

Kingdom of Saudi Arabia — Ministry of Commerce

No.: (267)

Date: 13/01/1448H

Attachments: 6

To: Messrs. Dar Al-Balad Company for Business Solutions

May God keep them safe

Peace, mercy, and blessings of God be upon you...

With reference to your electronic request received by us under number (MCDB252350), dated 13/01/1448H, regarding a request to amend some provisions of the Company's Articles of Association, as attached to this letter, along with the agenda of the Extraordinary General Assembly of the Company to be presented to the Company's shareholders at the Assembly — and after obtaining approval in accordance with the Board of Directors' resolution, and following review and examination —

We would like to inform you that the Ministry has no objection to presenting the proposed amendments to the Articles of Association at the Extraordinary General Assembly upon its convening, provided that the Ministry is subsequently furnished with a copy of the Assembly's documents and resolutions to complete the legal formalities required in accordance with the text of the second paragraph of Article Eight of the Companies Law.

Please accept our best regards and appreciation,

Director of Operations Management

Sultan Abdullah Al-Otaibi

Attachment (1) Item (2): Proposed Amendments to the Company's Articles of Association

Chapter One: Company Incorporation

Article	Current Text (Before Amendment)	Proposed Text (After Amendment)	Notes
Article (2): Company Name	Dar Al-Balad Company for Business Solutions (a Joint Stock Company)	Dar Al-Balad Company for Business Solutions (a Listed Joint Stock Company)	

Article (8): Company Management

Article	Current Text (Before Amendment)	Proposed Text (After Amendment)	Notes
Article (8) a – Board composition	The Company's management is undertaken by a Board of Directors composed of (5) five members, provided they are natural persons, elected by the shareholders' Ordinary General Assembly for a term not exceeding four years.	The Company's management is undertaken by a Board of Directors composed of (6) six members, provided they are natural persons, elected by the shareholders' Ordinary General Assembly for a term not exceeding four years.	
Article (8) b – Board working procedure	<p>The Board meets at least four times a year upon invitation from its Chairman. The Chairman must call a meeting if requested in writing by any Board member to discuss one or more topics.</p> <p>The Board determines the meeting venue and may hold its meetings using modern technology.</p> <p>The meeting shall be held at the Company's head office or any location the majority of members determine.</p> <p>Quorum for a valid meeting: attendance of 80% of Board members.</p> <p>Quorum for passing resolutions: approval of 80% of members present or represented.</p> <p>Board members may authorize other members to attend on their behalf.</p>	<p>The Board meets at least four times a year upon invitation from its Chairman. The Chairman must call a meeting if requested in writing by any Board member to discuss one or more topics.</p> <p>The Board determines the meeting venue and may hold its meetings using modern technology.</p> <p>The meeting shall be held at the Company's head office or any location the majority of members determine.</p> <p>Quorum for a valid meeting: attendance of 66.66% of Board members.</p> <p>Quorum for passing resolutions: approval of 66.66% of members present or represented.</p> <p>Board members may authorize other members to attend on their behalf.</p>	
	<p>Ordinary and Extraordinary General Assemblies are convened upon invitation from the Board of Directors. The Board must invite the Ordinary General Assembly to convene within thirty days a</p>	<p>Ordinary and Extraordinary General Assemblies are convened upon invitation from the Board of Directors. The Board must invite the Ordinary General Assembly to convene within thirty days a</p>	

Article	Current Text (Before Amendment)	Proposed Text (After Amendment)	Notes
	<p>request from the auditor, or from one or more shareholders representing at least 10% of the Company's share capital.</p> <p>The auditor may invite the Ordinary General Assembly to convene if the Board does not issue the invitation within thirty days of the request.</p> <p>The request must state the matters to be voted on by shareholders.</p> <p>The invitation to convene must be issued at least twenty-one days before the scheduled meeting date, as a minimum, according to the provisions of the Companies' Law, considering the following:</p> <p>(a) Notifying shareholders by registered letters to the addresses recorded in the shareholders' register, or by announcement through modern technology means.</p> <p>(b) Sending a copy of the invitation and the agenda to the Commercial Register, as well as to the Capital Market Authority if the Company's shares are listed on the financial market, by the date the invitation is announced.</p> <p>The invitation must include the right to attend the Assembly meeting and to appoint a proxy from outside the Board of Directors' members, the shareholder's right to discuss items on the agenda and to raise questions, and how to exercise the right to vote.</p> <p>(a) A statement that the Assembly grants, at minimum, the right of a person entitled to attend the meeting to appoint a proxy of their choosing from outside the Board of Directors' members, and a statement of the right to discuss items on the agenda and the manner of exercising the right to vote.</p> <p>(b) The meeting venue and date.</p> <p>(c) The type of Assembly, whether ordinary or extraordinary, and its date and time.</p>	<p>request from the auditor, or from one or more shareholders representing at least 10% of the Company's share capital.</p> <p>The auditor may invite the Ordinary General Assembly to convene if the Board does not issue the invitation within thirty days of the request.</p> <p>The request must state the matters to be voted on by shareholders.</p> <p>The invitation to convene must be issued at least twenty-one days before the scheduled meeting date, as a minimum, according to the provisions of the Companies' Law, considering the following:</p> <p>(a) Notifying shareholders by registered letters to the addresses recorded in the shareholders' register, or by announcement through modern technology means.</p> <p>(b) Sending a copy of the invitation and the agenda to the Commercial Register, as well as to the Capital Market Authority if the Company's shares are listed on the financial market, by the date the invitation is announced.</p> <p>The invitation must include the right to attend the Assembly meeting and to appoint a proxy from outside the Board of Directors' members, the shareholder's right to discuss items on the agenda and to raise questions, and how to exercise the right to vote.</p> <p>(a) A statement that the Assembly grants, at minimum, the right of a person entitled to attend the meeting to appoint a proxy of their choosing from outside the Board of Directors' members, and a statement of the right to discuss items on the agenda and the manner of exercising the right to vote.</p> <p>(b) The meeting venue and date.</p> <p>(c) The type of Assembly, whether ordinary or extraordinary, and its date and time.</p>	

Article	Current Text (Before Amendment)	Proposed Text (After Amendment)	Notes
	(d) An agenda incorporating the required items to be voted on by shareholders.	(d) An agenda incorporating the required items to be voted on by shareholders.	
	<p>The Board of Directors must, before the end of its term, invite the Ordinary General Assembly to convene to elect a new Board. If the election process is delayed and the current Board's term ends, its members continue performing their duties until a new Board is elected, provided the extended term of the outgoing Board does not exceed the period specified by the Companies Law Implementing Regulations.</p> <p>If the Chairman and members of the Board resign, they must call the Ordinary General Assembly to convene to elect a new Board; the resignation takes effect only upon election of the new Board, provided the term of the resigned Board does not exceed the period specified by the Companies Law Implementing Regulations.</p> <p>A Board member may resign from Board membership by written notice addressed to the Chairman of the Board; if the Chairman resigns, notice must be given to the remaining Board members and the Board's secretary; the resignation is effective from the date stated in the notice in both cases.</p> <p>If a Board seat becomes vacant due to the death or resignation of any member, and this results in the Board falling short of the minimum number required for a valid meeting due to non-compliance with quorum requirements, the Board may temporarily appoint a qualified person to the vacant seat, provided the appointee possesses the necessary experience and competence and is not on the Commercial Register's list of persons barred from such appointments, and, if the Company's shares are listed, is not on a similar list maintained by the</p>	<p>The Board of Directors must, before the end of its term, invite the Ordinary General Assembly to convene to elect a new Board. If the election process is delayed and the current Board's term ends, its members continue performing their duties until a new Board is elected, provided the extended term of the outgoing Board does not exceed the period specified by the Companies Law Implementing Regulations.</p> <p>If the Chairman and members of the Board resign, they must call the Ordinary General Assembly to convene to elect a new Board; the resignation takes effect only upon election of the new Board, provided the term of the resigned Board does not exceed the period specified by the Companies Law Implementing Regulations.</p> <p>A Board member may resign from Board membership by written notice addressed to the Chairman of the Board; if the Chairman resigns, notice must be given to the remaining Board members and the Board's secretary; the resignation is effective from the date stated in the notice in both cases.</p> <p>If a Board seat becomes vacant due to the death or resignation of any member, and this results in the Board falling short of the minimum number required for a valid meeting due to non-compliance with quorum requirements, the Board may temporarily appoint a qualified person to the vacant seat, provided the appointee possesses the necessary experience and competence and is not on the Commercial Register's list of persons barred from such appointments, and, if the Company's shares are listed, is not on a similar list maintained by the</p>	

Article	Current Text (Before Amendment)	Proposed Text (After Amendment)	Notes
	<p>Capital Market Authority. The appointment must occur within fifteen days of the vacancy date and must be presented to the Ordinary General Assembly at its first meeting to complete the remaining term of the predecessor.</p> <p>If the conditions required for a valid Board meeting are not met due to a shortfall in the number of members below the minimum specified in the Companies Law or in this Charter, the remaining members must call the Ordinary General Assembly to convene within sixty days to elect the number of members required.</p> <p>A Board of Directors meeting is valid only if attended by at least four members in person or by proxy, provided a member may not act as proxy for more than one absent member.</p> <p>Board resolutions are issued by a majority vote of no less than 80% of the votes of members present or represented; in the event of a tie, the side including the Chairman prevails.</p> <p>A Board resolution takes effect from the date of its issuance, unless the resolution states otherwise or is subject to the fulfillment of certain conditions.</p>	<p>Capital Market Authority. The appointment must occur within fifteen days of the vacancy date and must be presented to the Ordinary General Assembly at its first meeting to complete the remaining term of the predecessor.</p> <p>If the conditions required for a valid Board meeting are not met due to a shortfall in the number of members below the minimum specified in the Companies Law or in this Charter, the remaining members must call the Ordinary General Assembly to convene within sixty days to elect the number of members required.</p> <p>A Board of Directors meeting is valid only if attended by at least four members in person or by proxy, provided a member may not act as proxy for more than one absent member.</p> <p>Board resolutions are issued by a majority vote of no less than 66.66% of the votes of members present or represented; in the event of a tie, the side including the Chairman prevails.</p> <p>A Board resolution takes effect from the date of its issuance, unless the resolution states otherwise or is subject to the fulfillment of certain conditions.</p>	

Chapter Two: Capital and Shares

Article	Current Text (Before Amendment)	Proposed Text (After Amendment)	Notes
New Article "Trading of Shares"	N/A (no equivalent article currently exists)	The Company's shares shall be traded in accordance with the provisions of the Capital Market Law and its Implementing Regulations.	New article added.

Chapter Three: Board of Directors

Article	Current Text (Before Amendment)	Proposed Text (After Amendment)	Notes
New Article "Disclosure of Interest in	N/A (no equivalent article currently exists)	1. A Board member must notify the Board of Directors, as soon as he becomes aware, of any direct or indirect interest he has in business or	New article added.

Article	Current Text (Before Amendment)	Proposed Text (After Amendment)	Notes
<p>Business and Contracts"</p>		<p>contracts carried out for the Company's account. This notification shall be recorded at the minutes of the Board meeting, and the interested member may not vote on the resolution issued in this regard. The Chairman must inform the General Assembly, at its meeting, of the business and contracts in which a Board member has an interest, accompanied by a special report prepared by the Company's auditor in accordance with the auditing standards approved in the Kingdom.</p> <p>2. If a Board member fails to disclose his interest as stated in paragraph (1) of this Article, the Company, or any interested party, may seek from the competent judicial authority the nullification of the contract or the requirement that the member perform his duty, or the return of any profit or benefit he obtained as a result.</p> <p>3. Liability for damages resulting from the business and contracts referred to in paragraph (1) of this Article falls on the interested member and on the Board members if they were negligent or fell short in performing their duties, in violation of the provisions of this paragraph, if it is established that such business and contracts were unfair or involved a conflict resulting in harm to the interests of shareholders.</p> <p>4. Objecting Board members are exempt from liability for the resolution if it is established that they voice their objection explicitly in the minutes of the meeting. Absence from the meeting at which the resolution was issued is not, by itself, grounds for exemption from liability unless it is proven that the absent member was not aware of the resolution, or that he was unable to object after becoming aware of it.</p>	

Chapter Five: Company Finance and Profit Distribution

Article	Current Text (Before Amendment)	Proposed Text (After Amendment)	Notes
<p>New Article "Distribution of Interim Profits"</p>	<p>N/A (no equivalent article currently exists)</p>	<ol style="list-style-type: none"> 1. The Company may distribute interim (semi-annual or quarterly) profits to shareholders, after satisfying the following requirements: <ol style="list-style-type: none"> a. The Ordinary General Assembly has authorized the Board of Directors, by an annual resolution, to distribute interim profits. b. The Company has good and regular profitability. c. The Company has reasonably adequate liquidity and can predict its level of profitability with reasonable certainty. d. The Company has distributable profits, in accordance with the latest audited or reviewed financial statements, sufficient to cover the proposed distribution, after deducting amounts already distributed and their capitalization, as of the date of those financial statements. 2. Profits available for interim distribution consist of the net income for the fiscal year, after deducting all amounts required by law or by the Company's Articles of Association to be set aside as reserves, plus any retained earnings and distributable reserves comprising the distribution. 3. The balance of the share premium account may not be used, within shareholders' equity, to distribute cash profits to shareholders. 4. The Board of Directors must ensure that its annual report presented to the General Assembly includes the proportions of profits distributed to shareholders during the various periods of the fiscal year, in addition to the proposed distribution ratio at year-end, and the aggregate total of these profits. 5. The Company must, when deciding to distribute interim profits, disclose this to the Capital Market Authority and announce it to the public immediately, without delay. 6. The Board of Directors must implement the resolution to distribute profits to eligible shareholders within 	<p>New article added.</p>

Article	Current Text (Before Amendment)	Proposed Text (After Amendment)	Notes
		15 working days of the due date of these profits, as specified in the General Assembly's resolution or the Board's resolution deciding the interim profit distribution.	