

Nayifat Finance Company
Articles of Association
(Public Joint Stock Company)

Chapter One: Incorporation of the Company:

Article One: Incorporation:

The company was established in accordance with the provisions of the Companies' Law issued by Royal Decree No. M/3 dated 28/1/1437 AH and its regulations, the Finance Companies Control Law issued by Royal Decree No. M/51 dated 13/8/4331 AH and its executive regulations and such articles as a Saudi joint stock company subject to the following:

Article Two: Company Name:

Nayifat Finance Company (Public Joint Stock Company).

Article Three: Company Purposes:

The company purpose is to carry out financing activities - in accordance with the provisions of the Companies' Law, the Finance Companies' Control Law and its Executive Regulations, related regulations, and the rules and instructions issued by the Saudi Central Bank - and the company carries out and implements the following purposes:

1. Financing the activity of medium and small enterprises.
2. Finance lease.
3. Consumer finance.
4. Credit Cards Financing.
5. Debt-Based Crowdfunding using Fintech.

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

Article Four: Participation and Ownership in Companies:

After obtaining the written approval of Saudi Central Bank, the company may have interest, or to participate in any way with entities or companies, or to establish a company on its own that carries out business similar to its business or that may assist it in achieving its purposes. The company may hold shares or stocks in these companies and merge them, merge with them, or to buy them, after fulfilling the requirements of the regulations and instructions followed in this regard.

Article Five: The Company's Head Office:

The head office of the company is located in the city of Riyadh, and it may establish branches, offices or agencies inside or outside the Kingdom by a decision of the Board of Directors after obtaining a written approval from the Saudi Central Bank.

Article Six: Company Term:

The term of the company is (99) Gregorian years starting from the date of its registration in the Commercial Register, and this period may always be extended by a decision issued by the Extraordinary General Assembly at least one year before the expiration of its term.

Chapter Two: Capital and Shares

Article Seven: Capital:

The company's capital is set at (1,200,000,000) one billion two hundred million Saudi Riyals divided into (120,000,000) one hundred and twenty million nominal shares of equal value, each worth (10) Saudi riyals, all of which are ordinary and cash shares.

Article Eight: Subscription to Shares:

The company's shares amounting to (120,000,000) one hundred and twenty million shares were subscribed for and paid in full. The Company's shares are traded in the Capital Market in accordance with the Capital Market Authority's Law and Implementing Regulations.

Article Nine: Types of Shares:

The extraordinary general assembly of the company may, in accordance with the principles set by the competent authority, issue preferred, redeemable or ordinary shares and decide to buy or sell them or transfer one class to another in accordance with the statutory regulations. Preferred shares or redeemable shares may be granted preferential rights over ordinary shares.

Company name Nayifat Finance Company (Public Co.)	Articles of Association	Ministry of Commerce (Operation Department)
Commercial Register (1010176451)	Date 16/01/1445 AH corresponding to 03/08/2023 AD	

A copy of the articles was issued based on the decision of the Extraordinary General Assembly on 18/06/2022 AD

Article Ten: Repurchase the company of its shares and Sale and Mortgage:

- 1) The company may purchase its shares and allocate them to the company's employees – or subsidiaries – within the employee share program in accordance with the statutory controls.
- 2) The company may purchase its shares to be used as treasury shares in accordance with the statutory controls.
- 3) The company may sell treasury shares in one or several stages in accordance with the statutory regulations.
- 4) The company may mortgage its shares as security for a debt in accordance with the statutory regulations.

Article Eleven: Issuance of Shares:

- 1) The shares shall be nominal and may not be issued at less than their nominal value, but may be issued at a higher value than this value, and in the latter case the difference in value shall be added in a separate item within the shareholders' equity, and it may not be distributed as dividends to shareholders, and the shares may be divided into shares with a lower nominal value or merged so that they represent shares with a higher nominal value in accordance with the statutory controls.
- 2) The company's shares shall be nominal and indivisible vis-à-vis the company, and if the share is owned by several persons, they shall choose one of them to act on their behalf in the use of the rights related thereto, and these persons shall be jointly liable for the obligations arising from the ownership of the share.

Article Twelve: Shareholders Register:

Without prejudice to the provisions of Article (Eighth) of the Finance Companies Control Law, and the third paragraph of Article (Ten) of the Executive Regulations of the Finance Companies Control Law, the company's shares shall be traded after recording them in the shareholder register prepared or contracted by the company, which includes the names of the shareholders, their nationalities, places of residence, professions, share numbers and the amount paid out of them. This entry shall be indicated on the share. The transfer of the nominal share ownership against the company or third parties shall not be considered valid except from the date the share is recorded in the register.

Article Thirteen: Capital Increase:

- 1) The Extraordinary General Assembly, after obtaining the prior no-objection of the Saudi Central Bank in writing and after the approval of the competent authorities, may decide to increase the company's capital, provided that the capital has been paid in full, and it is not required that the capital has been paid in full if the unpaid part of the capital belongs to shares issued against the conversion of debt instruments or financing instruments into shares and the prescribed period for converting them into shares has not yet expired.
- 2) The Extraordinary General Assembly may, in all cases, allocate the issued shares upon capital increase or part thereof to the employees of the company and the subsidiaries or some of them, or any of them, and the shareholders may not exercise the right of priority when the company issues the shares allocated to employees.
- 3) The shareholder who owns the share at the time of the issuance of the extraordinary general assembly resolution approving the capital increase shall have priority in subscribing to new shares issued against cash shares, and the shareholders shall be informed accordingly in accordance with the instructions of the Capital Market Authority.
- 4) The Extraordinary General Assembly has the right to suspend the priority right of shareholders in subscribing to the capital increase in exchange for cash shares or to give priority to any shareholder or non-shareholders in cases it deems appropriate for the interest of the company.
- 5) The shareholder has the right to sell or assign the pre-emption right within the period from the time of the issuance of the General Assembly's resolution approving the capital increase until the last day of subscription in the new shares related to these rights, in accordance with the controls set by the competent authority.
- 6) Subject to the provisions of paragraph (4) above, the new shares shall be distributed to the rights holders who have requested subscription, in proportion to the pre-emptive rights they own out of the total pre-emptive rights resulting from the capital increase, provided that the amount they receive does not exceed what they requested from the new shares, and the remainder of the new shares shall be distributed to the rights holders who have requested more than their share, in proportion to the pre-emptive rights they own out of the total pre-emptive rights resulting from the capital increase, provided that The amount they receive shall not exceed what they have requested from the new shares, The remaining shares shall be offered to third parties, unless the Extraordinary General Assembly or the Capital Market Law provides otherwise.

Article Fourteen: Capital Reduction:

The extraordinary general assembly may, based on acceptable justifications, and after obtaining the prior no-objection of the Saudi Central Bank in writing and after the approval of the competent authorities, decide to reduce the capital if it exceeds the company's need or if the company suffers losses, and the reduction decision shall not be issued except after reading a statement in the general assembly prepared by the Board of Directors on the reasons for the reduction, the company's obligations and the impact of the reduction on their fulfillment, and a report from the company's auditor shall be attached to this statement.

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Commercial Register (1010176451)	Date 16/01/1445 AH corresponding to 03/08/2023 AD	

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If the capital reduction is the result of its increase in the company's need, and creditors must be invited to express their objections thereto at least (45) days before the date specified for the extraordinary general assembly meeting to take the reduction decision, provided that a statement showing the amount of capital before and after the reduction, the date of the meeting and the effective date of the reduction are attached to the invitation, if any of the creditors objects to the reduction and submits his documents to the company on the said date, the company shall pay his debt to him if immediately or provide him with sufficient security to satisfy it if it is deferred.

Article Fifteen: Issuance of Bonds and Instruments:

The company may issue negotiable instruments inside or outside the Kingdom of Saudi Arabia, in accordance with the applicable laws, regulations, and rules. The company's ordinary general assembly may, by a resolution, delegate to the board of directors the authority to issue the instruments, whether in one part or several parts, or through a series of issuances under one or more programs established by the board of directors, from time to time, in which it determines the times, amounts and conditions it deems appropriate, and has the right to take all necessary measures to issue them after obtaining the approval of the Saudi Central Bank, the Sharia Board and the competent authorities. The company may also, when needed, obtain investment financing in accordance with Shariah controls and in accordance with the rules and regulations established by the company and the Saudi Central Bank.

Chapter Three: The Board of Directors

Article Sixteen: Company Management:

The company shall be managed by a board of directors consisting of (8) members elected by the ordinary general assembly of shareholders, (provided in all cases that the members of the board of directors are natural persons), for a period not exceeding four years, after fulfilling the suitability requirements determined by the Saudi Central Bank and obtaining a letter from it that includes its non-objection, and with the exception of that, the founders appointed the first board of directors for a period of (5) years.

Article Seventeen: Termination of Board Membership:

The membership of the Board shall expire upon the expiry of its term or the expiry of the member's validity thereof in accordance with any system, regulation, rule or instructions in force in the Kingdom, and the membership of the Board shall also end with resignation or death or if it is proved to the Board of Directors that the member has breached his duties in a manner harmful to the interest of the Company, provided that this is accompanied by the approval of the Ordinary General Assembly, or by his absence from attending more than three consecutive meetings or five separate meetings during his term of office without a legitimate excuse acceptable to the Board of Directors, Or if he is adjudicated bankrupt or insolvent, submits an application for settlement with his creditors, ceases to pay his debts, suffers from mental illness, or if it is proven that he has committed an act that violates honesty and morals, or if he is convicted of forgery. In all cases, the Ordinary General Assembly may at any time remove all or some of the members of the Board of Directors. The company shall notify the market and the Capital Market Authority immediately upon the termination of the membership of a member of the Board of Directors with a statement of the reasons, and the company shall notify the Central Bank within 5 working days from the date of expiry of the membership of the Board of Directors.

Article Eighteen: Vacant Position in the Board:

After fulfilling the suitability requirements determined by the Saudi Central Bank and obtaining a letter from it stating no objection, if the position of one of the members of the Board of Directors becomes vacant, the Board may appoint a temporary member to the vacant position who has experience and competence, and must inform the Commercial Register, as well as the Capital Market Authority, within fifteen days from the date of appointment, and inform the Saudi Central Bank of this within five days. If the necessary conditions for the convening of the Council are not met due to the lack of the number of its members from the minimum stipulated in Article (Sixteen) of this system, the rest of the members shall call the Ordinary General Assembly to convene within sixty days to elect the necessary number of members.

Article Nineteen: Powers of the Board:

In a manner that does not conflict with what is stated in the financing Laws and its executive regulations, and with due regard to the competencies established for the General Assembly, the Board of Directors shall have the widest powers in managing the company to achieve its objectives.

The board has the right to buy and sell real estate, vacating it, accept it, receive, deliver, rent, lease, collect, pay the price, mortgage, pay the mortgage and accept the mortgage. The board of directors has the right to conciliation, assignment, contract, commitment and associate in the name of the company and on its behalf. The Board of Directors shall carry out all the actions that would achieve the company's purposes. The board further has the right to open investment accounts with investment companies, open investment portfolios, buy and sell shares, collect profits, open and close current accounts with banks, issue checks and credits, withdraw and deposit, issue

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Commercial Register (1010176451)	Date 16/01/1445 AH corresponding to 03/08/2023 AD	

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bank guarantees, sign on all papers, documents, checks and all banking transactions, as well as the power to sign commercial papers, as well as the power to waive rights and benefits. The Board also has the right to sign all types of contracts, papers and documents, including but not limited to the articles of association of the companies in which the company participates, and all decisions to amend them, whatever they are, whether by increasing or decreasing the capital, modifying the purposes, exiting one of the partners, or amending any of the articles of the articles of association and liquidation of companies that the company participates in it in front of the Ministry of Commerce and Investment, the General Investment Authority, the notary public and other relevant bodies, or opening branches, appointing and dismissing their managers, extracting and writing off commercial records, extracting licenses, signing agreements and instruments before notaries and official bodies, as well as financing agreements regardless of their duration, safeguards, guarantees and mortgages with banks, public lending funds, local and international financing agencies, issuing legal agencies on behalf of the company, appointing employees and representatives, determining their salaries and remunerations, and dismissing them. The Board also prepares the internal regulations that regulate the work mechanism in the company and its relations with others, and the formation of specialized work committees, defining their powers, competences, its selection mechanism and work. It may conclude Islamic financing agreements, provided that it adheres to the following conditions for financing agreements whose terms exceed three (3) years:

- 1- The value of the financing that the board may contract during the company's financial year shall not exceed five times (500%) of the company's capital.
- 2- That the Board of Directors specifies in its decision the aspects of using the funds and how to pay them.
- 3- To take into account, in the terms of the financing and guarantees provided to it, not to harm the company, its shareholders and the general guarantees of the creditors. The Board may also sell or mortgage the company's real estate and assets, including the company's store, provided that the minutes of the Board of Directors shall include the rationale for its decision to dispose of the company's real estate, which are represented in the following conditions:
 1. The board should specify in the sale decision the reasons and justifications for it.
 2. The sale should be close to the price of the same.
 3. The price shall be present except in cases of necessity and with sufficient guarantees.
 4. That this act does not result in the suspension of the company's activities or burdening it with other obligations.

The board may also discharge the company's debtors from their obligations, provided that the minutes of the board of directors include the reasons for its decision, which are represented in the following conditions:

- 1- The discharge shall be at least one full year after the debt arose.
- 2- The discharge shall be for a specified maximum amount that does not exceed (1%) of the company's capital for each year for one debtor.
- 3- Discharge is a right of the board of directors that may not be delegated.
- 4- The discharge shall not be related to the discharge of a member of the Board, partners in the company, or one of the parties related to the company, whether the relationship was direct or indirect.

The board may also, within the limits of its competence, delegate one or more of its members or a third party to carry out certain work or works.

Article Twenty: Board Members Remuneration:

The remuneration of the Chairman and members of the Board of Directors shall be a certain amount, attendance allowance for meetings, in-kind benefits, or a certain percentage of the net profits, and two or more of the above may be combined, and the amount of such remuneration and the method of disbursement shall be determined in accordance with the Companies Law and its Executive Regulations and the remuneration policy approved by the Company's General Assembly, and the Company shall pay the members all the actual expenses incurred in order to attend the meetings of the Board and the committees, including accommodation, travel and transportation expenses. The report of the Board of Directors to the Ordinary General Assembly shall include a comprehensive statement of all remuneration, expense allowance and other benefits received by the members of the Board of Directors during the financial year, as well as a statement of what the members of the Board received as employees or administrators or what they received in return for technical, administrative or consulting work, as well as a statement of the number of meetings of the Board and the number of meetings attended by each member.

Article Twenty-One: Powers of the Chairman, Vice Chairman, Managing Director and the Secretary:

After obtaining the prior no-objection of the Saudi Central Bank in writing and after the approval of the competent authorities, the Board of Directors shall appoint in its first meeting from among its members a Chairman and Vice Chairman, and may appoint a Managing Director or Chief Executive Officer from among its members or others, and the Board shall determine the powers of the Managing Director or the Chief Executive Officer, and the position of Chairman of the Board of Directors may not be combined with any executive position in the Company. Without prejudice to what is stated in the financing systems and their implementing regulations, the Chairman of the Board shall have the right to buy, sell real estate, empty and accept it, receive, deliver, rent, lease, arrest, pay

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the price, mortgage, release the mortgage, accept the mortgage, represent the company in its relationship with others, before the judiciary and other judicial committees, notaries, courts, dispute settlement committees of all kinds, and arbitration bodies. Labor and civil rights offices, police stations, other government agencies, chambers of commerce and industry, private bodies and bodies, companies and institutions, and in signing all types of contracts, documents and documents, including but not limited to the articles of association of companies in which the company participates, and all decisions to amend them, whatever they are, whether by increasing or decreasing the capital, modifying the purposes, the exit of one of the partners, amending any of the articles of the memorandum of association, and liquidating the companies in which the company participates, before the Ministry of Commerce and Investment and the General Authority. Investment & Notary Public and other relevant authorities, opening branches, appointing and dismissing their managers, extracting replacement instruments, extracting and writing off commercial records, obtaining licenses, signing agreements, deeds and emptying before notaries and official and private authorities inside and outside the Kingdom, signing and dismantling agreements of guarantees, guarantees and mortgages, issuing legitimate agencies on behalf of the company, opening and closing accounts with local and foreign banks. And closing them, issuing checks and credits, withdrawing and depositing, issuing bank guarantees, as well as the authority to sign commercial papers, as well as the authority to waive rights and benefits, signing and holding loans, banking facilities and treasury work, as well as the right to open investment accounts with investment companies, open investment portfolios, buy and sell shares, collect profits, sign all papers, documents, checks and all their documents, and he has the right to plead, defend, reconcile, acknowledge and arbitrate on behalf of the company And appeal the judgments issued against the company, object to them, accept them, waive the claims, receive and deliver on behalf of the company, and he also has within the limits of his powers and powers the right to delegate one or more in the conduct of a certain work or works and has the right to authorize others. The Board of Directors shall appoint a secretary chosen by him from among its members or others, who shall be responsible for recording the minutes of the Board of Directors and all the work entrusted to him by the Board, and his remuneration shall be determined by a resolution of the Board of Directors. The term of the Chairman of the Board, his deputy, the Managing Director, the Secretary and the members of the Board of Directors shall not exceed the term of their respective members of the Board, and they may be re-elected. The Board may dismiss the Chairman, Vice-Chairman, Managing Director, Chief Executive Officer and Secretary or any of them from such positions, without the consequence of relieving them of their membership in the Board.

Article Twenty-Two: Chairman's Remuneration:

A special remuneration is granted to Chairman of the Board of Directors in addition to the annual remuneration, under the recommendation of the Nominations and Remuneration Committee and a decision of the Board.

Article Twenty-Three: Board Meetings:

The Board of Directors shall meet at least four times a year at the invitation of its Chairman, and the invitation shall be documented in the manner deemed appropriate by the Board, and the Chairman of the Board shall invite the Board to a meeting whenever requested to do so by any member of the Board to discuss any or more topics.

Article Twenty-Four: Quorum for the Board Meeting:

The meeting of the Board shall not be valid unless attended by at least half of the members (in person or on behalf of), and the Board of Directors shall determine the place of holding its meetings, and they may be held using modern technology, and a member of the Board of Directors may delegate other members to attend the meetings of the Board in accordance with the following controls:

- 1) A member of the Board of Directors may not represent more than one member in attending the same meeting.
- 2) The delegation shall be fixed in writing.
- 3) The deputy may not vote on decisions that the law prohibits the representative from voting.

The decisions of the Council shall be issued by a majority of the opinions of the members present or represented therein (and in the event of equality of opinions, the side with which the chairman voted shall prevail), and the decision of the Council shall take effect from the date of its issuance, unless it stipulates that it shall take effect at another time or when certain conditions are met, and the Council may issue its decisions on urgent matters by presenting them to all members by circulation, and such decisions shall be issued with the approval of the majority of the members, unless one of the members requests in writing to hold a meeting to deliberate on them. In this case, these decisions shall be submitted to the Board of Directors at its first subsequent meeting. Cases of reporting the direct and indirect interest of a member of the Board of Directors and the necessary license shall be subject to the provisions of the Companies Law and its Executive Bylaws.

Article Twenty-Five: Board Deliberations:

The deliberations and decisions of the Board of Directors shall be recorded in minutes signed by the Chairman of the Board, the members of the Board of Directors present and the Secretary, and these minutes shall be recorded in a special register signed by the Chairman of the Board of Directors and the Secretary, and modern technology may be used to sign and prove the deliberations and decisions and record the minutes.

Company name Nayifat Finance Company (Public Co.)	Articles of Association	Ministry of Commerce (Operation Department)
Commercial Register (1010176451)	Date 16/01/1445 AH corresponding to 03/08/2023 AD	

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Article Twenty-Six: Remuneration of the Board Committee Members:

The remuneration of the chairmen and members of the committees shall be a certain amount or attendance allowance for the sessions, and they may be combined, and the amount of such remuneration and the method of disbursement shall be determined in accordance with the remuneration policy approved by the company's general assembly.

The report of the Board of Directors to the Ordinary General Assembly shall include a comprehensive statement of all remuneration and allowance for attending meetings received or entitled to each member of the committees during the fiscal year, as well as a statement of the number of committee meetings and the number of meetings attended by each member.

Chapter Four: Shareholders' Assemblies

Article Twenty-Seven: Attendance of Assemblies:

Each shareholder has the right to attend the general assemblies of shareholders, and he may delegate another person other than the members of the board of directors or the company's employees to attend the general assembly, and the Ministry of Commerce, the Capital Market Authority and the Saudi Central Bank may send one or more delegates to attend the general assemblies as observers.

Article Twenty-Eight: Functions of the Ordinary General Assembly:

With the exception of the matters of the Extraordinary General Assembly, the Ordinary General Assembly is concerned with all matters relating to the company, and it convenes at least once a year during the six months following the end of the company's financial year. Other ordinary general assemblies may be called whenever the need arises.

Article Twenty-Nine: Functions of the Extraordinary General Assembly:

The Extraordinary General Assembly shall be concerned with, but not limited to, deciding the continuation or dissolution of the company, approving the company's purchase of its shares, and amending the company's articles of association, except for matters prohibited from amending it by law, and in all cases, the approval of the Saudi Central Bank must be obtained in writing before making any amendment to this system. The Assembly may issue decisions on matters originally within the competence of the Ordinary General Assembly under the same terms and conditions prescribed for the Ordinary General Assembly.

Article Thirty: Invitation to Assemblies:

The general or special assemblies of shareholders shall be convened by the Board of Directors in accordance with the conditions stipulated in the Company's Articles of Association, and the Board of Directors shall convene the Ordinary General Assembly if requested by the auditor, the Audit Committee, or one or more shareholders representing at least 10% of the Company's shares that have voting rights. 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 convene the General Assembly shall be published on the Saudi Exchange website and in a daily newspaper distributed at the company's head office at least twenty-one days before the date specified for the meeting. However, it may be sufficient to send the invitation on the said date to all shareholders by registered letters or to announce the invitation through modern technology. A copy of the invitation and agenda shall be sent to the Commercial Registry, the Capital Market Authority and the Saudi Central Bank on the date of announcing the invitation.

The invitation to the meeting of the Assembly shall also include at least the following:

- 1) A statement of the holder of the right to attend the meeting of the Assembly and his right to delegate whomever he chooses from among the non-members of the Board of Directors, and a statement of the right of the shareholder to discuss the topics on the agenda of the Assembly, ask questions and how to exercise the right to vote.
- 2) Place, date and time of the meeting.
- 3) The type of association, whether public or private.
- 4) The agenda of the meeting, including the items required to be voted on by shareholders.

Article Thirty-One: Attendance Record of Assemblies:

Shareholders Registered in the Nayifat's Shareholders Registry in the EDAA Centre at the End of the Trading Session Preceding the General Assembly's Meeting have the right to attend the meeting, as per Laws and Regulations.

Article Thirty-Two: Quorum for the Ordinary General Assembly Meeting:

The convening of the ordinary general assembly meeting shall not be valid unless attended by shareholders representing at least one quarter of the shares of the company that have voting rights, and if the necessary quorum

Company name Nayifat Finance Company (Public Co.)	Articles of Association	Ministry of Commerce (Operation Department)
Commercial Register (1010176451)	Date 16/01/1445 AH corresponding to 03/08/2023 AD	

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is not available to hold this meeting, a second meeting shall be held one hour after the end of the period specified for the first meeting, provided that the invitation to hold the first meeting includes an announcement of the possibility of holding this meeting. In all cases, the second meeting shall be valid regardless of the number of voting shares represented therein.

Article Thirty-Three: Quorum for the Extraordinary General Assembly Meeting:

The extraordinary general assembly meeting shall not be valid unless attended by shareholders representing at least half of the shares of the company that has voting rights, and if this quorum is not available 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 to hold the first meeting includes an announcement of the possibility of holding this meeting. In all cases, the second meeting shall be valid if attended by a number of shareholders representing at least one quarter of the shares of the company that has voting rights.

If the necessary quorum is not available at the second meeting, a third meeting shall be convened under the same conditions stipulated in Article (Thirty) of these Rules, and the third meeting shall be valid regardless of the number of shares that have voting rights represented therein.

Article Thirty-Four: Voting in Assemblies:

Each shareholder has a vote for each share in the General Assemblies and the cumulative vote must be used in the election of the Board of Directors. The members of the Board of Directors may not participate in voting on the resolutions of the General Assembly that relate to businesses and contracts in which they have a direct or indirect interest or that involve a conflict of interest.

Article Thirty-Five: Resolutions of the Assemblies:

The resolutions of the ordinary general assembly shall be issued by an absolute majority of the shares that have voting rights represented at the meeting, and the resolutions of the extraordinary general assembly shall be issued by a two-thirds majority of the shares that have the voting rights represented at the meeting, unless it is a resolution related to increasing or decreasing the capital, extending the company's term, dissolving it before the expiry of the period specified in its articles of association, merging it with another company, or dividing it into two or more companies. It shall not be valid unless it is issued by a majority of three quarters of the shares that have voting rights represented at the meeting, and the decision shall not be effective until after obtaining the approval of the Saudi Central Bank.

The resolutions of the General Assembly shall also apply from the date of their issuance, except in cases where the Companies Law or the resolution issued stipulates that it shall apply at another time or when certain conditions are met.

Article Thirty-Six: Agenda of the General Assembly:

- 1) The Board of Directors, when preparing the agenda of the General Assembly, shall take into account the topics that the shareholders wish to include, and one or more shareholders representing (ten percent) of the shares of the company that have voting rights shall have the right to add at least one or more topics to the agenda when preparing it, and the competent authority may amend this percentage.
- 2) The Board of Directors shall single out each of the topics on the agenda of the General Assembly as a separate item, not to combine the substantially different topics under one item, and not to place the works and contracts in which any of the members of the Board of Directors has a direct or indirect interest within one item for the purpose of voting on the entire item.
- 3) Each shareholder has the right to discuss the topics on the agenda of the Assembly and to address questions thereon to the members of the Board of Directors and the auditor. The Board of Directors or the auditor shall answer the questions of the shareholders to the extent that the interest of the Company is not prejudiced. If the shareholder considers that the answer to his question is insufficient, he shall appeal to the General Assembly, and its decision thereon shall be enforceable.

Article Thirty-Seven: Chairing assemblies and Preparing Minutes:

The meetings of the general assemblies of shareholders shall be chaired by the Chairman of the Board of Directors or his deputy in his absence or whoever is delegated by the Board of Directors from among its members in the absence of the Chairman and Vice-Chairman of the Board of Directors, and in the event that this is not possible, the General Assembly shall be chaired by those delegated by the shareholders from the members of the Board or others by voting.

A minutes shall be drawn up at the meeting of the General Assembly that shall include the number of shareholders present or represented, the number of shares held by them in person or proxy, the number of votes prescribed for them, the resolutions taken, the number of votes approved or dissented, and a compendium of the discussions that took place at the meeting. Minutes are recorded regularly after each meeting in a special register signed by the President of the Assembly, its Secretary and the Collector.

Company name Nayifat Finance Company (Public Co.)	Articles of Association	Ministry of Commerce (Operation Department)
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Chapter Five: Audit Committee:

Article Thirty-Eight: Formation of the Committee:

By a decision of the Ordinary General Assembly, an Audit committee with a minimum of 3 members and no more than 5 from non-executive board members, whether shareholders or others, provided that most of its members are independent from outside the Board, after fulfilling the suitability requirements determined by the Saudi Central Bank and obtaining a written approval from it. A resolution is issued by the company's general assembly, based on the proposal of the board of directors, regarding its duties, how it operates, the rules for selecting its members, their remuneration and the term of their membership.

If the Committee member's position becomes vacant during the membership period, the Board may appoint an interim member provided that he is experienced and competent to fill the vacant position for the remainder of the membership period of his predecessor. That is after obtaining the non-Objections from Saudi Central Bank for Such appointment. CMA and MCI shall be informed within five working days of the appointment date. and the appointment shall be submitted to the General Assembly at its first meeting.

Article Thirty-Nine: Committee meeting quorum:

For the audit committee meeting to be valid, the attendance of the majority of its members is required, and its decisions are issued by the majority of the votes of those present.

Article Forty: The Committee's Competencies:

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

Article Forty-One: Committee Reports:

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

Chapter Six: Auditor:

Article Forty-Two: Appointment of the Auditor:

Without prejudice to the provisions of Article (Seventy-fourth) of the Executive Bylaws of the Finance Companies Control Law, the company shall have one (or more) auditors from among the auditors licensed to work in the Kingdom appointed by the Ordinary General Assembly, whose remuneration, duration of work and scope shall be determined, and the Assembly may also dismiss him at any time.

Article Forty-Three: Powers of the Auditor:

The auditor may, at any time, review the company's documents, accounting records and supporting documents, and may request such data and clarifications as he deems necessary to verify the company's assets and liabilities, and other matters within the scope of his work, and the company's board of directors shall enable him to perform his duty. If the auditor encounters difficulty in this regard, he shall state this in a report to the Governing Council. If the Board of Directors does not facilitate the work of the auditor, it shall request them to invite the shareholders to convene the General Assembly to consider the matter. The auditor may issue this invitation if the Board of Directors does not address it within (thirty) days from the date of the auditor's request and explain the violations he may have uncovered of the provisions of the Companies Law, the Finance Companies Control Law, its Executive Bylaws, the relevant regulations, the provisions of this Law, or the rules and instructions issued by the Saudi Central Bank, and his opinion on the extent to which the company's accounts conform to reality.

Chapter Seven: Company Accounts and Dividend Distribution:

Article Forty-Four: The fiscal year:

The company's fiscal year begins from the first of January and ends at the end of December of each year, provided that the first fiscal year begins from the date of its registration in the Commercial Register until the end of December of the current/next year.

Article Forty-Five: Financial Documents:

1) Without prejudice to the provisions of the Companies Law, the Finance Companies Control Law and its Executive Bylaws, in particular Article (Twenty-six) of the Executive Bylaws of the Finance Companies Control

Company name Nayifat Finance Company (Public Co.)	Articles of Association	Ministry of Commerce (Operation Department)
Commercial Register (1010176451)	Date 16/01/1445 AH corresponding to 03/08/2023 AD	

A copy of the articles was issued based on the decision of the Extraordinary General Assembly on 18/06/2022 AD

Law, the Board of Directors shall, at the end of each financial year of the Company, prepare the Company's financial statements and a report on its activities and financial position for the preceding fiscal year. The present report shall include the proposed method of distribution of profits, and the Board shall place these documents at the disposal of the Auditor at least forty-five days prior to the date fixed for the General Assembly.

2) The Chairman of the Board of Directors, the Chief Executive Officer and the Chief Financial Officer of the Company shall sign the documents referred to in paragraph (a) of this Article, copies thereof shall be deposited at the Company's head office.

3) The Chairman of the Board of Directors shall provide the shareholders with the company's financial statements, the report of the Board of Directors, and the auditor's report, unless published in any of the modern technology means, at least twenty-one (21) days before the date set for the annual ordinary general assembly, and he shall also deposit these documents in accordance with what is specified in the Companies Law and its implementing regulations, and he shall also send a copy of these documents to the Ministry, at least fifteen days before the date of the general assembly.

Article Forty-Six: Dividend Distribution:

Without prejudice to the provisions of Article (Twenty-Six) of the Executive Bylaws of the Finance Companies Control Law, the company's annual net profits shall be distributed as follows:

1. A general reserve of (10%) of the net profits shall be set aside and allocated for a specific purpose or purposes determined by the Ordinary General Assembly upon the proposal of the Board of Directors.
2. The Ordinary General Assembly may decide to form other reserves, to the extent that it is in the interest of the Company or ensures the distribution of fixed dividends as much as possible to the shareholders.
3. No less than 5% of the company's paid-up capital shall be distributed thereafter to the shareholders.
4. Subject to the provisions prescribed in Article (20) of this Law, a percentage not exceeding (10%) of the remainder shall be allocated after the above to the remuneration of the Board of Directors, provided that the entitlement to this remuneration shall be proportionate to the number of meetings attended by the member.
5. The remainder shall then be distributed to the shareholders as a share in the profits or transferred to the retained earnings account.
6. The company may also distribute interim dividends to its shareholders on a semi-annual or quarterly basis by a decision of the Board of Directors, if the company's financial situation allows and liquidity is available in accordance with the controls and procedures set by the competent authority.

Article Forty-Seven: Entitlement to Profits:

The shareholder shall be entitled to his share in the profits in accordance with the resolution of the General Assembly issued in this regard or in accordance with the resolution of the Board of Directors to distribute interim dividends, and the resolution shall indicate the maturity date and the date of distribution, and the eligibility for dividends shall be for the shareholders registered in the shareholders' registers at the end of the day specified for maturity. The Board of Directors shall implement the resolution of the General Assembly regarding the distribution of profits within the period specified by law.

Article Forty-Eight: Distribution of Dividends for Preferred Shares:

- 1) If no dividend is distributed for any financial year, dividends for subsequent years may not be distributed to the holders of preferred shares for that year.
- 2) If the company fails to pay the specified percentage in accordance with the provisions of the Executive Regulations of the Companies Law for listed joint stock companies of profits for a period of three consecutive years, The special assembly of the owners of these shares, held in accordance with the provisions of Article (eighty-ninth) of the Companies Law, may decide to attend the meetings of the general assembly of the company and participate in voting, until the company is able to pay all the priority dividends allocated to the owners of these shares for previous years, and each preferred share shall have one vote in the general assembly meeting, and the preferred share holder in this case shall be entitled to vote on all items on the agenda of the ordinary general assembly without exception.

Article Forty-Nine: Company Losses:

Without prejudice to the provisions of Article (Seventy) of the Executive Bylaws of the Finance Companies Control Law. If the company's losses amount to (half) of the issued capital, the Board of Directors shall disclose this and its recommendations regarding such losses within sixty days from the date of becoming aware of its reaching this amount, and invite the extraordinary general assembly to meet within (one hundred and eighty) days from the date of becoming aware of this to consider the continuation of the company with any of the necessary measures to address or resolve such losses.

Company name Nayifat Finance Company (Public Co.)	Articles of Association	Ministry of Commerce (Operation Department)
Commercial Register (1010176451)	Date 16/01/1445 AH corresponding to 03/08/2023 AD	

A copy of the articles was issued based on the decision of the Extraordinary General Assembly on 18/06/2022 AD

Chapter Eight: Disputes:

Article Fifty: Liability Claim:

- 1) The company may file a liability lawsuit against the members of the board of directors due to violation of the provisions of the Companies Law or its Articles of Association, or because of any errors, negligence or negligence in the performance of their work, which results in damages to the company, and the general assembly or shareholders decide to lift this invitation and appoint a representative of the company in its exercise, and if the company is in the liquidation role, the liquidator shall file the lawsuit, and in the event of the opening of any of the liquidation procedures against the company in accordance with the Bankruptcy Law, Filing this lawsuit by the person who represents it by law.
- 2) One or more shareholders representing (five percent) of the company's capital may file a liability lawsuit prescribed for the company in the event that the company does not file it, taking into account that the main objective of filing the lawsuit is to achieve the interests of the company, and that the lawsuit is based on a valid basis, and that the plaintiff is in good faith, and a shareholder in the company at the time of filing the lawsuit.
- 3) It is required to file such lawsuit to inform the members of the Board of Directors of the intention to file the lawsuit at least (fourteen) days before the date of filing, and the shareholder may file a personal lawsuit against the members of the Board of Directors if the mistake issued by them would cause damage of his own.
- 4) The approval of the General Assembly to discharge the members of the Board of Directors shall not preclude the filing of lawsuits.
- 5) Except in cases of forgery and fraud, the liability claim shall not be heard after the lapse of (five) years from the date of the end of the financial year of the company in which the injurious act occurred or (three) years from the termination of the member's membership in the relevant board of directors, whichever is later.

Chapter Nine: The Sharia Board:

Article Fifty-One: The Sharia Board:

The company shall have a Sharia board consisting of at least three members with Sharia and economic experience, and their nomination, appointment and dismissal shall be by the Board of Directors, and the decisions of the Board shall be binding on the competent authorities of the company, and the Board of Directors shall determine its competencies as it deems appropriate.

Chapter Ten: Dissolution and Liquidation of the Company:

Article Fifty-Two: Expiration of the Company:

Without prejudice to the provisions of Article (20) of the Executive Bylaws of the Finance Companies Control Law, the company shall enter upon its expiry into the liquidation role and retain the legal personality to the extent necessary for liquidation, and the optional liquidation decision shall be issued by the extraordinary general assembly. The period of voluntary liquidation shall not exceed three years and may not be extended for more than that except by a judicial order and the authority of the company's board of directors shall expire with its dissolution, however, these shall remain based on the management of the company and shall be considered for third parties in the judgment of liquidators until the liquidator is appointed and the shareholders' assemblies shall remain in existence during the liquidation period and their role shall be limited to exercising their competencies that do not conflict with the powers of the liquidator.

Chapter Eleven: Final Provisions:

Article Fifty-Three:

Matters not covered by these articles shall be subject to the Companies' Law and its Regulations, the Finance Companies Control Law and its Executive Regulations, the related Regulations and the rules and instructions issued by the Saudi Central Bank.

Article Fifty-Four:

These articles of association shall be filed and published in accordance with the provisions of the Companies' Law and its regulations.

Company name Nayifat Finance Company (Public Co.)	Articles of Association	Ministry of Commerce (Operation Department)
Commercial Register (1010176451)	Date 16/01/1445 AH corresponding to 03/08/2023 AD	

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