsed and its assets are insufficient to pay its debts or are in default in accordance with the bankruptcy regime, it shall submit to the competent judicial authority for the opening of any liquidation proceedings under the bankruptcy regime.

Section 11: Final provisions

Article 52:

The Companies System and its Regulations shall apply to all that is not provided for in this Law.

Article 53:

This Law shall be deposited and published in accordance with the provisions of the Companies Law and its regulations.



شركة الدواء للخدمات الطبية مساهمة مدرجة AL-DAWAA MEDICAL SERVICES CO. joint Stock Listed

رأس المال : ٨٥٠.٠٠٠.٠٠٠ ريال سعودي Paid Up Capital : S.R. 850,000,000

Bylaw before

Chapter One: Transferring the Company

Article 1: transformation

In accordance with the provisions of this articles of association and the provisions of the Companies Law issued by Royal Decree No. (M/3) dated 28.01.1437 corresponding to 11.11.2015 and its regulations, Al-Dawaa Medical Services Company, registered in the Commercial Register in Al-Khobar City with No. 2051025701 on 23.09.1422 corresponding to 09.12.2001, is transferred from a closed Saudi joint stock company, to a Saudi public joint stock company according to the following:

Article 2: Name of the company

The name of the company is "Al-Dawaa Medical Services Company" (Saudi public joint stock company).

Article 3: Objectives of the Company

The company carries out and implements the following purposes:

- 1) Real estate activities.
- 2) Professional, scientific and technical activities.
- 3) Interweaving.
- 4) Education.
- 5) Administrative and support services.
- 6) Transformative Industries.
- 7) Transportation and storage.
- 8) Wholesale and retail trade and repair of motor vehicles and motorcycles.
- 9) Human health and social work activities.

The company carries out its activities in accordance with the applicable regulations and after obtaining the necessary licenses from the competent authorities, if any.

Article 4: Participation and ownership in companies

The company may participate in other companies and may also establish companies on its own with limited liability or closed joint stock

Bylaw after

Section 1: Transforming the company

Article 1: Transformation

In accordance with the provisions of this Law and the provisions of the Companies Regulation issued by Royal Decree No. (M/3) of 28/01/1437 AH and the Regulations of the AL-DAWAA Company for Medical Services, registered in the Commercial Register of Khobar City, no. 2051025701, and dated 23/09/1422 AH, the closed Saudi Stock Company shall be transformed into a Saudi Stock Company **listed** as follows:

Article 2: Name of the company

The company's name is Al-Duwaa Medical Services Company, a Saudi-**listed** joint stock company

Article 3: Company purposes

The company engages and performs the following purposes:

- 1) Real estate activities.
- 2) Professional, scientific and technical activities.
- 3) Construction.
- 4) Education.
- 5) Administrative and support services.
- 6) Manufacturing Industries.
- 7) Transport and storage.
- 8) wholesale and retail trade and repair of motor vehicles and motorcycles.
- 9) Human health and social work activities.

The company conducts its activities in accordance with the regulations in force and obtains the necessary licenses from the competent authorities, if any.

Article 4: Participation and ownership in companies

A company may participate in other companies. It may also establish individual companies with a limited liability or closed share, provided that the capital is not less than QR5 million. It may also own shares and shares in other existing companies or merge with them. They have the right to participate with third parties



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Provided that the capital is not less than five (5) million riyals, it may also own shares and shares in other existing companies or merge with them. It has the right to participate with others in the establishment of joint stock or limited liability companies, after fulfilling the requirements of the regulations and instructions followed in this regard. The company may also dispose of these shares or shares, provided that this does not include mediation in their trading

Article 5: company's head office

The head office of the company is located in the city of Al-Khobar, and it may establish branches, offices, agencies or affiliated companies within the Kingdom

Article 6: Duration of the Company

The duration of the company is ninety-nine (99) Gregorian years starting from the date of its registration in the Commercial Register as a joint stock company. This period may always be extended by a decision issued by the extraordinary general assembly at least one year before the expiry of its term.

Article 7: Capital

Determine the company's capital eight hundred and fifty million (850,000,000) Saudi riyals divided into eighty-five million (85,000,000) nominal shares of equal value. The value of each of them is (10) ten Saudi riyals, and all of them are ordinary shares in kind.

Article 8: Subscription for Shares

The shareholders have subscribed to the entire capital of the eighty-five million (85,000,000) broad-based shares, paid in full, and their total value is eight hundred and fifty million (850,000,000) Saudi riyals. Shareholders acknowledge their joint responsibility for their own funds towards third parties that the full capital of the company has been paid before the conversion. The capital increase is forty-eight million (840,000,000) Saudi riyals. It was done by:

in the establishment of joint stock or limited liability companies after the requirements of the relevant regulations and instructions have been met. The company may also dispose of these shares or shares, provided that this does not include mediation in their circulation.

Article 5: Principal status of the company

The main center of the company is located in Khobar. It may establish branches, offices, agents or subsidiaries inside and outside Saudi Arabia whenever the interest of the company requires a decision by the Board of Directors.

Article 6: Duration of the company

The term of the company is ninety-nine (99) CE starting from the date of its registration in the trade register as a joint stock company. This period may always be extended by an extraordinary General Assembly resolution at least one year before the expiration of the term.

Section 2: Capital and equity

Article 7: Capital

The company's capital was 850 million (850,000,000) Saudi Riyals divided into 85 million (85,000,000) shares of equal value, each valued at ten (10) Saudi Riyals, all of which are ordinary shares in kind.

Article 8: Share-holding

The shareholders of the entire capital stock of 85,000,000 (85,000,000) have subscribed a fully paid nominal stock of 850,000,000 Saudi Riyals (SAR 850,000,000). The shareholders of their joint liability in their private funds to third parties acknowledge that the company's full capital was met before the conversion. The capital increase of 840,000,000 Saudi Riyals was by:

- 1) Transfer of SAR 788,500,000 from the retained earnings account.
- 2) Transfer of SAR 51,500,000 from the proposed capital increase account.

According to the certificate of the Comptroller of Accounts (Ernst Wing & Co. (Certified Accountants) issued on 28/10/1442 A.H. corresponding to 10/05/2021.

Article 9: Sale of non-performing shares

- 1) The shareholder shall pay the amount of the share by the dates designated therefor. If it fails to meet the due date, the Governing Council may, after being informed by registered letter or by any [means of modern](#)



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- 1) Transferring an amount of (000,788,500) Saudi riyals from the retained earnings account.
- 2) Transferring an amount of (5,150,000) Saudi riyals from the account of the proposed capital increase.

According to the certificate of the auditor (Ernst & Young & Co. (Country Accountants) issued on October 28, 1442 AH corresponding to May 10, 2021

Article 9: Sale of Unrealized Shares

- 1) The shareholder is obligated to pay the value of the share on the dates specified for this. And if he fails to fulfill the due date. The Board of Directors may, after being notified by a registered letter, sell the share in a public auction or the stock market, as the case may be, in accordance with the regulations set by the competent authority.
- 2) The company shall collect the amounts due to it from the sale proceeds and return the remainder to the shareholder. If the sale proceeds are not sufficient to meet these amounts. The company may collect the remainder of all other shareholder funds.
- 3) Nevertheless, the shareholder who defaulted on payment until the day of the sale may pay the value owed by him in addition to the expenses incurred by the company in this regard.
- 4) The company cancels the sold share in accordance with the provisions of this article. It gives the buyer a new share bearing the number of the canceled share.

It shall indicate in the stock register that the sale has occurred, indicating the name of the new owner

Article 10: Issuance of Shares

The shares are nominal and may not be issued for less than their nominal value. However, it may be issued with a higher value than this value, and in this last case the difference in value is added in a separate item in the shareholders' equity. It may not be distributed as dividends to shareholders. The share is indivisible against the company. If the shareholder is owned by multiple persons, they must choose one of them to act on their behalf in using the rights related to him. These persons shall be jointly liable for the obligations arising from the ownership of the share.

Article 11: Share Certificates

The company issues stock certificates so that they have serial numbers and signed by the chairman of the company's board of directors or whomever he delegates from among the members of the board and stamped with the company's seal. The stock includes in particular the number and date of the ministerial decision issued licensing the conversion of the company, the number and date of the ministerial decision announcing the conversion of the company and the nominal value of the share;

technology, sell the share in the auction or financial market, as the case may be, in accordance with the regulations determined by the competent authority. Other shareholders may have priority in the purchase of the shares of the outstanding shareholder.

- 2) If the proceeds of the sale are not sufficient to meet these amounts, the company may meet the remainder of all other shareholder funds, and the remainder shall be returned to the shareholder.
- 3) The rights relating to shares which are defaulted on the expiration of the due date shall be suspended until they are sold or paid in accordance with paragraph 1 of this article, including the right to receive a share of the net profits to be distributed and the right to attend and vote on the decisions of associations. However, the shareholder who is not paid until the day of sale may pay the amount due to him in addition to the expenses incurred by the company in this respect, in which case the shareholder shall have the right to apply for the dividends to be distributed.
- 4) The company shall cancel the certificate of the stock sold in accordance with the provisions of this Article, give the buyer a new certificate of the share with the same number, indicating in the register of shareholders the occurrence of the sale with the necessary data for the new owner.

Article 10: Issuance of shares

The shares are nominal and may not be issued less than their nominal value but may be issued higher than that value. In the latter case, the difference in value is added to a separate item of equity. They may not be distributed as dividends to shareholders. A share is indivisible vis-à-vis a company. If the share is owned by multiple persons, they must choose one to represent them in the use of the rights to which it relates. Such persons are jointly liable for obligations arising from the ownership of the share.



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The amount paid, the company's purpose in brief, its head office, and its term. Shares may have coupons with serial numbers and including the share number attached to it.

Article 12: The company's purchase, sale and pledge of its shares

- 1) The company may buy or mortgage its shares in accordance with the controls set by the competent authority. The shares purchased by the company do not have votes in the shareholders' assemblies.
- 2) The company may purchase its shares in order to impose their allocation to its employee within the employee shares program and in accordance with the regulations issued by the competent authority. The company may also sell treasury shares in one stage or several stages in accordance with the controls set by the competent authority.

Article 13: Trading in Shares

Shares subscribed by shareholders may not be traded except after publishing the financial statements for two fiscal years, each of which is not less than twelve (11) months from the date of the issuance of a decision to transform the company, or after obtaining the approval of the competent authority to the contrary. The cook of these shares shall be marked with an indication of their type, the date of the company's transformation and the period during which trading is prohibited.

Nevertheless, during the prohibition period, the ownership of shares may be transferred in accordance with the provisions of the sale of rights from one of the shareholders to another shareholder or from the heirs of one of the shareholders in the event of his death to third parties or in the event of execution on the funds of the insolvent or bankrupt shareholder. The priority of owning those shares is for other shareholders.

The provisions of this Article shall apply to what the shareholders subscribe to in the event of an increase in the capital before the expiry of the prohibition period.

Article 14: Shareholders Register

The company's shares are traded by entering the shareholder register prepared or contracted to be prepared by the company, which includes the names of the shareholders, their nationalities, places of residence, professions, share numbers and the amount paid out of them. This entry is indicated on the share. The transfer of the nominal share ownership against the company or third parties shall not be considered valid except from the date of entry in the said register.

Article 15: Capital Increase

- 1) The Extraordinary General Assembly may approve an increase in the company's capital. Provided that the capital has been paid in full. It is not required that the capital has been paid in full if the unpaid

Article 11: Certificates of shares

The company issues certificates of shares in the form of serial numbers and signed by the chairman of the company's board of directors or other board members and stamped with the company's seal. The shares include, in particular, the number and date of the ministerial decision authorizing the company's transformation, the number and date of the ministerial decision announcing the company's transformation, and the value of the shares' nominal value; The amount paid for it, the purpose of the company in brief, its main position and duration, and the shares may have coupons with serial numbers and included in the number of shares attached thereto.

Article 12: Purchase, sale and mortgage of shares

First: The company's stock purchase controls

A company may purchase its ordinary, excellent, or recoverable shares in accordance with the following guidelines:

1. The purchase of shares is for the purpose of reducing the company's capital or of holding it as a stock.
2. The percentage of the company's treasury shares at any one time (10%) of the stock category to be purchased.
3. The company must, by virtue of a report issued by the company's statutory accountant, meet the following conditions of solvency:
 - Before the company purchases its shares, it must have working capital for a period of twelve (12) months immediately following the date of completion of the purchase of the shares.
 - The value of the company's assets shall not be less than the value of its liabilities (including potential liabilities) before and immediately after it pays for the purchase of these shares, according to the latest audited preliminary financial statements or audited annual financial statements, whichever is later.
 - The debit balance for treasury shares shall not exceed the company's balance of retained earnings.
4. Extraordinary approval by the General Assembly of the procurement process, setting the upper limit for the number and purposes of the shares to be purchased, the method of financing



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part of the capital belongs to shares issued in exchange for transferring debt instruments or financing instruments to AMB and the period specified for their conversion to their foundations has not expired.

2) The Extraordinary General Assembly may, in all cases, allocate the shares issued upon the capital increase, or part thereof, to employees of the company and its subsidiaries, or some of them, or any of that. Shareholders may not exercise the right of priority when the company issues the shares allocated to employees.

3) The shareholder who owns the share at the time of the issuance of the extraordinary general assembly's decision approving the capital increase has priority in subscribing to the new shares issued in exchange for cash shares" and informing them of their priority by publishing in any daily newspaper or by informing them by registered mail of the decision to increase the capital and the subscription terms, duration and start date and its end.

4) The Extraordinary General Assembly has the right to suspend the priority right of the shareholders to subscribe to the capital increase in exchange for cash shares, or to give priority to more shareholders in the cases it deems appropriate for the interest of the company.

5) The shareholder has the right to sell or relinquish the priority right during the period from the time of the issuance of the General Assembly's decision approving the capital increase until the last day of subscribing to the new shares associated with these rights, in accordance with the regulations set by the competent authority.

7) Subject to what was mentioned in paragraph (?) above. The new shares are distributed to the priority rights holders who have applied for subscription.

Proportion of their pre-emptive rights out of the total pre-emptive rights resulting from the capital increase. Provided that what they receive does not exceed what they requested of the new shares. The remainder of the new shares shall be distributed to the priority rights holders who requested more than their two shares, in proportion to the rights they own from the total rights resulting from the capital increase. Provided that what they receive does not exceed what they have requested of the new shares, and by offering the remainder of the shares to others. Unless the Extraordinary General Assembly decides or the Capital Market Law provides otherwise.

Article 16: Capital Reduction

The Extraordinary General Assembly may decide to reduce the capital if it exceeds the company's needs or if it suffers losses. In the latter case alone, the capital may be reduced below the limit stipulated in Article (fifty-fourth).

the procurement process, and the authorization to the Governing Council to complete the purchase within a maximum period of twelve months from the date of the aforementioned extraordinary decision of the General Assembly, the terms and conditions to be announced by the company immediately after the issuance of this decision. The extraordinary General Assembly may at any time issue a decision to change the purposes for the purchase of shares.

5. Unless the purpose of the purchase of shares is to reduce the company's capital, stock purchases may take place at a maximum of 10% of the quantity approved by the General Assembly for purchase within one trading day, unless the entire approved quantity, or the remainder of the approved quantity not purchased, is less than 10% of the trading volume of the company's shares on the day prior to the purchase.
6. The purchase price shall not exceed (5%) the closing price of the market on the day before the day on which the purchase is made.
7. The purchase of shares shall not result in a decrease in public ownership from the category of shares subject to purchase to less than 30% or any other percentage of public ownership specified in the company's prospectus approved by the Commission.
8. Unless the purpose of the stock purchase is to reduce the company's capital, stock purchases must be made through the market - not through a special deal.
9. Failure to purchase shares during the following periods:
 - The 15 days preceding the end of the fiscal quarter until the date on which the company announced its initial financial statements after examination.
 - The 30 days preceding the end of the financial year until the date on which the company announces its initial financial statements after examination or audited annual financial statements.
10. The company does not have a sales order on purchase.



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The reduction decision is issued only after a special report is read, followed by the auditor on the reasons for him and on the obligations of the company regarding the effect of the reduction in these obligations.

(10) days from the date of publishing the reduction decision in a daily newspaper distributed in the area in which the company's head office is located. If one of the creditors objects and submits his documents to the company on the aforementioned date. The company must pay him his debt if he is present or provide him with a guarantee sufficient to pay him if it is deferred.

Chapter Three: Bonds and Sukuk

Article 17: Promissory notes and sukuk (debt instruments):

1) The company may issue debt or financing instruments of equal value, negotiable and indivisible, in accordance with the provisions of Islamic Sharia and in accordance with the provisions of the Companies Law.

2) The company may - by a decision of the extraordinary general assembly - in accordance with the provisions of Islamic Sharia and in accordance with the Capital Market Law and other relevant laws and regulations. Issuing any type of tradable debt instruments, whether in the Saudi currency or elsewhere, inside or outside the Kingdom of Saudi Arabia. such as bonds and sukuk. The extraordinary general assembly may authorize the board of directors to issue these debt instruments, including bonds and sukuk. whether issued those instruments at the same time or through a series of releases or through one or more programs established by the Board of Directors from time to time. And all of this at times and in amounts and according to the conditions approved by the Board of Directors. He has the right to take all necessary measures in this regard.

3) The company may also issue debt instruments or financing instruments that are convertible into shares, after the issuance of a resolution from the extraordinary general assembly specifying the maximum number of shares that may be issued in exchange for those instruments or bonds. Whether these instruments or sukuk were issued at the same time or through a series of issues. Or through one or more programs to issue debt instruments or financing instruments. The board of directors issues - without the need for a new approval from the extraordinary general assembly - new shares in exchange for those instruments or sukuk that their holders request to convert. Immediately after the end of the transfer request period specified for the holders of those instruments or sukuk. The Board shall take what is necessary to amend the company's articles of association with regard to the number of issued shares and the capital. The board of directors must declare that it is complete

Second, the company buys its shares with a view to holding them as treasury shares

A company may purchase its own shares for the use of treasury shares only for the following purposes:

1. If the Board of Directors or its authorized representative finds that the market share price is below its fair value.
2. Fulfillment of the right of holders of convertible debt instruments to convert to equity in accordance with the terms and conditions of those instruments.
3. The operations of exchanging for the acquisition of shares, company shares or the purchase of an asset.
4. allotted to company employees under the employee equity program.
5. Any other purpose approved by the Commission.

Market notification of the procurement process

The company shall immediately notify the market, in accordance with the mechanism determined by the market, of its operations related to the purchase of its shares in the market and the purpose of the purchase; The market will publish this information in its periodic report on the buying of shares by companies.

Disclosure of Treasury shares

The annual report of the Board of Directors shall contain details of the treasury shares held by the company and of the uses of such shares.

Fifth. Balance of distributable profits

A company may not purchase its own shares in an amount exceeding the balance of the distributable profits, whether purchased using its own cash balances or through external sources of financing.

Sixth: The company buys its shares with the aim of reducing its capital



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Procedures for each capital increase in the manner specified in this bylaw to announce the decisions of the extraordinary general assembly.

Chapter Four: Board of Directors

Article 18: Company Management

The company shall be managed by a board of directors consisting of six (6) members elected by the ordinary general assembly of shareholders for a period not exceeding three (3) years. As an exception to this, the shareholders shall appoint the first board of directors for a period of five (5) years, and the members of the board of directors will be determined at the meeting of the transformational assembly. In all cases. The number of independent members of the Board of Directors shall not be less than two members or one third of the members of the Board (whichever is more).

Article 19: Termination of Board Membership

Membership of the Council is determined by the expiry of its term or by the expiry of the member's term of office in accordance with any system or instructions in force in the Kingdom. However, the ordinary general assembly may at any time dismiss all or some of the members of the board of directors, without prejudice to the dismissed member's right towards the company to claim compensation if the dismissal occurred for an unacceptable reason or at an inappropriate time. Responsible before the company for the damages resulting from the retirement.

Article 20: Vacant position in the Council

If the position of a member of the board of directors becomes vacant, the board may appoint a temporary member in the vacant position according to the order of obtaining votes in the assembly that elected the board. Provided that he has an understanding of experience and sufficiency, and he must inform the competent authorities within five (5) working days from the date of appointment. If the necessary conditions for the convening of the board of directors are not met due to the number of its members being less than the minimum number stipulated in the Companies Law or this bylaw, the remaining members must invite the ordinary general assembly to convene within sixty (0) days to elect the necessary number of members.

Article 21: Powers of the Council

Taking into account the powers established for the General Assembly. The board of directors shall have the widest powers in managing the company to achieve its objectives. For this purpose, the Council may (by way of example but not be limited to):

The company shall observe the provisions of Article 37/100 of the Companies Regulations if the company's purchase of its shares is intended to reduce its capital.

Article 13: Stock trading

Shares of a company are traded by registration in the shareholders' register. Transfer of shares against the company or others shall only be deemed valid from the date of this entry.

The company's shares trade in accordance with the provisions of the Financial Market Regulation and its implementing regulations.

Article 14: Registry of shareholders

Shares of a company are traded by registration in the shareholder register prepared or contracted by the company, which includes the names, nationalities, places of residence, occupation, numbers of shares and the amount paid for them. Transfer of ownership of a nominal stock against a company or other person is only valid from the date of entry into the said register.

Article 15: Increase in capital

- 1) The Extraordinary General Assembly may decide to increase the company's capital, and the company's capital may be increased within the limits of the authorized capital by a decision of the company's board, provided that the capital has been paid in full. Capital is not required to have been paid in full if the unpaid portion of the capital is owed to shares issued for the conversion of debt instruments or financing instruments into equity and the period for conversion into equity has not yet expired.
- 2) An unusual general assembly may in any case allocate the issued shares when increasing the capital or a portion thereof to employees of the company and subsidiaries or some of the subsidiaries, or any of the above. Shareholders may not exercise the right of priority when the company issues employee shares.
- 3) The shareholder at the time of the extraordinary decision of the General Assembly to approve the increase of the source capital or the decision of the Governing Council to approve the increase within the limits of the



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- 1) Represent the company and sign in its name and on its behalf before third parties, notaries inside and outside the Kingdom, ministries, agencies, bodies, governmental and non-governmental institutions, individuals, companies, all governmental and private financing funds and institutions, banks, Saudi and non-Saudi financial houses;
- 2) Appointing and dismissing arbitrators, experts and lawyers, and fixing lawyers' fees. Receiving and delivering commercial records, licenses, judgments, clearances, commercial papers, checks and all other documents;
- 3) Registration of agencies and trademarks, extraction, modification and cancellation of trial records and licenses, opening subscriptions to the Chamber of Commerce, and handing over, receiving and terminating all transactions and procedures of the company with all ministries, agencies, bodies, and governmental, public and private institutions inside and outside the Kingdom;
- 4) Approval of the company's business plan and approval of its annual capital budget and operational plans;
- 5) Approval of transactions that take place outside the normal scope of work and whose value exceeds an amount to be determined by the Board at a later time;
- 6) Log in. or carry out business that is materially different from the business of the Company;
- 7) Log in. or terminate. Any partnership, joint venture agreements, affiliated ventures, or incorporation. or the acquisition of. or act on. or restructuring. or merger of any subsidiary of the Company in any way. or establishing or closing any branches, offices or agencies;
- 8) Signature. Or terminate. or to amend in the name and on behalf of the Company all agreements, contracts, tenders, bids, decisions, minutes, records and other documents;
- 9) Approval of the incorporation of companies and signing on behalf of and on behalf of the company the articles of incorporation of those companies. And decisions to amend them of all kinds, including - but not limited to - decisions to increase or decrease the capital. Or modifying the objectives of the company, or exit of one of the partners, or assignment of shares and acceptance of the price. Or amend any of the articles of the articles of incorporation of such companies in which the company is a partner, or open branches for it. or appointing its managers, or liquidating it, or canceling its commercial records, before the Ministry of Commerce, the Ministry of Investment, the Notary Public, the Ministry of Interior, the Ministry of Municipal and Rural Affairs, and other relevant bodies;
- 10) Opening bank accounts and investment accounts inside or outside the Kingdom, managing them, depositing in them, withdrawing from them, investing their funds and closing them;

authorized capital shall have priority in the subscription of new shares issued in exchange for cash quotas. They shall be notified of their priority by publication in a daily newspaper or by notification to them, by registered mail, at the address of the extraordinary address of the shareholders' registry, or through modern technical means, of the decision to increase the capital and the terms and conditions of the subscription, its duration, how and the date of commencement and termination, taking into account the type and category of the share owned.

- 4) The Extraordinary General Assembly may suspend the priority right of underwriting shareholders by increasing capital in exchange for cash quotas or grant priority to non-shareholders in cases it deems to be in the interest of the company.
- 5) The shareholder may sell or waive the right of priority in return for money or without compensation as specified in the regulations.
- 6) Taking into account paragraph (4) above, new shares shall be distributed to holders of priority rights who have applied for subscription in proportion to their total priority rights resulting from the increase in capital, provided that they do not exceed the claimed new shares, and the remainder of the new shares shall be distributed to holders of priority rights who have requested more than their share, in proportion to their total priority rights resulting from the increase in capital, provided that they receive not more than the new shares they requested, and the remaining shares shall be deposited to third parties, unless the extraordinary General Assembly or the financial market system decides otherwise.

Article 16: Reduction of capital

1. The Extraordinary General Assembly may decide to reduce the capital if the company's need is increased or the company suffers losses. In the latter case alone, capital may be reduced below the limit set out in article (fifty-ninth) of the corporate system. A reduction decision shall be made only after a statement has been read out in the General Assembly by the Governing



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- 11) Obtaining loans and credit facilities of all kinds, including loans of more than three (3) years. In the name of and on behalf of the company from government and private funds, financial institutions, banks, and Saudi and non-Saudi financial houses;
- 12) Mortgaging the company's assets or offering them as security;
- 13) Approval of the guarantees, compensation and undertakings provided by the company that are not included in the financial plan and/or budget;
- 14) Purchasing, renting and leasing lands and real estate in the name and on behalf of the company, signing eviction deed and related contracts, and receiving and paying the price;
- 15) Buying and selling movables within the company's usual scope of business in the company's name and on behalf of the company, signing related contracts and receiving and paying the price;
- 16) The right to discharge the company's debtors from their obligations. Whenever it is in the interest of the company. And in accordance with the applicable accounting standards, provided that the minutes of the Board include the details of its decision in the minutes of the relevant meeting. Subject to the following conditions: (1) The release shall be at least one full year after the debt arose. and (2) that the maximum amount to be it may be cleared for each year for one debtor. (3) Discharge is a right of the board of directors and may not be delegated;
- 17) Approving and amending the company's internal, financial, administrative and technical bylaws. and policies and regulations for its employees.
Determining the responsibilities of the company's executive management and their compensation. He has the right to delegate any of his powers to the executive management of the company;
- 18) Acknowledgment of any capital expenditures for the company that were not included in the budget;
- 19) The permanent and temporary committees emanating from the Board of Directors and the adoption of their bylaws, except for the Audit Committee and the Nomination and Remuneration Committee, whose bylaws are approved by the General Assembly;
- 20) Appointing the company's senior employees, including the executive management, from among the managers or others, determining their powers and dismissing them; And
- 21) take any action of insolvency, bankruptcy or liquidation;
- 22) draw up internal regulations for its business;
- 23) Appointing a Secretary to the Board of Directors based on the proposal of the Chairman of the Board of Directors;
- 24) Delegating or delegating one or more of its members or third parties to carry out a specific work or certain works, or some or all of its powers, canceling this power of attorney or delegation in whole or in

Council on the reasons for the reduction, the liabilities of the company and the effect of the reduction on its fulfillment, and a report from the auditor of the company shall be annexed to this statement. Such a statement may be submitted only to contributors in cases where a General Assembly resolution is passed.

2. If the reduction of capital is the result of an increase in the need of the company, creditors shall be invited to raise their objections, if any, to the reduction at least (forty-five) days before the date specified for the extraordinary meeting of the General Assembly to take the decision to reduce, accompanied by a statement explaining the amount of capital before and after the reduction, the date of the meeting and the effective date of the reduction, if any of the creditors objected to the reduction and provided the company with its documents at that date, the company shall pay the debt to him if it is in good time or provide him with sufficient guarantee to meet it if it is in time. A creditor who has notified the company of an objection to the reduction and whose debt has not been paid if it is already, or if it is deferred, has the right to apply to the competent judicial authority before the date specified for the extraordinary session of the General Assembly for the decision to be taken, in which case the competent judicial authority may order the debt to be paid or provide adequate security or postpone the convening of the extraordinary meeting of the General Assembly as the case may be.
3. A reduction shall not be required before a creditor who has made an application at the time provided for in paragraph (2) of this article unless it has satisfied its debt forgiveness or has obtained sufficient security to satisfy its unpayable debt.
4. Equity holders of both types and classes should be considered when reducing capital.

Section 3: Bonds and instruments

Article 17: Bonds and instruments (debt instruments):

- 1) A company may issue debt instruments or financing instruments that are negotiable and indivisible in accordance with the provisions of Islamic Sharia and in accordance with the provisions of the corporate system.
- 2) A company may - by an extraordinary General Assembly resolution - in accordance with the provisions of the Islamic Shariah and in accordance



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part, and giving them the right to delegate others. The council may also, within the limits of its competence, delegate one or more of its members or a third party to carry out certain work or businesses.

Article 22: Remuneration of Council Members

The annual remuneration for the Board of Directors, its committees and the executive management shall be determined and approved by the Board of Directors based on the recommendation of the Remuneration and Nomination Committee without prejudice to what is stated in this policy. The standard value of remuneration and attendance allowances shall be determined as follows:

Sr.	Details	Amount
1	Annual remuneration for the board of directors membership	300,000 SAR
2	Annual remuneration for the auditing committee membership	120,000 SAR
3	Annual remuneration for the Remuneration and Nominations Committee membership	100,000 SAR
4	Allowance for attending any of the board or committee meetings	3,000 SAR

The report of the Board of Directors to the Ordinary General Assembly shall include a comprehensive statement of all the remunerations, expense allowances and other benefits received by the members of the Board of Directors during the fiscal year; It shall also include a statement of what the members of the Board of Directors received in their capacity as employees or administrators, or what they received in return for technical or administrative work or consultancy, and it shall also include a statement of the number of the Board of Directors sessions and the number of sessions attended by each member from the General Assembly last meeting date.

Article 23: Powers of the Chairman, Deputy, Managing Director and Secretary

The Board of Directors appoints from among its members a Chairman and a Vice Chairman and may appoint a Managing Director. It is not permissible to combine the position of Chairman of the Board of Directors with any other executive position in the company.

The Chairman of the Council is responsible for the following duties:

1. Representing the association before others and acting on its behalf in communicating with official and unofficial bodies in the Kingdom and abroad.
2. Presiding over the meetings of the General Assembly and the meetings of the Board of Directors.

with the financial market system and other relevant regulations and regulations, issue any type of negotiable debt instrument, whether in Saudi currency or otherwise, within or outside the Kingdom of Saudi Arabia, such as bonds and instruments. The extraordinary General Assembly may authorize the Governing Council to issue such debt instruments, including bonds and instruments, whether they are issued simultaneously or through a series of issuances or through one or more programs established by the Governing Council from time to time, in amounts and on conditions approved by the Governing Council, and shall have the right to take all necessary action in so doing.

- 3) A company may also issue debt instruments or equity-convertible financing instruments following a decision of the extraordinary General Assembly setting out the maximum number of shares that may be issued against such instruments, whether issued simultaneously or through a series of issuances, or through one or more programs for the issuance of debt instruments or financing instruments. The Governing Council shall issue new shares for those instruments or instruments that the holders are required to transfer, immediately upon the expiration of the specific transfer request period for the holders of such instruments or instruments, or upon the fulfillment of the conditions for their automatic conversion to equity or the expiration of the specified period for such transfer. The Board shall take the necessary action to amend the company's statutes with respect to the number of shares and capital issued. The Board of Management shall increase the listing of the capital in the registry.

Section 4: Governing Council

Article 18: Management of the company

The company is managed by a board of directors consisting of six (6) members, who are required to be natural persons to be elected by the regular general assembly of shareholders for a term not exceeding four (4) years. The members of the board of directors may be re-elected. The first board of directors shall be appointed by shareholders for a term of five (5) years. In all cases, the number of independent board members shall be not less than two members or one third (whichever is greater) of the board.



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3. Inviting the General Assembly to hold its regular and extraordinary meetings.
4. Receiving a request to hold the extraordinary meetings of the Board of Directors and the General Assembly.
5. Announcing the opening, closing, halting and adjourning sessions
6. Managing the sessions, presenting the research topics for voting, and declaring the discussion closed
7. Permission to distribute bulletins, periodicals, literature and research results according to a plan prepared by the Board of Directors.
8. Signing the exchanged correspondence between the association and its clients.
9. Representing the company in its relationship with third parties, governmental and private agencies, before notaries, labor and workers offices, higher and primary committees, the Committee for the Resolution of Securities Disputes, commercial papers and civil rights committees, police departments, and chambers of commerce and industry.
10. The right to sign on behalf of the company on all contracts and commercial, financial and administrative transactions and to sign the articles of incorporation and amendments appendices for the companies that contribute or participate in, and this includes the appendices of the amendment contracts for the companies that contribute or participate in, and this includes the appendices of the incorporation contracts related to the increase or decrease of capital.
11. The right to sign on behalf of the company contracts, decisions and documents for the purchase of land and real estate.
12. The right to sign on behalf of the company contracts, decisions and documents of sale, discharge, acceptance and mortgage on behalf of the company, for its interest, and in its name.
13. The right to sign on behalf of the company with banks, to withdraw and deposit, and to open and close accounts.
14. The right to represent the company before the courts, arbitration bodies, third parties, and all other judicial committees and arbitration bodies, in claiming and filing cases,

Article 19: Expiration of the membership of the Council

1. Membership of the Board shall expire upon expiry of its term or upon expiration of its term in accordance with any regulations or instructions in force in the Kingdom or upon termination at the request of the Board. The Governing Council shall convene the ordinary General Assembly a period of 90 days before the end of its session; to elect a Governing Council for a new session.
2. If it is not possible to elect a Governing Council for a new session and the current session of the Council ends, its members shall continue to perform their functions until the election of a Governing Council for a new session, provided that the term of office of the members of the Council whose session has ended does not exceed 90 days from the date of the end of the session of the Council. The Governing Council shall take the necessary measures to elect a replacement Governing Council before the expiration of the term of office specified in this paragraph.
3. Upon receipt of a request from one or more shareholders representing (10%) of the company having voting rights to remove all or some of the board members in accordance with the provisions of the corporate system, the Governing Council shall include in the invitation to the ordinary General Assembly the name of the applicant and the grounds for the request. The member concerned shall be empowered to make a statement in respect of the request at the relevant regular meeting of the General Assembly.
4. If a board member resigns and has notes on the company's performance, he or she shall submit a written statement to the chairman, which shall be brought to the attention of the board members.
5. The ordinary General Assembly may at any time remove all or some of the members of the Board of Directors. In such case, the ordinary General Assembly shall elect a new Board of Directors or a replacement, as the case may be, of the dismissed member, in accordance with the provisions of the Regulations. A member of the Board may retire by written notification to the President of the Board. If the President of the Board is dismissed, notification shall be given to the other members of the Board and to the Secretary of the Board. In both cases, the retirement shall take effect from the date specified in the notification, provided that it is in due time. Otherwise, the member shall be liable before the company for the damage caused by the retirement. Once the chairman and members of the Governing Council have resigned, they shall



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pleading, defending, litigating, clearing, reconciling, accounting, dividing, sorting, swearing, accepting, directing, refuting them, leaving litigation, accepting and receiving judgments, negating them, and appealing them. Hearing and responding to cases, acknowledgment, denial, conciliation, waiver, acquittal, bringing witnesses and evidence and challenging them, answering, wounding and amending, appealing forgery, denying lines, seals and signatures, requesting a travel ban and lifting it, requesting seizure and execution, agreeing to resort to arbitration, requesting arbitration Appointment of experts and arbitrators Appealing the reports of experts and arbitrators, returning and replacing them, filing a request for nullity, requesting the application of Article 23 of the Shari'a pleadings system, requesting the execution of judgments, opposing them and receiving the execution that takes place in the name of the company, accepting and denying judgments, objecting to judgments and requesting an appeal, petitioning review The judge, requesting insertion and interference, waiving all rights and issues from the company, waiving the judgment - in whole or in part, or by one of the methods of appealing it, or lifting the interdiction or leaving the mortgage while the debt remains, or alleging forgery, the judge mentioned, or the selection of the expert or his response, and signing what It is necessary, before the Sharia courts, before the administrative courts (the Board of Grievances), before the Sharia medical committees, the labor committees, the committees for the resolution of financial disputes and the committees for the settlement of banking disputes, at the offices of adjudication of commercial paper disputes and committees for the settlement of commercial disputes, at the customs committees and fraud committees Commercial, at the Control and Investigation Authority, at the Bureau of Investigation and Public Prosecution, reviewing all relevant authorities, completing all necessary procedures, signing what requires that, and delegating powers to others, as well as the right to delegate others, and others have the right to delegate and dismiss others in all or some of the above.

convene the ordinary General Assembly to elect a new Governing Council. The suspension shall not apply until the election of the new Council, provided that the duration of the retiring Council shall not exceed (120) days from the date of such retirement. The Governing Council shall take the necessary measures to elect a replacement Governing Council before the expiration of the term of office specified in this paragraph.

6. The General Assembly may, on the recommendation of the Governing Council, terminate the membership of any member who has not attended (three) consecutive meetings or (five) sporadic meetings during his or her term of office without a legitimate excuse accepted by the Governing Council.
7. When a member of the board of directors has terminated by one of the methods of membership, the company shall notify the Authority and the market immediately, stating the reasons therefor.

Article 20: Vacancy in the Council

1. If a member of the Board of Directors is vacant, the Board shall appoint an interim member to the vacant post, provided that he or she is experienced and competent. The Trade Register and the Financial Market Authority shall be notified thereof within fifteen (15) working days from the date of appointment. The appointment shall be submitted to the regular General Assembly at its first meeting and the new member shall complete the term of his or her predecessor.
2. If a member of the Board of Directors becomes vacant because of his death or retirement and does not result in a breach of the conditions necessary for the validity of the Board's session because of a shortage of its members below the minimum number provided for in the Regulations or the Company's Regulations, the Board may temporarily appoint to the vacant position a qualified and experienced person, to be notified of the Trade Register as well as the Board within fifteen (15) days from the date of appointment, to be submitted to the ordinary General Assembly at its first meeting, and to complete the term of his predecessor.
3. If the conditions for the convening of the Governing Council are not met by a shortage of its members above the minimum number provided for in the



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15. The right to delegate any of the powers granted to him in this Article to third parties under a written authorization.

The vice president shall replace the chairman of the board of directors in his absence.

In the event of his appointment, the Managing Director shall have the powers specified in his appointment decision

The board of directors shall appoint a secretary to be chosen by it from among its members or from others, and shall be responsible for the following:

1. Preparing the agenda of the Board of Directors and the General Assembly.
2. Coordination with the executive management in adding the topics that the executive management deems or the chairman of the board of directors sees them being added to the items on the agenda of any of the board meetings or the general assembly.
3. Preparing the invitation and taking the necessary procedures for the meeting of the general assembly and the board of directors, and editing the relevant minutes, recording them and keeping them in the records prepared for this.
4. Receiving messages related to the council and presenting them to the council or the council president, as the case may be.
5. Follow up on the decisions of the board of directors.
6. Organizing clerical work, records and keeping documents.
7. Submitting reports to the board of directors for consideration
8. Circulating and publishing the decisions that the Board of Directors considers to be circulated and published.
9. Presenting membership applications to the Board of Directors.
10. Preparing the annual report and submitting it to the Board of Directors in preparation for submission to the General Assembly.

The board of directors determines the remuneration of the secretary in its appointment decision.

The term of the chairman, his deputy, the managing director and the secretary of the board of directors shall not exceed the term of their membership in the board, and they may be re-elected and the board

company or corporate system, the remaining members shall convene the ordinary General Assembly within sixty (60) days to elect the necessary number of members,

4. In accordance with Article 19 and Article 20 of the present Statute, if no board of directors is elected for a new session or the necessary number of members of the board of directors is completed, each stakeholder may request the competent judicial authority to appoint experienced and competent persons, at the number it deems appropriate, to supervise the administration of the company and to convene the General Assembly within 90 days; to elect a new board of directors, complete the necessary number of board members as the case may be, or request the dissolution of the company.

Article 21: Powers of the Council

Subject to the prerogatives prescribed by the General Assembly, the Board of Directors shall have the widest authority to manage the company for its purposes. For this purpose, the Board may (but not limited to):

- 1) To represent and sign in its name and on behalf of the company before third parties and in front of notaries, ministries, agencies, governmental and non-governmental institutions, individuals, companies, all funds and institutions of public and private finance, banks and financial houses in Saudi Arabia and elsewhere;
- 2) Appointment and dismissal of arbitrators, experts and lawyers, determination of fees of lawyers, receipt and delivery of commercial records, licenses, judgment instruments, receivables, commercial papers, checks and all other documents;
- 3) Registering agencies and trademarks, extracting, modifying and deleting trade records and licenses, opening subscriptions to the Chamber of Commerce, and delivering, receiving and terminating all transactions and procedures of the company to all ministries, agencies, bodies and governmental, public and private institutions inside and outside the Kingdom;
- 4) Approval of the company's business plan and approval of its operational plans and annual capital budget;



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may dismiss them or any of them at any time without prejudice to the right of those dismissed for compensation if the dismissal occurred for an unlawful reason or at an unlawful time Appropriate.

Article 24: Board Meetings

The Board of Directors meets at least four (4) times a year at the invitation of its Chairman, and the invitation is via e-mail or any other means of communication to each member and sent at least ten (10) working days before the date set for the meeting, and the Chairman of the Board must invite the Board To the meeting when requested to do so by two (2) members

Article 25: Quorum of the Board Meeting

The meeting of the Board shall not be valid unless attended by at least three (3) members in person. A member of the Board of Directors may delegate other members to attend the Board's meetings on his behalf in accordance with the following rules:

1. A member of the Board of Directors may not represent more than one member in attending the same meeting.
2. The representation must be fixed in writing.
3. The representative may not, with regard to the representative's vote, vote on decisions that the system prohibits the representative from voting on.

The decisions of the Council are issued by a majority of the opinions of the members present or represented therein. In the event of a tie, the side with which the chairperson voted shall prevail.

The Board of Directors may issue resolutions by passing in urgent matters by presenting them to the separate members unless one of the members' requests in writing the meeting of the Board for deliberation and these decisions are presented to the Board in the first following meeting for approval.

Article 26: Council deliberations

The deliberations and decisions of the Board of Directors shall be recorded in minutes signed by the Chairman of the Board, the members of the Board of Directors present and the Secretary. These minutes shall be recorded in a special register signed by the Chairman of the Board of Directors and the Secretary.

The Board of Directors may hold the meeting remotely, using modern technology.

Chapter 5: Shareholders' Assemblies

- 5) Approval of deals made outside the scope of business-as-usual, the value of which exceeds an amount to be determined by the Council at a later date;
- 6) Engaging in or doing business that is fundamentally different from the company's;
- 7) Entering into, terminating, establishing, acquiring, disposing of, restructuring, integrating in any way a company's subsidiary, or establishing, closing, or closing any branches, offices, or agencies;
- 8) Signing, terminating or modifying on behalf of the company all agreements, contracts, bids, decisions, minutes, records and other documents;
- 9) Approving the establishment of companies, signing on behalf of the company and on behalf of the company contracts, and decisions to amend all types of companies, including - but not limited to - decisions to increase or reduce capital, to modify the company's purposes, to dismiss a partner, to waive quotas and accept the price, to amend any of the terms of the contract for the establishment of such companies in which the company is a partner, to open branches, to appoint its directors, to liquidate it, or to write off its business records, before the Ministry of Commerce, the Ministry of Investment, the Secretary of Justice, the Ministry of Interior, the Ministry of Municipal and Rural Affairs and others concerned;
- 10) Opening, managing, depositing, withdrawing, investing and closing bank accounts and investment accounts inside or outside the Kingdom;
- 11) Obtaining loans and credit facilities of all types, including loans exceeding three (3) years, on behalf of the company and on behalf of the company from government and private funds and financial institutions, banks and financial houses in Saudi Arabia and other countries;
- 12) encumbrance or security of the company's assets;
- 13) Approval of the guarantees, compensation and undertakings provided by the company that are not included in the financial plan and/or budget;
- 14) Purchase, lease and lease land and real estate on behalf of and on behalf of the company, sign voiding instruments and relevant contracts, and receive and pay the price;
- 15) Purchase and sale of movables within the scope of business of the company, on behalf of the company and on behalf of the company;



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Article 27: Attending Assemblies

Every subscriber, regardless of the number of his shares, has the right to attend the transformational assembly, and each shareholder has the right to attend the general assembly of shareholders, and for this he may delegate another person other than the members of the board of directors or the company's employees to attend the general assembly.

Article 28: Transformational Assembly

Shareholders invite all subscribers to hold a transformational assembly within forty-five (45) days from the date of the ministry's decision licensing the transformation of the company. If this quorum is not present, the second meeting shall be held an hour after the end of the period specified for the first meeting, provided that the invitation for the first meeting shall include that. In all cases, the second meeting shall be valid regardless of the number of subscribers represented in it.

Article 29: Functions of the Transformational Assembly

The transformational association is concerned with the matters mentioned in Article 63) of the Companies Law.

Article 30: Functions of the Ordinary General Assembly

With the exception of the matters of the Extraordinary General Assembly, the Ordinary General Assembly is concerned with all matters relating to the Company, including, without limitation, the following:

- 1) Appointing and removing members of the Board of Directors.
- 2) Authorizing a member of the board of directors to have a direct or indirect interest in the business and contracts that are made for the company's account, in accordance with the provisions of the Companies Law and its regulations.
- 3) Permission for a member of the Board of Directors to participate in a business that would compete with the company, or in its competition in one of the branches of the activity that it engages in, in accordance with the provisions of the Companies Law and its regulations.
- 4) Monitoring the extent to which the members of the Board of Directors adhere to the provisions of the Companies Law and its bylaws and other relevant regulations and the company's articles of association, and examining any damage arising from their violation of these provisions or mismanagement of the company's affairs and

16) The right to discharge the debtors of a corporation from their obligations, whenever it is in the interest of the company, in accordance with applicable accounting standards, provided that the minutes of the board include the reasoning of its decision in the minutes of the meeting concerned, subject to the following conditions: (1) the discharge is a minimum after one year after the debt has arisen, (2) the maximum amount that may be discharged per year for the debtor is set, and (3) the discharge is a right of the board of directors that cannot be delegated;

17) Approves and amends the internal, financial, administrative and technical regulations of the company, the policies and regulations of its employees, and the responsibilities of the executive management of the company and their compensation. It has the right to delegate any of its powers to the executive management of the company;

18) The approval of any capital expenditure of the company that has not been budgeted;

19) The composition of the standing and provisional committees of the Governing Council and the adoption of their regulations, with the exception of the Review Committee and the Nominations and Awards Committee, whose regulations are adopted by the General Assembly;

20) The appointment, powers and dismissal of senior staff of the company, including executive management, from among managers or others; And

21) Any insolvency, bankruptcy or liquidation proceeding;

22) To draw up an internal regulation of its work;

23) Appointment of a Secretary of the Governing Council at the proposal of the President of the Governing Council;

24) Appointing or delegating one or more of its members or third parties to undertake a particular work or certain functions, or some or all of its powers, and canceling this power of attorney or authorization in whole or in part, and giving them the right to delegate to others.

The Council shall also, within its competence, delegate one or more of its members or third parties to undertake a particular work or work.

Article 22: Remuneration of members of the Council



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determining the liability arising therefrom, and taking what it deems appropriate in this regard in accordance with the Companies Law and its regulations

- 5) Forming an audit committee in accordance with the provisions of the Companies Law and its regulations.
- 6) Approval of the company's financial statements.
- 7) Approval of the report of the Board of Directors.
- 8) Deciding on the proposals of the Board of Directors regarding the method of distributing net profits.
- 9) Appointing the company's auditors, determining their remuneration, reappointing and changing them, and approving their reports.
- 10) Looking into the violations and errors committed by the company's auditors in the performance of their duties, and any difficulties - notified by the company's auditors - related to enabling the board of directors or the company's management for them to view the books, records and other documents, data and clarifications necessary to perform their tasks, and take the necessary action in this regard
- 11) Stop setting aside the company's statutory reserve when it reaches (30%) of the company's paid-in capital, and decide to distribute what exceeds this percentage to the company's shareholders in the fiscal years in which the company does not achieve net profits.
- 12) Using the company's consensual reserve in the event that it is not allocated for a specific purpose, based on a proposal from the Board of Directors and in ways that benefit the company or shareholders.
- 13) Form and dispose of other reserves for the company, other than the statutory reserve and the consensual reserve.
- 14) Deduct sums from the company's net profits for the establishment of social institutions for the company's employees or the assistant to exist from these institutions, in accordance with the provision of Article one hundred and twenty-nine of the Companies Law.

The annual remuneration of the Governing Council, its committees and executive management shall be determined and approved by the Governing Council. The amount of such remuneration shall be determined by the regular General Assembly, taking into account that the remuneration shall be fair, stimulating and proportionate to the performance of the member and of the company. The remuneration of the members of the Governing Council may vary in amount to reflect the extent of the member's experience, competencies, functions, independence, number of meetings attended and other considerations. Remuneration of independent board members shall not be a percentage of the profits earned by the company nor be directly or indirectly based on the profitability of the company. The standard value of remuneration and attendance allowances shall be as follows:

Statement	Amount
Annual bonus for board membership	300,000 rials
Annual remuneration for Review Committee membership	120,000 rials
Annual bonus of membership of the Committee on Rewards and Nominations	100,000 rials
Allowance for attendance at any council or committee meeting	3,000 rials

The report of the Governing Council to the regular General Assembly shall contain a comprehensive statement of all remuneration, expense allowance and other benefits received or **deserved by members** of the Governing Council during the financial year, as well as a statement of the number of meetings of the Council and of the number of meetings attended by each member.

Article 23: Powers of the President, Vice-President, Delegate and Secretary

The Board of Directors shall appoint a Chairman and a Vice-Chairman from among its members. It may appoint a Delegate Member **and an Executive Chairman**. The position of Chairman may not be combined with any executive position of the company.

The President of the Council shall have the following functions:

1. Represent the Association before others and represent it in contact with official and unofficial bodies in the Kingdom and abroad.



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15) Approval before issuing a decision to sell more than fifty percent (50%) of the company's assets, whether the sale was made through one transaction or several transactions within twelve months from the date of the first sale transaction, and in the event that the sale of those assets included what falls within the competences of the General Assembly extraordinary, the approval of the extraordinary general assembly must be obtained.

The Ordinary General Assembly shall be held at least once a year during the six months following the end of the company's financial year. Other Ordinary General Assemblies may be called whenever the need arises.

Article 31: Functions of the Extraordinary General Assembly

The Extraordinary General Assembly is specialized in the following:

- 1) Amending the company's articles of association with the exception of matters that are prohibited from being amended by law.
- 2) Increasing the company's capital in accordance with the conditions established in the Companies Law and its regulations.
- 3) Reducing the company's capital if it exceeds the company's need or if it suffers financial losses, in accordance with the conditions established in the Companies Law and its regulations.
- 4) A report on the formation of a consensual reserve for the company as stipulated in this bylaw and allocated for a specific purpose, and its disposal.
- 5) Determining the continuation or dissolution of the company before the term specified in this bylaw.
- 6) Approval of the purchase of company shares.
- 7) Issuance of debt instruments or financing instruments that are convertible into shares, and an indication of the maximum number of shares that may be issued against such instruments or bonds.
- 8) Allocating the shares issued upon the capital increase, or part thereof, to employees of the company and its subsidiaries or some of them, or any of that.

2. Presiding over meetings of the General Assembly and of the Governing Council.
3. To invite the General Assembly to hold its regular and extraordinary meetings.
4. Receipt of the request for extraordinary meetings of the Governing Council and the General Assembly.
5. Declaration of the opening, closing, suspension and adjournment of meetings
6. Conduct of meetings, presentation of research topics for voting and announcement of closure of debate .
7. Authorize the distribution of bulletins, periodicals, writings and research findings according to a plan prepared by the Governing Council.
8. Sign correspondence between the association and its clients.
9. Represent the company in its relationship with third parties, government and private entities, and before notaries, labor offices, workers' offices, supreme and primary committees, the Securities Disputes Adjudication Commission, the Commercial Securities and Civil Rights Committees, police departments, and chambers of commerce and industry.
10. The right to sign, on behalf of a company, all commercial, financial, and administrative contracts and transactions and to sign incorporation contracts and amendment supplements for companies that contribute to or participate in them. Annexes to the amendment contracts of companies that participate in or contribute to such companies may be included in the incorporation contract appendices relating to the increase or reduction of capital.
11. The right to sign on behalf of a company contracts, decisions and documents for the purchase of land and real estate.
12. The right to sign, accept and mortgage on behalf of, for and in the interest of, the company and on behalf of the company, contracts, decisions, sales and discharge documents.
13. The right to sign a company with banks, to withdraw and deposit, and to open and close accounts.
14. The right to represent the company before the judiciary, arbitral tribunals, third parties and all other judicial committees and arbitral tribunals in claims and proceedings, pleading, pleading, litigation, conciliation, litigation, apportionment, apportionment, oath, oath, acceptance, directive or restitution, request, leave to dispute, accept, receive, deny, challenge and appeal judgments, hear and respond to claims, admit, deny, reconcile, waive, discharge, appeal, bring



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- 9) Suspending the right of priority for shareholders to subscribe to increase the capital in exchange for cash shares, or giving priority to non-shareholders in the cases it deems appropriate for the interest of the company.

The Extraordinary General Assembly may issue resolutions on matters originally within the competences of the Ordinary General Assembly, under the same terms and conditions prescribed for the Ordinary General Assembly.

Article 32: Invitation to Associations

General or special assemblies of shareholders are convened at the invitation of the Board of Directors, and the Board of Directors must invite the Ordinary General Assembly to convene if requested by the auditor, the audit committee, or a number of shareholders representing (5%) of the capital at least. The auditor may invite the assembly to convene if the board does not invite the assembly within thirty (30) days from the date of the auditor's request.

The invitation to convene the general assembly shall be published in a daily newspaper distributed at the company's head office at least twenty one (21) days before the date fixed for the meeting. Nevertheless, it may be sufficient to send the invitation on the aforementioned date to all shareholders by registered letters. A copy of the invitation and the agenda shall be sent to the competent authorities, within the period specified for publication.

Article 33: Record of attendance at assemblies

Shareholders who wish to attend the general or special assembly register their names at the company's head office or through the electronic registration provided by the company, prior to the time set for the assembly

Article 34: Quorum of the Ordinary General Assembly Meeting

The meeting of the Ordinary General Assembly shall not be valid unless attended by shareholders representing half of the capital, if the necessary quorum is not available to hold this meeting, an invitation is issued to a second meeting to be held an hour after the end of the period specified for convening the first meeting, provided that the invitation includes an indication of the possibility of holding this meeting. In all cases, the second meeting shall be valid regardless of the number of shares represented in it.

Article 35: Quorum of the Extraordinary General Assembly Meeting

witnesses and evidence, answer, wound, amend, challenge, forgery, denial, seals, seals and signatures, request travel bans, and lifting, request booking, execution, consent to arbitration, request appointment, appointment of experts and arbitrators, appointment of experts and arbitrators, and submission of reports, and requests, and requests for the application of and requests 0 The system of Shariah Pleadings, demanding the execution of judgments, opposing them and seizing what happens from execution on behalf of the company, accepting and denying judgments, objecting to judgments and requesting appeals, seeking review, seeking restitution, asking for recourse, asking for pretrial hearing in all proceedings before all courts, receiving judgment instruments, requesting the resignation of the judge, requesting the intervention and interference, waiving all rights and cases against the company, waiving judgment - in whole or in part - or through the means of appealing, lifting the quarantine or abandoning of the mortgage while remaining in debt, claiming fraud, dismissing the judge, selecting or returning the expert, signing the necessary requirements to the Sharia courts, at the administrative courts (Court), at the Medical Legal Committees, at the Legal Courts, at the Finance Committees, the resolution of disputes, the Committee, the Committee, the Commercial Committee, the Committee, the Committee, the Chamber of Commercial Commerce Board, the Chambers, the Chambers of Commercial Chambers of Commerce, the Chambers of The Investigation and Public Prosecution Authority, review all the relevant parties, complete all the necessary procedures, and sign as required. It shall have the power of delegation to others, and it shall have the right to appoint third parties and third parties the right to appoint and dismiss third parties in all or part of the above.

15. The right to delegate to third parties any of the powers conferred on him by this Article by written authorization.

The Vice-President shall replace the Chairman in his absence.

If appointed, the delegated member shall have the powers specified in the decision appointing him

The Board of Directors shall appoint a Secretary of the Board, who shall select him from among its members or from others. He shall have the following competencies:



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The meeting of the Extraordinary General Assembly is not valid unless attended by shareholders representing two thirds of the capital. If this quorum is not available in the first meeting, an invitation is sent to a second meeting to be held an hour after the end of the period specified for convening the first meeting, provided that the invitation to hold the first meeting includes what indicates Announcing the possibility of holding this meeting. In all cases, the second meeting shall be valid if attended by a number of shareholders representing at least a quarter of the capital.

If the necessary quorum is not available at the second meeting, an invitation is sent to a third meeting to be held in the same conditions stipulated in Article (32) of this regulation, and the third meeting will be valid regardless of the number of shares represented therein, after the approval of the competent authority.

Article 36: Voting in Assemblies

Each subscriber has a vote for every share he represents in the transformational assembly, and every shareholder has a vote for every share he represents in the general assemblies, and the cumulative vote must be used to elect the board of directors.

Article 37: Assemblies Decisions

Decisions in the transformational assembly are issued by an absolute majority (more than 50%) of the shares represented therein, and the decisions of the ordinary general assembly are issued by an absolute majority (more than 50%) for the shares represented in the meeting. If it is a decision related to increasing or decreasing the capital, extending the term of the company, or dissolving it before the expiry of the period specified in its articles of association, or its merger with another company, it shall not be valid unless it is issued by a majority of three quarters of the shares represented at the meeting.

Article 38: Discussion in Assemblies

Each shareholder has the right to discuss the topics listed on the assembly's agenda and address direct questions about them to the members of the board of directors and the auditor. The board of directors or the auditor answers the shareholders' questions to the extent that does not jeopardize the company's interest. If the shareholder deems that the answer to his question is not convincing, he shall appeal to the assembly, and its decision in this regard shall be enforceable.

Article 39: Presiding over assemblies and preparing minutes

The meetings of the general assemblies of shareholders are chaired by the chairman of the board of directors or his deputy in his absence, or whoever is delegated by the board of directors from its members for that in the absence of the chairman and his deputy.

1. Preparation of the agenda of the Governing Council and the General Assembly.
2. Coordinate with executive management in the addition of topics that executive management or the President of the Governing Council may wish to add to the agenda items of any Council or General Assembly meeting.
3. Prepare the invitation and take the necessary action to convene the General Assembly and the Governing Council, record the minutes thereof, and record them and keep them in the records prepared therefor.
4. Receive communications concerning the Council and present them to the Council or the President of the Council as the case may be.
5. Follow-up to Governing Council decisions.
6. The organization of clerical works and records and the preservation of documents.
7. Submit reports to the Governing Council for consideration.
8. Circulate decisions that the Governing Council may wish to circulate and publish.
9. Submit membership applications to the Governing Council.
10. Preparation of the annual report to the Governing Council for submission to the General Assembly.

The remuneration of the **secretary** is determined by the Governing Council in the decision to appoint the secretary, and the **secretary of the Governing Council may only be discharged by a decision of the Governing Council.**

The term of office of the President of the Council, the Vice-President, the Delegate, the Secretary, and the member of the Governing Council shall not exceed the term of their respective members of the Council. They may be re-elected. The Council may at any time remove them or any of them without prejudice to the right of an isolated person to compensation if the isolation is carried out for an unlawful reason or at an inappropriate time.

Article 24: Meetings of the Board

The Governing Council shall meet at least four times a year at the invitation of its President. The invitation shall be via e-mail or any other means of communication



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Minutes of the meeting of the assembly are drawn up, including the number of present or represented shareholders, the number of shares they hold in person or by proxy, the number of votes assigned to them, the taken decisions, the number of votes approved or disagreed with them, and a complete summary of the discussions that took place at the meeting. The minutes are recorded regularly after each meeting in a special register. It is signed by the assembly's president, secretary and vote collector.

Chapter Six: Audit Committee

Article 40: Formation of the Committee

By a decision of the Ordinary General Assembly, an audit committee of non-executive members composed of the Board of Directors, whether shareholders or others, shall be formed, provided that the number of its members shall not be less than three (3) and not more than five (5) members.

Article 41: Committee meeting quorum

For a meeting of the Audit Committee to be valid, the attendance of the majority of its members is required, and its decisions are issued by a majority vote of those present. When the votes are equal, the side with which the head of the committee voted shall prevail.

Article 42: Committee's Functions

The Audit Committee is responsible for monitoring the company's business, and for this purpose it has the right to review its records and documents and to request any clarification or statement from the members of the Board of Directors or the Executive Management, and it may ask the Board of Directors to invite the company's general assembly to convene if the Board of Directors obstructs its work or if the company is exposed for serious damage or loss.

Article 43: Committee Reports

The Audit Committee shall consider the company's financial statements, reports and notes provided by the auditor, and express its views on them, if any. It shall also prepare a report on its opinion regarding the adequacy of the company's internal control system and the other work it has carried out within its jurisdiction. The board of directors shall deposit a sufficient copies of this report at the company's head office at least twenty-one (21) days before the date of the general assembly to provide each of the shareholders who desire a copy of it, and the report is read during the assembly.

Chapter Seven: The Auditor

Article 44: Appointment of the auditor

to each member and shall be sent at least **five (5)** days before the date set for the meeting. The President of the Council shall call the Council to meet when requested by any **member** of the Council.

Article 25: Quorum for the Board's meeting

The board meeting shall not be valid unless at least three (3) members of the board of directors are present on **their own behalf or on behalf**. The board member may delegate other members to attend the board meetings, **provided that the member of the board of representatives has no more than one representative**, in accordance with the following rules:

1. A member of the Governing Council may not represent more than one member in the same meeting.
2. The assignment must be fixed by writing.
3. The Deputy may not vote on decisions.

Meetings of the Governing Council shall be located by the Governing Council and may be held using modern technology. Decisions of the Council shall be taken by a majority of the members present, **at least on the basis of originality or on behalf of the Council.** In the event of a tie, the side with which the chairperson voted shall prevail. **The decision of the Governing Council shall take effect from its date of issuance, unless it provides that it shall take effect at a later time or upon the realization of certain conditions.**

The Governing Council may issue decisions on urgent matters to be presented to the members separately unless a member requests to write a meeting of the Council for deliberation. **Such decisions shall be adopted by a majority of at least the votes of its members and shall be submitted to the Council for adoption at its next meeting.**

Article 26: Deliberations of the Board

The deliberations and decisions of the Governing Council shall be recorded in minutes signed by the President of the Council, the members of the Governing



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The company must have an auditor (or more) from among the auditors licensed to work in the Kingdom, to be appointed annually by the Ordinary General Assembly, and to determine his remuneration and the duration of his work. The association may also at any time change it without prejudice to its right to compensation if the change occurred at an inappropriate time or for an illegal reason.

Article 45: Powers of the Auditor

The auditor at any time has the right to review the company's books, records and other documents, and he also has the right to request data and clarifications that he deems necessary to obtain, in order to verify the company's assets, obligations and other matters that fall within the scope of his work. The Chairman of the Board of Directors shall enable him to perform his work. If the auditor encounters difficulty in this regard, he shall prove this in a report submitted to the board of directors. If the board does not facilitate the work of the auditor, he must request the board of directors to invite the ordinary general assembly to look into the matter.

Chapter Eight: Company Accounts and Profit Distribution

Article 46: The fiscal year

The company's fiscal year begins on the first day of January and ends at the end of December of each year, provided that the first fiscal year after the conversion is a continuation of the fiscal year before the conversion.

Article 47: Financial Documents

1) At the end of each financial year of the company, the board of directors must prepare the company's financial statements and a report on its activity and financial position for the past fiscal year. This report includes the proposed method for distributing profits. The board puts these documents at the auditor's disposal (45) days at least days before the date set for convening the general assembly.

2) The company's board of directors, chief executive officer and financial manager must sign the documents referred to in paragraph (1) of this article, and copies of them shall be deposited at the

Council present and the Secretary. These minutes shall be recorded in a special record signed by the Chairman and the Secretary. [Modern techniques may be used to sign, document deliberations and decisions and record minutes.](#)

The Governing Council may hold the meeting remotely and using modern technology.

Section 5: Shareholders' Associations

Article 27: Attendance of Associations

[Each contributor shall have the right to attend the general assemblies of contributors and, in so doing, may be delegated by a person other than a member of the Board of Directors.](#)

Article 28: Transformative Assembly

Shareholders call on all subscribers to hold a transformational assembly within forty-five (45) days from the date of the Ministry's decision to authorize the transfer of the company. The validity of the meeting requires the presence of a number of subscribers representing at least half of the capital. If such a quorum is not available, the second meeting shall be held one hour after the expiration of the time limit for the first meeting and the invitation of the first meeting shall contain it. In any event, the second meeting would be valid no matter how many officers were represented.

Article 29: Ordinary General Assembly terms of reference

Except in matters of which the General Assembly has extraordinary competence, the ordinary General Assembly shall have competence in all matters relating to the corporation, including but not limited to:

- 1) [Election](#) and dismissal of Board members.
- 2) Authorize a board member to have a direct or indirect interest in the work and contracts performed for the company, in accordance with the provisions of the Companies Regulations and Rules.



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company's head office at the shareholders' disposal at least twenty-one (21) days before the date set for holding the general assembly.

3) The chairman of the board of directors shall provide the shareholders with the company's financial statements, the board's report, and the auditor's report, unless they are published in a daily newspaper distributed at the company's head office. He shall also send a copy of these documents to the competent authorities, prior to the date of the public assembly for at least fifteen (15) days

Article 48: Distribution of profits

The company's annual net profits are distributed as follows:

1) (10%) of the net profits shall be set aside to form the statutory reserve of the company, and the Ordinary General Assembly may decide to discontinue this setting aside when the said reserve reaches (30%) of the paid-up capital.

2) The Ordinary General Assembly may, based on the proposal of the Board of Directors, set aside (5%) of the net profits to form a consensual reserve to be allocated for the purposes determined by the General Assembly.

3) The Ordinary General Assembly may decide to form other reserves, to the extent that achieves the interest of the company or ensures the distribution of second profits as much as possible to the shareholders.

4) After that, a percentage of not less than 3% of the paid-up capital of the company shall be distributed to the shareholders.

5) The company may distribute interim dividends to its shareholders on a semi-annual or quarterly basis after meeting the statutory requirements.

Article 49: Entitlement to profits

The shareholder shall be entitled to his share of the profits in accordance with the decision of the General Assembly issued in this regard, and the decision shall indicate the due date and the date of distribution. The eligibility for dividends shall be for the owners of shares registered in the shareholders' records at the end of the day specified for entitlement

Article 50: Company losses

1) If the losses of the joint-stock company is an amount up to half of the paid-up capital, at any time during the fiscal year, any official of the company or the auditor must immediately inform the Chairman of the Board of Directors, and the Chairman of the Board of Directors must immediately inform the members of the Board of that, and the Board of Directors within Fifteen (15) days from becoming aware

- 3) Authorize a board member to take part in a business that would compete with the company or with a branch of the activity in which it engages, in accordance with the provisions and regulations of the company system.
- 4) To monitor the extent to which members of the board of directors comply with the provisions of the corporate system, its regulations and other relevant regulations and the corporate statute, to examine any damage caused by their contravening or mismanaging the affairs of the company and to determine the liability thereof, and to take any action it deems appropriate in this regard in accordance with the corporate system and regulations.
- 5) [See](#) and [discuss](#) company balance sheets.
- 6) [Review](#) and [discussion](#) of the report of the Governing Council.
- 7) To decide on the proposals of the Governing Council on the method of distribution of net profits.
- 8) [Appointment, remuneration, reappointment, dismissal, discussion and decision on one or more company auditors.](#)
- 9) Examine irregularities or errors in the performance of the functions of the company's auditors, and any difficulties - notified by the company's auditors - related to the ability of the board of directors or the management of the company to access books, records and other documents, statements and explanations necessary for the performance of their duties, and to take any appropriate action in this regard.



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of this, call the extraordinary general assembly to meet within forty-five (45) days from the date of becoming aware of the losses; to decide either to increase or reduce the company's capital in accordance with the provisions of the Companies' system, to the extent that the percentage of losses decreases to less than the paid-up capital, or to dissolve the company before the term specified in the Companies Law.

2) The company is considered dissolved by the force of the companies' system if the general assembly did not meet within the period specified in paragraph (1) of this article, or if it met and was unable to issue a decision in the matter, or if it decided to increase the capital in accordance with the conditions prescribed in this article and the subscription was not completed in each capital increase within ninety days from the issuance of the Assembly's decision to increase it.

Chapter Nine: Disputes

Article 51: Liability claim

Every shareholder has the right to file a liability lawsuit for the company against members of the board of directors if the mistake that was made would cause a special harm to him. The shareholder may not file the said lawsuit unless the company's right to file it still exists, and the shareholder must inform the company of his intention on filing a lawsuit.

Chapter Ten: Dissolution and liquidation of the company

Article 52: Expiration of the company

The company enters, upon its expiry, the phase of liquidation and retains the legal personality to the extent necessary for liquidation. The decision of voluntary liquidation is issued by the extraordinary general assembly. The decision of liquidation must include the appointment of the liquidator, determining his authority, his fees, the restrictions imposed on his authority, and the time period required for liquidation, and the period of voluntary liquidation should not exceed five (5) years, and it may not be extended for more than that except by a judicial order. The authority of the company's board of directors ends with its dissolution. However, they remain in charge of the company's management, and they are considered to be liquidators for others until the liquidator is appointed, and the shareholders' assemblies remain in place during the liquidation period, and their role is limited to exercising their powers that do not conflict with the qualifications of the liquidator.

Chapter Eleven: Final Provisions

Article 53:

10) The determination of the use of the company's reserves if they are not earmarked for a specific purpose in the company's principal system, provided that the use of these reserves is based on a proposal by the board of directors and in the ways that benefit the company or shareholders.

11) Configure company reserves and determine their uses.

12) Deduction of net profits of a company for social purposes of its employees, as provided in Article XXIII.100 of the Companies Regulations.

13) Approval before issuing a decision to sell more than fifty percent (50%) of the value of the company's assets, whether sold through one or several transactions, within twelve months of the date of the first sale, and if the sale of those assets includes items falling within the extraordinary competence of the General Assembly, the extraordinary approval of the General Assembly shall be obtained.

The ordinary General Assembly shall be held at least once a year during the six months following the end of the financial year of the corporation, and other ordinary general assemblies may be convened as necessary.

Article 30: Extraordinary terms of reference of the General Assembly

The Extraordinary General Assembly shall have the following powers:

- 1) Modification of a company's statutes, except where modification is prohibited by law.
- 2) Increase the company's capital in accordance with the conditions prescribed in the company system and regulations.



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The Companies System and its bylaws shall be applied to everything that is not provided for in this regulations.

Article 54

This system shall be deposited and published in accordance with the provisions of the Companies Law and its regulations.

- 3) Reduction of the company's capital in the event it exceeds the company's needs or suffers financial losses, in accordance with the conditions prescribed in the companies' regulations.
- 4) Report the use of the reserve for specific purposes in the company's platform.
- 5) Report the company's continuation or dissolution before the deadline specified in this system.
- 6) Approve the company's purchase of its shares.
- 7) Issuance of debt instruments or equity-convertible financing instruments and indication of the maximum number of shares that may be issued against such instruments or instruments.
- 8) The allocation of issued shares, when capital is increased in part or in part, to employees of a company and its subsidiaries, or any other part thereof.
- 9) Discontinuing the priority right of shareholders in underwriting by increasing the capital in exchange for cash quotas or giving priority to non-shareholders in cases it deems appropriate for the benefit of the company.
- 10) Issue or approve the purchase of outstanding shares or recoverable shares, based on a text in the company's basis system and in accordance with the executive regulation of the corporate system of listed shareholders.



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The Extraordinary General Assembly may issue decisions on matters that are already within the regular competence of the General Assembly under the same conditions and conditions as the regular Assembly.

Article 31: Inviting associations

The annual General Assembly shall be held at least once during the six months following the end of the financial year of the company. Other ordinary general assemblies may be called whenever necessary. General and private assemblies of shareholders shall be convened by the Governing Council. The Governing Council shall convene the ordinary General Assembly within 30 days of the request of the Audit Committee, the Auditor or a number of shareholders whose ownership represents at least 10% of the shares of the company with voting rights. The Auditor may convene the regular General Assembly if the Board does not invite the Assembly within thirty (30) days of the request of the Auditor. The application referred to in this Article shall indicate the items on which shareholders are required to vote.

The invitation to convene the General Assembly shall be published at least twenty-one (21) days in advance of the deadline on the website of the Market and the Company's website. However, the invitation may only be addressed at that time to all shareholders by registered letters on their addresses contained in the Register of Contributors or by advertising the invitation through modern technology. A copy of the invitation and agenda shall be sent to the Trade Register and the Financial Market Authority within the time limit for publication, and it shall include the invitation to meet the General Assembly in accordance with the following guidelines at least:

- A. Statement of the person empowered to attend the meeting of the Assembly and the right to appoint a non-member of the Governing Council of his/her choice, statement of the right to contribute to the discussion of topics on the agenda of the Assembly and to ask questions and how to exercise the right to vote.
- B. Venue, date and time of the meeting.



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C. The type of association, whether it is a public or private association.

D. Agenda of the meeting, including items for voting by contributors.

The meeting of the General Assembly, the contributor's participation in the deliberations and the voting on resolutions may be convened by means of modern technology.

The requirement for the annual regular General Assembly to convene an extraordinary General Assembly shall be met in the six months following the end of the Company's financial year and shall include its agenda.

Article 32: Register of Attendance of Associations

Shareholders who wish to attend the General Assembly or the Special Assembly shall register their names at the Headquarters of the Company or through an electronic registration provided by the Company, before the time limit set for the Assembly.

Article 33: Quorum for the regular General Assembly

The ordinary meeting of the General Assembly shall be valid only if it is attended by shareholders representing half the company with voting rights. If there is no quorum for such a meeting, a second meeting shall be convened one hour after the expiration of the time limit for the first meeting, provided that the convening of the first meeting includes the indication of the possibility of such a meeting. In any event, the second meeting would be valid irrespective of the number of shares that had voting rights represented.

Article 34: Quorum for the Extraordinary Meeting of the General Assembly



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An extraordinary meeting of the General Assembly shall be valid only if it is attended by shareholders representing two thirds of [the company with voting rights](#). If such a quorum is not available at the first meeting, a second meeting shall be convened one hour after the expiration of the time limit for the first meeting, provided that the convening of the first meeting includes the indication of the possibility of such a meeting. In any event, the second meeting is valid if attended by a number of shareholders representing at least one quarter [of the company with voting rights](#).

If the necessary quorum is not available at the second meeting, an invitation shall be sent to a third meeting to be held in the same conditions as provided for in Article [\(ninety-first\)](#) of this Law. The third meeting shall be valid, regardless of the number of shares [having voting rights](#) represented therein

Article 35: Voting in Assemblies

- 1- Each subscriber shall have the right to [vote for each right](#) represented in the general assemblies. Cumulative voting shall be used in the election of the Board of Directors.
- 2- [Blue chips may not give the right to vote in general assemblies to shareholders, unless the company fails to pay the specified percentage of the company's net profits to the shareholders after deducting the reserves, if any, for a period of three consecutive years.](#)

[Notwithstanding the provision of paragraph \(2\) of this article, blue-chip stocks are given the right to vote in the General Assembly to shareholders if the decision of the General Assembly entails the reduction of the company's capital, its liquidation or the sale of its assets. Each Premium Arrow will have one vote in the General Assembly meeting.](#)

Article 36: Decisions of Associations



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Ordinary General Assembly resolutions shall be issued by a majority of the voting rights represented at the meeting. Extraordinary General Assembly resolutions shall be issued by a two-thirds majority of the voting rights represented at the meeting, unless the decision is to increase or reduce the capital, to extend the term of the company or to dissolve it before the expiration of the period specified in its Statute, to merge it with another company or to divide it into two or more companies. It shall not be valid unless adopted with the consent of three-fourths of the voting rights represented at the meeting. Election of the President of the General Assembly. The Board of Directors shall register with the Trade Register the extraordinary decisions of the General Assembly specified by the Regulations within (fifteen) days from the date of their issuance, provided that the General Assembly resolution shall apply from its date of issuance, except in cases where the Regulations, the Company Basis System or the Decision Issued provide that it is valid at another time or when certain conditions are met.

Article 37: Debate in Assemblies

Each contributor has the right to discuss the topics on the agenda of the Assembly and to ask questions of the members of the Governing Council and the Auditor. The board of directors or the auditor answers shareholders' questions to the extent that the company's interest is not impaired. If the contributor considers that the answer to his question is not convincing, he has appealed to the Assembly, and its decision is in force.

Article 38: Chairing Associations and Preparing Reports

General shareholder assemblies shall be presided over by the chairman or deputy chairman of the board of directors in his absence or by any of its



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members designated by the board of directors in the absence of the chairman or deputy chairman. Failing that, the President of the General Assembly shall be appointed by Council contributors or by a vote.

A record shall be drawn up at the meeting of the Assembly containing the number of shareholders present or represented, the number of shares held by them on behalf of the Office, the number of votes assessed, the decisions taken, the number of votes approved or contrary to them, and a comprehensive summary of the discussions that took place at the meeting. The minutes shall be recorded regularly after each meeting in a special register to be signed by the President, the Secretary-General and the Collector.

Section 6: Review Committee

Article 39: Composition of the Committee

A committee of shareholders or other shareholders shall be established by a decision of the Board of Directors which shall include at least one independent member and shall not include any executive board members. The number of members of the audit committee shall not be less than three or more than five, and the member shall be a financial and accounting specialist.

Article 40: Quorum for the Committee's meeting

The validity of a review committee meeting shall be conditional upon the attendance of a majority of its members. Decisions shall be issued by a majority of the votes of the members present. Where there is a tie, the side with which the chairman voted shall prevail.

Article 41: Terms of reference of the Commission



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The Audit Committee shall be responsible for monitoring the business of the company and, to this end, shall have the right to examine its records and documents and request any clarification or statement from the members of the board of directors or executive management. It may request the board of directors to convene the general assembly of the company if the board of directors impedes its work or the company suffers serious damages or losses.

Article 42: Reports of the Committee

The audit committee shall consider the company's financial statements, reports and notes submitted by the auditor, and shall provide its views, if any, on them. It shall also prepare a report on its opinion on the adequacy of the company's internal control system and on other work within the scope of its competence. The Board of Directors shall deposit adequate copies of this report in the Company's principal position at least twenty-one (21) days prior to the date of the General Assembly to provide a copy to each of the shareholders who so wish. The report is read out during the Assembly.

Section 7: Auditor

Article 43: Appointment of the Auditor

- 1- The company shall have one (or more) auditor among the auditors licensed to work in the Kingdom who is appointed annually by the General Assembly. His remuneration, work time and scope shall be determined. He may be reappointed, provided that the total term of the auditor does not exceed seven consecutive or separate financial years. This period shall be recalculated after not less than three consecutive financial years



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from the date of the last financial year in which he worked on the audit of the company, taking into account that the auditor's work may not be combined with the establishment of the auditing company, its management or the membership of its board of directors. The auditor shall not be a partner, employee or relative of any of the founders, directors, board members or employees of the company. He may not purchase shares or shares in the company whose accounts he audits, or sell them during the period of review.

- 2- The Auditor may, as the case may be, be dismissed by the General Assembly or by shareholders, without prejudice to his right to compensation for damage sustained if he has a claim. The Director or the Chairman of the Board of Directors shall notify the competent authority of the decision and the reasons for the decision within a period not exceeding five days from the date of issuance of the decision.
- 3- An auditor may retire his or her assignment by written notification to the company, the date of submission or a later date specified in the communication, without prejudice to the right of the company to compensation for damage sustained if any. The retired auditor is obliged to submit to the company and competent authority, when reporting, a statement of the reasons for his retirement, and the Governing Council shall convene the General Assembly to consider the reasons for the retirement and to appoint another auditor and determine his fees, duration and scope.

Article 44: Powers of the Auditor



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The Auditor may, at any time, examine the company's [documents, accounting records and supporting documents](#), and request data and clarifications that it deems necessary to obtain to verify the company's assets [and obligations](#), and other matters falling within the scope of its work. The [manager or board of directors of the company shall](#) enable him to perform his duty. If the auditor encounters difficulty in this regard, this is demonstrated in a report to the [Director or the Governing Council](#). If the [Director or the Governing Council](#) does not facilitate the work of the Auditor, they shall be requested to [invite partners or contributors to the meeting or the General Assembly to convene, as the case may be](#), to consider the matter. [The Auditor may issue such an invitation if it is not addressed by the Director or the Governing Council within \(thirty\) days from the date of the Auditor's request.](#)

Section 8: Company accounts and distribution of profits

Article 45: Fiscal year

The Company's financial year starts from the first of January and ends at the end of December of each year. The first fiscal year after the transition is to be a complement to the fiscal year before the transition.

Article 46: Financial documents

- 1) At the end of each financial year, the Board of Directors shall prepare the Company's financial statements and a report on its activity and financial position for the previous financial year. This report shall include the method proposed for the distribution of profits. The Board shall make these documents available to the Auditor at least forty-five (45) days before the date of the General Assembly.
- 2) The documents referred to in paragraph 1 of this Article shall be signed by the chairman, CEO and CFO of the company and copies thereof shall



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be deposited at the head office of the company at the shareholders' disposal

- 3) The Chairman of the Board of Directors shall provide shareholders with the financial statements of the company, the report of the Board of Directors and the report of the Auditor-if any-unless published in any of the modern technical means at least twenty-one days before the date set for the annual ordinary session of the General Assembly, in addition to depositing them with the competent authorities by system.

Article 47: Distribution of profits

The company's annual net profits are distributed as follows:

- 1) A net profit (10%) is avoided for the formation of a firm's statutory reserve. The ordinary General Assembly may decide to discontinue such a set-off when the said reserve (30%) of the paid capital reaches.
- 2) The ordinary General Assembly may, on the proposal of the Governing Council, avoid (5%) net profits to form a Convention reserve for the purposes to be determined by the General Assembly.
- 3) The ordinary General Assembly may, when determining the share of shares in the net profits, decide to establish other reserves, to the extent that it is in the interest of the company or to ensure that as much fixed dividends as possible are distributed to the shareholders. The Association may also deduct from the net profits sums for social purposes for company employees.
- 4) The remainder is then distributed to shareholders with a minimum of 3% of the company's paid capital.
- 5) A company may distribute interim dividends to its shareholders on a semi-annual or quarterly basis after they have met the statutory requirements.



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Article 48: Benefit impartment

The shareholder shall be entrap to its share of profits in accordance with the General Assembly resolution on the distribution of profits to shareholders or the decision of the Governing Council to distribute interim dividends. The resolution shall set out the due date and the date of distribution. The decision shall be implemented within 15 working days from the due date of such dividends specified in the General Assembly resolution or in the Governing Council's decision to distribute interim dividends.

Article 49: Losses of the company

- 1) If the losses of a joint stock company amount to half of the source capital, the Board of Directors shall disclose this loss and its recommendations on such losses within (60) days from the date of its knowledge of the amount, and shall convene the General Assembly in extraordinary session within (180) days from the date of its notification to consider the continuation of the company and take any necessary action to address or resolve such losses..
- 2) A company shall be considered to be subject to the force of the corporate system if the General Assembly does not meet within the period specified in paragraph 1 of this article, if it meets and is unable to pass a decision on the matter, or if it decides to increase the capital in accordance with the conditions prescribed in this Article and not to underwrite each increase in the capital within ninety days from the decision of the Assembly to increase.

Section 9: Disputes

Article 50: Action for liability

Each shareholder has the right to bring the corporate liability action against the board members if the error they have made would cause its own injury. The shareholder may file the said action only if the right of the company to do so is still valid. The shareholder must inform the company of its intention to file the lawsuit.



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Section 10: Dissolution and liquidation of the company
Article 51: Termination of the Corporation

A company shall lapse on one of the grounds for extinction set forth in Article (243rd) of the Companies Regulations and shall cease to enter into liquidation in accordance with the provisions of Part XII of the Companies Regulations. If the company has lapsed and its assets are insufficient to pay its debts or are in default in accordance with the bankruptcy regime, it shall submit to the competent judicial authority for the opening of any liquidation proceedings under the bankruptcy regime.

Section 11: Final provisions

Article 52:

The Companies System and its Regulations shall apply to all that is not provided for in this Law.

Article 53:

This Law shall be deposited and published in accordance with the provisions of the Companies Law and its regulations.