



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

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

CHAPTER ONE: CONVERSION OF THE COMPANY

ARTICLE NO.1: CONVERSION

In accordance with the provisions of the Companies Law and its Regulations, the company shall be converted into a Saudi joint stock company according to the following:

ARTICLE NO.2: COMPANY NAME

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

ARTICLE NO.3: COMPANY OBJECTIVES

The Company's objectives are as follows:

1. Establishing, managing and operating hospitals, public and specialized medical complexes, clinics, dispensaries and outpatient surgery centers.
2. Establishing, managing and operating support health centers, ambulatory transportation services, medical laboratories, and analysis, as well as radiology centers.
3. Import, whole and retail trade medicines, medical and herbal products, 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 others, or participating in the management of other companies in which it has shares.
6. Providing guarantees, loans, and funds to its Subsidiaries.
7. Possessing the industrial property rights including patents, trademarks, franchise rights and other intangible rights and exploitation and leasing thereof for its Subsidiaries or others.

The Company shall engage in its activities in accordance with the applicable laws, after obtaining the necessary licenses from the competent authorities, if any.

ARTICLE NO.4: SHAREHOLDING AND OWNERSHIP IN COMPANIES

The Company may individually establish companies, it may own shares and interests in other existing companies or merge with them. It also has the right to establish joint-stock or limited liability companies jointly with others after satisfying the requirements of regulations and instructions in this regard within and outside the Kingdom. The Company may also dispose of such shares and interests, excluding brokerage in such shares or interests.



ARTICLE NO.5: COMPANY'S HEAD OFFICE

The Company's head office shall be in Riyadh. The Company may open branches, offices or agencies inside and outside of Saudi Arabia upon the approval of Board of Directors.

ARTICLE NO.6: COMPANY'S DURATION

The term of the Company shall be ninety-nine (99) Gregorian years commencing from the date of issuance of the resolution of HE Minister of Commerce and Investment announcing the Company's conversion. The Company's term may always be extended under the Extraordinary General Assembly's resolution at least one year prior to the expiration of its term.

CHAPTER TWO: COMPANY'S SHARES AND CAPITAL

ARTICLE NO.7: COMPANY'S SHARE CAPITAL

The Company's capital is set at three billion, five hundred million Saudi Riyals (SAR 3,500,000,000) divided into three hundred fifty million (350,000,000) nominal shares of equal values of SAR 10 each, all of which are ordinary cash shares.

ARTICLE NO.8: SUBSCRIPTION TO THE SHARES

The Shareholders subscribed to the total capital shares of three hundred fifty million (350,000,000) shares valued at three billion, five hundred million Saudi Riyals (SAR 3,500,000,000). They paid such value in full.

ARTICLE NO.9: PREFERRED SHARES

The Extraordinary General Assemblies of the Company may, based on the rules set by the competent authority, issue preferred shares, or decide to purchase the same or convert ordinary shares into preferred shares or the preferred shares into ordinary shares. The preferred shares do not give their holders the right to vote at Shareholders' general assemblies. However, such shares give their holders the right to get a higher percentage of net profits than the percentage allotted to the holders of ordinary shares after appropriation of the statutory reserve.

ARTICLE NO.10: SELLING UNPAID SHARES

Each Shareholder shall pay the value of a share when due. If the Shareholder fails to pay the value of such share, when it falls due, the Board of Directors may, after notifying such Shareholder by registered mail or announcement via CMA, sell such Shares in a public auction or a stock market, according to the circumstances and in accordance with the regulations specified by the competent authority.

The Company shall recover from the proceeds of the sale such amounts as are due to it and shall refund the balance to the Shareholder. If the proceeds of the sale are insufficient to meet such amounts, the Company may recover the remainder from all Shareholder's funds. However, a defaulting Shareholder may, up to the date fixed to sell such Shares, pay the outstanding value of the Share plus all expenses incurred by the Company.



The Company shall cancel the share sold in accordance with this Article, issue the purchaser a new share bearing the number of the cancelled share, and make a notation to that effect in the shares register along with the name of the new Shareholder.

ARTICLE NO.11: ISSUANCE OF SHARES

The shares shall be nominal Shares and may not be issued at less than their nominal value. However, the shares may be issued at a value higher than their nominal value, in which case the difference in value shall be added to a separate item in the Shareholders' equity. They may not be distributed as dividends to the Shareholders. 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, and they shall be jointly responsible for the obligations arising from the ownership of the share.

ARTICLE NO.12: SHARES TRADING

Shares that are subscribed for by the Shareholders shall not be traded before the publication of the financial statements for two Financial Years, each being no less than twelve months, from the date of the conversion of the Company. The instruments shall contain information regarding the nature of the Shares, the date on which the Company was converted, and the period during which such instruments may not be traded.

It shall be permissible during such lock-up period to transfer the ownership of shares in accordance with the provisions for the sale of the rights from one Shareholder to another, by one of the heirs of a Shareholder to another party in the event of the death of the Shareholder or, for purposes of enforcement against an insolvent or bankrupt Shareholder, provided that the priority for owning such shares shall be given to the other shareholders.

The provisions of this Article shall also apply to such shares that are subscribed for by Shareholders in case of an increase of capital prior to the expiry of lock-up period.

ARTICLE NO.13: SHAREHOLDER REGISTER

The Company's shares shall be traded according to the Capital Market Law and its implementing regulations.

ARTICLE NO.14: CAPITAL INCREASE

1. An Extraordinary General Assembly may resolve to increase the Company's capital, provided that the paid capital shall have been paid up in full. The 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. In all cases, the Extraordinary General Assembly may allocate any or some of issued shares to employees in the Company and/or its Subsidiaries when the capital or part thereof increases. 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 capital, shall have the preemptive right



- to subscribe in the new shares issued for cash shares. Such Shareholders shall be informed of their preemptive right through an announcement in a daily newspaper or a registered mail, including the capital increase decision and subscription's terms, duration and start/end dates.
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 give priority to non-Shareholders in cases that it sees appropriate for the interest of the Company.
 5. The Shareholder may sell or waive preemptive right during a specific period of time from the issuance of the General Assembly's approval to increase capital to the last day of subscription for the new shares that are related to these rights in accordance with controls imposed by the competent authority.
 6. Subject to the provisions of Paragraph 4 above, the new shares shall be distributed to the preemptive rights' holders applying for subscription in proportion to their preemptive rights out of the total preemptive rights arising from the capital increase, provided that what they obtain shall not exceed what they were requesting from the new shares. The remaining new shares shall be distributed to the preemptive rights' holders who requested more than their shares, in proportion to their preemptive rights out of the total preemptive 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 NO.15: CAPITAL DECREASE

Capital may be decreased by a decision of 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 Article 54 of the Companies Law. Such decision shall be issued only after receiving a special report developed by the Auditor on the reasons for such reduction, the obligations to be fulfilled by the Company and the reduction impact on such obligations.

If the reason for the capital reduction is due to the capital being in excess of the Company's needs, the creditors must be invited to express their objection to such reduction within sixty (60) days from the publication date of reduction decision in a daily newspaper distributed in the region where the Company's Head Office is located. If any creditor has objected and provided the Company with its documents within the time limit set above, 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.

ARTICLE NO.16: SUKUK AND BONDS

In return for loans it obtains, the Company may issue negotiable and indivisible bonds or Sukuks of equal values in accordance with the provisions of the Companies Law and the Capital Market Law.



ARTICLE NO.17: PURCHASE, SELLING AND PLEDGE BY THE COMPANY OF ITS SHARES

1. The Company may buy its Ordinary and Preferred Shares in accordance with the regulatory controls set by the competent authority. The shares purchased by the Company shall not have votes in the Shareholders' assemblies.
2. The Company may purchase its shares to use them as treasury shares in accordance with the purposes and controls set by the competent authority.
3. As part of the Employee Stock Program, the Company may purchase its shares in favor of its employees or employees of a subsidiary affiliated wholly or partly to the Company (either directly or indirectly) in accordance with the regulatory controls set by the competent authority.
4. The Company may sell its treasury shares in single stage or multiple stages in accordance with the regulations set by the competent authority.
5. The Company may pledge its shares to guarantee a debt in accordance with the regulations set by the competent authority.

CHAPTER THREE: BOARD OF DIRECTORS

ARTICLE NO.18: COMPANY'S MANAGEMENT

The Company is managed by a Board of Directors consisting of nine (9) members to be appointed by the Shareholders' Ordinary General Assembly for a tenure not exceeding three (3) years. As an exception, the Shareholders appointed the first Board of Directors for a tenure of five (5) years commencing as of the date of the Minister of Commerce's resolution declaring the conversion of the Company.

ARTICLE NO.19: EXPIRY OF BOARD MEMBERSHIP

The membership of the Board shall be terminated upon the expiry of the Board's term or upon the termination of Director's membership in the Board in accordance with any applicable law or instructions in the Kingdom. However, the Ordinary General Assembly has the right to dismiss all or some of the Directors at any time, without prejudice to the right of the dismissed Director towards the Company to claim compensation if the dismissal occurs for an unacceptable reason or at an unfavorable time. The Director may retire, provided that this shall be in a timely manner or otherwise he/she shall be responsible before the Company for the damages that follow his/her retirement.

ARTICLE NO.20: BOARD VACANCY

When the office of a Director becomes vacant, the Board may appoint a temporary director with the experience and adequacy to fill the vacancy. The Ministry, the Capital Market Authority and other competent authorities shall be informed within five Business Days from the appointment date, provided that such appointment shall be laid before the first Ordinary General Assembly's meeting. The new director shall complete the unexpired term of his predecessor. If the number of Directors falls below the minimum number prescribed in the Companies' Law or the Bylaws, the remaining Directors shall call for the Ordinary General Assembly meeting within sixty days to elect the required number of Directors.



ARTICLE NO.21: 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 stated in the Companies Law or the Bylaws, and do such acts and things that fall within the General Assembly functions. The Board 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, enter into tenders, receive and pay amounts, ask for, reject, and appeal judgments, and receive the outcome of implementation. Moreover, the Board shall have the right to sign all types of contracts, instruments, and documents, including bylaws of the companies in which the Company holds shares along with all amendments, appendixes, and resolutions of amendment thereto and supplements thereof and sign agreements and deeds on behalf of the Company. This may include, but not limited to buying, selling, 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 from commercial banks and loans in any amounts and signing thereon. 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 on behalf of the Company to ensure third parties, sign contracts and facilities papers on behalf of the Company and its Subsidiaries, sign and cash checks. It may sign Islamic Murabaha contracts and investment agreements. The Board may make all bank transfers on behalf of the Company, request to open and manage the Internet banking service of all kinds, provide guarantees, loans and financing to the Subsidiaries and open and close the investment portfolios for trading in shareholding companies' shares, all securities, and subscriptions in companies. The Board may appoint and fire staff and employees, apply for visas, attract and contract with workforce from outside KSA, determine their salaries, issue residence authorization cards (Iqamas), transfer and waive sponsorships, and dispose of assets, properties and real estates. It has also the right to make and accept procurements, 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 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, Head Office or shops.
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 its 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 of Directors may, within the limits of its authorities, deputize one or more of its members or others to carry out specific assignment(s).



ARTICLE NO.22: REMUNERATION OF THE BOARD OF DIRECTORS

A Director' remuneration consists of an annual remuneration, a percentage of the profits of no more than %10 of the net profits, attendance allowances, reasonable expenses for Board meeting attendance (including travel costs) and other benefits not exceeding the limits set forth in the Companies Law, Regulations thereof and Bylaws. The Ordinary General Assembly shall determine the Directors' annual remuneration, allowances and expenses of attendance upon a proposal of the Board of Directors. The Board of Directors' report to the Ordinary General Assembly must include a comprehensive statement of all the amounts received by the Directors during the Financial Year in the way of remunerations, expenses and other benefits. This report shall also include the amounts received by the Directors in their capacity as employees or administrators or in consideration 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 from the date of the last meeting of the General Assembly.

ARTICLE NO.23: AUTHORITIES OF THE CHAIRMAN, VICE-CHAIRMAN, MANAGING DIRECTOR, AND SECRETARY

The Board of Directors may appoint, from among its directors, a Chairman and a Vice-Chairman. It also may appoint a Managing Director. No director shall combine the position of the Board's Chairman and any executive position of the Company. The Vice-Chairman shall replace, and have all the powers conferred on, the Chairman in his absence.

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, represent it in its relations with other parties and with government entities, companies, individuals, courts, notaries, the Board of Grievances, offices of resolution of securities disputes, arbitration bodies, chambers of commerce and industry, labor courts, Sharia courts of all types and degrees, civil rights, police stations, and any other official or judicial department. To this end, the Chairman shall have the right to plead, defend, litigate, prosecute, claim, reconcile, assign, make declarations, deny, request an oath, the right to pre-emption, and 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 and arbitrators, lawyers, and 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, or his delegate, shall have the power to individually or jointly establish companies of all kinds, or hold shares in existing companies of all kinds in the name of the Company, buy and sell shares in other companies in the name of the Company, pay and receive the price, sign before the notaries and other government agencies the memorandum of association or its amendment decisions, whether by increasing or decreasing its capital, entering new Shareholders, dismissing Current Shareholders, buying, selling, assigning, liquidating shares or interests, or Management amendments,



- modifications of the Company's objectives, its nature, or any other amendments to contracts or decisions amending the memorandums of association or bylaws of companies, whatever the type of such amendments. All of the above shall apply to all companies established, or individually or jointly owned by the Company. The Chairman shall also attend meetings and assemblies, including general assemblies, Shareholders' assemblies, boards of directors, boards of managers, and discussions and vote on behalf of the Company, or authorize any one at his discretion 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 cases, receive, amend, and request replacement for instruments, 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 and loans in any amounts, sign loan agreements and guarantees, request and issue guarantees, open credits on behalf of the Company, and 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 checks, 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 Internet banking services, provide guarantees, loans and financing to Subsidiaries, open and close investment portfolios, trade 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, transfer, and assign residences, approve the Company's internal regulations and policies, decide to open branches inside and outside the Kingdom, request the issuance, modification, renewal and cancellation of licenses, seek issuance of the main and sub-commercial records, indicate any additional changes by deleting, adding, modifying, or highlighting, receive the assets of the commercial records, assign the commercial records, register, assign, and license use of trade names, trademarks and intellectual property, sign with all chambers of commerce and industry in Saudi Arabia and abroad, authorize or dismiss any one he sees in respect of business with chambers of commerce and industry in Saudi Arabia and abroad..
 7. The Chairman shall, within the scope of the Company's business, carry out any other duties entrusted to him by the Board of Directors or provided for in this Bylaws, and shall have the right to exercise all such powers within and outside the Kingdom.



8. The Chairman may delegate or authorize one or more of its members or other parties to carry out a function or certain functions related to the Company's business or the said powers. He may also dismiss and give him the right to delegate others, by virtue of powers of attorney or written authorization.

The Board of Directors shall determine at its discretion the special remuneration received by the Chairman and the Managing Director. The Board of Directors shall appoint a Secretary, whether from amongst its members or otherwise, and shall determine his remuneration. The Secretary shall record and maintain the minutes of the meetings of the Board of Directors, along with decisions issued in such meetings, in addition to other functions entrusted thereto by the Board of Directors. The term of the office of the Chairman, Vice-Chairman, the Managing Director and the Secretary, if a member of the Board, shall not exceed their respective terms of service as members of the Board and may be reappointed. The Board of Directors may dismiss any of them at any time without prejudice to their right to claim compensation from the Company if the dismissal was for an invalid reason or occurred at an improper time.

ARTICLE NO.24: PRESIDENT AND CHIEF EXECUTIVE OFFICER

The Board of Directors may appoint from among its members or otherwise a Chief Executive Officer of the Company, who shall execute the decisions of the Board, conduct the daily business of the Company and manage its employees under the supervision and control of the Board of Directors. He shall have the powers 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 or by virtue of powers of attorney or written authorization.

ARTICLE NO.25: BOARD MEETINGS

The Board shall meet at least four times a year at an invitation of its Chairman. The invitation shall be written and may be served personally, or by mail, fax, or electronic mail, or text messages, or any other means of modern technology or any other means agreed upon by all members of the Board. . The invitation shall include the date, time, place of the meeting, a statement of the meeting agenda and any relevant papers. Such invitation shall be sent at least three (3) days prior to the scheduled date of the meeting. The Chairman of the Board shall call for meeting if so requested by two Directors.

ARTICLE NO.26: QUORUM OF THE BOARD'S MEETING

Board meetings shall be valid only if attended by five Directors. A director may delegate another director to represent him at the Board meetings subject to the following controls:

- 1- A Director may not be represented by more than one director at that meeting.
- 2- A proxy shall be appointed in writing and for a specific meeting.
- 3- A Board member acting by proxy may not vote on resolutions on which his principal is prohibited from voting under the law.



Each Board Member shall have one vote. The Board's resolutions shall be adopted by majority votes of the present or represented members. In the event of a tie, the Chairman or, in case of his absence, whoever chairs the meeting shall have the casting vote.

The Board may adopt its resolutions in urgent matters by having them circulated in writing to the Directors separately, unless a Director requests in writing a meeting for deliberations thereon. Such resolutions shall be submitted to the Board in its first subsequent meeting.

Directors may participate in Board meetings through video or any other means of communication under the controls determined by the competent authority (if any), provided that every member can hear other Directors participating in the meeting. Every Director shall acknowledge attendance in the meeting and that he/she can hear other Directors participating in the meeting. If a Director does not acknowledge attendance, he/she will not be authorized to speak or vote at the meeting.

ARTICLE NO.27: DELIBERATIONS OF THE BOARD

Deliberations and resolutions of the Board shall be recorded in minutes to be signed by the Chairman, the present Board Members and the Secretary. Such minutes shall be entered in a special register signed by the Chairman and the Secretary.

ARTICLE NO.28: CONFLICT OF INTERESTS

A Director shall notify the Board of any personal interest he/she may have in the business and contracts that are completed for the Company's account. Such notification shall be recognized in the minutes of the Board meeting. A Director who is an interested party shall not be entitled to vote on the resolution to be adopted in this regard.

ARTICLE NO.29: BOARD COMMITTEES

The Board of Directors may form one committee or more to assist in carrying out its duties, or as may be required under the Company's regulations. The decision of the Board forming any of its committees shall include duties, term of service, powers, and mechanisms for the Board's control of such committees.

ARTICLE NO.30: EXECUTIVE COMMITTEE

The Board of Directors may form an executive committee from among its members or otherwise. The Board shall appoint from among the members of this Executive Committee a chairman. The Board of Directors shall determine the Committee's functions, authorities, the number of its members and the quorum necessary for its meetings. The Executive Committee shall exercise the powers assigned to it by the Board in accordance with the instructions and directives of the Board. The Executive Committee shall not cancel or amend any of the decisions and rules approved by the Board of Directors.

CHAPTER FOUR: SHAREHOLDERS' GENERAL ASSEMBLIES

ARTICLE NO.31: ATTENDANCE OF GENERAL ASSEMBLIES

Each subscriber, regardless of the number of his shares, has the right to attend the Conversion Assembly. In addition, each Shareholder shall have the right to attend the Shareholders' General



Assemblies, and may appoint another person who is not a Director or a Company's employee to attend the General Assembly.

ARTICLE NO.32: CONVERSION ASSEMBLY

The Conversion Assembly shall have the following powers:

1. Ascertain that the Company's capital has been subscribed in full and that the minimum capital has been paid in full and in the amount due for the value of each share, as required under the Companies Law.
2. Approve the final text of the Company's Bylaws, and may make no material change thereto unless agreed by all Shareholders represented in the meeting.
3. Deliberate on the Shareholders' report on the acts and expenses necessitated by the Company's conversion.
4. Appoint and determine fees of the Company's first Auditor.

To be validly constituted, the Conversion Assembly must be attended by Subscribers representing at least half of the Company's share capital. Each Subscriber shall have a vote for every share subscribed for or represented by them at such meeting.

ARTICLE NO.33: POWERS OF THE ORDINARY GENERAL ASSEMBLY

Except for matters falling within the jurisdiction of the Extraordinary General Assembly, the Ordinary General Assembly shall be competent to deal with all other matters related to the Company and shall be convened at least once a year during the first six (6) months following the end of the Company's Financial Year. Other Ordinary General Assembly meetings may be called for when necessary.

ARTICLE NO.34: POWERS OF THE EXTRAORDINARY GENERAL ASSEMBLY

The Extraordinary General Assembly shall be competent to amend the provisions of the Company's Bylaws, other than those matters whose amendment is prohibited by law. In addition, the Extraordinary General Assembly may adopt resolutions in matters within the jurisdiction of the Ordinary General Assembly under the same conditions and manners as prescribed for the latter.

ARTICLE NO.35: CALL FOR ASSEMBLIES

Shareholders' public and private assemblies shall be convened by virtue of a call made by the Board in accordance with the Company's Bylaws. The Board shall call for an Ordinary General Assembly, if requested to do so by the Auditor, by Audit Committee or by a number of Shareholders representing at least (%5) of the Company's capital. The Auditor may call for a General Assembly meeting if the Board did not call for such a meeting within (30) days from the date of Auditor's request.

The invitation to the Ordinary General Assembly should be published in a daily newspaper that is distributed where the head office is located at least twenty-one days prior to the meeting date. Nevertheless, an invitation sent by registered mail to all Shareholders within the set time limit shall



suffice. A copy of the invitation and agenda are to be sent to the Ministry, the Capital Market Authority and the other relevant authorities, during the time frame of publication.

ARTICLE NO.36: RECORD OF ASSEMBLIES' ATTENDANCE

Shareholders wishing to attend a general or special assembly shall register their names at the Company's Head Office up to the time fixed for such assembly, or register with such electronic means as may be determined by the Company in case of electronic voting.

ARTICLE NO.37: QUORUM OF THE ORDINARY GENERAL ASSEMBLY'S MEETING

A meeting of the Ordinary General Assembly shall not be valid unless attended by Shareholders representing at least a half of the Company's share capital. If such quorum cannot be attained at the first meeting, a second meeting shall be held one hour after the end of the period specified for the first meeting provided that the invitation for the first meeting shall include the possibility of having a second meeting. Otherwise, an invitation shall be directed for a second meeting to be held within thirty (30) days following the date of the first meeting. The invitation shall be published in the manner prescribed in Article 35 of the Company's Bylaws. In all cases, the second meeting shall be deemed valid irrespective of the number of Shares represented therein.

ARTICLE NO.38: QUORUM OF THE EXTRAORDINARY GENERAL ASSEMBLY'S MEETING

The Extraordinary General Assembly shall be valid only if attended by Shareholders representing at least a half of the Company's capital. If such quorum cannot be attained in the first meeting, a second meeting shall be held one hour after the end of the period specified for the first meeting provided that the invitation for the first meeting shall include the possibility of having a second meeting. Otherwise, an invitation shall be directed for a second meeting to be held within thirty days following the date of the first meeting. The invitation shall be published in the manner prescribed in Article 35 of the Company's Bylaws. In all cases, the second meeting shall be deemed valid if attended by Shareholders representing at least a quarter of the Capital.

If this quorum is not attained to convene a second meeting, an invitation shall be sent for a third meeting to be held in the same manner provided for in Article 35 of the Bylaws. The third meeting shall be valid regardless of the number of shares represented therein, after the competent authority's approval.

ARTICLE NO.39: VOTING AT ASSEMBLIES

Each Shareholder shall have a vote for each share he/she represents in the Conversion Assembly, and each Shareholder shall have a vote for each share in the General Assemblies. Cumulative voting shall be used when electing the Board of Directors, in addition, each shareholder may vote on the decisions of the general assemblies by means of modern technology, according to the controls set by the competent authorities.

ARTICLE NO.40: ASSEMBLIES' DECISIONS

Decisions of the Conversion Assembly shall be adopted by an absolute majority of the shares represented therein. Decisions of the Ordinary General Assembly shall be adopted by an absolute majority of the Shares represented at the meeting. Decisions of the Extraordinary General Assembly shall be adopted by a majority vote of two-thirds of the shares represented at the



meeting. However, if the decision to be adopted is related to increasing or reducing the capital, extending the Company's period, dissolving the Company prior to the expiry of the period specified under the Company's Bylaws or merging the Company into another company, then such decision shall be valid only if adopted by a majority of three-quarters of the shares represented at the meeting.

ARTICLE NO.41: DISCUSSION AT ASSEMBLIES

Every Shareholder shall have the right to discuss the matters listed in the General Assemblies' agenda, and to address questions to the Directors and the Auditor with respect thereto. The Directors or the Auditor shall respond to these questions to the extent that does not endanger the Company's interests. If the Shareholder deems the answer to the question unsatisfactory, then he/she may refer the issue to the General Assembly, whose decision in this regard shall be binding.

ARTICLE NO.42: CHAIRING THE ASSEMBLIES AND PREPARING MINUTES OF MEETINGS

The Shareholders' General Assembly meetings shall be chaired by the Board Chairman or, in his absence, by his deputy or, in their absence, any Director deputized by the Board.

Minutes shall be kept for every assembly, showing the number of Shareholders present or represented thereat, the number of shares held by each of them, whether personally or by proxy, the number of votes allotted thereto, the resolutions adopted, the number of approving and dissenting votes, and a comprehensive summary of the debate conducted at the meeting. Following every meeting, the minutes shall be regularly entered in a special book, which shall be signed by the Assembly Chairman, the Secretary, and the canvasser.

CHAPTER FIVE: AUDIT COMMITTEE

ARTICLE NO.43: AUDIT COMMITTEE FORMATION

An audit committee consisting of three to five members, other than executive Directors, whether Shareholders or others, shall be formed by a decision of the Ordinary General Assembly. The committee tasks, work controls and members rewards shall be specified in the decision. If a position of an auditing committee member is vacant, the Board of Directors may appoint an interim member with the required experience and competence in the vacant position. The Ministry of Commerce and CMA shall be notified within five Business Days from the appointment date. The appointment shall be presented to the Ordinary General Assembly at its first meeting and the new member shall complete the term of his predecessor.

ARTICLE NO.44: QUORUM OF THE COMMITTEE'S MEETING

An Audit Committee meeting shall be valid if attended by a majority of its members. Resolutions shall be adopted by a majority of votes present. In the case of a tie vote, the vote of the chairman of the Audit Committee shall prevail.

ARTICLE NO.45: DUTIES OF THE COMMITTEE

The Audit Committee shall have the power to supervise the Company's activities. To this end, the Audit Committee may access the Company's books and records, request information and



clarification from Directors or Senior Management, and convene the General Assembly if the Board of Directors obstructs its work or if the Company incurs significant losses or damages.

ARTICLE NO.46: REPORTS OF THE COMMITTEE

The Audit Committee shall review the Company's financial statements, reports and notes submitted by the Auditor and give its opinions concerning them, if any. In addition, it shall prepare a report as regards its opinion on the adequacy and efficiency of the Company's internal control system along with other businesses within its scope of work. The Board of Directors shall place sufficient copies of the reports in Company's head office at least twenty-one days prior to the date set for convening the General Assembly in order to provide the Shareholders with a copy thereof, if required. The Audit Committee report shall be read at the General Assembly meeting.

CHAPTER SIX: AUDITOR

ARTICLE NO.47: AUDITOR APPOINTMENT

The Company shall have one (or more) auditors from among those authorized to operate in the Kingdom of Saudi Arabia. Auditors shall be annually appointed by the Ordinary General Assembly which shall specify their remuneration and term of office. The latter may, at any time, change them, without prejudice to their right for compensation if the change is made at an improper time or without legitimate justification.

ARTICLE NO.48: AUDITOR POWERS

The Auditor shall at any time have access to the Company's books, records and other documents. It may request details and clarifications it deems necessary to verify the Company's assets, liabilities and others that are within the scope of its work. The Board Chairman shall enable the Auditor to perform its duties. If the Auditor faces any challenges in this regard, it may submit a report to the Board thereon. If the Board does not facilitate the work of the Auditor, it shall request the Board to invite the Ordinary General Assembly to consider the matter.

CHAPTER SEVEN: COMPANY ACCOUNTS AND DIVIDEND DISTRIBUTION

ARTICLE NO.49: FINANCIAL YEAR

The Company's Financial Year shall begin on 1 January and end on 31 December each year, provided that the first Financial Year shall start on the date of the Ministerial Resolution approving the Company's conversion and ends on 31 December of the next Gregorian year.

ARTICLE NO.50: FINANCIAL DOCUMENTS

1. The Board shall develop the Company's financial statements at the end of each Financial Year together with a report of its business and financial position for the ended Financial Year. This report shall include the proposed method for dividend distribution. The Board shall place such documents at the disposal of the Auditor at least forty-five (45) days prior to the date set for convening the General Assembly.
2. The Company's Board Chairman, Chief Executive Officer and Chief Financial Officer shall sign the documents referred to in Paragraph 1 of this Article, and copies thereof shall be



deposited in the Company's headquarter at the disposal of the Shareholders at least twenty-one (21) days prior to the date set for convening the General Assembly.

3. The Board Chairman shall provide the Shareholders with the Company's financial statements, Board report and Auditor report, unless published in a daily newspaper distributed at the Company's headquarter. The Board Chairman shall also send a copy of these documents to the Ministry, the Capital Market Authority and the other competent authorities at least fifteen (15) days prior to the date set for convening the General Assembly.

ARTICLE NO.51: DIVIDEND DISTRIBUTION

The Company's annual net profits shall be distributed as follows:

1. Ten percent (%10) of the annual net profits are set aside to form a statutory reserve for the Company. Such allocations to the statutory reserve may be discontinued by the Ordinary General Assembly when the reserve amounts to (%30) of the Company's capital.
2. The holder of preferred shares shall obtain profits allocated to these shares.
3. The Ordinary General Assembly may, at the request of the Board of Directors, set aside a percentage of (%10) of the net profits to form a contractual reserve to be allocated towards one or more specific purposes.
4. The Ordinary General Assembly may resolve to form other reserves to the extent they serve the Company's interests, or to ensure the distribution of fixed dividends – so far as possible – to the Shareholders. The said assembly may also withhold certain amounts from the net profits for the creation of social organizations for the Company's employees and workmen, or for supporting such organizations as may already be in existence.
5. At least (%5) of the remaining amount shall be paid as an initial payment to the Shareholders.
6. Subject to the provisions set forth in Article 22 of the Company's Bylaws; and Article 76 of the Companies Law, no more than (%10) shall be set aside to remunerate the Board of Directors, provided that such remuneration be proportionate to the number of sessions attended by each director.
7. The balance shall be distributed among Shareholders as an additional share of the dividends.

Subject to the controls set by the competent authorities, the Company may distribute semi-annual and quarterly dividends.

ARTICLE NO.52: ENTITLEMENT TO DIVIDEND

A Shareholder shall be entitled to its share in dividend in accordance with the General Assembly's resolution issued in this regard. The decision shall indicate the maturity date and the date of



distribution. Moreover, the dividends shall be distributed to the Shareholders registered in the Shareholders' registers at the end of the maturity day.

ARTICLE NO.53: DISTRIBUTION OF PREFERRED SHARES DIVIDEND

1. Shall no dividends be distributed for any Financial Year, dividends for the following years may not be distributed till payment of the percentage specified under Article 114 of the Companies Law to preferred Shareholders for this year.
2. If the Company fails to pay the profits' percentage determined in accordance with the provisions of Article 114 of the Companies Law for 3 consecutive years, then the Special Assembly of Shareholders of such shares held in accordance with the provisions of Article 89 of the Companies Law may decide to allow them to attend the meetings of the Company's General Assembly and to participate in voting or appoint their representatives in the Board of Directors commensurate with the value of their shares in the capital, until the Company can pay all the priority profits allocated to the holders of such shares for the previous years.

ARTICLE NO.54: THE COMPANY'S LOSSES

1. If the Company's losses reach half of the paid-up capital at any time during the Financial Year, any Company's official or the Auditor shall, upon becoming aware of that, immediately inform the Board Chairman who shall, upon becoming aware thereof, notify the Directors immediately. The Board shall, within 15 days after being aware of that, invite the Extraordinary General Assembly to convene within forty-five (45) days from the date of becoming aware of the losses to decide either to increase or reduce the capital of the Company in accordance with the provisions of the Companies Law, to the extent that the loss ratio falls below half of the paid up capital, or dissolve the Company before the term specified in its bylaws.
2. The Company shall, by virtue of the Companies law, be deemed dissolved if the Extraordinary General Assembly meeting is not held within the defined period specified in Paragraph 1 of this Article, if the meeting is held but fails to reach a resolution for such issue, or if the meeting resolves to increase the Company's capital in accordance with the conditions stipulated in this Article and the increase was not fully subscribed for within ninety (90) days from such resolution.

CHAPTER EIGHT: DISPUTES

ARTICLE NO.55: LIABILITY CLAIM

Each Shareholder shall have the right to file a liability claim, vested in the Company, against the Directors if they have committed a fault which has caused some particular damage to such Shareholder. However, the Shareholder may file such claim only if the Company's right to file such claim is still valid. The Shareholder shall notify the Company of its intention to file such claim.



CHAPTER NINE: DISSOLUTION AND LIQUIDATION OF THE COMPANY

ARTICLE NO.56: EXPIRATION OF THE COMPANY

Upon expiration, the Company shall enter into the stage of liquidation while retaining its legal entity to the extent required for liquidation. Liquidation decisions shall be issued by the Extraordinary General Assembly. Moreover, the liquidation decision shall include the appointment of a liquidator, determination of its powers and fees, restrictions imposed upon its authorities and the time required for liquidation. The period of voluntary liquidation shall not exceed five (5) years and may only be extended by a judicial order. The authority of the Company's Board shall expire upon Dissolution. However, they shall remain in charge of the Company's management and shall be considered as liquidators until a liquidator is appointed. The Shareholders' assemblies shall remain during the dissolution period. Their role shall be limited to exercising their competencies which shall not conflict with the terms of reference of the liquidator.

CHAPTER TEN: FINAL PROVISIONS

ARTICLE NO.57: COMPANIES LAW

The Companies Law and its regulations in addition to the Capital Market Authority Laws and its regulations shall apply to all matters not provided for in the Company's Bylaws.

ARTICLE NO.58: APPROVAL OF THE BYLAWS

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

ARTICLE NO.59: PUBLICATION

The Company's Bylaws shall be deposited and published in accordance with the Companies Law and its regulations.
