



**BYLAWS**  
**OF DR. SULAIMAN AL HABIB MEDICAL SERVICES GROUP COMPANY**  
**(A LISTED JOINT STOCK COMPANY)**

**CHAPTER ONE: CONVERSION OF THE COMPANY**

**Article 1: Conversion**

The company shall be converted, in accordance with the provisions of the Companies Law and its regulations and these bylaws, into a Saudi joint stock company as follows:

**Article 2: Company Name**

Dr. Sulaiman Al Habib Medical Services Group Company (A Listed Joint Stock Company).

**Article 3: Company Objectives**

The company was established for the following objectives:

1. Establishing, managing and operating hospitals, public and specialized medical complexes, clinics, dispensaries and day surgery centers.
2. Establish, manage, and operate support health services centers, ambulance services centers, medical laboratories, analysis and radiology centers.
3. Import, wholesale, and retail trade in medicines, medical and herbal preparations, cosmetics, medical devices and equipment.
4. Owning properties to establish the Company's facilities and investing them in favor of the Company.
5. Managing and operating its subsidiaries or those of others, or participating in the management of other companies in which it has shares.
6. Providing guarantees, loans, and funds to its Subsidiaries.
7. Owning industrial property rights such as patents, trademarks, industrial designs, and franchises, and other intangible rights, and exploitation and leasing thereof for its Subsidiaries or others.
8. General warehouses that store a variety of goods.
9. Pharmaceutical Warehousing.

The company shall carry 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 individually establish companies; it may own shares and stakes in other existing companies or merge with them. It also has the right to establish joint stock or limited liability companies or any legal entities jointly with others after satisfying the requirements of regulations and instructions in this regard within and outside the Kingdom of Saudi Arabia (hereinafter referred to as the "**Kingdom**"). The Company may also dispose of such shares and stakes.

**Article 5: Company's Headquarters**

The main headquarters of the company is located in the city of Riyadh. The Company may establish branches, offices, or agencies within or outside the Kingdom by a decision of the Board of Directors.

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## **Article 6: Company's Duration**

The company's duration is indefinite and commences from the date of HE Minister of Commerce's resolution of announcing the Company's conversion.

## **CHAPTER TWO: CAPITAL AND SHARES**

### **Article 7: Capital**

The issued capital of the Company is set at three billion and five hundred million Saudi Riyals (SAR 3,500,000,000), divided into three hundred and fifty million (350,000,000) nominal shares of equal value, each with a value of ten Saudi Riyals (SAR 10), all of which are ordinary cash shares, with a total paid-up capital of three billion five hundred million Saudi Riyals (SAR 3,500,000,000).

### **Article 8: Subscription to the Shares**

The shareholders subscribed to the entire capital shares, amounting to three hundred and fifty million nominal shares (350,000,000), with a total value of three billion five hundred million Saudi Riyals (SAR 3,500,000,000), and the shareholders paid such value in full. Subscription to the shares or ownership thereof implies acceptance by the shareholder of the Company's bylaws and commitment to the resolutions issued by the general assemblies in accordance with the provisions of the Companies Law and the Company's bylaws, whether present or absent, and whether in favor or opposition to such resolutions.

### **Article 9: Preferred Shares and Redeemable Shares**

The Extraordinary General Assembly of the Company, in accordance with rules set by the relevant authority, may authorize the issuance of preferred shares, or decide to purchase the same, the Extraordinary General Assembly may also convert ordinary shares into preferred shares or the preferred shares into ordinary shares, except in cases where the issuance resolution specifies their automatic conversion into another type or class under certain conditions or after a specified period. The preferred shares do not give their holders the right to vote at Shareholders' general assemblies, except in exceptional cases as specified by the regulations. These shares entitle their holders to get a higher percentage of net profits than the percentage allotted to the holders of ordinary shares after deducting any reserves established in accordance with Article Thirty-Eight (38) of these bylaws.

The Extraordinary general assembly of the Company may issue redeemable shares or decide to purchase the same, subject to the conditions and terms of redemption determined by the Company, and in accordance with the criteria and controls established by the relevant authorities.

### **Article 10: Selling of Non-Fully Paid Shares**

1. Each shareholder shall pay the remaining value of the share on the specified dates. If the shareholder fails to fulfill the payment obligation on the specified dates, the Board of Directors of the Company (hereinafter referred to as the "**Board of Directors**" or the "**Board**") may, after notifying such shareholder by a registered mail or announcing via the capital market website or any modern technological means, sell such share through a public auction or the Stock Exchange, according to the circumstances and in accordance with the regulations set by the Capital Market Authority.
2. The Company shall receive the proceeds from the sale to cover the amounts owed, and shall refund the balance to the shareholder. If the proceeds from the sale are insufficient to cover the outstanding amounts, the Company may use any other funds of the shareholder to fulfill the remaining amount. However, a defaulting shareholder may, up to the date fixed to sell such share, pay the due amount along with the expenses incurred by the Company in this regard.
3. The rights associated with shares that have not been fully-paid shall be suspended upon the expiration of the specified date until their sale or payment of the due amount in accordance with paragraph (1) of this

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article. This includes the right to receive a stake of profits to be distributed and the right to attend and vote at general assemblies' meetings and their resolutions.

4. However, a defaulting shareholder may, up to the date fixed to sell such share, pay the due amount along with the expenses incurred by the Company in this regard. In this case, such shareholder has the right to request the profits decided to be distributed.
5. The company shall cancel the share sold according to the provisions of this article and issue to the purchaser a new share, and make a notation to that effect in the shares register along with the name of the new owner in accordance with the provisions of the Capital Market Law and its implementing regulations.

### **Article 11: Company's Shares**

Shares shall be nominal shares, and they may be divided into shares with a lower nominal value or merge them so that they represent shares with a higher nominal value. However, the shares may be issued at a value higher than their nominal value. In the latter case, the difference in value shall be added as a separate item within the shareholders' equity, to be utilized in accordance with the regulations set by the relevant authorities. A share shall be indivisible vis-à-vis the Company. In the event that a share is owned by several persons, they shall select one person from amongst them to exercise, on their behalf, the rights pertaining to the share. These individuals shall be jointly responsible for the obligations arising from the ownership of the share.

### **Article 12: Shares Trading**

The Company's shares shall be traded on the Capital Market in accordance with the provisions of the Capital Market Law and its implementing regulations.

### **Article 13: Capital Increase**

1. An Extraordinary General Assembly may resolve to increase the Company's issued or authorized capital-if any-, provided that the Company's issued capital shall have been paid up in full. The Company's issued capital may not be paid in full where the unpaid part thereof belongs to shares issued in return for converting debts or financing instruments into shares, while the term prescribed for their conversion has not ended yet.
2. The Extraordinary General Assembly may, in all cases, allocate the shares issued upon increasing the capital or part of them to the employees of the Company and/or its subsidiaries or some of them, or any of that in accordance with the controls and procedures established by the relevant authorities. Shareholders may not exercise preemptive right when the Company issues shares designated for employees.
3. A Shareholder, owning the share at the time of issuing the extraordinary general assembly decision approving the increase of the issued capital or the Board's decision approving the increase of the issued capital within the limits of the authorized capital - if any -, shall have the preemptive right to subscribe to the new shares issued for cash shares. Such shareholder shall be informed of his preemptive right by a registered letter to the address shown in the shareholder register or through any means of modern technology, including the capital increase decision and subscription's terms, method, start and end dates of the subscription, taking into account the type and class of shares such shareholder owns.
4. The extraordinary general assembly may suspend the application of the Shareholders' preemptive right for subscription to capital increase in exchange for cash shares or may grant preemptive right to non-Shareholders in cases it deems to be in the interest of the Company.
5. The Shareholder may sell or waive preemptive right in accordance with controls imposed by the relevant authority.
6. Subject to the provisions of Paragraph 4 above, the new shares shall be distributed to the preemptive rights' holders who requested to subscribe, in proportion to what they have of preemptive rights out of the total of these rights arising from the capital increase, provided that what they obtain shall not exceed what they were

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requesting from the new shares. The remaining new shares shall be distributed to the preemptive rights' holders who requested more than their stakes, in proportion to what they have of preemptive rights out of the total of these rights arising from the capital increase, provided that what they obtain shall not exceed what they were requesting from the new shares. Unless otherwise decided by the Extraordinary General Assembly or otherwise provided for in the Capital Market Law, the remainder of the shares shall be offered to others.

#### Article 14: Capital Decrease

1. Capital may be decreased by a resolution by the extraordinary general assembly if it exceeds the Company's need or if the Company suffers from losses. Only in the last case, the capital may be decreased to less than the limit stipulated in the Companies Law. Such resolution shall be issued only after receiving a statement during the General Assembly developed by the Board of Directors on the reasons necessitating for such decrease, the obligations to be fulfilled by the Company and the decrease's impact on these obligations to fulfill, and report from the Company's External Auditor shall be attached to this statement.
2. If the reason for the capital decrease is due to the capital being in excess of the Company's needs, the creditors must be invited to express their objection -if any- to such decrease within the period specified in the Companies Law from the date specified for holding the extraordinary general assembly meeting to decide on the capital decrease, provided that a statement is attached to the invitation clarifying the amount of capital before and after the decrease, the date of holding the meeting and the effective date of the capital decrease. If any creditor has objected to the decrease and provided the Company with its documents within the time limit set in the laws, the Company shall pay such debt, if already due, or present an adequate guarantee of payment if the debt is due on a later date. The creditor who has notified the Company of his objection to the decrease and whose debt has not been paid if already due, or provided sufficient guarantee to fulfill it if it is due on a later date, may apply to the competent judicial authority before the date specified for holding the extraordinary general assembly to take the decrease's decision, and the competent judicial authority in this case shall have the right to order the payment of the debt, or the provision of sufficient guarantee, or the postponement of the extraordinary general assembly meeting, as the case may be.
3. The capital decrease shall not be invoked against a creditor who submitted his application on the date stipulated by the Companies Law, unless his due debt paid or is provided with sufficient guarantee for the undue amount.
4. Equality among shareholders holding shares of the same type and class must be taken into account when decreasing the capital.

#### Article 15: Sukuk and Bonds

The company may, by resolution of the extraordinary general assembly and in accordance with the Capital Market Law and the relevant regulations and rules, issue any type of tradable debt instruments, whether in Saudi Arabian Riyals or any other currency, within or outside the Kingdom, such as bonds and sukuk. The extraordinary general assembly may, by its decision, authorize the Board of Directors to issue these debt instruments, including bonds and sukuk, or any other debt instruments, whether in part or in several parts, or through a series of issuances under a program or more established by the Board of Directors from time to time. All of this is subject to the timing, amounts, and conditions determined by the Company's Board of Directors, with the authority to take all necessary actions for their issuance.

Furthermore, the Company may issue debt instruments or sukuk convertible into shares, pursuant to a resolution issued by the extraordinary general assembly specifying the maximum number of shares that may be issued in exchange for those instruments or sukuk, whether issued simultaneously or through a series of issuances or under one or more programs for issuing debt instruments or sukuk.

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The Company's Board of Directors, without the need for new approval from this extraordinary General Assembly, may issue 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, or when the conditions for automatic conversion into shares are met, or after the specified period for this conversion has elapsed. The Company's Board of Directors shall take the necessary measures to amend the Company's Bylaws with regard to the number of issued shares and capital. The Company's Board of Directors must complete the procedures for each capital increase in the manner specified by Law for announcing the resolutions of the extraordinary general assembly.

#### **Article 16: Purchase, Selling, and Pledging by the Company of its Shares:**

1. The Company may buy its Ordinary, or Preferred, or redeemable shares in accordance with the regulatory controls set by the relevant authority. The shares purchased by the Company shall not have votes in the Shareholders' General Assemblies.
2. The Company may purchase its shares to use them as treasury shares in accordance with the purposes and controls set by the relevant authority.
3. As part of the employees' stock program, the Company may purchase its shares for the purpose of allocating them to employees of the Company or employees of any wholly or partially owned subsidiaries (whether directly or indirectly) in accordance with the regulatory controls set by the relevant authority.
4. The Company may sell treasury shares in single stage or multiple stages in accordance with the regulations set by the relevant authority.
5. The Company may pledge its shares to guarantee a debt in accordance with the regulations set by the relevant authority.

### **CHAPTER THREE: BOARD OF DIRECTORS**

#### **Article 17: Company's Management**

The management of the Company shall be entrusted to a Board of Directors composed of nine (9) natural members to be appointed by the Shareholders' Ordinary General Assembly for a tenure not exceeding four (4) years. Board members may be re-elected. Each shareholder has the right to nominate themselves or another individual or individuals, whether shareholders or others for membership in the Board of Directors.

#### **Article 18: Expiration or Termination of Board Membership**

The membership of the Board ends upon the expiry of the Board's term or upon the termination of Director's suitability to the Board membership, death, or termination based on the Board's recommendation to the General Assembly. The termination can also occur through dismissal by the General Assembly or if the director is convicted of a crime involving dishonor and breach of trust, or for any reasons stipulated in the regulations or instructions applicable in the Kingdom for the termination of Board of Directors' membership. However, the Ordinary General Assembly may, upon the Board's recommendation, terminate the membership of any director who has been absent from attending three (3) consecutive meetings or five (5) separate meetings during their membership term without a valid excuse acceptable to the Board.

Nevertheless, the Ordinary General Assembly has the right to dismiss all or some of members of the Board of Directors and in such cases, the Ordinary General Assembly shall elect a new Board of Directors or replace the dismissed member -as the case may be- in accordance with the provisions of the Companies Law, its implementing regulations, and the controls specified by the relevant authority.

#### **Article 19: Expiration of the Board's Term, Resignation of its Members, or Vacancy of Membership**

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1. The Board shall call for the Ordinary General Assembly to convene before the end of its term with sufficient time for the election of a Board for the board new term. If the election cannot be conducted and the current Board's term expires, its members shall continue to perform their duties until the election of a new Board for a new term. The duration of the continued service of the Board Members after the expiration of their term shall not exceed ninety (90) days from the date of the Board term's expiration. The Board shall take necessary measures to elect a new Board to replace it before the expiration of the duration period specified in this paragraph.
2. If the Chairman and members of the Board resign, they must call for the Ordinary General Assembly to convene to elect a new Board of Directors. The resignation shall not take effect until the election of the new Board, provided that the duration of the resigned Board shall not exceed one hundred and twenty (120) days from the date of that resignation.
3. A member of the Board of Directors may resign from membership of the Board with a written notification addressed to the Chairman of the Board. If the Chairman of the Board resign, the notification must be directed to the remaining members of the Board and the Secretary of the Board. Resignation shall be effective - in both cases - from the date specified in the notification.
4. If the position of a Director becomes vacant due to his death or resignation and this vacancy does not result in a violation of the conditions necessary for the validity of the Board's meeting due to the number of its members being less than the minimum stipulated in these Bylaws, the Board may appoint temporarily a director to fill the vacant position. The appointed member should possess the necessary expertise and qualifications. The relevant authorities shall be informed within the specified period by Law from the appointment date, provided that such appointment shall be laid before the first Ordinary General Assembly's meeting. The newly appointed member will serve the remaining term of their predecessor.
5. If the necessary conditions are not duly met for the Board of Directors to convene due to the number of its members being less than the minimum stipulated in the Companies Law or these Bylaws, the remaining members must call for the Ordinary General Assembly to convene within sixty (60) days to elect the necessary number of members.

## Article 20: Powers of the Board

Without prejudice to the powers conferred on the General Assembly, the Board shall be vested with full powers to manage the Company in order to achieve its objectives, except as otherwise excluded by a special provision in the Companies Law, its implementing regulations or these Bylaws, or the relevant rules and regulations and do such acts and things that fall within the General Assembly functions. The Company's Board of Director shall be entitled to manage the Company, arrange its affairs inside and outside the Kingdom, and supervise the Company's business, funds and transactions. In addition, the Board shall be entitled to act on behalf of the Company, sign on behalf of the company, enter into tenders, receive and pay amounts, request the implementation of judgments and oppose them, and collect whatever implementation occurs. Moreover, the Board shall have the right to sign all types of contracts, documents and papers, including for example, articles of associations of companies in which the Company holds shares, along with all their amendments, appendices, and resolutions of amendment thereto, signing agreements and legal instruments (sukuk) on behalf of the Company. This may include, but not limited to selling, buying, division and the acceptance thereof, receipt, hand-over, leasing, renting, cashing and paying. It also includes opening, signing, endorsing and receiving commercial papers and making all banking transactions necessary for the activity of the Company and its subsidiaries including opening, closing, drawing from and depositing at accounts, asking for all kinds of facilities and loans in any amounts and signing thereon from commercial banks.

The Board of Directors may request all types of facilities from banks and all financial institutions in their various forms, including, but not limited to, investment funds, financing and financial brokerage companies, custodians, opening portfolios and investment accounts in the name and for the benefit of the Company with investment

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companies and persons licensed by the Capital Market Authority, appointing their managers, and conducting everything related to them, issuing bank guarantees, signing papers and documents for opening/updating the investment account and private investment portfolio agreements in Murabaha and shares, purchase sukuks, bonds, and subscription agreements in investment funds, increase the number of units, fully and partially redeem those units, transfer from the investment account to the current account and vice versa, sign investment account/investment fund/investment portfolio management contracts, change mobile numbers, and all other relevant documents and powers. Opening, operating and closing investment accounts for local, Gulf and international stocks, subscribing to, trading in shares, all securities and financial products of joint-stock companies, updating data, extracting account statements and signing all documents related to that on behalf of the Company. It may also sign the guarantees, request the issuance of guarantees, open credits on behalf of the Company, sign the Treasury and its products, sign guarantees in the Company's name for third-party guarantee and sponsorship purposes, sign contracts and facilities papers on behalf of the Company and its Subsidiaries, sign and cash checks. It may sign Islamic Murabaha agreements and investment contracts. The Board may make all bank transfers on behalf of the Company, request to open and manage online banking services of all kinds, provide guarantees, loans and funds to the subsidiaries of the Company, open and close the investment portfolios for trading in shares, all securities of joint-stock companies and subscriptions in companies. The Board may appoint and dismiss staff and employees, apply for visas, attract and contract with workforce from outside the Kingdom, determine their salaries, issue residence permits (Iqamas), transfer and waive sponsorships, and dispose of the Company's assets, properties and real estates. It has also the right to make procurements, accept and pay the price thereof, make and payoff pledges, make and discharge selling, and receive the price of as well as deliver the product. The Board shall carry out everything that is considered its powers or powers under the companies' law, its implementing regulations, and the relevant rules and regulations. The company shall be committed to all actions and transactions carried out by the Board in its name, even if they are outside its powers, unless those who deal with it are in bad faith or know that those actions are outside the Board's powers.

The Board of Directors may, without obtaining the approval of the Shareholders at a General Assembly:

1. Sell or pledge the Company's assets, real estate properties, Headquarters or shops taking into account the provisions related to the sale of assets stipulated under the Companies Law, its implementing regulations, and the regulations of the Capital Market Authority.
2. Discharge and release the Company's debtors from their obligations.
3. Conclude, maintain or renew a management agreement between the Company and its subsidiaries or third parties for operation and management of the Company's subsidiaries or third parties'.
4. Borrow money for any term and enter into contracts to lend the Company any money needed or provide any other guarantee to replace or fulfill the Company's obligations related to that loan in the Kingdom or anywhere else or enter into any investment.

The Board may also, within the limits of its powers, authorize one or more of its members or others to carry out specific assignment(s).

#### **Article 21: Remuneration of Board Members**

1. The remuneration for the members of the Board of Directors consists of a certain amount, and/ or attendance allowance for meetings, and/or reasonable expenses for attending Board meetings (including travel costs) or otherwise in accordance with the relevant regulations and in accordance with the remuneration policy approved by the Company. The remuneration may be a combination of two or more of the above.. The Ordinary General Assembly shall determine the Directors' annual remuneration, allowances and expenses for attending meetings based on a proposal of the Board of Directors.

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2. The Board of Directors' report to the Ordinary General Assembly at its annual meeting must include a comprehensive statement of all that each Director received or was entitled to receive during the Financial Year in terms of remunerations, allowance for attending meetings, allowance for expenses, and other benefits. This report shall also include a statement of what the Directors received in their capacity as employees or administrators or what they received in exchange for technical, administrative or advisory services to the Company. Moreover, it shall include a statement of the number of the Board meetings and the number of meetings attended by each Director.

## **Article 22: Powers of the Chairman of the Board of Directors, Vice-Chairman , Managing Director, and Board Secretary**

At its first meeting, the Board of Directors shall appoint from among its members a Chairman and a Vice-Chairman, and it may also appoint a Managing Director from among its members. The Vice Chairman of the Board of Directors shall replace the Chairman of the Board of Directors in his absence, and shall have all powers granted to the Chairman of the Board.

In particular, the Chairman shall have the following powers:

1. Invite the Board of Directors to meet, and chair its meetings, along with the meetings of the Shareholder General Assembly.
2. Sign on behalf of the Company and representing it in its relationship with others and with government entities, companies, individuals, courts, notaries, the Board of Grievances, offices for settling commercial paper disputes, arbitration bodies, chambers of commerce and industry, labor courts, Sharia courts of all degrees and categories, civil rights, police departments, and any other official or judicial department. To this end, the Chairman shall have the right to plead, defend, dispute, prosecute, claim, clear, reconcile, waive, make declarations, deny, request oaths, the right to pre-emption, sponsorship, hear and respond to claims, establish evidence, submit defenses, deny handwritings and seals and challenge them for forgery, request and reject the appointment of experts, arbitrators and lawyers, end all the suits filed by or against the Company, accept, apply for the enforcement of, deny, object to, appeal, and challenge, by way of cassation, judgments, and sign all necessary documents in this regard.
3. The Chairman of the Board, or his delegate, shall have the power to individually or jointly establish companies of all kinds, or to hold shares in existing companies of all kinds in the name of the Company, and to buy and sell shares and stocks in other companies in the name of the Company, and to pay and collect the price, and to sign before notaries, and other government entities on their articles of associations, or its amendments' resolutions, whether by increasing or decreasing its capital, entering new shareholders, dismissing shareholders, buying, selling, assigning, liquidating shares or interests, or making amendments to management, modifications of the companies' objectives, amend the type of the companies, or any other amendments or amendment resolution to articles of associations or resolutions, incorporation contracts of the companies, and bylaws, whatever the type of these amendments are. All of the above shall apply to all companies established, or individually or jointly owned by the Company. The Chairman shall also attend assemblies and meetings, including meetings of general assemblies, Shareholders' 'assemblies, boards of directors, boards of managers, discussions and vote on behalf of the Company, or authorize whomever he deems appropriate to attend and vote in the name of the Company, as may be necessary.
4. The Chairman, or his delegate, shall have the right to rent, lease, conclude and terminate contracts, pay and receive the rent, buy real estates in the name and for the benefit of the Company, sell, buy and invest in the fixed and movable real estates, assets, properties of the Company, conclude and terminate contracts, make partnerships in favor of the Company, sell and transfer title of the Company's properties to other parties, as well as accept the same, receive and pay the price, mortgage, and redeem mortgage, assign all rights and

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- cases, receive, amend, and request replacement for title deeds, sort out and sign on behalf of the Company with notaries and all governmental and private entities.
5. Establish, sign, endorse and receive commercial papers, conclude all banking transactions necessary for the Company's activities, including opening, closing, withdrawing and depositing in accounts, request facilities of all kinds from commercial banks, request loans in any amounts, sign loan agreements and guarantees, request and issue guarantees, open credits on behalf of the Company, sign treasury business and its products, sign guarantees on behalf of the Company to guarantee third parties, sign facility contracts and documents on behalf of the Company and its subsidiaries, sign and cash cheques, sign Islamic Murabaha agreements and investment contracts, carry out all bank transfers on behalf of the Company, request opening and management of all types of online banking services, provide guarantees, loans and funds to subsidiaries, open and close investment portfolios for trading in shares of joint-stock companies and all securities and subscriptions of companies.
  6. Appoint and dismiss employees and workers, request visas, recruit and contract with labor from outside the Kingdom and determine their salaries thereof, issue residence permits (Iqamas), transfer and assign sponsorships, approve the Company's internal regulations and policies, decide to open branches to the Company inside and outside the Kingdom, request the issuance, modification, renewal and cancellation of licenses, issuance of the main and sub-commercial registrations, sign any additional changes that occur to them, such as deleting, adding, modifying, or highlighting, assigning the originals of the commercial registrations, assign the Company and subsidiaries' commercial registrations, register, assign, and license the use of trade names, trademarks and intellectual property rights, sign with all chambers of commerce and industry in the Kingdom of Saudi Arabia and abroad, authorize or dismiss any one he sees fit in respect of business with chambers of commerce and industry in the Kingdom of Saudi Arabia and abroad.
  7. The Chairman of the Board of Directors shall, within the scope and competencies of the Company's business, carry out any other duties entrusted to him by the Board of Directors or stipulated in these Bylaws, and shall have the right to exercise all such powers within and outside the Kingdom.
  8. The Chairman of the Board may delegate or authorize one or more of the Board members or a third party to carry out a function or certain functions related to the Company's business or the aforementioned powers, and to isolate him and give him the right to delegate others, by virtue of a power of attorney or a written authorization or resolution.

The Managing Director, if appointed, shall have the powers determined for him by the Board of Directors.

The Board of Directors shall determine, at its discretion, the special additional remuneration that the Chairman of the Board and the Managing Director may receive.

The Board of Directors shall appoint a Secretary to the Board, whether from amongst its members or otherwise, and shall determine his salary. The Secretary shall record and maintain the minutes of the meetings of the Board of Directors, along with the resolutions issued in such meetings, in addition to other functions entrusted thereto by the Board of Directors. The term of the membership of the Chairman, Vice-Chairman, the Managing Director and the Board Secretary, if a member of the Board, shall not exceed their respective terms as members in the Board. The Board of Directors may dismiss the Chairman of the Board, the Vice-Chairman, the Managing Director, the President and the Chief Executive Officer, and the Board Secretary, or any of them, from those positions, and such action does not entail removing them from their membership in the Board of Directors.

### **Article 23: President and Chief Executive Officers**

The Board of Directors may appoint from among its members or otherwise a Chief Executive Officer of the Company, who shall implement the resolutions of the Board, oversee the day-to-day operations of the Company and manage its employees under the supervision and control of the Board of Directors. The Chief Executive Officer shall have

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the powers as determined by the Board of Directors. He may delegate or authorize one or more of the Company's employees or third parties to carry out a function or certain functions related to the Company's business by virtue of power of attorney or written authorization.

#### **Article 24: Board Meetings**

1. The Board of Directors shall convene upon the invitation of its Chairman or his representative (in the event of his absence). The Chairman or his representative - in the event of his absence - must invite the Board to the meeting whenever requested to do so in writing by any member of the Board to discuss one topic or more. The Board shall meet at least four (4) times a year. The invitation shall be in writing and may be delivered by hand, sent by mail, fax, or any other modern technology means such as e-mail, text messages, portals, electronic applications, or any other means agreed upon by all members of the Board. The invitation shall include the date, time, and designated location of the meeting, along with an agenda and any relevant documents. Such invitation must be addressed to each member of the Board at least five (5) days prior to the date set for the meeting. The invitation may also be sent within a period of less than five (5) days if the situation requires the meeting in an emergency manner.
2. The board shall determine the venue for its meetings, and meetings of the Board of Directors may be conducted using modern technology means.

#### **Article 25: Quorum for Board Meetings and its Resolutions**

1. Board meetings shall only be deemed valid if attended by at least five Directors-whether they attended in person or by proxy-. A Director may delegate another Director to represent him at the Board meetings, in accordance with the following controls:
  - a. A Director may not be represented by more than one Director in attending that meeting.
  - b. A proxy shall be confirmed in writing and for a specific meeting for the Board. The proxy may be sent via e-mail, using modern technology, or any other means.
  - c. A Board member acting by proxy may not vote on resolutions on which his principal is prohibited from voting under the law.
2. The Board's resolutions shall be adopted by at least a majority of the votes of the members present –in person or by proxy-. In the event of a tie, the side with which the Chairman of the meeting voted shall prevail.
3. The Board's resolution shall takes effect from its issuance date, unless otherwise stipulated for its validity at other time or upon fulfilment of specific conditions

Directors may participate in Board meetings via video, or any modern technology means such as portals or electronic applications, or any other means of communication, in accordance with the controls determined by the competent authority, if any, provided that each of the participating Board members can hear the other Board members participating in the meeting. Every Director shall acknowledge his or her attendance at the meeting and that he/she can hear other Directors participating in the meeting. If a Director does not acknowledge attendance, he/she shall not be authorized to speak or vote at the meeting.

#### **Article 26: Issuing Decisions on Urgent Matters**

The Board of Directors may issue decisions on urgent matters by circulation to all members, unless a member submits a written request for a board meeting to deliberate such matters. The decisions shall be passed by the majority vote of members, such decisions shall be presented to the Board of Directors at its subsequent meeting to be recorded in the minutes of the that meeting.

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### **Article 27: Deliberations of the Board**

1. Deliberations and resolutions of the Board of Directors shall be recorded in minutes to be prepared by the Board Secretary to be signed by the meeting chairperson, attending Board members, and the Board Secretary.
2. These minutes shall be recorded in a special register to be signed by the Chairman of the Board of Directors and the Board Secretary.
3. Modern technology means, such as email, text messages, portals, electronic applications, or any other means, may be used to sign and record deliberations and decisions, and record minutes.

### **Article 28: Conflict of Interests**

The Board member shall inform the Board of any direct or indirect personal interests they may have in the business and contracts conducted on behalf of the company. This notification shall be recorded in the minutes of the Board meeting, and the member with the conflicting interest shall not be entitled to vote on the decision to be adopted in this regard.

### **Article 29: Board Committees**

The Board of Directors may form any committee or committees to assist in carrying out its duties or as may be required by the Company's regulations, provided that the Board's decision issued to form any of its affiliated committees shall specifically outline the committee's purpose, duration of operation, granted powers, and the method of the Board's oversight

## **CHAPTER FOUR: SHAREHOLDER'S GENERAL ASSEMBLIES**

### **Article 30: Shareholders' General Assembly Meeting**

1. Shareholder general assembly meetings shall be chaired by the Chairman of the Board of Directors, the vice- Chairman in case of the Chairman's absence, or any member designated by the Board of Directors in the absence of both the Chairman and Vice- Chairman. If none of the above is possible, the shareholders shall vote to designate a Board member or any other person to chair the general assembly meeting.
2. Every shareholder shall have the right to attend the Shareholders' General Assembly meeting, and may appoint another person who is not a member of the Board of Directors, to attend the General Assembly meeting on their behalf.
3. The General Assembly shall convene in the city where the Company's main headquarters is located or as determined by the Board of Directors. The General Assembly meeting may be held and the shareholder may participate in the deliberations and vote on the decisions by means of modern technology and in accordance with the controls specified by the competent authorities.

### **Article 32: Powers of the Ordinary General Assembly**

Except for matters within the powers of the extraordinary general assembly, the ordinary general assembly shall have the powers necessary over all other Company matters. It shall convene at least once a year within the six months following the end of the Company's fiscal year. Additionally, other ordinary assemblies may be called whenever necessary.

### **Article 33: Powers of the Extraordinary General Assembly**

The extraordinary general assembly shall have the powers stipulated in the Companies Law. The extraordinary general assembly may issue decisions on matters originally falling within the powers of the ordinary general assembly, subject to the same terms and conditions applicable to the ordinary general assembly.

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### **Article 33: Call for General Assemblies**

1. Shareholders' general and private assemblies shall convene at the invitation of the Board of Directors. The invitation to convene the assembly shall be sent at least twenty-one (21) days prior to the date specified for it by publishing the invitation and agenda through any means of modern technology in accordance with the relevant laws and regulations, and in accordance to the controls determined by the competent authorities.
2. The Board of Directors shall call for the ordinary general assembly to convene within thirty (30) days from the date of the request of the auditor, the audit committee, or one shareholder or more who represent at least (10%) ten percent of the Company's shares that have voting rights.. The auditor may call for the ordinary general assembly to convene if the Board did not send the invitation within thirty days from the date of auditor's request.
3. General assembly meetings of shareholders may be held, and the shareholder may participate in its deliberations, and vote on its decisions, through modern technology means, in accordance with the regulations determined by the relevant authority.

### **Article 34: Quorum of the Ordinary General Assembly Meetings**

1. An ordinary general assembly meeting shall be deemed valid only if attended by shareholders who represent at least a half of the Company's voting shares.
2. If the quorum cannot be attained to hold the ordinary general assembly meeting in accordance with paragraph (1) of this article, an invitation shall be published to call for a second meeting, within the thirty (30) days following the date specified for holding the previous meeting. Nevertheless, a second meeting may be held one hour after the end of the period specified to hold the first meeting provided that the invitation to hold the first meeting shall include the possibility of having a second meeting. In all cases, the second meeting shall be deemed valid irrespective of the number of the voting shares represented therein.

### **Article 35: Quorum of the Extraordinary General Assembly Meetings**

1. An extraordinary general assembly meeting shall be deemed valid only if attended by shareholders who represent at least a half of the Company's voting shares
2. . If the quorum cannot be attained to hold the extraordinary general assembly meeting in accordance with paragraph (1) of this article, an invitation shall be published to call for a second meeting. Nevertheless, a second meeting may be held one hour after the end of the period specified to hold the first meeting provided that the invitation to hold the first meeting shall include the possibility of having a second meeting. In all cases, the second meeting shall be deemed valid if attended by shareholders who represent at least one-quarter (1/4) of the voting shares.
3. If the necessary quorum to hold the second meeting is not met, an invitation shall be published for a third meeting to be held under the same conditions stipulated in Article Ninety-One (91) of the Companies Law, and the third meeting shall be deemed valid irrespective of the number of voting shares represented therein.

### **Article 36: Voting in General Assemblies**

Each Shareholder shall have a vote for each share in the General Assemblies. Cumulative voting shall be used when electing the members of the Board of Directors, so that the voting right for a share may not be used more than once. Members of the Board of Directors may not participate in voting on the Assembly's decisions that relate to their discharge of liability during their term, vote on the agenda item related to remuneration for Board members, and vote on the Assembly's decisions that relate to business and contracts, in which they have a direct or indirect interest or that involve a conflict of interest.

### **Article 37: General Assemblies' Resolutions**

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1. Resolutions of an ordinary general assembly shall be passed by the majority of vote of voting rights represented in the meeting.
2. Resolutions of an extraordinary general assembly meeting shall be passed by the vote of two-thirds of the voting shares represented in the meeting. Resolutions relating to the increase or decrease of capital,, or dissolution of the Company, or merger of the Company with another company, or division of the Company into two companies or more shall be deemed valid only if made by the vote of (three-quarters) of the voting shares represented in the meeting.
3. Resolutions of the Company's general assemblies shall become effective from the date of their issuance, unless the relevant laws, these Bylaws, or said resolutions stipulate a specific date or condition for their effectiveness.

#### **Article 38: Discussion in General Assemblies**

Any shareholder may discuss the items included on the agenda of the general assembly and direct related questions to board members and the auditor. The board of directors or the auditor shall answer the questions of shareholders to the extent that does not undermine the Company's interests. If a shareholder is not satisfied with the response to his question, he may request the general assembly to decide thereon and its decision shall be final.

#### **Article 39: Preparation of General Assemblies' Meetings Minutes**

Minutes of assembly meetings shall be written and shall indicate the number of shareholders in attendance, whether in person or by proxy; the number of shares held by each attendee, whether personally or by proxy; the number of votes designated thereto; the decisions made; the number of consenting and dissenting votes; and a summary of meeting discussions. The minutes shall be recorded on a regular basis after every meeting in a special register and signed by the assembly's Chairman, secretary, and by the vote counters.

### **CHAPTER FIVE: THE AUDITOR**

#### **Article 40: Appointment, Removal, and Resignation of an Auditor**

A Company shall have one auditor, (or more), licensed to practice in the Kingdom. His appointment, fees, term, and scope of work shall be determined by the general assembly. He may be reappointed provided that the period of his appointment does not exceed the period specified in the relevant laws and regulations.

1. Pursuant to a decision taken by the general assembly, the auditor may be removed, and the Chairman of the Board of Directors must inform the relevant authority of the removal decision and its reasons, within the period specified in the relevant regulations.
2. The auditor may resign pursuant to a written notice submitted to the Company. His assignment shall terminate from the date of submitting the resignation notice or at a later date as specified therein, without prejudice to the Company's right to compensation for any damage it incurs, if justified. The resigning auditor shall, upon submission of the notice, provide the Company and the competent authority with the reasons for his resignation. The Company's Board shall call the general assembly to be held to review said reasons and to appoint another auditor and determine his fees, term, and scope of work.

#### **Article 41: Powers of Auditor**

The auditor may, at any time, access the Company's files, accounting records, and other supporting documents, and he may request any information and clarifications he deems necessary to verify the Company's assets and liabilities as well as any other matters falling within his scope of work. The Board of Directors shall enable the auditor to carry out his assignment. If the auditor encounters any difficulty in carrying out his assignment, he shall submit a report to this effect to

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the Board of Directors. If the Board of Directors fails to facilitate the auditor's work, the auditor shall submit a request thereto to call for a meeting of the general assembly to review the matter. If the Board of Directors fails to call for the said meeting within thirty (30) days from the date of the auditor's request, the auditor himself may call for such a meeting.

## **CHAPTER SIX: COMPANY FINANCES AND DISTRIBUTION OF DIVIDENDS**

### **Article 42: Fiscal Year**

The Company's fiscal year commences on the first day of January and concludes on the 31<sup>st</sup>. of December each year. The first fiscal year starts from the date of the ministerial decision approving the conversion announcement and extends until the 31<sup>st</sup>. of December of the following Gregorian year.

### **Article 43: Financial Documents**

1. The Board of Directors shall, at the end of the Company's fiscal year, prepare the Company's financial statements as well as a report on its activities and financial position for the ending fiscal year. Said report shall include a proposal on the manner of distributing dividends. The Board shall make such documents available to the auditor, at least forty-five (45) days prior to the date set for the annual ordinary general assembly meeting.
2. The documents referred to in paragraph (1) of this Article shall be signed by the Chairman of the Company's Board of Directors and its chief executive officer as well as by its chief financial officer. Copies of such documents shall be maintained at the Company's headquarters and made available to shareholders.
3. The Chairman of the Board of Directors shall provide the shareholders with the Company's financial statements and the Board of Directors' report after signing the same, as well as the auditor's report, unless they are published using any means of modern technology, at least twenty-one (21) days prior to the date set for the annual ordinary general assembly meeting. The Chairman of the board shall also deposit such documents in accordance with the relevant rules and regulations.

### **Article 44: Formation of Reserves**

1. The ordinary general assembly may, when determining the share's dividends from the net profit, decide to form other reserves to the extent they serve the Company's interests or ensure the distribution of constant dividends, as feasible, to the shareholders. Said assembly may allocate amounts from the net profit for social objectives that benefit the Company's staff, or to establish non-profit institutions, or to assist existing ones to serve the community.
2. The ordinary general assembly may, upon a recommendation by the Board of Directors, decide to use these reserves that the shareholders previously decided to set aside, including any reserves that were set aside in accordance with any regulatory requirements that preceded the date of adoption of these Bylaws for the benefit of the Company or the shareholders.
3. The Board of Directors may recommend to the ordinary general assembly the formation of optional reserves or additional financial allocations for the Company, and the general assembly decides, upon a recommendation by the Board of Directors, the amount of these reserves, their purposes and use.

### **Article 45: Distribution of Dividends**

The general assembly shall, upon a recommendation by the Board of Directors, determine the percentage of the net profit to be distributed to the shareholders after deducting the reserves (if any), in accordance with what the regulations require in this regard, taking into account what is stated in these bylaws.

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## **Article 46: Entitlement to Dividends and Interim Dividends**

shareholders shall be entitled to their share in dividends pursuant to a decision issued by the general assembly. The decision shall specify eligibility and distribution dates. Shareholders registered in the shareholders' register by the end of the eligibility date shall be eligible to receive dividends.

The Company may distribute dividends to its shareholders on a semi-annual or quarterly basis after fulfilling the controls set by the relevant authorities pursuant to a delegation issued by the ordinary general assembly to the Board of Directors to distribute interim dividends.

## **Article 47: Distribution of Dividends allocated for preferred shares**

1. Shall no dividends be distributed for any financial year; dividends for the following years may not be distributed till paying the percentage specified as stipulated in the Companies Law to preferred shares' holders for this year.
2. If the Company fails to pay holders of the preferred shares the specified percentage of net profits after deduction of reserves (if any) for three consecutive years, the Special Assembly of holders of preferred shares, held in accordance with the provisions of the Companies Law, may resolve to allow them to attend the Company's general assembly meetings and participate in voting until the Company is able to pay all profits allocated to holders of such Shares from all previous years. Each Preferred Share shall have one vote in the General Assembly, and the holder of a Preferred Share may, in this case, vote on all agenda items of the General Assembly without any exceptions

## **Article 48: Company's Losses**

If the Company's losses amount half of the issued capital,, a the Board of Directors shall, within 60 days from the date of its knowledge thereof, announce the losses and the recommendations relating thereto, and shall, within (180) days from said date, call for an meeting to consider the continuation of the company by taking measures necessary to resolve such losses or the dissolution of the company.

## **CHAPTER SEVEN: DISPUTES**

## **Article 49: Derivative Action**

1. The Company may initiate a derivative action against the Board members for any damage incurred by the Company resulting from the violation of the Companies Law or the Company's Bylaws or from a wrongful act, negligence, or omission in the performance of their duties. The decision to initiate the action and to designate a representative on behalf of the Company to pursue such action shall be made by the general assembly. If the Company is under liquidation, the liquidator shall initiate the action. If any liquidation proceedings are initiated against the Company under the Bankruptcy Law, the action shall be initiated by its legal representative.
2. A single shareholder, or more, representing 5% of the Company's capital, may initiate a derivative action on behalf of the Company if such action is not initiated by the Company, provided the action serves the interests of the Company and is based on valid grounds, and the plaintiff is acting in good faith and is a shareholder in the Company at the time of initiating the action.
3. To initiate the action referred to in paragraph (2) of this Article, the Company's Board of Directors, shall be notified of the intent to initiate the action at least 14 days prior to the initiation date.
4. A shareholder may initiate a private right of action against the members of the Board of Directors if the wrongful act attributed thereto results in a damage personally affecting him.

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## **CHAPTER EIGHT: COMPANY TERMINATION AND LIQUIDATION**

### **Article 50: Company Termination**

The Company shall be terminated for any of the reasons stipulated in the provisions of the Companies Law, upon termination, the Company shall enter into liquidation in accordance with the provisions of the Companies Law. If the Company is terminated and its assets are not sufficient to pay its debts, or if it is distressed under the Bankruptcy Law, it shall petition the competent judicial authority to initiate any liquidation proceedings under the Bankruptcy Law.

## **CHAPTER NINE: CONCLUDING PROVISIONS**

### **Article 51: Companies Law**

1. The Company shall be subject to the regulations in force in the Kingdom of Saudi Arabia.
2. Any text in these Bylaws that contravenes the provisions of the Companies Law shall not be valid and the provisions contained in the Companies Law shall be applied to it. Absent of a specific provision in these Bylaws shall be subject to the provisions of the Companies Law and its implementing regulation.

### **Article 52: Approval of the Bylaws**

All shareholders have agreed to the Company's Bylaws, and undertake, together with the New Shareholders, to comply therewith.

### **Article 53: Publication**

These Bylaws shall be deposited and published in accordance with the Companies Law and its regulations.

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