



United Electronics Company (eXtra) Bylaws

Public Listed Company

Part One: Incorporation of the company

Article (1) Incorporation

United Electronics Company (eXtra) Saudi joint stock company listed in Saudi stock exchange shall be incorporated as per the company's regulations.

Article (2) - Company Name

United electronics company (Public Listed company)

Article (3) - Company purposes

The purposes of the company as following:

- 1- Trade: Wholesale, retail sales in food , soft drinks , office supplies , leather goods, Decorative materials, books , stationary , (books , magazine and all kind of stationary), computer games , electronic games , teaching aids, electronics machine and tools (refrigerators, freezers, ovens, cookers, air conditioners, fans, washers , dryers , dish washers, heaters , grills, coolers, vacuums, electric tools , other home appliances , its spare parts and accessories). Recording tapes, electrical transformers, lighting and lighting units, chandeliers, lampshades, dry batteries, electrical toys and their spare parts, and electronic devices (Televisions, radios, audio visual recorders, video, multimedia projectors, video cameras, headsets, car recorders, calculators and electronic diaries, computers and their accessories, computer printers, fax machines, telephones and cell phones, satellite receivers and their spare parts, selling SIMs and internet supplies). Fabrics, textiles and shoes: fabrics, ready-made clothes and furnishings, carpets, rugs, baby diapers, yarn, shoes, tents, tools, sports and scout clothes, sewing supplies, blankets and bed sheets, utensils set, home appliances: home utensils, plastic products, tools and household supplies (brooms - detergents), silver, crystal and gas tools Kitchens, wooden and metal furniture, mattresses, beds and bedrooms, electrical tools : electrical supplies, wires, cables, and electrical appliances (radio, TV, speakers). Washing machines, air conditioners, refrigerators, heaters, grills, gas tools, machines and devices: calculators, typewriters, medical and surgical machines, medical devices, artificial limbs, handicapped devices, medical materials and supplies, telephone wired communication equipment, telex ... etc., And photography devices : microscopic photography devices (microfilm - microfiche), computers, measuring and control devices, Geometric tools, drawing and zincograph devices, and sports & scout equipment. And perfumes and cosmetics: perfumes, oud, incense, cosmetics, pure metals and jewellery, precious stones: gold, silver, precious stones (diamonds) and traditional jewellery, machinery and tools for photography, watches and glasses: photographic machines and tools, photographic films, watches, gold watches and glasses. sunglasses and optical devices, hearing devices, leather goods and decorative materials: bags, suspended ceilings, shoe supplies, frames, and curtains, and sales in instalments).
 - 2- Commercial agencies, distribution agents, brokerage business in other than exchange and real estate, import and export services for others, marketing services to others, shipping services, inspection and testing services, clearance services for goods, weighing agent services, packaging services.
 - 3- Buying land for building construction for investment purposes through sale or lease.
 - 4- Operation and development of real estate assets.
 - 5- Establishing, managing and operating industrial and commercial projects, hotels, restaurants and shopping malls
 - 6- Operation and maintenance of the training, educational and entertainment centres.
 - 7- Maintenance and repairing services (photographic devices, computers, audio-visual equipment, clocks and alarms, shoes, automatic laundries, installation of car recorders).
 - 8- Computer services (application systems and data base), printing and photocopying services for documents and maps, student services and film development.
 - 9- Washing cars inside the malls' parking lots, using steam tools, and selling car accessories.
 - 10- Safety and security: It consists importing, selling, installing, operating and maintaining wired and wireless surveillance cameras, both internal and external - the intercom system with a camera and without wired and wireless cameras - motion sensors - breakage and opening sensors for doors and windows - fire sensor sensors - audio and visual alarm systems - second gas sensors Carbon Dioxide - Water Leakage Sensors - Access Sensors - Temperature Sensors - Wireless Control Devices - Lighting Control Switch - Light Power Control Switch - Smart Electrical Connections - Door Control Systems.
 - 11- Information technology: E-commerce in all the company's business.
 - 12- Transportation, storage and cooling services.
 - 13- Social and personal services
 - 14- Electronic games activities
- (The company can practice its activities as per the laws and regulations and after granting the required licenses from the right authorities).

Article (4) - Participation and ownership in companies

The company is allowed to establish companies in accordance with the Companies law and its executive regulations. It is also permissible for the company to have an interest in or collaborate in any way with entities or companies engaged in similar activities or those that may assist in achieving its purposes. The company can own shares or stakes in these companies, merge with them, be merged into them, or acquire them. Additionally, the company is permitted to deal with these shares or stakes, provided that this does not include brokerage in their trading.

Article (5) - The head office of the company

The Company's head office is in the city of Khobar in the Kingdom of Saudi Arabia. The Company may establish branches, offices, or agencies inside or outside the Kingdom of Saudi Arabia.

Article (6) - Company's term

The Company's term is ninety-nine (99) Gregorian years starting from the date of transition to public company after MCI approval. Such term may be extended for a similar, shorter or longer period(s) by resolution of the Extraordinary General Assembly taken at least one year prior to the term of the Company.

Part Two: Capital and Shares

Article (7) - Capital

The Company's capital is set at eight hundred million Saudi Riyals (SAR 800,000,000), divided into eighty million (80,000,000) equal voting ordinary shares with 10 SAR as nominal value.

Article (8) Subscription to Shares

The shareholders underwrote all the company shares 80,000,000 shares with total value 800,000,000 SAR.

Article (9) – Company shares

The company's shares shall be nominative, and it is permissible to divide them into shares with a lower nominal value or to merge them so that they represent shares with a higher nominal value. It is also allowed to issue shares at a value higher than this nominal value. In the latter case, the difference in value is added as a separate item within the shareholders' rights, to be used as deemed fit by the Board of Directors, in accordance with the regulations and controls set by the relevant authority. This difference in value cannot be distributed as profits to the shareholders.

Additionally, the share is not divisible in the face of the company. If it is owned by multiple individuals, they must choose one person to represent them in using the rights associated with the share. These individuals are jointly responsible for the obligations arising from the ownership of the share.

Article (10) Issuance of Preferred Shares or Redeemable and Convertible Shares:

The extraordinary general assembly is authorized to issue preferred shares or decide to repurchase or convert them In accordance with the provisions of Islamic Sharia and in accordance with the principles and regulations established by the relevant authority.

The extraordinary general assembly is also allowed to issue redeemable shares based on the company's option and according to the conditions and terms of their redemption determined by the company, In accordance with the provisions of Islamic Sharia and in accordance with the principles and regulations established by the relevant authority.

Article (11) Shares Trading:

The company's shares are traded on the stock market in accordance with the relevant provisions and regulations.

Article (12) - Company buys and sells its shares:

The company may buy its shares, and the company may buy its shares to allocate them to the company's employees as part of the employee share program in accordance with the controls laid down by the competent authority, and the company may sell treasury shares according to the controls and procedures laid down by the competent authority.

Article (13) - Capital increase

1. The extraordinary general assembly may decide to increase the company's capital, provided that the capital has been fully paid. It is not a requirement for the entire capital to be paid if the unpaid portion is attributed to shares issued in exchange for the conversion of debt instruments or financing Sukuk into shares, and the conversion period has not yet expired.
2. In all cases, the extraordinary general assembly has the authority to allocate the shares issued during a capital increase, or a portion thereof, to the employees of the company, its subsidiaries, or any combination thereof. Shareholders are not allowed to exercise the right of priority when the company issues shares designated for employees.
3. Shareholders owning shares at the time of the extraordinary general assembly's decision to approve a capital increase have priority in subscribing to the new shares issued against cash contributions. They will be informed of their priority through

approved disclosure mechanisms according to regulations and controls related to the decision of capital increase, subscription conditions, duration, start date, and end date.

4. The extraordinary general assembly has the right to suspend the exercise of the priority right for subscribers to the capital increase against cash contributions or to give priority to non-subscribers in cases deemed beneficial for the company.
5. Shareholders have the right to sell or waive their priority rights, whether for monetary compensation or without compensation, in accordance with the regulations.
6. Considering the provisions in paragraph (4) above, the new shares are distributed among the holders of priority rights who have applied for subscription in proportion to their existing priority rights resulting from the capital increase. This is subject to the condition that they do not receive more than the requested amount of new shares. The remaining new shares are distributed among the holders of priority rights who have applied for more than their share, with the condition that they do not receive more than the requested amount of new shares. Any remaining shares are then offered to others, unless otherwise decided by the extraordinary general assembly or specified by the capital market regulations.

Article (14) - Capital Reduction

The extraordinary general assembly has the authority to decide on a reduction of the company's capital if it exceeds the company's needs or if the company has incurred losses. In the latter case, it is permissible to reduce the capital below the limit set by the Companies Act. The resolution for reduction shall only be issued after presenting a statement to the extraordinary general assembly, prepared by the Board of Directors, outlining the justifications for the reduction, the company's obligations, and the impact of the reduction on meeting those obligations. This statement should be accompanied by a special report prepared by the auditors explaining the justifications and the impact of the reduction on these obligations.

If the reduction of the capital is a result of its excess over the company's needs, the creditors must be notified to express their objections to the reduction at least forty-five (45) days before the scheduled date of the extraordinary general assembly meeting to decide on the reduction. The invitation should include a statement indicating the amount of the capital before and after the reduction, the meeting date, and the effective date of the reduction. If any of the creditors object to the reduction and submit their documents to the company within the mentioned period, the company must settle the debt if it is due or provide sufficient guarantee if it is deferred. If a creditor who objected to the reduction and whose debt has not been settled, whether due or deferred, may apply to the competent judicial authority before the scheduled date of the extraordinary general assembly meeting to decide on the reduction. In such cases, the judicial authority has the authority to order the settlement of the debt, provide sufficient guarantee, or postpone the holding of the extraordinary general assembly meeting depending on the circumstances.

Article (15) Issuance of Sukuk and Bonds:

The company is permitted to issue debt instruments or tradable financing Sukuk in accordance with the principles of Islamic law and in compliance with the regulations of the financial market and any other relevant systems.

Part Three: Company Management

Article (16) – Board composition

The company is managed by a board of directors consisting of (9) nine members elected by the ordinary general assembly for a term not exceeding four years. They may be re-elected for consecutive terms.

Article (17) - Termination of Board Membership

1. Before the end of its term, the Board of Directors must call for the ordinary general assembly to convene for the election of a new Board. If holding the election becomes impractical and the term of the current Board expires, its members continue to perform their duties until the election of a new Board, provided that the duration of the continued service does not exceed the period specified by the executive regulations of the Companies Act.
2. The membership of the Board ends upon the expiration of its term, the resignation of a member, their death, conviction for a crime involving dishonor or breach of trust, declaration of bankruptcy, arrangement, or settlement with creditors, or if the member becomes unfit for Board membership according to any applicable laws or instructions in the Kingdom. If a Board position becomes vacant during the year, the Board may temporarily appoint another member with the necessary experience and competence. This appointment must be presented to the ordinary general assembly at its first meeting, and the new member completes the remaining term of their predecessor. If the number of Board members falls below the required quorum, the ordinary general assembly must be called within sixty (60) days to elect the necessary number of members.
3. If the Chairman and members of the Board resign, they must call for the ordinary general assembly to convene for the election of a new Board. The resignation does not take effect until the new Board is elected, and the duration of the resigned Board's continued service should not exceed the period specified by the regulations. The Board must take necessary steps to elect a new Board before the expiration of the specified duration of continuation.
4. The ordinary general assembly has the authority to dismiss all or some members of the Board at any time, without prejudice to the right of the dismissed member to claim compensation from the company if the dismissal is for an unacceptable

reason or at an inappropriate time. A Board member may resign, provided that it is done at an appropriate time, and they remain responsible to the company for the consequences of the resignation.

Article (18) - Board of Directors Powers

Subject to the powers reserved for the General Assembly, the Board shall have the broadest powers to manage the business of the Company in order to attain its objectives. The Board shall be responsible for achieving the strategic and operational objectives of the Company, The board of directors, for example, and not limited to, may represent the company in its relationship with third parties, government and private bodies, police departments, chambers of commerce and industry, private bodies, companies and institutions of all kinds, and the board has the right to contract, abide by, and engage in the name of the company and on its behalf, and enter into tenders, arrest, pay and do all Business and actions and signing of all types of contracts, documents, including without limitation contracts for the establishment of companies in which the company participates with all its amendments and annexes, amendment decisions and official bodies, as well as loan and guarantees agreements, requesting the issuance of guarantees and opening credits on behalf of the company, signing contracts and facilitation papers, and signing murabaha agreements Islamic and investment contracts, guaranteeing bank facilities granted to others and signing guarantees in the name of the company to guarantee others, selling, buying, emptying, accepting, receiving, delivering, renting, leasing, arresting, paying and mortgaging real estate, stocks, equipment, investment funds and deposits of all kinds, and carrying out all banking transactions necessary for the company's activity, including this. open, manage, operate and close accounts, withdraw from them, deposit in them, request facilities and credits of all kinds from commercial banks, loans in any amounts and sign them, open and manage investment portfolios, sell and buy shares and collect the price, mortgage and transfer shares, close investment portfolios, inside and outside Kingdom, issuing bank guarantees, signing and creating all commercial papers, endorsing and seizing them, signing all papers, documents and all banking transactions, as required by the interest of the company, as well as the right to participate in companies, amend their legal entities, open branches, close them and transfer them to independent companies, and appoint and dismiss branch managers. The Board also has the right to appoint and dismiss employees and workers, request visas, bring in manpower from outside the Kingdom, contract with them, determine their salaries, extract residencies, transfer and waive guarantees, issue legal agencies and authorizations on behalf of the company and grant the agent the right to delegate and dismiss others. guarantees the minutes of the Board of Directors and the reasons for the decision to act in accordance with the following conditions:

- That the board specify the reasons and justifications for it in the sale decision,
- That the sale is close to the price of the same,
- That the sale be present except in cases estimated by the Board and with adequate guarantees,
- That this action does not result in stopping some of the company's activities or imposing it with other obligations

The approval of the general assembly is required when the Board of Directors intends to sell assets that exceed fifty percent (50%) of the total value of the company's assets, whether the sale occurs through a single transaction or multiple transactions. In this case, the transaction that results in exceeding the fifty percent (50%) threshold of the asset value is the one that requires the approval of the general assembly. The calculation of this percentage is based on the date of the first transaction that occurred within the twelve (12) preceding months.

The Board of Directors may also conclude loan agreements with funds and government financing institutions and commercial loans whose terms do not exceed the end of the term of the company, provided that the following conditions are observed with respect to commercial loans with maturities exceeding three years:

- That the board of directors specify in its decision the uses of loans and the manner of their repayment,
- To take into account the conditions of the loan and the guarantees provided to him not to harm the company and its shareholders and the general guarantees for creditors

The Board of Directors may delegate or delegate on its behalf, within the limits of its competence, one or more of its members and others to take a specific action or conduct or perform a specific act or business with the right of the Board to withdraw or cancel that as it chooses.

The company's board of directors, and in the cases it assesses, shall have the right to absolve the company's debtors from their obligations in accordance with what is in its interest, provided that the minutes of the board of directors and the reasons for its decision include the following conditions:

- That the release shall take place after a full year since the emergence of the debt, as a minimum.
- That the release of a specified amount, as a maximum, per year, shall be for one debtor,
- Discharging is the right of the board may not be delegated.

Article (19) - Board of Directors Remunerations

The remuneration for the members of the Board of Directors may consist of a specific amount, attendance fees for meetings, expenses allowances, in-kind benefits, or a percentage of profits. It is permissible to combine two or more of these elements, and an additional bonus may be specified for the Chairman of the Board, in addition to the remuneration set for the members of the Board of Directors. The Board of Directors' report to the Annual General Meeting should include a comprehensive statement of everything received or entitled to be received by the members of the Board of Directors during the fiscal year, including bonuses, attendance fees, expenses allowances, and other benefits. The mentioned report should also include a statement of the amount received by the Board members as employees or administrators or for artistic, administrative, or consultancy services

provided to the company. It should also include the number of board meetings and the number of meetings attended by each member.

Article (20) - Chairman, Vice Chairman, Managing Director and Board Secretary

Board of Directors shall appoint from among their members a Chairman and a vice Chairman and Board may also appoint a managing director from among their members, however, a Board member may not be a chairman and at the same time occupy another executive position in the Company. Chairman has the authority to invites board meetings and chairs the board meetings.

- The Chairman and his deputy in case of the Chairman absence or his representative shall represent the company before third parties including before the judiciary, arbitration tribunals, ministries and other governmental bodies, and take the necessary action with regard to this representation.
- The Board of Directors defines the powers and authorities of the Chairman, for matters not stipulated in this bylaw.
- The Chairman has the right to empower one or more persons to take a specific action, act or conduct or perform a specific action or actions.

The vice-chairman as well as the Managing Director in case of his appointment; have the powers assigned to them by the Board of Directors.

The Board of Directors shall determine, at its sole discretion, the special remuneration to be granted to the Chairman, Vice President, and Managing Director, in addition to the remuneration specified to the members of the Board of Directors under this bylaw.

the Board of Directors shall appoint a Secretary for the Board, whether from among its members or from others, the Board of Directors shall determine his remuneration, The Secretary shall be responsible for recording the minutes, drafting and filing resolutions of such meetings , in addition the other tasks assigned to him by the board. the board of directors determines the Secretary remuneration.

The membership term of the Chairman, Vice Chairman, Managing Director and Secretary shall not exceed the membership of each of them in the Board and they may be re-elected for another term.

Article (21) – Board Meetings

The Board of Directors meets at least four times a year upon the invitation of its chairman. The invitation is written and can be delivered in person or sent through modern communication methods. The chairman must call for a meeting when requested by any member of the board to discuss one or more topics. The Board of Directors determines the location for its meetings, and meetings can be conducted using modern communication methods.

Article (22) - Quorum of Board of Directors meetings and decisions

A Board of Directors meeting is not considered valid unless attended by at least half of the members (in person or by proxy), provided that the number of attendees is not less than five members. In the case of a board member delegating authority to another member to attend the meetings, the delegation must adhere to the following guidelines:

In case of proxy voting the following points should be considered:

- An individual board member cannot represent more than one member in attendance at that meeting.
- Delegation must be documented in writing and for a specific meeting; it can also be sent via email.
- The delegate is not allowed to vote on decisions prohibited by the regulations from being voted on by the delegate.

Decisions of the Board of Directors are made by a majority of the votes of the members present or represented at the meeting (in person or by proxy). In the event of a tie, the opinion of the chairman of the board or the acting chairman in his absence prevails. The Board of Directors may issue decisions by circulation by presenting them to all members for approval by circulation unless one of the members requests the written decisions to be discussed at a meeting. Such decisions are issued with the approval of the majority of the votes of its members and are presented at the next meeting for confirmation in the minutes of that meeting.

Article (23) – Meetings Minutes

Deliberations and resolutions of the Board shall be documented in minutes to be signed by the Chairperson of the Board, the Board members attending the meeting and the Secretary. The minutes shall be recorded in a special register to be signed by the Chairperson of the Board and the Secretary. The attendance of the board members must be registered in attendance log. Each member should disclose to the board any direct or indirect personal interest in the business or the contract created for the company, the disclosure shall be documented in the board MOM and the member with any interest shall not vote on this matter. The use of modern technology for signing, confirming transactions, making decisions, and recording minutes is permissible.

Part Four: Shareholders Meetings

Article (24) – Meetings attendance

The General Assembly, properly constituted, represents all shareholders and convenes in the city where the company's headquarters is located. It is permissible to hold General Assembly meetings remotely through modern communication methods.

Each shareholder has the right to attend the General Assembly, and a shareholder may authorize in writing another person, who is not a member of the Board of Directors or an employee of the company, to attend the General Assembly on their behalf

Article (25) - Ordinary General Assembly

Except for matters reserved for the Extraordinary General Assembly, the Ordinary General Assembly shall be in charge of all matters relating to the Company and shall be convened at least once a year within the six (6) months following the end of the Company's financial year. The Ordinary General Assembly may be called to hold other meetings whenever needed.

Article (26) – Extra Ordinary General Assembly

The Extraordinary General Assembly shall be in charge of amending the Company's Bylaws, except for the provisions it may not amend by law. The Extraordinary General Assembly may adopt resolutions relating to the powers of the Ordinary General Assembly under the same conditions and controls set for the Ordinary General Assembly.

Article (27) - General Assembly Invitation

General meetings of shareholders are convened by the Board of Directors. The Board of Directors must call for the ordinary General Assembly within thirty (30) days from the date of a request by the auditors, submitted by a number of shareholders representing at least ten percent (10%) of the company's shares with voting rights. If the Board fails to issue the call within thirty days, the auditors have the right to call for the General Assembly. The notice for the General Assembly meeting should be published through modern communication methods at least twenty-one (21) days before the scheduled date. The invitation should include the agenda. If the shares are nominative, the notice may be sent through registered letters only.

The Board of Directors should send a copy of the invitation and agenda to the Capital Market Authority within the specified publication period. It is permissible to conduct general meetings of shareholders, with the participation of shareholders in the discussions and voting on resolutions, through modern communication methods, subject to regulations set by the regulatory authorities.

Article (28) - Proof of attendance

Minutes shall be kept for every General Assembly, showing the names of Shareholders present or represented, the number of Shares held by each of them, whether personally or by proxy the number of votes allotted thereto.

Article (29) - Ordinary General Assembly Meeting Quorum

The ordinary General Assembly meeting is not considered valid unless attended by shareholders representing at least twenty-five percent (25%) of the company's shares with voting rights. If this quorum is not achieved in the first meeting, a second meeting must be convened within the following thirty (30) days. However, it is permissible for the second meeting to be held one hour after the expiration of the period specified for the first meeting.

The invitation to the first meeting should include an announcement about the possibility of holding a second meeting. The second meeting is considered valid regardless of the number of represented shares.

Article (30) – Extra Ordinary General Assembly Meeting Quorum

The extraordinary General Assembly meeting is not considered valid unless attended by shareholders representing at least fifty percent (50%) of the company's shares with voting rights. If this quorum is not achieved in the first meeting, a second meeting must be convened, and it is permissible for the second meeting to be held one hour after the expiration of the period specified for the first meeting. The invitation to the first meeting should include an announcement about the possibility of holding a second meeting.

The second meeting is considered valid if attended by shareholders representing at least twenty-five percent (25%) of the company's shares with voting rights. If the required quorum is not achieved in the second meeting, a third meeting will be convened under the same conditions specified in the Companies Law. The third meeting is considered valid regardless of the number of represented shares, after obtaining approval from the competent authority.

Article (31) - Voting power

Each shareholder shall have one vote per share in the ordinary General Assemblies and the extraordinary General Assemblies. Cumulative voting shall be applied to election of the Board members. The board members shall not vote on any matters related to their membership duration and any direct or indirect interest.

Article (32) - Resolutions

Decisions of the ordinary General Assembly are issued with a majority of the voting rights represented at the meeting. In contrast, decisions of the extraordinary General Assembly require a majority of two-thirds of the shares represented at the meeting. However, if the decision pertains to an increase or decrease in the capital, an extension of the company's duration, dissolution of the company before the expiration of the specified period in its bylaws, merger of the company into another company or

entity, or division into two or more companies, the decision is considered valid only if it is approved by a majority of three-quarters of the shares represented at the meeting.

Article (33) – Meeting Agenda

Each shareholder shall have the right to discuss the subjects listed on the agenda of the Assembly and may address questions in respect thereof to the Board members and the auditor. The Board members or the auditor shall answer questions of the shareholders to the extent that does not expose the Company's interest to harm. If a shareholder deems the answer to their question is unsatisfactory, they may raise the issue with the Assembly whose resolution in that regard shall be effective and enforceable.

Article (34) – Meeting procedures

The General Assembly of shareholders is chaired by the Chairman of the Board of Directors or his deputy in his absence, or someone appointed by the Board of Directors from among its members in case both the Chairman and his deputy are absent. If that is not possible, the General Assembly is chaired by someone appointed by the shareholders from among the members of the Board or others through voting. The Chairman appoints a secretary for the meeting and a vote collector. The Chairman is responsible for preparing the minutes of the meeting, which include the names of the attending or represented shareholders, the number of shares they hold, whether directly or through proxies, the number of votes allocated to these shares, the decisions taken, and a comprehensive summary of the discussions held during the meeting. The minutes are regularly recorded after each meeting in a special register, which is signed by the Chairman of the Assembly, the Secretary, and the vote collector.

Part Five: External Auditor

Article (35) - External Auditor appointment

The Company shall have one or more auditors from amongst the auditors licensed to work in the KSA. The Ordinary General Assembly shall annually appoint the auditor and shall specify their compensation and term of office and it may re-appoint them as per the law and regulation in this matter.

Article (36) – Checking the records.

The auditor may, at any time, have access to the books and records of the Company and any other documents, may ask for any statements or clarifications they deem necessary to verify the assets and liabilities of the Company.

Article (37) - External Auditor Report

The external auditor must submit yearly report to the general assembly include the company opinion in facilitating the access to any data or disclosures requested. The external auditor shall highlight any violation with company regulations or these bylaws and their opinion about the company's financials.

Part Six: Company statements and Dividends payments

Article (38) – Financial year

The Company's financial year will commence on January 1 and will end by the end of December of each year. The first financial year will commence from the date the resolution establishing the Company is adopted and will end by the end of December of the following year.

Article (39) – Company Financial statements

At the end of each financial year, the Board of Directors must prepare the financial statements and a report on the company's activities and financial position for the past fiscal year. This report should include the proposed method for distributing profits. The Board places these documents at the disposal of the auditors before the scheduled date for the Ordinary Annual General Assembly by at least forty-five days. The Chairman of the Board, the CEO, and the CFO sign these documents, and copies are deposited at the company's headquarters for the shareholders' access. The Chairman of the Board is required to provide the shareholders with the financial statements and the Board's report, after they are signed and audited, unless they have been published through modern technology at least twenty-one days before the scheduled date for the General Assembly. Additionally, these documents must be deposited according to the Companies Law and its executive regulations.

Article (40) – Dividends Distributions

- For the Ordinary General Assembly – when determining the share of stocks in net profits – it is within its authority to decide on the formation of reserves to the extent that serves the company's interest or ensures the distribution of fixed dividends to shareholders as much as possible. The General Assembly may allocate amounts from the net profits for social purposes benefiting the company's employees.
- The General Assembly determines the percentage of net profits, after deducting reserves if any, to be distributed to shareholders.

- Shareholders are entitled to their share of profits according to the decision of the General Assembly in this regard, specifying the due date and distribution date. Profit entitlement is for shareholders registered in the shareholder records at the end of the specified entitlement date.

The General Assembly may decide to distribute profits annually, semi-annually, or quarterly, and it is permissible to delegate this authority to the Board of Directors.

Article (41) – Dividends payment

A shareholder will be entitled to their share of dividends in accordance with the resolution approved by the board. The resolution must indicate the date of entitlement and the date of distribution and as per CMA rules and regulations.

Article (42) – Company losses

If the losses of a joint-stock company reach half of its issued capital, the Board of Directors is required to disclose this and any recommendations regarding those losses within sixty (60) days from the date of becoming aware of such a magnitude of losses. The Board shall also call for an Extraordinary General Assembly meeting within one hundred and eighty (180) days from the date of knowledge for the shareholders to consider the continuation of the company and to take any necessary actions to address or resolve those losses.

Part Seven: Disputes

Article (43) - Liability claim

- The company has the right to file a lawsuit against members of the Board of Directors for violating the provisions of the Companies Law or its articles, or due to errors, negligence, or shortcomings in performing their duties that result in harm to the company. The decision to file such a lawsuit and appoint a representative for the company to pursue it is made by the General Assembly or the shareholders. In case the company is in the liquidation phase, the liquidator is responsible for filing the lawsuit. If any liquidation proceedings are initiated against the company under the Insolvency Law, the lawsuit shall be filed by those representing the company as per the law.
- A shareholder or a group of shareholders representing at least five percent (5%) of the company's capital has the right to file a lawsuit for the company if the company fails to do so. It is essential that the primary purpose of the lawsuit is to serve the company's interests, the lawsuit is based on valid grounds, the plaintiff has good intentions, and the plaintiff was a partner or shareholder in the company at the time of filing the lawsuit.
- To file the lawsuit mentioned in paragraph (2) of this article, the intending plaintiff must notify the members of the Board of Directors of their intention to file the lawsuit at least fourteen (14) days before initiating it.
- A shareholder has the right to file a personal lawsuit against members of the Board of Directors if the error committed by them causes specific harm to that shareholder.

Part Eight: Dissolution and liquidation of the company

Article (44) - Termination of the Company

The company becomes subject to liquidation due to one of the reasons stipulated in the Companies Law. Upon expiration, it enters into the liquidation phase following the provisions of the Companies Law. If the company expires, and its assets are insufficient to cover its debts or if it is insolvent according to the provisions of the Insolvency Law, it is required to apply to the competent judicial authority to initiate any of the liquidation proceedings under the Insolvency Law.

Part Nine: Final Provisions

Article (45) – Bylaw Approval

The Companies Law and its regulations shall apply to all other matters not specifically provided for herein.

Article (46) – Companies Law

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