



Articles of Association

SHL Finance Company

(Listed Joint Stock Co.)

Chapter One

Incorporation of the Company

Article (1) Incorporation of The Company

The Saudi Joint Stock Company shall be incorporated pursuant to the Saudi Companies Law issued by Royal Decree No. M/132 dated 01/12/1443H and its implementing regulations issued by Ministerial Resolution of his Excellency the minister of commerce No. 284 dated 23/06/1444H and the provisions of these bylaws.

Article (2) Company's Name

SHL Finance Company – Listed Joint Stock Co.

Article (3) Company's Head Office

The Company's head office shall be located in the city of Riyadh, Kingdom of Saudi Arabia. The Company shall have the right to open branches, offices or agencies inside or outside the Kingdom of Saudi Arabia under resolution of the Board and after obtaining the prior non-objection from Saudi Central Bank.

Article (4) Objects of the Company

This includes real estate financing, consumer finance, small and medium enterprises finance, individuals and corporations in accordance with companies law, finance companies control law and related regulations, rules and instructions issued by Saudi



Central Bank and competent authorities. The Company shall engage in all works to meet its objects according to Islamic Sharia and the said laws and instructions.

Article (5) Term of Company

The term of the Company is indefinite.

Chapter Two

Capital and Shares

Article (6) Capital of the Company

The issued share capital of the Company shall be SAR 1000.000.000 (Saudi Riyals one billion), divided into 100.000.000 (one hundred million) shares of nominal equal value; each is SR (10) and all of which are ordinary cash shares.

Article (7) Share Subscription

The founders have subscribed to the entire share capital amounting to one hundred million (100.000.000), with a value of one billion Saudi Riyals (SAR 1.000.000.000), which was paid in full.

Article (8) Preferred and refundable Shares

According to the rules set up by the competent authority and after obtaining the non-objection from Saudi central Bank, extraordinary general meeting of the Company may issue preferred or refundable shares, decide to buy it, transfer shares class to another class according to the controls determined by competent authorities. Preferred shares shall not give the right to vote at general assemblies of shareholders unless the Company fails to pay the certain percentage to holders of such shares of the net profits for three years consecutively after deduction of reserves, if any. In exception, the preferred shares shall



give the right to vote at general assembly of stockholders if the resolution of the general assembly caused reduction of the Company capital, liquidate it or sells its assets. Each preferred share shall have one vote at the meeting of the general assembly.

Article (9) Trading of Shares

Shares of the Company shall be traded in accordance with Capital Market Law, its implementing regulation and these bylaws.

Article (10) Selling of unpaid shares

The shareholder shall pay the value of the share on the specified dates. If it/he fails to do so, the Board may, after notifying such shareholder through modern technology, sell the share at a public auction or the Capital Market in accordance with the regulations determined by the competent authority. The other shareholders shall have preemption rights to purchase the shares of the defaulting shareholder.

The Company shall collect from the sale proceeds the amounts owed to it and return the rest to that relevant shareholder, and if the sale proceeds are not sufficient to meet the amounts which the Company is owed, the Company may collect the remaining amounts from all of that shareholder's assets.

The enforcement of the rights related to the shares of which value has not been paid at the relevant time shall be suspended until they are sold or paid. Nevertheless, a shareholder who fails to pay until the day of sale may pay the due value, in addition to the expenses spent by the Company in this regard.

Article (11) Issuance of Shares

Shares shall have a nominal value and divisible to shares with less than its nominal value, and it may be merged to issue with higher amount. In the latter case, the difference in



amount shall be added in separate item within shareholders' rights, and it may not be distributed as dividends to shareholders. Share is indivisible vis-a-vis the company and if the share is owned by many persons, they shall select one of them to act on their behalf in using the rights in connection to shares. Owners of the share shall be jointly responsible for obligations arising of the title of the share.

Article (12) Increasing the capital

1. After obtaining the prior non-objection in writing from Saudi Central Bank and the approval of the competent authorities, the extraordinary general assembly may decide to increase the Company's share capital once or many times through issuing new shares with the same nominal value or with share premium, provided that the share capital has been fully paid up. The share capital is not required to be paid in full if the unpaid portion of the capital relates to shares issued in return for converting debts or financing instruments into shares and the term prescribed for their conversion has not yet expired in accordance with related laws and regulations.
2. The extraordinary general assembly in all cases may allocate the shares issued when increasing the capital or part of it to the employees of the Company and its subsidiaries or some of them. Shareholders may not exercise the pre-emption right when the Company issues share allocated to employees.
3. The shareholder existing at the time of the extraordinary general assembly's resolution to approve the increase in the share capital shall have priority in subscribing to the new shares to be issued in exchange for cash shares. Such shareholders shall be informed of their priority, if any, through publishing by the use of modern technology; along with the decision to increase capital, the terms and conditions of subscription and its method and the start and end date, considering the type and class of the shares he owns.



4. The extraordinary general assembly has the right to suspend the shareholders' pre-emption right to subscribe to newly issued cash shares or to give priority to non-shareholders as it deems appropriate in the interest of the Company.
5. The shareholder has the right to sell or waive the pre-emption right for a fee or without during the period from the time of issuing the resolution of general assembly for approving increase of the capital to the last day of subscription in the new shares in relation to these rights according to the controls determined by the competent authority.
6. Subject to the provisions of Paragraph (5) above, the new shares shall be distributed to the holders of pre-emption rights who have submitted subscription requests, in proportion with the pre-emption rights they have against the total pre-emption rights resulting from the capital increase, provided that the newly issued shares they obtain do not exceed the shares they request and considering the type and class of shares they own. The remainder of the new shares shall be distributed to holders of pre-emption rights who have requested more than their share, in proportion to the pre-emption rights they own from the total pre-emption rights resulting from the capital increase, provided that the newly issued shares they obtain do not exceed the shares they request. The remaining shares shall be offered to third parties, unless the extraordinary general assembly resolves, or capital market law state otherwise.
7. The extraordinary general assembly may determine issuing new shares against certain debts on the Company which are due and payable after the approval of certain creditors provided that issuance shall be made according to the amount determined by the extraordinary general assembly after using the opinion of an authorized expert and assessor and after the Board prepares a statement signed by all members of their liability



for the amount and correctness of the origin of these debts attached with Company auditor's report.

8. Extraordinary general assembly may issue new shares amounting to the reserve which company determines to merge at the Company capital. These shares shall be issued with the same status and form of issued shares of the same kind and class. These shares shall be distributed to registered shareholders without fees at the proportion of each shareholder's possession of original shares.

Article (13) Reduction the Capital

Based on reasonable causes and after obtaining the prior non-objection from Saudi Central Bank and the approval of competent authorities, the extraordinary general assembly may resolve to reduce the Company's share capital if it exceeds the Company's needs or if the Company sustains losses. The resolution to reduce the share capital shall not be passed until a statement prepared by Company's auditor is read out on the reasons for the reduction, the Company's obligations and the impact of the reduction on fulfilling such obligations.

If the capital reduction is made because it is more than the Company's needs, the creditors shall be invited to show their objection to reduction within (45) days prior to date of meeting of extraordinary general assembly to take reduction resolution, provided that it shall attach with the invitation statement indicating the capital amount before and after reduction and date of the reduction. If any creditor objects to reduction and submitted his documents within the said period, the Company is obligated to pay him his debt if it is due or submit a sufficient guarantee of payment if it is credit. The creditor who has notified the Company of his objection to the reduction and whose debt has



not been paid when due, or has provided sufficient guarantee to pay it if it is deferred, may apply to the competent judicial authority before the date specified for the extraordinary general assembly to take the decision regarding the reduction, and the competent judicial authority in this case has to order the payment of the debt, provide sufficient guarantee, or postpone the meeting of the extraordinary general assembly, as the case may be.

Article (14) Treasury Shares

After obtaining the approval of Saudi Central Bank and the consent of extraordinary general assembly, the Company may buy or pledge its shares according to the controls determined by the competent authority. The shares bought by the Company shall not have votes at shareholders' meetings. The Company may buy its shares in order to be allocated to employees within employees' share program according to the controls determined by the competent authority. With the approval of the Board and without contravening with the resolution of extraordinary general assembly which includes the approval of buying those shares, the Company may also sell treasury shares through one or many stages according to the controls determined by the competent authority.

Article (15) Bonds and Sukuk

1. After obtaining the approval of Saudi Central Bank and in accordance with applicable laws and regulations, the Board may issue debt instruments such as Sharia-compliant bonds and sukuk with equal value, negotiable and indivisible, whether in the Saudi currency or other currencies, within and outside the Kingdom of Saudi Arabia. The Board may issue the said bonds and sukuk at part or through a series of issuances according to



one program or more to be established by the Board from time to time at the times, in the amounts and according to the necessary terms and procedures approved by the Board.

2. After obtaining the approval of Saudi Central Bank and the consent of extraordinary general assembly, the Company may issue convertible debt instruments or convertible sukuk to shares in which the maximum number of issued shares shall be determined against debt instruments and sukuk, whether through one issuance, a series of issuances or through program of issuing debt instruments and financing sukuk, and the Company and the Board shall issue the new shares against those instruments and sukuk without the need for a new consent from the extraordinary general assembly with compliance to the procedures related to amendment of bylaws by increasing capital regarding the shares to be issued.

Chapter Three

Board of Directors

Article (16) Management of The Company

1. After fulfillment of solvency requirements as determined by Saudi Central Bank and obtaining letter from Central Bank including its non-objection, the Company shall be managed by board of directors composed of (11) directors to be elected by ordinary general meeting of shareholders through accumulative voting for no more than (4) years and they may be re-elected for one or more terms. Structure of the Board shall reflect the proper representation of independent members and in all events the number of independent members shall not be less than two members or one-third of the members,



whichever is more. Each shareholder is entitled to nominate himself, another person or more persons to membership of the Board according to his proportion of the company capital.

2. In case of end of the term of the board and it is rendered impossible to elect a new board, members of the current board shall continue performing their duties until election of board for the new term, provided that continuity period of members of the Board whose term has expired shall not exceed the period provided in the related regulations.

Article (17) Expiration of the Board Term or Resignation of Board Members, or Vacancy of Board Membership

1. The Board membership ends upon the expiry of its term or the director's membership in accordance with any applicable rules or instructions in the Kingdom of Saudi Arabia. However, the Ordinary General Assembly may (based on the Board's recommendation) and according to the terms provided in the main principles of governance of financial enterprises subject to control and supervision of Saudi Central Bank, terminate the Board membership of any member who is absent from attending three (3) consecutive Board meetings or five (5) Board meetings during his membership without a justified cause acceptable by the Board.

2. The Ordinary General Assembly may at every time and after informing Saudi Central Bank in writing, dismiss all or part of the Board members and in such case, the Ordinary General Assembly must elect a new Board or a replacement of the dismissed member (as the case may be) after obtaining the non-objection from Saudi Central Bank and in accordance with the provisions of the Companies Law.

3. A member of the Board of Directors may resign from the membership of the Board by virtue of a written notice submitted to the Chairman of the Board. If the Chairman of the



Board resigns, the notice shall be submitted to the rest of the Board members and the secretary of the Board. In both cases, the resignation shall be effective from the date specified in the notice according to terms of Company's law, its implementing procedures or any other valid instructions or regulations.

4. The Board of Directors shall call the Ordinary General Assembly to convene prior to the expiration of the Board's term to elect a Board of Directors for a new term. If the election cannot be held and the term of the current Board expires, its members shall continue to carry out their duties until a Board of Directors is elected for a new term, provided that they do not continue to carry out their duties beyond the period specified in the related laws and regulations and the Board may take the necessary to elect a board replacing it before expiry of the said continuity period.

5. If the Board member resigns and he has notes on company's performance, he shall submit a written statement of the notes to chairman of the Board and present the statement to members of the Board.

6. After fulfillment of solvency requirements as determined by Saudi Central Bank and obtaining letter from Central Bank including its non-objection, If the position of a member of the Board of Directors becomes vacant, the Board of Directors may appoint temporary member in the vacant position according to its estimation, provided that it shall have sufficient experience. The appointment shall be reported to the Commercial Registry, as well as the Capital Market Authority within fifteen (15) days from the date of such appointment, and it shall be submitted to the Ordinary General Assembly at its first meeting. The appointed member shall complete the term of his predecessor. If the conditions required for meeting of the board are not met due to shortage of the number of



its members below the minimum limit provided in article (18) of these bylaws, other members shall call to meeting of the ordinary general assembly within (60) days to elect the required number of members.

Article (18) Board's Authorities

Without contravening with financing laws and implementing regulations as well as laws, regulations and instructions of Capital Market Authority, and notwithstanding the competences of general assembly, the Board shall have the widest authorities regarding management of the Company to meet its objects and manage its affairs. To this effect, the Board may set up the general strategy and action plan of the Company, approve annual estimated budgets, determine the optimum capital structure and financial objectives of the Company, supervise on the main capital expenditures of the Company, possession of assets, verify the availability of sufficient human and financial resources in order to achieve objectives and plans of the Company, set up laws of internal control, risks and supervise the same, set up policies and procedures which guarantee the Company's compliance to laws and regulations and the compliance to disclose the substantial information to shareholders and stakeholders with ensuring the accuracy and safety of disclosed data and information, set up policies which regulate the relation with stakeholders according to laws and regulations, constitute specialized committees and approve its bylaws and determine duties and responsibilities of the committee and how the board controls over it. The Board shall be entitled to participate in other companies, appoint its managers, representatives, board managers and manage its assets and properties. The board shall have the right to buy, accept, pay the price, pledge, accept pledge, cancel pledge, sell, receive the price, sort properties and sukuk and regarding



sale of more than (50%) of the Company's assets, the consent of ordinary general assembly shall be sought , whether sale was made through one or many transactions within (12) months of the date of the first transaction.

The Board shall have the right to conciliate, waiver, contract and commit under the name of the Company and take over all acts which may meet objectives of the Company.

The Board may represent the Company before all banks, funds, financial, banking, financing and credit authorities as well as capital markets such as, but not limited to, Saudi Central Bank, Saudi real estate, industrial development funds, Capital Market Authority, Saudi Capital Market Company (Tadawul) and to this effect, the Board may determine or limit taking all acts and procedures including:

1. Approving and signing all letters, agreements and contracts of different kinds, whether it is related to opening bank accounts of the Company (of all kinds) , closing or suspending it or related to transferrable or non-transferrable funds including lands, properties, factories, buildings , equipment, assets, shares and stocks of the Company.
2. Entering public and private tenders and competitions, buying its documents, submitting bids, accepting awarding, signing its contracts or rejecting it.
3. Managing transferrable funds of the Company such as stocks, shares, cars, equipment, furniture and non- transferrable such as lands, properties, buildings and factories owned to the Company and approving allocations of social responsibility and donations.
4. Release of company's debtors of their obligations/debts/ amounts due to the Company/ transferrable funds/non-transferrable provided that release, in all events, shall be related to release of one of the Board members, shareholders or related party, whether tis relation is direct or indirect.



The Board may under its resolution constitute a proper number of committees and/or team works according to Company's needs, approve its regulations except for nominations and rewards committee and revision committee which are approved by general assembly. The Board shall have all authorities for determining its competences, term, duties, authorities, procedures, regulations appointing its members , their rewards, method of control of their works.

After the prior non-Objection from Saudi Central Bank, the Board may appoint chief executive officer and determine his competences, duties, remunerations, privileges and other appointment conditions. Chief executive officer, if appointed, shall take over execution of the policy set by the Board and supervise on works of Company managers, manage its daily works in addition to other competences and authorities given to him by the Board from time to time.

The Board may provide loans and guarantees, of any type, given by the Company to its employees according to incentive program, if any.

The Board is entitled to authorize one or more members amongst its members or of third parties within its competences to take over certain work(s) inside or outside Saudi Arabia.

Article (19) Remuneration of Board Members

Remuneration of the Board may be certain amount, privileges, certain percentage of net profits or retained profits as determined by the Board and approved by general assembly in addition to attendance allowance and transport allowance as determined by the Board according to instructions laws and resolution in the Kingdom of Saudi Arabia issued by the competent authorities as per provisions of Company's law and regulations. Report of the Board to ordinary general assembly shall include comprehensive statement of all



remunerations obtained by the Board members as administrators or workers or what they received for the technical, administrative works or consulting works. It shall include also statement of the number of meeting of the Board attended by each member from the last meeting of the general assembly.

Article (20) Authorities of the Chairman, Deputy Chairman, Managing Director and Secretary

After obtaining the non-objection in writing from Saudi central Bank and the consent of competent authorities, the Board shall appoint amongst its members chairman and deputy chairman. The Board may appoint managing director amongst its members and no member shall act as chairman and deputy chairman and any other executive position in the Company.

Chairman of the Board shall have the authorities which enable him to do his duties without contravening with provisions of financing laws and its executive regulations. Duties of the chairman of the Board shall include representing the Company and signing in its name before notary public, all formal authorities, government departments, ministries, general and private organizations, individuals, companies, banks, taking decisions regarding all matters of the Company according to provisions of the law, company's entry as a partner with companies, signing bylaws and amendment resolutions of all kinds, whether by increasing or reducing the capital or amending its objects, exit of one of the partners, amending any clause of its bylaws, terminating the companies in which the Company participates before ministry of commerce, Saudi General Investment Authority, notary public and other related authorities, opening branches, appointing and dismissing its managers, extracting and deleting commercial registrations, extracting licenses, signing all agreements, contracts, tenders, bids, resolutions, minutes and bank



accounts. Chairman of the Board shall have the authority to get loans with any amount and open and close bank accounts, withdraw, deposit and open documentary credits, issue bonds, guarantees and bank mortgages of all kinds, signing all papers, documents, checks, promissory notes, trading securities and bank transactions, entering into loan contracts, credit facilities of all kinds and of whatever amounts or term, approving all bank transaction under the name of the Company of funds, government and private finance institutions , banks, financial houses, Saudi and non-Saudi credit companies.

He may also claim, file actions, plead, defend, hear and reply to actions, declare, deny, conciliate, waiver, release, request for oath, deny it, bring witnesses, evidences and contest against the same, answer, impeach, contest of forgery, deny handwriting, stamps and signatures, request for travel band and remove it, check with attachment and execution departments, request for attachment and execution, request for arbitration, appointing experts and arbitrators, contest against reports of experts and arbitrators and replace them. He may also contract with lawyers, experts and arbitrators, determine their fees as per Company's interest, claim to execute judgments, accept and deny judgments, object to judgments and request for appeal, solicit reconsideration, annotate title deeds, request for rehabilitation, request for preemption, attending at hearings at all lawsuits before all courts, receiving amounts, title deeds, request for judge recusal, request for referral of the action before commercial, general and administrative courts, board of grievances, labor courts, bank disputes committees, finance disputes committees, securities dispute committees, Zakat, tax and customs committees, insurance dispute committees, control and corruption board, general prosecution, police departments and relate security authorities, request for appeal of the judgment before higher court and appellate court. Chairman of the Board represents the Company before courts, public and



private government authorities, deliver and receive all papers, transactions, judgments, resolutions and all related documents and signing as necessary in the name of the Company. Chairman of the Board shall have the authority of selling, buying, receiving the price, delivering the sold item, pledging, removing pledge, extracting deeds of all properties of the Company, signing for the Company in this regard, requesting for amending title deeds, sorting lands, selling it, sorting villas, lands and buildings, extracting title deeds of each housing unit after sorting and selling it. He may also invest and operate company's funds with local and international capital markets and sign as stated above. He may authorize third parties regarding all or some of the said authorities.

The board shall hire secretary to be selected amongst its members or from third parties and he shall be concerned with registering minutes of meetings, writing down resolutions related to these meetings in addition to other competences assigned to him by the Board.

The Board shall determine his remuneration. Term of the Board , his deputy, managing director and secretary shall not exceed term of their membership of the Board and they may be reelected and the Board may, at any time, dismiss all or any of them without prejudice to their right of remunerations, if dismissal occurs at improper time or for illegal cause.

Article (21): Meetings of the Board

Board of directors shall meet (4) times at least per year under call from the chairman or his deputy, if chairman is absent, and the call shall be attached with agenda and chairman or his deputy may, as the case may be, call to meeting of the Board if so requested in writing by any of the members. The meeting shall be in the Company's head office and it could be outside place of the Company. The call shall be in writing and it may be sent by



registered mail e-mail or by using modern technology means (5) days prior to the meeting date as scheduled with attaching agenda and the necessary information and documents unless it is required to hold urgent meeting, the call may be sent with attachments within a period not less than (5) days before the meeting date. Chairman shall call the Board to meeting if so requested by one of the members in writing.

Article (22) Quorum and resolutions of the board

1. Meeting of the Board shall be correct only if attended at least by seven members of the Board by proxy or personally, provided that members in persons shall not be less than five members and the Board member may delegate other members to attend meetings of the Board according to the following controls:

- a) Member of the Board shall not act in name of more than one member at the same meeting.
- b) Proxy shall be made in writing and for certain meeting.
- c) Proxy shall not vote to the resolutions; which regulations prohibit his principal to vote to them.

Notwithstanding other provisions of law, resolutions of the Board shall be issued by majority of (7) members at least who attended personally or by proxy and who have the right to vote on the matter. Upon equality of votes, the side of the chairman shall be cast. The member may participate at any meeting through phone, vide conference or any modern technology in which all members can communicate at the same time and this participation is considered attendance of meeting. The Board may issue resolutions by



voting unless one of the members requests in writing to hold meeting to discuss it and in this case, these resolutions shall be offered to Board of directors at its first next meeting. Each member of the Board who has direct or indirect personal interest regarding any matter or proposition offered to the Board or its committees may inform the Board or committee of the nature of his interest regarding the matter and the same shall be indicated in minutes of the meeting, and without excluding him from the required number for correctness of the meeting, he shall abstain from joining deliberations or voting in the Board of committee regarding this matter or proposition.

Article (23) Deliberations of the Board

Deliberations of the Board, its discussions and resolutions with stating place of meeting, its date, start and end time shall be written down in minutes and it will be signed by chairman and members of the Board and secretary. Minutes shall be written down in special record to be signed by Chairman of the meeting and secretary. Modern technology means may be used for writing down minutes and signing resolutions taken by the Board.

Chapter Four

General Assemblies

Article (24): Meeting of general assembly of shareholders

Meeting of general assembly of shareholders will be chaired by chairman of the Board or his deputy, if he is absent or by the member who is delegated by the Board, if both are absent, if this is not possible, general assembly will be chaired by the member delegated by shareholders from members of the board or third parties through voting.



General assembly of shareholders shall be held within the first six months of end of the financial year. Each shareholder has the right to attend general assemblies of shareholders and he may authorize another person other than members of the Board to attend at the general assembly and Ministry of Commerce and Capital Markets Authority and Saudi central Bank may delegate one or more representatives to attend as observers.

Shareholder at meeting of the general assembly may attend and participate in deliberations and vote to resolutions by modern technology means.

Article (25): Call for General Meetings

1. General assemblies of shareholders shall be convened under call of the Board and the Board shall call the ordinary general meeting, if so requested by the auditor, shareholder or number of shareholders representing at least (10%) of the voting rights within (30) days of the call.
2. Under resolution from the competent authority, the general assembly may be called to meeting if the period provided in paragraph (1) above expires without meeting or if the Board did not call to its meeting within (30) days the date of request by auditor, shareholder or many shareholders who represent 10% of the corporate capital which have at least voting rights, or if there are breaches of terms of bylaws, companies law or fault in management of the Company including shortage of the number of the Board members below the minimum number for meeting.
3. The call to meeting of general assembly shall be made at least (21) days prior to the date schedule for meeting and it shall be published in the website of the Company and capital market. The Company may send the call for meeting of the general assembly through modern technology means with observing the following:



- a) Sending copy of the call and agenda to commercial registration and Capital Market Authority at the date of the call.
- b) Stating who has the right attend the meeting of the general assembly and his right to delegate other members of the Board and stating the right of the shareholder to discuss the subjects included in the agenda and how to practice the right of voting.
- c) Place, date and time of the meeting
- d) Type of the assembly, whether it is public or private.
- e) Agenda of the meeting including the items to be under voting of shareholders.

Article (26): Quorum of Ordinary General Meeting

1. Meeting of ordinary general meeting shall be correct only if attended by shareholders representing at least one-fourth of shares which have rights of voting at least.
2. In case this quorum is not available in this meeting according to paragraph (1) of this article, , the call for meeting shall be sent for a second meeting to be held within the thirty days following the previous meeting. This call shall be published in the way provided in article (25) of these bylaws. However, the second meeting may be held one hour after the end of the period specified for holding the first meeting, provided that the call for the first meeting shall include declaring to hold the meeting.

In all events, the second meeting shall be correct regardless the numbers of shares represented in it.

Article (27): Quorum of Extraordinary General Meeting

1. Meeting of extraordinary general meeting shall be correct only if attended by shareholders representing half corporate capital with rights of voting.



2. In case this quorum is not available in the first meeting according to paragraph (1) of this article, the call shall be sent for a second meeting according to the same conditions provided in article (32) of these bylaws. However, the second meeting shall be convened one hour after end of the period defined for holding the first meeting provided that the call for holding the first meeting shall include that this meeting may be held.

In all events, the second meeting shall be correct if attended by a number of shareholders who represent at least one-fourth of the Company capital with rights of voting.

3. If the quorum is not available in the second meeting, the call shall be sent for a third meeting to be held according to the same conditions provided in article (32) of these bylaws and the third meeting shall be correct regardless the number of shares represented therein after the approval of the competent authority.

The Company shall record resolutions of extraordinary general assembly with commercial registration, Ministry of Commerce, within (15) days of issuing date according to regulations in this regard.

Article (28): Voting at General assemblies

Each shareholder shall have one vote for each share in person or by proxy at general assemblies and accumulative voting shall be used in election of board of directors. Members of the Board may not participate in voting to resolutions of the general assembly related to approval of their remunerations, release them for period of management and membership of the Board or for any other resolutions related to contracts and transactions in which they have direct or indirect interest or involve conflict of interests.

Article (29): Resolution of General assemblies



Resolutions in the ordinary general meeting shall be issued through ultimate majority of the shares with rights of voting and resolutions in the extraordinary general meeting shall be issued by the majority of two-thirds of the shares represented in the meeting unless the resolution is related to increasing , reducing or extending of Company's term, company dissolution before its term or merger of the company into another company or dividing the Company to two or more companies, it shall be correct only if it is issued by majority of three-fourth of the shares represented in the meeting. The resolution shall be valid only after obtaining the approval of Saudi Central Bank to it.

Article (30): Discussions at General Meetings

Each shareholder shall be entitled to discuss the topics of agenda of general meeting, give related questions to directors of the board and auditor, and directors of the board or auditor shall answer the questions without affecting the Company's interests. If shareholder is not satisfied with answer of the question, he shall refer the matter to the general assembly, whose resolution in this regard shall be binding.

Article (31): Minuets of the general assemblies

Minutes shall be written down at meetings of the assembly and it shall include the number of shareholders present in person or by proxy, the number of the shares they own, the number of votes, the decisions made, the number of supporting and objecting votes, summary of discussions in the meeting. Minutes shall be written down regularly after each meeting in special record signed by chairman, secretary and canvasser.



Article (32): Competences of the ordinary general assembly

1. Except for the matters related to extraordinary general meeting, ordinary general assembly shall be concerned with all matters related to the Company and it shall be convened at least once during the six months following expiration of financial year of the Company. Other ordinary general meetings may be convened, if necessary.

Article (33): Competences of the extraordinary general assembly

Extraordinary general assembly shall be concerned with all authorities provided in companies law, companies governance regulations and any further amendment to them except for matter banned by law. In all events, the approval of Saudi Central Bank shall be sought in writing before making any amendment to this law. The general assembly may issue resolutions regarding the matters of ordinary general assembly according to the conditions stipulated by the ordinary general assembly.

Chapter Five

Auditor

Article (34): Appointment, resignation and dismissal of auditor:

After obtaining of the prior non-objection from Saudi Central Bank, the Company shall appoint one or more auditors, who shall be licensed to engage in work in Saudi Arabia and the ordinary general assembly shall appoint him annually and determine his remuneration and term and it may re-appoint him provided that total term of the auditor shall not exceed the term provided according to laws and regulations from time to time. The general assembly may dismiss him and chairman of the Board may inform the



competent authority of resolution of dismissal and its causes within no more than five days of issuance date of the resolution without prejudice to its right of compensation if dismissal occurs at improper time or for illegal cause.

Auditor may resign under written notice to the Company and its mission will expire from the date of resignation or at a later date as stated in the notice without prejudice to Company's right of compensation for the damage it would incur. Resigning auditor shall submit to the Company and competent authority statement of resignation causes and the Board may call the general assembly to meet to consider causes of resignation and appoint another auditor.

Article (35): Auditor's authorities

The auditor may, at any time, have an access to the Company's books and records as well as other documents, and it may request for data and notes, as it deems necessary to check company's assets and liabilities as well as other matters within its competence.

The board shall enable auditor to perform its duties, and if auditor finds difficulty in its work, it shall indicate the same in its report to the Board and if the Board did not facilitate work of the auditor, it shall request the Board to call the ordinary general meeting to consider the matter and explain the breaches of Companies law, finance companies control law, its implementing regulations, terms of these bylaws, instructions issued by Saudi Central Bank and its opinion regarding conformity of Company's accounts to reality. Auditor may send this call within (30) days of its request, if it is not sent by the Board.



Chapter Six

Company's finance and profits distribution

Article (36): Financial Year:

The Company's financial year shall start on January 1, and expires on December 31, of each Gregorian year.

Article (37): Financial documents

- a) Notwithstanding terms of companies law, finance companies control law, its implementing regulations, Board of directors shall prepare at the end of each financial year financial statements of the Company , report on the Company's activities and its financial position for the ended year. This report shall include the Board's recommendations on profit distribution. The Board shall put these documents at the disposal of Company's auditor at least (45) days before the date of holding general assembly.
- b) Chairman of the Board, chief executive officer and finance manager shall sign the documents referred to in clause (a) of this article, and copies thereof shall be deposited at Company's head office under shareholders' disposal.
- c) Chairman of the Board shall provide shareholders with financial statements of the Company, report of the Board and auditor's report after it is signed, unless it is published through any modern technology means, and at the website of the Company and website of Capital Market Authority at least (21) days prior to date of the general assembly



meeting. These documents shall be deposited according to provisions of the implementing regulations of Companies law.

Article (38): Composition of reserves

1. Upon determining share of stocks of net profits and based on proposition from Board of directors, the ordinary general assembly may decide to compose other reserves so as to achieve company's interest or guarantee distribution of fixed profits, as possible, to shareholders. The said general assembly may deduct amounts from net profits to achieve social purposes to employees of the company.
2. General assembly shall, based on proposition of the Board, determine the percentage to be distributed to shareholders of the net profits after deduction of reserves, if any.

Article (39): Payment of profits

1. Shareholder shall be entitled to his share of profits according to the decision of general assembly issued in this regard and the decision shall indicate entitlement and distribution date. Entitlement of profits shall inure to owners of shares according to the record of shareholders at end of entitlement day. The Board shall execute the resolution of the general assembly regarding distribution of profits to shareholders.
2. The ordinary general assembly may, under resolution renewed annually, authorize the Board of directors to distribute interim profits to shareholders bi-annually or quarterly according to the rules and procedures issued by the competent authorities.

Chapter Seven



Dissolution of the Company

Article (40): Dissolution

According to provisions of the implementing regulations of finance companies control law and instruction of Central Bank, the company shall cease to be according to article (243) of companies' law and when it expires, it shall enter into liquidation phase according to terms of chapter 12 of companies' law. If the company is liquidated and its assets were not sufficient to pay its debts or was in default according to bankruptcy law, it shall apply to the competent court to start liquidation procedures under bankruptcy law.

Chapter Eight

Final Terms

Article (41):

1. The company is governed by Saudi laws and regulations.
2. Any provision breaching terms of companies' law herein shall be null and void and it shall be subject to provisions of companies' law. When there is no stipulation herein, companies' act and its implementing regulations shall apply.
3. The non-objection letter from Saudi Central Bank shall be obtained in writing prior to issuance of bylaws or any amendment thereto.

Article (42):

These bylaws shall be deposited and published according to Companies' law and its implementing regulations.

Internal

