

**Bylaws of**  
**Sustained Infrastructure Holding Company**  
**(SISCO)**  
**(Listed Joint-Stock Co.)**

**Chapter One: Incorporation of the Company**

**Article (1): Incorporation:**

The Company shall be incorporated in accordance with the provisions of Companies Law issued vide Royal Decree No. M/132 of 01/12/1443, and its Implementing Regulations issued vide Minister of Commerce Resolution No. 284 of 23/06/1444 thereof and this Bylaws as a Saudi joint-stock company in accordance with the following:

**Article (2): Name of the Company:**

**Sustained Infrastructure Holding Company** (Listed Joint-Stock Co.).

**Article (3): Objects of the Company:**

With due consideration to relevant laws, the Company shall engage in and fulfill the following activities:

1. 410010 General constructions of residential buildings.
2. 410021 General constructions of non-residential buildings such as schools, hospitals, hotels, ... etc.
3. 642001 Management of Holding Companies Subsidiaries.
4. 642002 Investing the funds of the Holding Companies Subsidiaries.
5. 642003 Possessing real estate and movables required for Holding Companies.
6. 642004 Providing loans, guarantees and financing to the Holding Companies Subsidiaries.
7. 642005 Possessing industrial property rights for Holding Companies Subsidiaries.
8. 522931 Logistics services.
9. 360011 Non-potable water abstraction.
10. 360012 Water purification.
11. 360013 Water desalination.
12. 360014 Water distribution and transfer.
13. 360016 Distribution of treated water.
14. 281640 Manufacture of lifting and handling machines used in seaports, factories, warehouses, ... etc.
15. 429020 Port piers building and marine construction.
16. 429074 Repair and maintenance of port piers and marine facilities.
17. 522206 Private Port Activities.

Investment in all of the foregoing activities.

The Company shall engage in its activities in accordance with the applicable laws and after the issuance of required licenses, if applicable, by relevant entities.

**Article (4): Participation and Ownership in Companies:**

The Company may establish on its own other companies, the Company may have shares and stocks in other existing companies or merge with such companies. The Company shall be entitled to participate with third party in incorporation of joint-stock or limited liability companies after satisfaction of requirements of adopted laws and instructions to this effect. The Company may further dispose of such shares or stocks, provided that this shall not include brokerage in trading the same.

**Article (5): Registered Office of the Company:**

Registered office of the Company shall be in Jeddah city. The Board of Directors may resolve to incorporate subsidiaries, offices or agencies in the Kingdom of Saudi Arabia or abroad.

**Article (6): Duration of the Company:**

The Company has been established for indefinite period as of its registration in the commercial register.

**Chapter Two: Capital and Shares**

**Article (7): Capital:**

Capital of the Company shall be SAR (816,000,000) Eight Hundred and Sixteen Million Saudi Riyals, divided into eighty-one million and six hundred thousand (81,600,000) nominal shares of equal value, the value of each shall be SAR (10) ten Saudi Riyals and all of Company's shares are common cash shares.

**Article (8): Subscription for Shares:**

The Shareholders have subscribed and fully paid for all share capital equivalent to (81,600,000) eighty-one million and six hundred thousand shares representing 100% of the shares paid-up in name of the Company's share capital.

**Article (9): Selling the Unpaid Shares:**

1. The Shareholder shall pay value of the share within the specified dates therefor. Should the Shareholder fail to pay such value when falling due, the Board of Directors may, after notifying such shareholder by post or a registered letter, put the share up for the public auction or in the stock market, as the case may be, in accordance with the controls determined by the relevant authority.

2. The Company shall collect the amounts owed to the Company from the proceeds of sale and the remaining amounts shall be reimbursed to the Shareholder. If the proceeds of sale are not sufficient to pay such amounts, the Company may collect the outstanding amounts from all funds of Shareholder.
3. Any shareholder rights attached to the shares that have not been paid for in full shall be suspended if the due date to pay for the value of the shares passes without the Shareholder making such payment, and the suspension shall remain until such shares are sold or they have been paid for in full. The suspension of rights shall include the rights to dividends and the right to attend and vote in the Shareholder Meetings. However, the Shareholder in default, may, to the day of sale, pay the value owed by such Shareholder in addition to the expenses incurred by the Company in this regard, and in such instance the Shareholders shall have the right to claim the dividends that have been distributed.
4. The Company shall cancel the share certificate sold under the provision of this Article and shall grant the purchaser a new share certificate bearing the canceled share number and shall notate in the register of shares indicating the sale process along with the new shareholder's name.

#### **Article (10): Issuance of Shares:**

Shares shall be nominal and may be divided into less than their nominal value, also, they may be issued at a premium value. In the latter case, difference in value shall be registered in a separate item within the Shareholders' rights and shall not be distributed as profits to the Shareholders. The share shall be indivisible vis-à-vis the Company. Therefore, if the share is jointly owned by several persons, such persons shall elect a representative among them to exercise the rights in pertaining thereto on their behalf. Such persons shall be jointly liable for the obligations arising from the ownership of the share.

#### **Article (11): Share Trading and Shareholders' Register:**

The Company's shares shall be traded in accordance with the Capital Market Law and its Implementing Regulations.

#### **Article (12): The Company buy-back, sells, and pledges its Shares**

1. The Company may buy-back, pledge or sell its ordinary or preference shares in accordance with the regulations determined by the competent regulatory authorities. The shares of the treasury purchased by the Company shall not have votes in the General Meeting.
2. The Company may buy-back its shares for the purpose of allocating them to its employees within an Employees' Shares Program in accordance with the terms and conditions prescribed by applicable regulations in this regard.
3. The shares may be pledged in accordance with the rules that established by the Capital Market Authority. The pledgee creditor may receive the dividends resulting from the pledged Shares and may enjoy all rights attached to them, unless the pledge agreement provides otherwise, but the pledgee creditor shall not be permitted to attend or vote at the General Meetings.

**Article (13): Capital Increase:**

1. The Extraordinary General Meeting may resolve to increase capital of the Company, including the increase through a rights issuance, provided that the issued capital shall be paid up. Capital is not required to be paid in full if the unpaid part thereof belongs to shares issued in consideration of converting debts, financial bonds or financing instruments into shares and the term prescribed for its conversion into shares has not expired yet.
2. The Extraordinary General Meeting may, in all cases, allocate the issued shares at capital increase, in full or in part, to the employees of the Company and/or its subsidiaries or the like. Shareholders shall not exercise the priority right when the Company issues the shares allocated for the employees.
3. When the Extraordinary General Meeting issues its approval on capital increase, the shareholder owning the share shall have the priority to subscribe for the new shares issued against cash. Such shareholders shall be notified of their priority rights of the capital increase resolution, subscription conditions, duration, date of commencement and expiry by registered mail sent to the address stated in the shareholders' register or by disclosure procedures set for listed joint stock companies.
4. The Extraordinary General Meeting may suspend the shareholders' priority right to subscribe for capital increase in consideration of cash shares or give the priority to non-shareholders in the cases deemed to be in the interest of the Company.
5. The Shareholder may sell or waive the priority right from the date of General Meeting's Resolution to approve increasing the capital of the Company to the last day to subscribe in the new shares associated with these priority rights, in accordance with the regulations developed by the relevant entity.
6. Subject to the provisions of the above Sub-clause (4), the new shares shall be allotted to holders of priority rights who applied for subscription, in proportion to the priority rights they are holding to the total priority rights resulting from capital increase, provided that the number of shares allotted to such shareholders shall not be in excess of the number of new shares they applied for. The remaining new shares shall be offered to holders of priority rights applied for more than their quota in proportion to the priority rights they are holding to the total priority rights resulting from capital increase, provided that the number of shares allotted to such shareholders shall not be in excess of the number of new shares they applied for. The remaining shares shall be offered to third parties unless otherwise is decided by the Extraordinary General Meeting or stated by Capital Market Law.

**Article (14): Capital Decrease:**

1. The Extraordinary General Meeting may resolve to reduce the Company's share capital if it is in excess of the Company's needs or if the Company sustains losses. In the latter case only, the capital may be decreased below the limit as set forth in Article (59) of Companies Law.
2. Such resolution to decrease the capital shall be issued only after reading a report prepared by the auditor which must describe the reasons for decreasing the capital, the liabilities of the Company and the impact of such capital decrease on these liabilities.
3. If the capital decrease is due to the capital being in excess to the Company's needs, the creditors must be invited to express their objections to such capital decrease within forty-five (45) days from the date of announcement of the capital decrease resolution. If a creditor raises an

objection and provides the Company with supporting documents within the aforementioned period, the Company shall settle its debt if due or shall furnish such creditor with adequate security for its payment if it has not fallen due yet.

4. Equality must be taken into account among the shareholders who hold shares of the same type and category when reducing capital.

#### **Article (15): Issuance of Debt Instruments and Negotiable Instruments:**

The Company may, in accordance with the Capital Market Law and other related regulations, issue any type of negotiable debt, whether in Saudi or other currency, inside or outside the Kingdom of Saudi Arabia, such as bonds and Sukuk. The Extraordinary General Meeting may by its resolution authorize the Board of Directors to issue such debt instruments, including bonds, Sukuk, or other debt instruments, either in one or several parts or through a series of issues under one or more programs established by the Board of Directors from time to time and at the times, amounts and conditions approved by the Board of Directors, which shall have the right to take all necessary procedures for issuance.

### **Chapter Three: Board of Directors**

#### **Article (16): Management of the Company:**

The Company shall be managed by a Board of Directors composing of (7) seven directors to be elected by the Shareholders' Ordinary General Meeting for no more than four years. Members of the Board of Directors may be re-elected for additional terms according to the election and nomination procedures provided for in the applicable rules and controls set by the competent authority.

Each director should abide by the following:

1. The duties of care and loyalty.
2. Avoid cases of conflict of interests, competition and exploitation of assets.
3. Taking decisions and voting on them in good faith.
4. Disclosure of interest in business and contracts.

#### **Article (17): Termination of the Board of Directors Membership:**

Membership of the Board shall be terminated at the expiration of a Board member's term or when a Board member becomes incompetent for the board membership in accordance with any applicable law or instructions of the Kingdom. However, the Shareholders' General Meeting can dismiss a Board member, as recommended by the Board, if such Board member is absent from at least three (3) consecutive Board meetings or five (5) separate Board meetings during the Board member's term without a justifiable reason that is accepted by the Board. The Ordinary General Meeting may also, at all times, dismiss all or certain Board members without prejudice to the right

of the dismissed director against the Company to claim for compensation if dismissed for undue cause or at an inappropriate time, and in such event the Ordinary General Meeting shall nominate new Board members or nominate a replacement Board member (as applicable) in accordance with the Companies Law.

**Article (18): Expiry of the Board's Term of The Resignation of Board Members or a Vacancy on the Board:**

1. The Board of Directors shall call for an Ordinary General Meeting before the expiry of its term in order to vote-in a Board for a new term. If the Board nomination process could not be held before the current Board's term expires, then the current Board members shall continue in their positions until a new Board of Directors is elected for a new term, provided that such continuation of the current Board after the expiry of its term shall not be for a period that is longer than ninety (90) days.
2. If the Board members, including the chairman, resign, then the Board of Directors shall call for an Ordinary General Meeting to elect a new Board, and the resignation of the Board members shall only come into effect once the new Board is elected, provided that the term of the resigned Board shall not be longer than one hundred and twenty (120) days.
3. A Board member may resign from the Board of Directors pursuant to a written notice addressed to the Board's Chairman. If the Chairman of the Board Directors resigns, then the Chairman must provide written notice to the other Board members and the Board's Secretary. In both cases, the resignation shall come into effect from the date stated in the resignation notice.
4. If there is a vacancy on the Board due to the resignation or passing of a Board member and such vacancy does not impact the required quorum for a valid Board meeting, then the Board may temporarily appoint another Board member to fill such vacant seat, provided that such Board member has the adequate experience. Such amendment to the Board must be notified to the Commercial Register and the Capital Market Authority within fifteen (15) days from the date of the appointment of a replacement Board member. Such appointment of a replacement Board member shall be presented to the Ordinary General Meeting at its first meeting to be ratified. The new Board member shall complete the term of its predecessor.
5. In the event, the conditions required for convening the Board of Directors are not met because the number of directors falls below the minimum number prescribed in the Companies Law or herein, the remaining directors shall call for the Ordinary General Meeting within (60) sixty days to elect the essential number of directors.

**Article (19): Powers of the Board of Directors:**

Subject to the powers specified for the Ordinary General Meeting, the Board of Directors shall have full powers and authorities to manage the Company in order to achieve its objectives. The Board of Directors shall be vested with the powers to conclude loans, sell or mortgage real estate of the Company for the purpose of realization of its objectives and as required by the interest of the Company provided that any sale of the Company's assets where the value of which exceeds

50% of the value of its total assets, whether the sale is made through one transaction, or more, in which case the approval of the General Meeting should be obtained in accordance with Article (75) of the Companies Law, and the period that shall be taken into account is twelve (12) months from the date of the first transaction disposing of the Company's assets. The Board of Directors may further authorize director(s) to conclude such actions. The Board of Directors may sell and mortgage the Company and discharge debtors owed to the Company from their liabilities only pursuant to approval of the Shareholders' Ordinary General Meeting.

The Board of Directors shall be entitled, within its powers, to authorize director(s) or third party to conduct certain action(s).

**Article (20): Remuneration of the Members of Board of Directors:**

1. Board of Directors' remuneration: the remuneration of the Board of Directors members may consist of a fixed sum, an allowance for attending meetings, expense fees, in-kind benefits, a percentage of the Company's net profit; the remuneration may be a combination of two or more of those benefits. The remunerations of the Board of Directors members may vary in light of a policy set by the Remuneration and Nomination Committee and approved by the General Meeting. The Board of Directors' Report to the General Meeting during its annual meeting shall include a comprehensive statement of all the amounts received by the Board of Directors members during the fiscal year including remunerations, meeting allowances, expense allowances, and other benefits, as well as all the amounts received by the members in their capacity as employees or executives, or in consideration of such technical, administrative, or advisory services. Such report shall also include a statement of the number of the Board of Directors meetings and the number of meetings attended by each member.
2. Committees' remuneration: the Board of Directors determines committee members remuneration, attendance allowances, and other entitlements based on a policy approved by the Board of Directors based on the recommendation of the Remuneration and Nominations Committee and approved by the General Meeting.

**Article (21): Appointing of the Chairman, Vice-Chairman, Managing Director and Secretary:**

First: At its first meeting, the Board of Directors shall appoint from among its members a Chairman and Vice-Chairman and may appoint a Managing Director. It is not permissible to combine the position of Chairman of the Board of Directors with any executive position in the Company.

Second: The Chairman of the Board of Directors is the person responsible for managing the Board's work and activating its performance and developing its work. He is also responsible for taking the necessary measures to ensure that the Board carries out its responsibilities and functions in light of this system and other relevant regulations, and to ensure that the members of the Board are aware of their role and responsibilities and are committed to the limits and powers. specified for the Board of Directors, taking into account those specified for the Company's executive management.

Third: The Chairman of the Board of Directors is responsible for calling the Board to convene, chairing the Board's sessions, approving the Board's decisions and the extracts taken from them, and setting the agenda for the meetings, taking into account the topics that the Board members or the Chief Executive Officer propose to include. He is also responsible for managing the Board's meetings effectively and encouraging all members to participate effectively to achieve the planned goals, he is responsible for chairing the general assemblies and may delegate these powers to his deputy or others. The Chairman of the Board also has the right to authorize others to attend the general assembly meetings of companies in which the company owns a percentage and to vote on its agenda on behalf of the Company.

Fourth: The Board of Directors may appoint a Chief Executive Officer from among the members or others, and one member may combine the positions of the Managing Director and the Chief Executive Officer, and the CEO or Managing Director (if appointed) shall be responsible for implementing the policies approved by the Board of Directors and the shareholders' assemblies and taking decisions that require the interest of the company, the conduct of its business and the achievement of its objectives, in addition to other competencies and other powers determined by the Board of Directors or those set forth in this Bylaws.

Fifth: Taking into account the competencies and powers of the Board of Directors in accordance with the resolutions of the Board of Directors or the resolutions of the General Assembly of Shareholders, the Chairman of the Board shall have the following authorities:

- The Chairman of the Board of Directors or his delegate shall have the authority to represent the company in its relationship with third parties, including government and judicial agencies. They may also submit petitions, summonses, cases, defense and plead for the company as plaintiff or defendant, attend hearings, request arbitration, hear, challenge and amend witnesses, request oaths, submit statements, request and object to them, appoint experts and arbitrators, accept or reject reconciliation, release, acknowledge, reject, collect, receive, deliver and request postponement.
- Claim any right of the Company with any party whatsoever before all courts, the Board of Grievances and all committees and judicial authorities, and receive judgments, object to them, appeal and appeal them.
- The Chairman of the Board of Directors or his authorized representative has the right to sign on behalf of the Company the contracts of incorporation of companies and the decisions of shareholders and their amendments in relation to the companies in which the Company participates or merges in the Kingdom of Saudi Arabia or abroad, including increasing or reducing the capital or writing off and dissolving the Company, whether existing or in the process of establishment. They may also open subsidiaries, appoint and dismiss a member of the Board of Directors, and conduct all transactions and operations related to or achieving the Company's objectives. They shall have the right to buy and sell shares and stocks, attend meetings of the Board of Directors, directors, managements and general meetings of other companies in which the Company has shares, vote on its resolutions, approve minutes of shareholders' meetings, approve balance sheets and select members of the Board of Directors and directors of companies.



- They have the authority to conclude contracts and agreements of all kinds, sign and register them, save and withdraw documents, pay fees, taxes and insurances, sign contracts for the purchase, sale and transfer of ownership of land and real estate necessary to achieve the Company's objectives, sign before the notary public, pay the price and receive it. They may grant acquittals, plots, division, receipt of documents and title deeds, and request the issuance of a replacement, notation or correction thereof. This excludes the sale of the company's assets whose value exceeds 50% of the value of its total assets, whether the sale is made through one or more transactions. In this case, the approval of the General Assembly must be obtained in accordance with Article (75) of the Companies Law.
- They may sign in front of banks, open accounts in local or foreign banks, deposit, withdraw and borrow from them or other governmental or non-governmental entities, request various credit facilities, request letters of credit and conduct all banking transactions inside and outside the Kingdom. They have the right to make wire transfers, cheques and invoices, receive and deliver any payments to any person or entity, sign all bank guarantees, request their issuance or cancellation, deal in and approve securities of all kinds, conclude lease and mortgage contracts, recover mortgages, release and speculate.
- They shall have the authority to appoint agents and lawyers for the Company, and to delegate such agents and lawyers the necessary powers to defend, plead and claim the rights of the Company. They may also delegate some or all of their above-mentioned powers to third parties or grant the agent the right to delegate to third parties and other powers necessary for the Company's business and the exercise of its activities.
- Providing shareholders with the company's financial statements and filing them in accordance with Article (122) of the Companies Law

Sixth: The Vice Chairman of the Board of Directors enjoys all the powers of the Chairman of the Board of Directors in his absence, in accordance with the powers given to him by the Board of Directors.

Seventh: The Board of Directors shall appoint a Secretary of the Board, whether from among its members or a third party, who shall be responsible for recording the minutes of the meetings of the Board of Directors and writing and keeping the resolutions issued at those meetings. The Secretary shall also exercise the powers entrusted to him by the Board of Directors. The Board of Directors shall determine the remuneration of the Secretary.

Eighth: The term of office of the Chairman, Managing Director and Secretary of the Board of Directors (if he is a member of the Board of Directors) may not exceed the period of their service on the Board of Directors and may be reappointed. The Board of Directors may, at any time, dismiss all or some of them without prejudice to the right of the dismissed person if he is dismissed for an unjustified reason or at an inappropriate time.

#### **Article (22): Board of Directors Meetings:**

The Board of Directors shall convene, pursuant to an invitation to the meeting by the Chairman or on whose behalf, at least four (4) times a year. Such call must be in writing and it may be via modern electronic methods, with providing sufficient time before the meeting's date. The Board

of Directors shall determine the place of its meetings and it may be by modern electronic methods. The Chairman or on whose behalf shall call the Board of Directors meeting at the request of any director.

**Article (23): Quorum of the Board of Directors Meetings:**

The Board shall be duly convened and constituted only if attended by at least four (4) directors, a member of the Board of Directors may delegate other members to attend Board meetings on his behalf 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 must be confirmed in writing or by any technical means and to a specific meeting.

Board decisions are issued by majority, and in the event of equal votes, the decision with which the chairman of the meeting voted shall prevails.

**Article (24): Board Resolutions by Circulation:**

The Board may issue resolutions by circulation for urgent matters, provided that no Board member requests in writing that a Board meeting be convened for the deliberation of such resolution. Resolutions by circulation shall be into effect from the date of issuance unless such resolution stipulates a different date or conditions precedent. Such resolutions shall be presented at the next Board meeting to document them in the meeting minutes.

**Article (25): Deliberations of the Board:**

1. The deliberations and resolutions of the Board of Directors shall be recorded in minutes prepared by the secretary and signed by the Board Chairman, present directors, and secretary. Such minutes shall be entered into in a special register to be signed by the Board Chairman and the secretary.
2. The Director shall notify the Board of its direct or indirect personal interest in the business and contracts concluded for the Company. Such notification shall be recorded in the minutes of the Board meeting. The Director having an interest, shall not participate in voting on the resolution to be issued to this effect.
3. The Board may use modern electronic means to sign and record the deliberations and resolutions and to prepare the meeting minutes.

**Chapter Four: Shareholders' Meetings**

**Article (26): Shareholders General Meetings:**

1. The Chairman of the Board, the Vice-Chairman or a delegate amongst the Board members who shall chair the Shareholder meetings. If such is not possible, then the Shareholders shall elect by vote a person among them to chair the Shareholder meetings.
2. Each Shareholder, irrespective of the number of its shares, shall have the right to attend the General Meeting and may grant a proxy to a third party who is not a director or a member of the Company to attend the General Meeting.
3. Shareholders General Meetings, and deliberations and resolutions therein, can be conducted by modern electronic means.

**Article (27): Powers of Ordinary General Meeting:**

Except for the matters falling within the competency of the Extraordinary General Meeting, the Ordinary General Meeting shall be competent to deal with all matters in pertaining to the Company. It shall be convened at least once per annum during the six (6) months following the end of the Company's financial year. Furthermore, other ordinary meetings may be called whenever necessary.

**Article (28): Powers of Extraordinary General Meeting:**

The Extraordinary General Meeting shall have the power to amend the Bylaws of the Company, except for the provisions prohibited to be amended by the Companies Law. The Extraordinary General Meeting may pass resolutions on matters falling within the competency of the Ordinary General Meeting under the same terms and conditions prescribed for the Ordinary General Meeting.

**Article (29): Invitation For Shareholders Meetings:**

Shareholders' general or special meetings shall be convened upon an invitation from the Board of Directors, and the Board of Directors must call the ordinary general assembly to convene if requested by the auditor, the audit committee, or shareholder(s) holding ten percent (10%) of the Company's capital. The auditor may also call for an Ordinary General Meeting if the Board has not called for the same within thirty (30) days of the auditor's request to do so.

Invitations for the General Meeting must be given at least twenty-one (21) days before the date of the meeting,

The General Meeting and the agenda are addressed through any modern electronic means or according to the latest laws and regulations of the concerned authorities before the meeting time and a copy shall be sent to relevant authorities of the events and the agenda of meeting.

**Article (30): Quorum of the Ordinary General Meeting:**

The Ordinary General Meeting shall be duly convened only if attended by Shareholders representing at least quarter of the share capital having voting rights. If such quorum cannot be attained at the first meeting, then a second meeting may be held an hour after the end of the period specified for the first meeting, provided that the call for the first meeting shall include a statement indicating that such a meeting can be held. In all cases, the second meeting shall be valid irrespective of the shares represented therein.

**Article (31): Quorum of the Extraordinary General Meeting:**

The Extraordinary General Meeting shall be duly convened only if attended by Shareholders representing at least half of the shares having voting rights. If such quorum cannot be attained at the first meeting, then a call for convening a second meeting shall be made within an hour after the end of the specified period of the first meeting, provided that the call for the first meeting shall include a statement indicating that such meeting can be held. The second meeting shall be valid if attended by shareholders representing at least a quarter of the share capital having voting rights.

If the quorum required for the second meeting cannot be met, a third invitation shall be called under the same conditions set forth in Article (91) of Companies Law. The third meeting shall be deemed duly held regardless of the number of shares represented therein, after approval of the relevant entity.

**Article (32): Voting at Meetings:**

1. Each Shareholder shall have a vote for each share, and cumulative voting must be used to elect the Board members so that each share shall not carry more than one vote.
2. Members of the Board shall not be able to participate in voting or on resolutions related to works and contracts in which the Board member(s) have a direct or indirect interest or those that involve a conflict of interest.
3. Members of the Board shall not be able to participate in voting or in resolutions related to discharging their liabilities from those responsible for the company's management.

**Article (33): Resolutions of the Meetings:**

Resolutions of the Ordinary General Meeting shall pass with the affirmative vote of the absolute majority voting shares present in a quorate meeting. Resolutions of the Extraordinary General Meeting shall pass with the affirmative vote of two thirds voting shares present at a quorate meeting, except for resolutions related to the increase or decrease of the Company's capital, extending the term of the Company, dissolving the Company before the end of its term or merging the Company with another Company, which requires the affirmative votes of three quarters of the voting shares present at a quorate meeting.

**Article (34): Deliberations in General Meetings:**

Every Shareholder shall have the right to discuss the topics listed on the Meeting agenda and to address questions to the directors and the auditor to this effect. The Board of Directors or the auditor shall answer the shareholders' questions to the extent that would not jeopardize the Company's interest. If any of the Shareholders views the responses to their questions to be insufficient, then such Shareholder would pass on the questions to the General Meeting, and the General Meeting's resolution on the same shall be effective.

**Article (35): Chairing and minuting general assembly meetings:**

Shareholder general assembly meetings shall be chaired by the chairman of the board of directors, the vice-chairman in case of the chairman's absence, or any member designated by the board of directors in the absence of both the chairman and vice-chairman; the chairman shall appoint secretary and vote counters.

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

**Chapter Five: The Auditor**

**Article (36): Appointment of the Auditor:**

1. The Company shall have one or more auditors of those licensed to work in the Kingdom of Saudi Arabia; to be appointed by the General Meeting. The General Meeting shall also determine the remuneration, the scope, and the term of work of the auditor, provided such appointment term shall not exceed the term prescribed in applicable regulations.
2. The Ordinary General Meeting may be pursuant to its resolution, dismiss the auditor. The chairman shall notify the competent authorities within (5) five days from the date of decision along with its justifications.
3. The auditors may resign from his duty by virtue of a written report that he submits to the Company, and his mission ends as of the date of its submission or at a later date specified in the notification, without prejudice to the Company's right to compensation for the damage incurred by it if required. The resigned auditor shall submit to the Company and the competent authority -when submitting the report- a statement of the reasons for his resignation, and the Board of Directors shall call the Ordinary General Meeting to convene to consider the reasons for resignation, appoint another auditor and determine his fees, work's term, and scope.

**Article (37): Powers of the Auditor:**

The auditor shall, at all times, have the right to access the Company's books, records, and other documents. The auditor may request data and clarifications deemed necessary to verify the Company's assets and liabilities and other businesses within the scope of its work. The chairman shall empower the auditor to perform its duties. If the auditor encounters difficulty in this regard, the auditor shall document such matter in a report to be submitted to the Board of Directors. In the

event the Board of Directors fails to facilitate the auditor's work, the auditor shall request the Board of Directors to call for the Ordinary General Meeting to consider such issue. The auditor may issue this invitation if the Board of Directors does not send it within thirty (30) days from the date of the auditor's request.

## **Chapter Six: Company's Accounts and Dividend**

### **Article (38): Financial Year**

The Company's financial year shall start as of January 1<sup>st</sup> and end December 31<sup>st</sup> of each year.

### **Article (39): Financial Documents**

1. 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 activity and financial position for the preceding financial year. Such a report shall include the method proposed for distribution of the profits. The Board of Directors shall place such documents at the disposition of the auditor at least forty-five (45) days before the date set for the General Meeting.
2. The Chairman of the Board of Directors, CEO and CFO of the Company shall sign the documents referred to in Sub-clause (1) of this Article. Copies of such documents shall be deposited in the Company's registered office at the disposal of shareholders.
3. The Chairman of the Board of Directors shall provide the shareholders with the financial statements of the Company, the Board of Directors report, and the report of the auditor, unless they are published through modern electronic means, within twenty-one (21) days before the date set for the General Meeting.

### **Article (40): Reserves:**

1. The Ordinary General Meeting – upon determining the dividends per share from net profits – may resolve to create reserves to the extent required for the best interest of the Company or to the extent required to distribute consistent dividends to the Shareholders. The Ordinary General Meeting may also deduct amounts from the net profits for social benefits to the Company's employees.
2. The Ordinary General Meeting shall determine the percentage of net profits that will be distributed to the Shareholders after deduction of reserves, if any.

### **Article (41): Dividend and Payment of Profit**

The Shareholders shall be entitled to a percentage of profits pursuant to the Ordinary General Meeting's resolution in relation to the same. The Ordinary General Meeting's resolution shall determine the due date and distribution date of dividends. The priority for receiving dividends shall be to the Shareholders whose names are recorded in the Company's share register as of the

dividends' due date. The Board of Directors must execute the Ordinary General Meeting's resolution in relation to distributing the dividends to the Shareholders.

The Company may distribute interim dividends to its shareholders on a semi-annual or quarterly basis after satisfaction of the following requirements:

- That the Ordinary General Meeting authorizes the Board of Directors to distribute interim dividends under a resolution to be renewed annually;
- The company should be profitable and regular;
- The Company has reasonable liquidity and the level of its profits can be reasonably expected; and

The Company has adequate distributable profits in accordance with the recent audited financial statements to cover the profits proposed to be distributed after deducting the profits already distributed and delivered after the date of such financial statements.

#### **Article (42): Loss of the Company**

If loss of the joint-stock company reaches half of the paid-up capital, at any time during the financial year, any official of the company or the auditor shall, immediately upon getting familiar with this matter, inform the Chairman of the Board of Directors. The Chairman shall promptly notify the directors of such matter. The Board of Directors shall, within (60) sixty days of becoming aware of the same, call for the Extraordinary General Meeting within (180) hundred and eighty days as of the date the Board of Directors got notified of the loss, to resolve whether the Company must be dissolved or if it shall, with implementation of the necessary procedures to rectify its losses.

### **Chapter Seven: Disputes**

#### **Article (43): Liability Claim:**

Every shareholder representing (5%) or more of the Company's share capital shall have the right to file a liability claim, vested with the Company, against the directors if the wrongful act committed by such directors would cause harm to such shareholder. The shareholder may file such a claim only if the right of the Company to initiate the same claim is still valid. The shareholder must notify the Company of its intention to file the claim.

### **Chapter Eight: Dissolution and Liquidation of the Company**

#### **Article (44): Dissolution of the Company**

The Company dissolves by one of the reasons for dissolution mentioned in Article (243) of the Companies Law, and upon its dissolution, it enters the stage of liquidation in accordance with the provisions of Chapter (12) of the Companies Law.

If the Company is dissolved and its assets are not sufficient to pay its debts or if it is in default according to the Bankruptcy Law, it shall immediately notify the Company's shareholders and its creditors of such insufficiency and petition the competent judicial authority to open any of the liquidation procedures according to the Bankruptcy Law. The Company shall notify the Capital Market Authority upon the occurrence of the event stated in this Article and adhere to the instructions issued by it.

**Article (45): Applicable Laws**

1-The Company is subject to the laws and regulations in force in the Kingdom of Saudi Arabia.

2- Any text in this Bylaw that contravenes the provisions of the Companies Law shall be deemed invalid and the provisions contained in the Companies Law shall be applied to it. The Companies Law, its Regulations and the Capital Market Authority's regulations shall apply to any aspect that is not governed by these Bylaws.

**Article (46): Publication**

This Bylaws shall be deposited and published in accordance with the provisions of Companies Law and its Implementing Regulations.