

Articles of Association
“Enma Al-Rawabi” Company

(Joint Stock Company)

Part I: Company Incorporation

Article (1): Incorporation:

In accordance with the provisions of this AOA and of Companies’ Law issued by Royal Decree No. (٢/٢) dated 28/01/1437 A.H., a Saudi Joint Stock Company is incorporated as per the following:

Article (2): Company’s Name:

“Enma Al-Rawabi” Company (Joint Stock Company)

Article (3): Company’s Purposes:

The purposes for which the Company is incorporated shall be as following:

1. Buying and selling real estate and land for the company benefit.
2. Establishing and owning buildings of all sorts such as residential, commercial, tourist, resorts, banquet halls, meetings, hotels, restaurants and cafes and investing the same through renting, operating or selling them, as well as renting buildings from third parties, whether tourist or residential, and operating, maintaining, cleaning and managing such buildings.
3. Importing and exporting building materials and complementary materials, educational, cultural and library materials, establishment of libraries and stationeries (office supplies), wholesale and retail trade in building materials and educational aids.
4. Establishing, owning and concluding partnership in operating, maintaining and managing educational facilities such as schools, institutes, colleges, universities and various training centers.
5. Buying, selling, renting and managing farms, setting up agricultural shops and trading in fertilizers, seeds and all agricultural materials, tools and machinery.
6. Establishment and ownership of marble, tile, blocks, crushers, cement and gypsum plants and all factories of building materials and complementary materials.
7. Development, management and maintenance of real estate.
8. Establishing, managing, operating, maintaining and cleaning buildings, real estate, hotels, apartments, tourist resorts, commercial and recreational centers.
9. Building, managing, operating and maintaining hospitals, vocational centers, academic institutes and private schools.
10. Building, managing, operating, maintaining, cleaning, leasing and renting restaurants and cafes (coffee shop and Internet).
11. Providing education and training services.
12. Investing in industrial, commercial, service and agricultural projects.
13. Obtaining commercial agencies, distribution agencies and commercial commitments.

The Company shall carry out its activities only after obtaining the necessary licenses from the competent authorities.

Article (4): Companies Partnership and ownership:

The Company may solely establish (limited liability or closed joint-stock) companies provided that the capital shall not be less than (5) million Saudi Riyals and may also own shares in other existing companies or merge therewith and shall have the right to partner with others in the incorporation of limited liability joint stock companies provided that the relative regulations and instructions in place shall be fulfilled. The Company may also dispose of these shares given that such disposition shall not include mediation in its trading.

Article (5): Company Registered Office:

The Company's registered office shall be located in the city of Riyadh, KSA. The BOD may establish branches, offices or agencies inside and outside the KSA.

Article (6): Company's Duration:

The Company's duration shall be (99) ninety-nine calendar years, which shall commence as of the date of issuing the decision of His Excellency the Minister of Commerce and Industry to declare its incorporation. The Company's duration may always be extended by a decision issued by the EGA at least one year prior to the expiry of its duration.

Part II: Capital and Equity

Article (7): Capital:

The Company's capital shall be (SAR 400,000,000) four hundred million Saudi Riyals divided into (40,000,000) forty million shares of equal value with a nominal value of (SAR 10) ten Saudi Riyals each, all of which are ordinary cash shares.

Article (8): Subscription to shares:

Shareholders have subscribed to the entire company's shares of (40,000,000) forty million ordinary shares, worth (SAR 400,000,000) four hundred million Saudi Riyals.

Article (9): Sale of No-Par Value shares:

A shareholder shall be obliged to pay the share value on the specified dates. Should a shareholder fail to pay the value on the due date, the BOD may, after notifying him at his address recorded in the register of shareholders or informing him via a registered letter, of selling the share in a public auction to shareholders of the Company or the stock market, as the case may be, in accordance with the regulations and controls determined by the competent authority.

The Company shall set off its dues from the proceeds of the sale and the remainder of the same shall be returned to the shareholder. If the proceeds of the sale are not sufficient to set off the said amounts, the Company may retain the remainder from all of the shareholder's monies.

However, a shareholder who fails to pay on the day of sale, may pay the due value plus the expenses incurred by the Company in this regard.

The Company shall cancel the share sold in accordance with the provisions and give the buyer a new share bearing the same number of the cancelled share, and shall record it in the register of shareholders.

Article (10): Issuance of Shares:

Shares shall be nominal, and may not be issued at less than their nominal value, but may be issued at a higher value than its nominal value, in which case the difference in value shall be added in a separate item included in the shareholders' rights. Such difference may not be distributed as dividends to shareholders, and the share shall not be indivisible against the Company. If the share is owned by multiple persons, they must choose one of them to act on their behalf with regard to the use of the rights pertained to the said share. These persons shall be jointly liable for the obligations arising from the ownership of the share.

Article (11): Share Trading:

After the issuance of All shares' certificates of the Company, it shall be traded amongst the shareholders. The shareholder who wishes to sell his shares in the Company shall notify the BOD in writing with regard to the number and value of the shares he wishes to sell. Also, the shareholder shall record the notification in the register referred to in Article (12) of this AOA. The Board of Directors shall notify the shareholders within sixty (60) days following receipt of the notification. The shareholders, within sixty (60) days from the date of receipt of the notification, may purchase those shares under the same conditions as per their preemptive rights.

If the parties do not reach an agreement with regard to the value of the shares offered for sale, the value shall be determined according to the last book value as per the budget approved by the chartered accountant of the company.

If the person who wishes to sell is not satisfied with value as per the last budget and does not reach an agreement with the shareholders and the BOD on a specific price, then experienced evaluators in such matters whom are known for their righteousness and honesty shall be hired. The said evaluators shall not be less than three and shall be nominated amongst evaluators hired by government departments, financial institutions, banks and the Capital Market Authority to estimate the value of the shares to be sold, provided that the evaluation costs shall be incurred by the seller for not being satisfied with the value as per the last budget and does not reach an agreement with the shareholders on a specific price that everyone is satisfied with. In the event that more than one shareholder wishes to buy those shares, then the same shall be divided by the percentage of shares owned by each of them in the company's capital at that time.

In exception, shares given in exchange for shares in kind or cash shares subscribed by the founders prior to the publication of the balance sheet and profit and loss account for thirty years, each of which shall not be less than twelve months from the date of incorporation of the company, shall not be traded.

These provisions shall apply to the subscribed shares by the founders in the event of a capital increase before the expiry of the blackout period, for the remainder of this period and shall be indicated on these instruments indicating their type, the date of incorporation of the Company and the period during which it is not traded.

However, during the blackout period, ownership of cash shares may be transferred in accordance with the provisions of the sale of rights from one of founders to another.

The aforementioned provisions shall apply to the mechanism of sale with regard to the sale of one of the shareholders of his shares or the assignment thereof or part thereof to the Company. It is also subject to the same mechanism mentioned and to laws and regulations as well as the purchase of the Company of its shares owned by one of the shareholders. The shareholders shall not be entitled to mortgage their shares with other entities.

Article (12): Shareholders' Register:

Shares of the Company shall be traded by recording the same in the shareholders' register which shall be prepared by the Company or contracted by the Company to be prepared. The shareholders' register shall include their names, nationalities, places of residence, professions, numbers of shares and the amount paid thereof, which shall be indicated in this record on the share. The transfer of ownership of the nominal share against the Company or third parties shall not be considered except from the date of registration in the said register.

Article (13): Issuance of Shares' Certificates:

The Company shall issue share certificates which bare serial numbers and shall be signed by the Chairman of the BOD or his delegate appointed from the members of the board and stamped with the Company's seal. The share certificate shall include, in particular, the number and date of the ministerial decision issued to license the incorporation of the Company, the value of the capital, the number of shares distributed thereon, the nominal value of the share, the amount paid thereof, the purpose of the Company in brief, its registered office and duration. Shares may have coupons with serial numbers and including the share number attached thereto.

Article (14): Capital Increase:

1. The EGA may decide to increase the capital of the Company, provided that the capital has been paid in full. It is not required that the capital has been paid in its entirety if the unpaid part of the capital relates to shares issued in exchange for the conversion of debt instruments or financing instruments into shares and the period for their conversion into shares has not yet expired.
2. In all cases, the EGA shall allocate the issued shares upon capital increase or part thereof to the employees of the Company and the subsidiaries or some or any thereof. Shareholders shall not exercise their preemptive right when the Company issues the shares allocated to the employees.
3. The shareholder who owns the share at the time of the issuance of the decision of the EGA approving the increase of the capital shall have the preemptive right in the subscription of new shares issued in exchange for cash shares. The shareholder shall be informed of their preemptive right by publishing in a daily newspaper or by a registered mail of the decision to increase the capital, the conditions of the subscription, its duration, and its commencement and end date.
4. The EGA shall be entitled to suspend the application of the shareholders' preemptive right to subscribe to new shares upon increasing the capital in exchange for cash shares or to give priority to non-shareholders in cases it deems appropriate for the benefit of the Company.

5. The shareholder shall be entitled to sell or assign the preemptive right within the period from the time of the issuance of the decision of the GA approving the capital increase to the last day of subscription to the new shares related to these rights, in accordance with the regulations and controls set by the competent authority.
6. Notwithstanding the provisions stipulated in paragraph (4) above, the new shares shall be distributed to preemptive rights holders who have requested subscription, in proportion to their preemptive rights out of the total preemptive rights resulting from the capital increase, provided that the total new shares received shall not exceed what they have requested from the new shares, and the remainder of the new shares shall be distributed to preemptive rights holders who have requested more than their share, in proportion to their preemptive rights out of the total preemptive rights resulting from the capital increase, provided that the total new shares received shall not exceed what they have requested from the new shares. The remaining shares shall be offered to third parties, unless the EGA decides or the Capital Market Law provides otherwise.

Article (15): Capital Reduction:

The EGA may decide to reduce the capital if it exceeds the Company's needs or if it incurs losses. The capital may be reduced below the limit stipulated in Article (fifty-fourth) of the Companies' Law only if the Company incurs losses. The decision to reduce the reduction shall be issued only after reading a special report prepared by the auditor containing the reasons for such reduction, and the obligations incurred by the Company as well as the impact of the reduction on these obligations.

In the event of the reduction of the capital for exceeding the Company's needs, creditors shall be invited to express their objections to it within sixty days from the date of publication of the reduction decision in a daily newspaper distributed in the area where the Company's registered office is located. If a creditor objects and submits to the Company its documents on the said date, the Company shall pay him his debt if it is due or provide him with sufficient assurance to fulfill such debt if it is postdated.

Part III: Board of Directors

Article (16): Company Management:

The management of the Company shall be carried out by the BOD which shall consist of eight members elected by the GA of Shareholders for a term not exceeding three years.

Article (17): Board's Membership Expiration:

The membership of the Board shall terminate upon the expiry of its term or the expiration of the member's term in accordance with any laws, regulations or instructions in force in the Kingdom. However, the OGA may at all times remove all or some of the members of the BOD without prejudice to the right of the removed member against the Company to claim compensation if the dismissal occurs for an unacceptable reason or at an inappropriate time. The member of the BOD may retire provided that this is in a timely manner or else he shall be responsible before the Company for the consequences of his Retirement.

Article (18): Vacant position in the Board:

If the position of one of the members of the BOD becomes vacant, the Board may appoint an interim member of the vacant position in order to obtain votes in the Assembly that elected the Board, provided that the interim member shall have the relevant experience and adequacy. The Ministry shall be notified with the same within five working days from the date of appointment, which shall be submitted to the OGA at its first meeting. The new member shall complete the term of his predecessor. If the necessary conditions for the BOD to be convened are not met due to that the number of its members falls below the minimum number stipulated in the Companies' Law or this AOA, the rest of the members shall call for an OGA to be convened within sixty days to elect the necessary number of members.

Article (19): Remuneration of the members of the Board of Directors:

The remuneration of the member of the BOD and the Managing Director shall be of a specified amount as follows:

The Chairman of BOD shall be remunerated only (SAR 40.000) forty thousand riyals for one year.

Board member shall be remunerated only (SAR 40.000) forty thousand riyals for one year.

The remuneration shall be within the limits stipulated in the Companies' Law and any other laws, regulations, decisions or instructions supplementing it. The report of the BOD addressed to the OGA shall include a comprehensive statement of all the salaries and other benefits received by the members of the BOD during the financial year, as well as a statement of what the members of the BOD have received as employees or administrators or what they have received for technical, administrative or advisory works previously approved by the GA of the company.

Article (20): Board of Directors Powers:

Notwithstanding the terms of reference specified for the GA, the BOD shall have the broadest scope of powers to manage the Company's business and supervise its affairs in order to achieve its purposes. The Board, in order to carry out its duties, shall exercise all powers and carry out all the acts and actions to which the Company is entitled, provided that the AOA have not expressly provided for setting such acts within the powers of the GA.

The BOD has the following powers:

- 1- Developing the general policy of the Company in accordance with its purposes and achieving its objectives and conducting all actions and transactions within the scope of the Company's purposes.
- 2- Executing all contracts and agreements and concluding all contracts and legal and lawful acts in the name of the Company such as selling, purchasing, investment, conducting reconciliation, settlements, clearances, discharging, receipt, delivery, receiving and payment of cash and all necessary legal and lawful procedures, except for acts within the powers of the GA.
- 3- Disposition of real estate such as the purchase and sale of real estate for the benefit of the Company and authorize whomever the Board deems necessary to carry out these works with the competent authorities, receipt, delivery, leasing, renting, receiving and payment of cash.
- 4- Accepting, signing and conveyance of donations for the benefit of the company even if they are from a member of the BOD or shareholders.
- 5- Renting and operating real estate, signing all contracts and agreements related to this, receiving wages and depositing them in the company's account with local banks.
- 6- Planning and parcellation of land.
- 7- Obtaining building and restoration permits from the competent authorities, and those who have the right to authorize third parties.
- 8- The right to represent the Company, review, inquire, receive and deliver in all matters, transactions or records related to or regarding the Company and its subsidiaries.
- 9- Representing the Company before all government agencies, ministries, institutions, public bodies, companies, private institutions, factories and non-judicial persons.
- 10- Approving the ownership and partnership in existing companies or partner in the incorporation of new companies, except for general partnership companies, and signing their AOA's, MOA's and amendments thereto before the notary public and all competent governmental and private bodies.
- 11- Appointing and removing managers and employees, determining their salaries and remuneration, and determining their powers and responsibilities.
- 12- The BOD shall be entitled to add or delete the signatures of its members, the Executive Director or others before banks, chambers of commerce and industry or any competent government or private entity.
- 13- Opening and closing bank accounts in the name of the Company and for the benefit of its business, withdrawing therefrom, issuing, signing and disbursing cheques, opening documentary and non-documentary credits, and issuing letters of guarantee and credit.
- 14- Borrowing on behalf of the company from banks, public lending funds, government financing institutions, commercial loans and local financing bodies according to the following conditions:
 - a. Convening the BOD in the presence of at least five members, and obtaining approval by (75%) of the votes.
 - b. The BOD shall specify in its resolution the aspects of the use of the loan and the mechanism of repayment.

- c. The Board shall take into account with regard to the terms of the loan and the guarantees provided to it not to harm the Company and its shareholders and the general guarantees of creditors.
 - d. The loan must be in accordance with the provisions of Islamic Sharia.
 - e. The borrowing shall be no more than (25%) twenty-five percent of the value of the Company's assets. If it exceeds the said percentage, it shall be approved by the EGA.
- 15- Inquire about all banking operations through the electronic and non-electronic systems in force, and signing the necessary enquiry contracts.
 - 16- Appointment of various committees, especially the Audit, Nominations and Remuneration Committees, which shall report to the BOD and may determine and appoint their members, powers and methods of work in connection with the purpose for which they are established and in order to achieve the purpose of the Company.
 - 17- Delegating certain powers of the BOD mentioned above to one or more members thereof, and authorizing third parties therefor, whether the delegate or agent is one or more collectively or individually.
 - 18- Recruitment and issuance of labor visas necessary for the Company's activities to carry out the same, transfer their sponsorship thereto, waive them, and issue exit and return visas and final exit therefor.
 - 19- All these actions, whether financial, administrative or legal, shall be carried on behalf of the Company.

Article (21): Powers of Chairman, Vice- Chairman, Managing Director and Secretary:

The BOD shall appoint from among its members a Chairman and a Vice-Chairman and may appoint a Managing Director. The position of the BOD Chairman shall not be combined with any executive position in the Company.

The Chairman of the Board shall be competent to head the BOD as well as the GA meetings and shall represent the Company before all governmental and judicial bodies as well as third parties, and shall have the right to sign the MOA of companies incorporated by the Company and/or being a partner therein, and sign the annexes to the amendment of those memoranda and other contracts, agreements, deeds and conveyances before the legal Courts and all legal departments, the notary public and all the legal, lawful and contractual acts stipulated in Article (20) above, save for loans which shall be made after BOD approval, before the Government, judicial authorities and third parties.

The Managing Director shall be responsible for the implementation of the Company's policies determined by the BOD and shall supervise the general operations of the Company and be the Company's Executive Officer. The BOD may entrust and assign to the Managing Director any authority exercised by the Board in accordance with the terms, conditions and restrictions that the Board deems appropriate and in accordance with the Companies' Law and its regulations.

The BOD shall appoint a Secretary from its members, others or non-shareholders whom shall be responsible for recording the deliberations and decisions of the Board and list them in the special register, as well as to maintain this record. Secretary's remuneration shall be determined by a decision of the BOD.

The term of office for the Chairman, Managing Director and Secretary of the BOD shall not exceed the term of office for each of them on the Board and may be reappointed.

Article (22): Board Meetings:

The BOD shall convene at least twice a year upon the invitation of its Chairman. The invitation shall be issued in writing and may be delivered by hand or sent by e-mail or fax. The BOD Chairman shall invite the Board to convene whenever requested to do so by two members.

Article (23): Quorum of Board Meeting:

The Board meeting shall be valid only if it is attended by at least three members on their own behalf. If a member of the BOD wishes to delegate another member to attend Board meetings, the delegation shall be in accordance with the following:

- a. A BOD member shall not act on behalf of more than one member at the same meeting.
- b. The delegation shall be recorded in writing, in accordance with the form prepared by the Company, and the signature of the BOD member shall be identical to his signature approved by the Company.
- c. The delegated BOD member shall not vote on resolutions on which the law prohibits the principal BOD member from voting.
- d. BOD decisions shall be issued by a majority vote of the Board members present or represented at the meeting. If there is a tie, the BOD Chairman or his delegate in the event of his absence has the casting vote. The BOD may issue resolutions by passing by presenting them to all members separately unless one of the members requests in writing to convene the Board for deliberation. The resolutions shall be submitted to the BOD at its first meeting.
- e. At least five members of the BOD shall be present in order to vote on the sale or purchase of any property of the Company provided that the five members shall approve this decision of sale or purchase.

Article (24): Board Deliberations:

BOD deliberations and decisions shall be recorded in minutes signed by its Chairman, members present and the Secretary. These minutes shall be recorded in a special register signed by the BOD Chairman and Secretary.

Part IV: Shareholders' Assemblies

Article (25): Attendance of Assemblies:

Every subscriber, regardless of the number of his shares, shall be entitled to attend the Constituent Assembly. Each shareholder has the right to attend the general assemblies of the shareholders. In this regard, he may delegate another person other than the members of the BOD or Company employees to attend the GA and the delegated person shall be one of the owners of the company's shares.

Article (26): Constituent Assembly:

The founders shall invite all subscribers to convene a constituent assembly within forty-five days from the date of the Ministry's decision to issue the license to incorporate the Company, and the validity of the meeting shall require the presence of a number of subscribers representing at least half of the capital. If such a quorum is not fulfilled, one of the following two options shall be chosen:

1. An invitation shall be issued for a second meeting to be convened at least fifteen days after the date of the invitation.
2. The second meeting shall be convened one hour after the expiry of the period specified for the first meeting, provided that the invitation to the first meeting shall include the same.

In any case, the second meeting shall be valid, regardless of the number of subscribers represented therein.

Article (27): Constituent Assembly Competencies

The Constituent Assembly competencies shall be within the scope of the matters set forth in Article Sixty-third of the Companies' Law.

Article (28): Functions of the OGA:

Except for matters to which the EGA is concerned, the OGA shall be competent for all matters relating to the Company, and shall convene at least once a year during the six months following the end of the Company's financial year, and may invite other OGAs whenever necessary.

Article (29): EGA Powers:

EGA shall be competent to amend the Company's AOA save for matters prohibited from being amended by law. EGA may also issue decisions on matters already within the competence of the OGA under the same conditions and provisions as those specified for the OGA.

Article (30): Invitation to Assemblies:

The general or special meetings of the shareholders shall be convened at the invitation of BOD whom shall convene the OGA if requested by the auditor, the audit committee or a number of shareholders representing at least (5%) of the capital. The auditor may convene the Assembly if the Board does not convene the Assembly within thirty days from the date of the Auditor's request.

The invitation to the GA shall be circulated by being published in a daily newspaper distributed at the Company's registered office at least 21 days before the scheduled date of the meeting. However, all shareholders may be invited only by registered letters on the said date. A copy of the invitation and agenda shall be sent to the Ministry, within the period specified for circulation.

Article (31): Assemblies Attendance Record:

Shareholders who wish to attend the General or Special Assembly shall register their names at the Company's registered office before the scheduled time to convene the Assembly.

Article (32): OGA Meeting Quorum:

The OGA Meeting shall not be valid unless it is attended by shareholders representing at least one quarter of the capital. If, however, such a quorum is not fulfilled at the meeting, an invitation shall be issued to convene a second meeting within thirty days following the previous meeting. Such an invitation shall be announced in the manner provided for in Article (30) therein. The second meeting shall be considered valid regardless of the number of shares represented therein.

Article (33): EGA Meeting Quorum:

The EGA Meeting shall be valid only if it is attended by shareholders representing at least fifty-one percent (51%) of the capital. If, however, such a quorum is not fulfilled at the meeting, a second meeting shall be convened as per the same conditions stipulated in the previous Article. The second meeting shall be valid if attended by a number of shareholders representing at least one quarter of the capital. If, however, a quorum is not fulfilled, a third meeting shall be convened under the same conditions as stipulated in Article (30) therein. The third meeting shall be considered valid regardless of the number of shares represented therein after the approval of the competent authorities.

Article (34): Voting in Assemblies:

Each subscriber shall be entitled to one vote for each share he represents in the Constituent Assembly. Each shareholder shall be entitled to one vote for each share in the General Assemblies. Cumulative voting shall be used in BOD nominations and elections.

Article (35): Assemblies Decisions:

Decisions shall be issued in the Constituent Assembly by an absolute majority of the shares represented therein. If, however, such decisions are relate to the valuation of shares in kind or special benefits, the approval of the majority of subscribers in their cash shares, which represent one third of the said shares, shall be required after excluding the shares subscribed to by the providers of shares in kind or the beneficiaries of special benefits. The latter shall not be entitled to a vote in such decisions, even if they are holders of cash shares.

OGA resolutions shall be issued by at least a (51%) majority of the shares represented at the meeting.

EGA resolutions shall be issued by a two-thirds majority of the shares represented at the meeting, unless the decision relates to the increase or reduction of the capital, the prolongation of the term of the Company, the dissolution of the Company before the expiry of the period specified in its AOA, or the merger of the Company into another company or institution. The said decision shall be valid only if it is issued by a three-quarters majority of the shares represented at the meeting.

Article (36): Discussion in Assemblies:

Each shareholder shall be entitled to discuss the topics on the agenda of the Assembly and to address questions regarding them to BOD members and the Auditor. BOD or the auditor shall answer the questions of the shareholders to the extent that there is no exposure of the interest of the Company to harm. If the shareholder considers that the answer to his question is not convincing, he shall appeal to the Assembly, and its decision in this regard shall be final and binding.

Article (37): Presidency of assemblies and preparation of minutes:

The shareholders GA meetings shall be chaired by the BOD Chairman or his vice-chairman in his absence or whoever shall be delegated by the BOD from its members, in the event that BOD Chairman and Vice-Chairman are absent.

The MOMs shall be made at the Assembly meeting containing the number of shareholders present or represented, number of shares held by them on their own (in principle) or by agency, number of votes specified for the said shares, decisions taken, number of votes approving of or disagreeing with such decisions, and a brief summary of the discussions held at the meeting. Such MOMs shall be recorded regularly after each meeting in a special register signed by the Assembly Chairman, Secretary and Collector of Votes.

Part V: Audit Committee

Article (38): Establishing the Committee:

An audit committee consisting of (3) members other than the executive BOD members, whether shareholders or others, shall be formed by an OGA resolution. The committee's tasks, regulation of work and remuneration of its members shall be determined in such resolution.

Article (39): Committee Meeting Quorum:

The validity of the meeting of the audit committee requires the presence of a majority of its members and its decisions shall be issued by a majority of the votes of those present. If there is a tie, the BOD Chairman shall have the casting vote.

Article (40): Committee Competencies:

The Audit Committee shall be competent to monitor the work of the Company, to the extent that it shall be entitled to view its records and documents and request any clarification or statement from BOD members or the Executive Management and may request from the BOD to convene the GA of the Company if BOD hinders its work or the Company suffers serious damages or losses.

Article (41): Committee Reports:

The Audit Committee shall examine the financial statements of the Company and the reports and observations submitted by the Auditor. The committee shall also express its views thereon, if any, as well as prepare a report providing its opinion with regard to the adequacy of the internal control system in the Company and other work carried out within its competence. The BOD shall deposit an adequate copy of this report at the Company's registered office at least ten days before the date of the GA in order to provide a copy for each shareholder who wishes to have a copy thereof. The report shall be read out during the meeting of the Assembly.

Part VI: Auditor

Article (42): Appointment of an Auditor:

The Company shall have one (or more) auditors from those licensed to practice in the Kingdom who shall be appointed annually by the OGA and shall determine his remuneration and duration of work. The Auditor may also be changed at all times without prejudice to his right to compensation if the change is untimely or for an unlawful reason.

Article (43): Auditor Powers

The auditor shall have the right at any time to have access to the Company's books, records and other documents, and may also request such data and clarifications as he deems necessary to obtain, in order to verify the assets and liabilities of the company and other matters within the scope of his work. The BOD Chairman shall enable him to perform his duties. If the auditor encounters difficulty in this regard, he shall record the same in a report to be submitted to the BOD. If the Board does not facilitate the work of the auditor, he shall request from the BOD to invite the OGA to consider the said matter.

Part VII: Company Account and Dividend Distribution

Article (44): Fiscal Year:

The financial year of the company shall commence from the first of January and shall end at the end of December of each year, provided that the first financial year shall commence as of the date of the ministerial decision issued announcing its incorporation until the end of December of the same year.

Article (45): Financial Documents:

1. At the end of each financial year of the Company, the Board shall prepare the Company's financial statements as well as a report on its activity and financial position for the elapsed financial year. This report shall include the proposed method of distribution of dividends. The Board shall place such documents at the disposal of the Auditor at least forty-five days before the scheduled date of the GA.
2. The BOD Chairman, the CEO and the CFO of the Company shall sign the documents referred to in paragraph (1) therein, copies of which shall be deposited at the Company's registered office at the disposal of the shareholders at least ten days before the date specified for the GA to be convened.

3. The BOD Chairman shall provide the shareholders with the Company's financial statements, the BOD report, and the Auditor report, unless the same were published in a daily newspaper distributed at the Company's registered office. The BOD Chairman shall also send a copy of these documents to the Ministry. At least fifteen days before the date of the GA to be convened.

Article (46): Dividends Distribution:

The Company's annual net profits shall be distributed after deducting all general expenses and other costs as follows:

- a. 10% of the net profits shall be retained for the formation of a statutory reserve and the OGA may suspend such retaining when the said reserve reaches 30% of the paid-up capital.
- b. The balance shall then be distributed as a down payment to shareholders which shall not be less than (5%) of the paid-up capital, or as determined by the OGA in this regard.
- c. The remainder shall then be distributed to the shareholders as an additional share in the profits.

Article (47): Entitlement to Dividends:

A shareholder shall be entitled to his share in the dividends in accordance with the GA resolution issued in this regard. Such a resolution shall indicate the maturity date and that of distribution. Entitlement to the dividends shall be for the owners of shares recorded in the shareholders' register at the end of the day specified for maturity.

Article (48): Company Losses:

If Company losses amount to half of the paid-up capital at any time during the financial year, any official of the company or the auditor shall immediately inform the BOD Chairman, the latter shall inform the BOD members immediately thereof. Within fifteen days of becoming aware thereof, the BOD shall invite the EGA to convene within forty-five days from the date of becoming aware of the losses to decide whether to increase or decrease the Company's capital in accordance with the provisions of the Companies' Law to the extent that the percentage of losses falls below half of the paid-up capital or the Company's dissolution before the period specified in the Companies' Law.

The Company shall be considered to be terminated by force of the Companies' Law, if the GA does not convene within the specified period or if it convenes and is unable to issue a decision on the matter or if it decides to increase the capital in accordance with the conditions established in this Article and each capital increase is not subscribed to within a period of ninety days as of the issuance of the GA decision to increase.

Part VIII: Disputes

Article (49): Liability Claim:

Each shareholder shall be entitled to file a specified liability lawsuit for the company against BOD members, if the error made thereby would cause the damages incurred by the shareholder, provided that the Company's entitlement to file the same shall still exist and the shareholder shall notify the Company of his intention to file the lawsuit.

Part IX: Company's Dissolution and Liquidation

Article (50): Company Termination:

Upon the Company's termination or in the event of its dissolution before the specified deadline, the EGA shall decide upon the proposal of the BOD on the mechanism of liquidation, appointing one or more liquidators and determining their powers and fees. The authority of the BOD shall expire upon the expiry of the company. However, the BOD shall continue to manage the company until the liquidator is appointed. All Company departments and committees shall remain active and retain their competencies to the extent that they shall not conflict with the competencies of the liquidators.

The period of optional liquidation shall not exceed five years nor shall it be extended for more than that except by judicial order.

Part X: Final Provisions

Article (51): The Companies' Law shall be applied in all matters otherwise not provided for herein.

Article (52): This AOA shall be maintained and published in accordance with the provisions of the Companies' Law and its regulations.