

**Anaam International Holding Group Company Bylaw**  
**(Listed Joint Stock Company)**

**Chapter One:**

**Incorporation of the Company and amendments to the Bylaws:**

**Article (1): Incorporation:**

A Saudi joint stock Company was established in accordance with the provisions of the Companies Law and its Regulations in accordance with the following:

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

**Anaam International Holding Group Company** (Saudi Listed Joint Stock Company).

**Article (3): Company's Head Office:**

The Company's head office is located in the city of Jeddah, and branches may be established inside or outside the Kingdom by a decision of the Board of Directors.

**Article (4): Purposes of the Company:**

The purpose of the Company is to carry out the following:

1. Managing its subsidiaries or participating in the management of other companies in which it contributes and provide the necessary support to it.
2. Invest its money in stocks and other securities.
3. Owning real estate and movables necessary to carry out its activity.
4. Providing loans, guarantees and financing to its subsidiaries.
5. Owning industrial property rights such as patents, trademarks, industrial trademarks, franchises and other moral rights, exploiting them, and leasing them to its subsidiaries or others.

The Company shall exercise its purposes in accordance with the applicable regulations and after obtaining the necessary licenses from the competent authorities, if any.

**Article (5): Term of the Company:**

The duration of the Company is (100) Hijri years starting from the date of its registration in the Commercial Register, and this period may always be extended by a resolution issued by the Extraordinary General Assembly at least one year before the expiry of its term.

## **Chapter Two:**

### **Capital & Shares**

#### **Article (6): Capital:**

The Company's capital is set at three hundred and fifteen million Saudi Riyals (315,000,000 SAR) divided into six hundred and thirty million nominal shares (630,000,000) of equal value, each share is at the value of half Saudi Riyal (0.50) and all of the shares are ordinary shares, fully paid.

#### **Article (7): Subscription to Shares:**

The Shareholder subscribed to the entire issued capital of six hundred and thirty million shares (630,000,000), with a value of Three Hundred and Fifteen Million Saudi Riyals (315,000,000 SAR), paid in full.

#### **Article (8): Preferred Shares:**

1. The Company may, in accordance with the provisions prescribed in the Companies Law, its Implementing Regulations, the Corporate Governance Regulations and the controls set by the competent authority, issue, purchase and transfer preferred shares or redeemable shares.
2. The Company may buy, sell and mortgage its ordinary, preferred or redeemable shares in accordance with the provisions prescribed in the Companies Law, its implementing regulations, corporate governance regulations and the controls set by the competent authority, and the shares purchased by the Company shall not have votes in the Shareholder' assemblies.
3. The assemblies of the holders of preferred shares or redeemable shares shall be held in accordance with the provisions of Article (89) of the Companies Law.
4. Preferred shares may not be given the right to vote in the general assemblies of Shareholder, unless the Company fails to pay the specified percentage of the net profits of the Company to the holders of the shares after deducting the reserves, if any, for a period of three consecutive years.
5. Notwithstanding the provisions of paragraph (4) of this Article, preferred shares shall be given the right to vote in the general assembly of Shareholder if the resolution of the general assembly results in the reduction of the Company's capital, liquidation, or sale of its assets. Each preferred shareholder shall have one vote at the meeting of the General Assembly.
6. If the resolution of the General Assembly modifies the rights of the holders of the preferred shares, including the liquidation of the Company, the conversion of preferred shares to ordinary shares or the conversion of ordinary shares to preferred, such resolution shall not be effective unless it approved by the shareholder holding the right to vote among the owners of preferred shares in their own assembly.

**Article (9): Sale of Unfulfilled Shares:**

1. The shareholder shall pay the value of the shares on the specified dates, and if he fails to pay on the specified date, the Board of Directors may, after being notified through any means of modern technology or notified by a registered letter, sell the share in public auction or the stock market, as the case may be, in accordance with the controls determined by the competent authority.
2. The Company shall collect from the proceeds of the sale the amounts due to it and return the rest to the shareholder. If the proceeds of the sale are not sufficient to meet these amounts, the Company may collect the remainder from the collection of the shareholder's funds.
3. The rights relating to shares that have defaulted on their value shall be suspended at the expiry of the date specified for them until they are sold or the due therefrom is paid in accordance with the provisions of paragraph (1) of this Article, and shall include the right to obtain a share of the dividends to be distributed and the right of the assemblies and to vote on their decisions, however, the shareholder who fails to pay until the day of sale may pay the value due thereon in addition to the expenses incurred by the Company in this regard. In this case, the shareholder shall have the right to request the dividends to be distributed.
4. The Company shall cancel the certificate of the sold share in accordance with the provisions of this Article and give the buyer a new certificate of the share bearing the same number, and indicate in the Shareholder' register the occurrence of the sale with the necessary data for the new owner.

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

1. The shares of the Company shall be nominal and indivisible vis-à-vis the Company, the ownership of the share is several persons who must choose one of them to act on their behalf in the use of the rights related to it, and these persons shall be jointly liable for the obligations arising from the ownership of the share.
2. The Company's Bylaws shall determine the nominal value of its shares, and the shares of the same type or category shall be of equal nominal value.
3. Subject to paragraph (2) of this Article, shares may be divided into shares of lower nominal value, or merged so that they represent shares of higher nominal value, in accordance with the regulations issued by the competent authority.

**Article (11): Trading Shares:**

1. The Company's shares shall be traded in accordance with the provisions of the Capital Market Law and its implementing regulations.
2. It is not permissible to trade the shares subscribed by the founders except after the publication of the financial statements for two fiscal years, not those each for twelve months from the date of incorporation of the Company, and the instruments of these shares shall be marked indicating their type, the date of incorporation of the Company and the period during which it is prohibited to trade.
3. However, during the prohibition period, the ownership of shares may be transferred in accordance with the provisions of the sale of rights from one of the founders to another founder or from the heirs of one of the founders in the event of his death to a third party or in the case of enforcing on the money of the insolvent or the bankrupt founder, provided that the priority of owning such shares shall be to the other founders.

4. The provisions of this Article shall apply to the subscriptions of the founders in the event of a capital increase before the expiry of the prohibition period.

**Article (12): Amendment of Rights and Obligations Related to Shares:**

1. To amend or cancel any of the rights, obligations or restrictions relating to shares, or to convert any type or class of shares to another type or class if this results in the amendment or cancellation of rights and obligations related to the type or class of shares to be transferred, or to issue shares of a certain type or class that result in prejudice to the rights of another class of Shareholder, the approval of a special assembly formed in accordance with Article (98) of the Companies Law of the Shareholder who are harmed by such amendment, cancellation, transfer or issuance, and the approval of the Extraordinary General Assembly.
2. If the Company's shares contain preferred shares or redeemable shares, new shares that have priority over any of their categories may not be issued except with the approval of a special assembly formed - in accordance with Article (eighty-nine) of the Companies Law of the Shareholder who are harmed by such issuance.

**Article (13): Purchase, sale and mortgage of the Company's shares:**

The Company may purchase its ordinary or preferred shares with the aim of reducing its capital or keeping them as treasury shares, and the Company may sell treasury shares in one or several stages, or mortgage or allocate them to the Company's employees within the employee share program, in accordance with the controls set by the competent authorities.

**Article (14): Transfer of Shares:**

1. One type or class of shares may be transferred to another type or class.
2. The conversion of one type or class of shares to another type or class requires the approval of the Extraordinary General Assembly, with the exception of cases where the resolution to issue shares provides for their automatic conversion to another type or class when certain conditions are met or after the lapse of a specified period.
3. The provisions of Article (110) of the Companies Law shall apply in cases where the transfer results in the amendment or cancellation of rights and obligations related to the type or category of share.
4. Ordinary or preferred shares or any of their classes may not be converted into redeemable shares or any of their classes without the consent of all Shareholder of the Company.

**Article (15): Capital Increase:**

1. The Extraordinary General Assembly may decide to increase the Company's capital, provided that the capital has been paid in full, and the capital shall not be required to have been paid in full if the unpaid part of the capital belongs to shares issued against the conversion of debt instruments or financing instruments into shares and the period prescribed for converting them into shares has not expired.
2. The Extraordinary General Assembly may, in all cases, allocate the shares issued upon capital increase or part thereof to the employees of the Company and its subsidiaries or some of them, or any of them.

Shareholder may not exercise the right of priority when the Company issues shares allocated to employees.

3. The shareholder who owns the share at the time of the issuance of the Extraordinary General Assembly resolution approving the capital increase shall have priority in subscribing to new shares issued in exchange for cash shares, and they shall be informed of their priority by publication in a gazette or by notifying them by registered mail of the capital's increase resolution and the terms of subscription, its duration, date of commencement and expiry.
4. The Extraordinary General Assembly has the right to suspend the priority right of Shareholder to subscribe to a capital increase in exchange for cash shares or to give priority to non-Shareholder in cases it deems appropriate in the interest of the Company.
5. The shareholder shall have the right to sell or assign the pre-emption right within the period from the date of the issuance of the General Assembly's resolution approving the capital increase until the last day of subscription for the new shares associated with these rights, in accordance with the controls set by the competent authority.
6. Subject to the provisions of paragraph (4) above, the new shares shall be distributed to the holders of pre-emptive rights who have requested subscription, in proportion to the pre-emptive rights they own out of the total pre-emption rights resulting from the capital increase, provided that the amount they receive does not exceed what they requested from the new shares, and the remainder of the new shares shall be distributed to the rights holders who have requested more than their share, in proportion to the pre-emptive rights they own out of the total pre-emption rights resulting from the capital increase, provided that The amount they receive shall exceed what they have requested from the new shares, and the remaining shares shall be offered to third parties, unless the Extraordinary General Assembly decides otherwise.

#### **Article (16): Capital Reduction:**

1. The Extraordinary General Assembly may decide to reduce the capital if it exceeds the Company's needs or if the Company suffers losses. In the latter case alone, the capital may be reduced below the limit set forth in Article (fifty-nine) of the Companies Law. The reduction decision shall not be issued except after reading a statement at a general assembly prepared by the Board of Directors on the reasons for the reduction, the Company's obligations and the impact of the reduction on their fulfillment, provided that a report from the Company's auditor shall be attached to this statement.
2. If the capital reduction is a result of its increase in the Company's need, and the creditors must be invited to express their objections, if any, to the reduction at least (forty-five) days before the date specified for the Extraordinary General Assembly meeting to take the reduction decision, provided that a statement explaining the amount of capital before and after the reduction, the date of the meeting and the effective date of the reduction are shall be attached to the invitation, if any of the creditors objects to the reduction and submits to the Company its documents on the said date, the Company shall pay his debt if it is immediate, or provide him with sufficient guarantees to pay it if it is deferred.
3. Equality between Shareholder holding shares of the same type and class must be taken into account when reducing the capital.

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

**Article (17): Company Management:**

The Company shall be managed by a Board of Directors consisting of five (5) members and provided that they are natural persons elected by the Shareholder Ordinary General for a period not exceeding four years.

**Article (18): Termination of the membership of the Council:**

The membership of the Board shall expire upon the expiry of its term or upon the expiry of the member's validity thereof in accordance with any Law or guidance in force in the Kingdom of Saudi Arabia, and the General Assembly may (based on the recommendation from the Board of Directors) terminate the membership of any member who is absent from attending (three) consecutive meetings or (five) separate meetings during his term of office without a legitimate excuse acceptable to the Board of Directors.

However, the Ordinary General Assembly may dismiss all or some of the members of the Board of Directors, and the Ordinary General Assembly in this case shall elect a new Board of Directors or whoever replaces the dismissed member (as the case may be) in accordance with the provisions of the Companies Law.

**Article (19): Term, retirement or vacancy in the Board of Directors' position:**

1. Before the end of its term, the Board of Directors shall convene the Ordinary General Assembly to elect a Board of Directors for a new term. If the election is not possible and the term of the current Board expires, its members shall continue to perform their duties until the election of a Board of Directors for a new term, provided that the term of continuity of the outgoing members of the Board shall not exceed the period specified in the implementing regulations of the Companies Law.
2. If the Chairman and members of the Board of Directors retire, they shall convene the Ordinary General Assembly to elect a new Board of Directors, and the retirement shall not take effect until the election of the new Board, provided that the term of continuation of the retired Board shall not exceed the period specified in the implementing regulations of the Companies Law.
3. A member of the Board of Directors may retire from the membership of the Board by virtue of a written notification addressed to the Chairman of the Board, and if the Chairman of the Board retires, the notification shall be addressed to the rest of the members of the Board and the Secretary of the Board, and the retirement shall be effective - in both cases - from the date specified in the notification.
4. If the position of a member of the Board of Directors becomes vacant due to the death or retirement of any of its members and such vacancy does not result in a breach of the conditions necessary for the validity of the meeting of the Board due to the lack of the number of its members from the minimum, the Board may appoint (temporarily) in the vacant position a person who has experience and competence, provided that he informs the Commercial Register, as well as the Capital Market Authority if the Company is listed on the Capital Market, within (15) days from the date of appointment, and the appointment shall be submitted to the Ordinary General Assembly in Its first meeting, and the appointed member shall complete the term of his predecessor.

5. If the necessary conditions for the validity of the conveying Board of Directors are not met due to the lack of its members beyond the minimum stipulated in the Companies Law or in this Law, the rest of the members shall convene an Ordinary General Assembly within (60) days to elect the necessary number of members.

**Article (20): Board of Directors Authorities:**

Taking into account the terms of reference of the General Assembly, the Board of Directors shall have the widest powers in managing the company in a manner that achieves its objectives, with the exception of acts or actions excluded by a special provision in the Companies Law or this Law that fall within the competence of the General Assembly, and it has the following:

1. Supervising and implementing the general policy of the company and setting the administrative and technical plans necessary to conduct its business and achieve its objectives.
2. In its decision to sell, the council should specify the reasons and justifications for it
  - a. In its decision to sell, the council should specify the reasons and justifications for it
  - b. That the sale be determined close to the similar price.
  - c. That the sale be present except in cases of necessity and with sufficient guarantees.
  - d. That this behavior does not result in the company being charged with other obligations.
3. Loans contract with government funding funds and institutions, regardless of their duration, and he has the right to contract commercial loans whose terms do not exceed the end of the company's term, taking into account the following conditions for contracting loans whose terms exceed three years:
  - a. The value of loans that the board may conclude during the company's fiscal year should not exceed 50% of the company's capital.
  - b. The Board of Directors shall determine in its decision the aspects of using the loans and the method of their repayment.
  - c. To take into consideration, in the conditions of the loan and the guarantees provided to him, that there is no harm to the company and its shareholders, and the general guarantees of the creditors.
4. Opening documentary credits, bank guarantees and accounts, withdrawing from them and closing them.
5. Entering tenders and auctions necessary for the company's business, and reviewing and awarding submitted offers.
6. The right to make peace, assignment, contract, commitment and association in the name of the company and on its behalf.
7. The right to conclude the liability of the company's debtors from their obligations in accordance with what achieves its interest, provided that the minutes of the board of directors include the reasons for its decision, taking into account the following conditions:
  - a. That the discharge be after three full years have passed since the origin of the debt, as a minimum, provided that the company has exhausted all legal means to recover it.

- b. That the release be for a specific amount as a maximum per year for one debtor.
- c. Exoneration is a right of the council that cannot be delegated.

8. The Board of Directors may assign or delegate on its behalf, within the limits of its competence, a chairman or any member or more of the members of the Board with all or some of his powers.

**Article (21): Remuneration of Board Members:**

The annual remuneration of the Board of Directors shall consist of a recommendation from the Remuneration and Nominations Committee of the Board and based on the Company's rules and regulations and within the limits stipulated in the Company's Law and Regulations, in addition to the attendance allowance and transportation allowance as determined by the Company's bylaws approved by the Company's General Assembly. The Board of Directors report to the Ordinary General Assembly on its annual meeting shall include a comprehensive statement of all that each member of the Board received or was entitled to receive during the year Financial remuneration, attendance allowance, expenses allowance and other benefits, and that it also includes a statement of what the members of the Board received as workers or administrators or what they received for technical or administrative work or consultations, and that it also includes a statement of the number of meetings of the Council and the number of meetings attended by each member.

**Article (22): Authority of the Chairman, Vice-Chairman, Managing Director and Secretary:**

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, and the Vice-Chairman of the Board of Directors shall replace the Chairman of the Board of Directors in his absence.

- 1- The Chairman of the Board of Directors or the Vice-Chairman shall have the powers to call the Board for a meeting, preside over the meetings of the Board and the meetings of the General Assembly of shareholders, and ratify and sign the Board's decisions and extracts from them.
- 2- The chairman of the board also represents the company and signs on its behalf in its relationship with third parties, before the judiciary, government agencies, the notary public, the General Authority for Investment, the Capital Market Authority, courts, dispute settlement committees of all kinds, judicial bodies, arbitration bodies, development funds, government and private financing funds, chambers of commerce and industry, private bodies, banks, companies and institutions, as well. Different types and signing all types of contracts, documents and papers, including, but not limited to, signing on behalf of the company on the founding contracts of companies in which the company participates with their amendments and appendices, whatever the purposes of the amendments included in them, including the amendments related to assignments of shares and shares in companies and the sale of those Shares and shares or acceptance thereof, sale and purchase of movable property, real estate and land, acceptance of purchase and transfer, acceptance of transfer, payment of the price or receipt of the price, mortgage, release of mortgage, development of real estate, signing of contracts, agreements, deeds and transfers before the notary public and official authorities, declaration on behalf of the company, signing of loan and financing agreements, guarantees, guarantees and mortgages and their dissolution, opening and operation Bank accounts, documentary credits, issuance of legal powers of attorney on behalf of the company, appointment of agents and lawyers and delegating them with the necessary powers. The company and defining



the powers entrusted to it, according to legal powers of attorney that are organized by the notary public in this regard.

- 3- The managing director, if appointed, is responsible for implementing the policy drawn up by the company's board of directors, supervising the work of the general manager and the rest of the company's managers, and conducting the daily business of the company, in addition to other competencies and powers that the board of directors authorizes from time to time to the managing director.
- 4- The Board of Directors shall appoint a secretary chosen by it from among its members or from others, in charge of recording the minutes of the Board's meetings, codifying the decisions issued by these meetings, the general assemblies, and exercising all other competencies entrusted to him by the Board of Directors. His remuneration is determined by a decision of the Board. The term of membership of the chairman, his deputy, the managing director, and the secretary, a member of the Board of Directors, shall not exceed the term of membership of each of them in the Board, and they may be re-elected, and the Board may at any time dismiss them or any of them without prejudice to the right of the dismissed to compensation if the dismissal occurred for an illegal reason or in Inappropriate time

**Article (23): Board Meetings:**

1. The Board of Directors shall meet at least four (4) times a year at the invitation of its Chairman. The invitation shall be in writing and may be delivered by hand or sent by mail or (by fax or e-mail). The Chairman of the Council shall invite the Council to a meeting whenever requested to do so by any member of the Council to discuss one or more topics. The notice of invitation must include the date and place of the meeting at least one week before the date set for the meeting. The Chairman of the Council shall convene the Board whenever requested to do so by two members.
2. The Board of Directors shall determine the place of the meetings, which may be held using modern technology.

**Article (24): Meeting of the Board and its Resolutions:**

1. The meeting of the Board of Directors shall not be valid unless attended by half of the members of the Board, provided that the number of attendees shall not be less than three (3) members in person or on behalf of the Board of Directors, and a member of the Board of Directors may delegate other members to attend the meetings of the Board in accordance with the following controls:
  - a. A member of the Board of Directors may not act on behalf of more than one member in attendance at the same meeting.
  - b. The delegation shall be fixed in writing and regarding a specific meeting.
  - c. The Vice-chairman may not vote on decisions on which the law prohibits the representative from voting.
2. If the above-mentioned quorum is not achieved at the first duly convened meeting of the Board, the meeting shall be adjourned for a period of not less than forty-eight (48) subsequent hours and not more than twelve (12) days and shall be held at the same place and time fixed for the first meeting.
3. A meeting of the Board of Directors may be held by video and audio communication so that all members see and hear each other during the meeting, provided that this is in accordance with the

controls set by the competent authority, if any, and in this case the Secretary of the Board must send copies of the decisions taken during the meeting to the members of the Board for signature.

4. The resolutions of the Board of Directors shall be issued by a majority of the opinions of the members present or represented therein.
5. The Board may issue its resolutions by presenting them to the members separately, unless one of the members requests in writing the meeting of the Board for deliberation, and these decisions shall be presented to the Board at the first subsequent meeting and shall be considered valid if signed by all members.
6. The Board of Directors may issue its resolutions on urgent matters by presenting them to all members by circulation, unless one of the members requests in writing the meeting of the Board to deliberate on them. Such resolutions shall be issued with the approval of the majority of votes of its members, and these resolutions shall be presented to the Board at its first subsequent meeting for confirmation in the minutes of that meeting.

**Article (25): Issuing Board Resolutions on Urgent Matters:**

The Board of Directors may issue its resolutions on urgent matters by submitting them to all members by circulation, unless one of the members requests, in writing, a meeting of the Board for deliberation. Such resolutions shall be issued with the approval of a majority of votes of its members, and such decisions shall be submitted to the Board at its first subsequent meeting to record it in the minutes of that meeting.

**Article (26): 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 Chairman of the Board, the members of the Board of Directors present and the Secretary.
2. The minutes shall be recorded in a special register signed by the Chairman of the Board of Directors and the Secretary.
3. Modern technology may be used to sign and record deliberations and resolutions and record minutes.

**Chapter Four:**

**Shareholder' Assemblies**

**Article (27): General Assembly Meeting of Shareholder:**

1. The meeting of the General Assembly of Shareholder shall be chaired by the Chairman of the Board of Directors or his Vice-Chairman in his absence, or whoever is delegated by the Board of Directors from among its members in their absence, and in the event that this is not possible, the General Assembly shall be chaired by those delegated by the Shareholder from among the members of the Board or others by voting.
2. Every shareholder shall have the right to attend the General Assembly meeting, and may delegate another person other than a member of the Board of Directors on his behalf.
3. The general assembly meeting may be held, the shareholder may participate in the deliberations and vote on the resolutions by means of modern technology.

**Article (28): Invitation to Assemblies:**

1. The general and special assemblies shall be convened by invitation of the Board of Directors, and the Board of Directors shall convene the Ordinary General Assembly within thirty (30) days from the date of the request of the auditor or one or more Shareholder representing at least ten percent (10%) of the shares of the Company that has voting rights, and the auditor may convene the Ordinary General Assembly if the Board does not issue the invitation within thirty (30) days from the date of the auditor's request.
2. The request referred to in paragraph (1) of this Article shall indicate the matters on which the Shareholder are required to vote on.
3. The invitation to convene the Assembly shall be sent at least twenty-one (21) days before the specified date in accordance with the provisions of the Law, taking into account the following:
  - a. Inform Shareholder through registered letters to their addresses contained in the Shareholder' register or announce the invitation through modern technology.
  - b. Send a copy of the invitation and agenda to the Commercial Register, as well as a copy to the Capital Market Authority if the Company is listed on the Capital Market on the date of announcing the invitation.
4. The invitation to the meeting of the General Assembly shall include at least the following:
  - a. A statement of the stakeholder to attend the meeting of the General Assembly and his right to delegate whomever he chooses from among the non-members of the Board of Directors, and a statement of the right of the shareholder to discuss the topics on the agenda of the Assembly, ask questions and how to exercise the right to vote.
  - b. Place, date and time of the meeting.
  - c. Type of assembly, whether public or private.
  - d. The agenda of the meeting including the items required to be voted on by Shareholder.
5. The meetings of the general assemblies of Shareholder shall be chaired by the Chairman of the Board of Directors or his Vice-Chairman in his absence, or whoever is delegated by the Board of Directors from among its members in the absence of the Chairman and Vice-Chairman of the Board of Directors.

**Article (29): Quorum for the Ordinary General Assembly Meeting:**

1. The convening of the Ordinary General Assembly Meeting shall not be valid unless attended by Shareholder representing at least one quarter of the shares of the Company that has voting rights.
2. If the quorum for the ordinary general assembly meeting is not available in accordance with paragraph (1) of this Article, a second meeting shall be convened under the same conditions stipulated in Article (ninety-one) of the Companies Law within thirty (30) days following the date specified for the previous meeting.
3. However, the second meeting may be held one hour after the expiry of the period fixed for the first meeting, provided that the first meeting is convened to indicate that such meeting may be held. In all

cases, the second meeting shall be valid irrespective of the number of shares having voting rights represented therein.

4. The resolutions of the Ordinary General Assembly shall be issued with the approval of the majority of voting rights represented at the meeting.

**Article (30): Quorum for the Extraordinary General Assembly Meeting:**

1. The Extraordinary General Assembly meeting shall not be valid unless attended by Shareholder representing at least half of the shares of the Company that has the right to vote.
1. If the necessary quorum is not met to hold the Extraordinary General Assembly meeting in accordance with paragraph (1) of this Article, a second meeting shall be convened under the same conditions stipulated in Article (ninety-one) of the Companies Law. However, the second meeting may be held one hour after the expiry of the period fixed for the first meeting, provided that the convocation of the first meeting contains evidence that such meeting may be held. In all cases, the second meeting shall be valid if attended by a number of Shareholder representing at least (one-quarter) of the shares of the Company that has voting rights.
2. If the necessary quorum is not available to hold the second meeting, an invitation shall be issued to a third meeting to be held under the same conditions stipulated in Article (ninety-one) of the Companies Law, and the third meeting shall be valid regardless of the number of shares that have voting rights represented therein.
3. The resolutions of the Extraordinary General Assembly shall be issued with the approval of (two-thirds) of the voting rights represented at the meeting, unless the resolution is related to increasing or decreasing the capital, extending the term of the Company, dissolving it before the expiry of the period specified in its Bylaws (if any), merging it with another Company or dividing it into two or more companies, it shall not be valid unless it is issued with the approval of (three-quarters) of the voting rights represented at the meeting.
4. The Board of Directors shall register with the Commercial Register the resolutions of the Extraordinary General Assembly specified in the regulations within (fifteen) days from the date of their issuance.

**Article (31): Voting in Assemblies:**

1. Each shareholder has a vote for each share in the general assemblies, and the cumulative vote must be used in the election of the members of the Board of Directors, so that the voting right for the share may not be used more than once.
2. The members of the Board of Directors may not participate in voting on the resolutions of the General Assembly that relate to business and contracts, in which they have a direct or indirect interest or in which they involve a conflict of interest.

**Article (32): Resolutions of Assemblies:**

1. The resolutions of the Ordinary General Assembly shall be issued with the approval of the majority of voting rights represented at the meeting.
2. The resolutions of the Extraordinary General Assembly shall be issued with the approval of (two-thirds) of the voting rights represented at the meeting, unless the resolution is related to increasing or decreasing the capital, prolonging the term of the Company, dissolving it before the expiry of the period specified in its Bylaws, merging it with another Company or dividing it into two or more companies, it shall not be valid unless it is issued with the approval of (three-quarters) of the voting rights represented at the meeting.

**Article (33): Discussion in the Assemblies:**

Each shareholder has the right to discuss the topics on the agenda of the General Assembly and to address questions thereon to the members of the Board of Directors and the auditor. The Board of Directors or the auditor shall answer the questions of the Shareholder to the extent that the interest of the Company is not prejudiced. If a shareholder considers that the answer to his question is insufficient, he shall appeal to the General Assembly, and its decision thereon shall be enforceable.

**Article (34): Preparation of Minutes of the Assemblies:**

The minutes of meetings shall be drawn up at the meeting of the General Assembly that includes the number of Shareholder present in person or on behalf of the meeting, the number of shares held by them in person or on behalf of them, the number of votes prescribed for them, the decisions taken, the number of votes approved or opposed by them, and a compendium of the discussions that took place at the meeting. Minutes are recorded regularly after each meeting in a special register signed by the Chair and the Secretary of the Assembly and the collectors.

**Chapter Five:**

**Auditor**

**Article (35): Appointment, dismissal and retirement of the Company's auditor:**

1. The Company shall have one (or more) auditors from among the licensed auditors in the Kingdom appointed and specify his fees, scope of work and duration shall be determined by the Ordinary General Assembly annually, and he may be reappointed. Provided that the period of his appointment shall not exceed the period mentioned in the provisions prescribed in the law.
2. The auditor may be dismissed by virtue of a resolution adopted by the ordinary general assembly, and the chairman of the board of directors shall inform the competent authority of the dismissal decision and its reasons within a period not exceeding (5) days from the date of issuance of the resolution.
3. Without prejudice to the Company's right for compensation for damage caused to it, the auditor may retire from his assignment by virtue of a written notification submitted to the Company, and shall be terminated from the date of submission or at a later date specified in the report, without prejudice to the Company's right for compensation for damage caused to it, if necessary. The retired auditor shall submit to the Company and the competent authority - upon submission of the notification - a statement of the

reasons for his retirement, and the Board of Directors shall convene the General Assembly to consider the reasons for retirement, appoint another auditor and determine his fees, scope of work and duration.

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

The auditor may at any time, examine the Company's documents, accounting records and supporting documents, and may request such data and clarifications as he deems necessary to verify the Company's assets, liabilities and other matters within the scope of his work. The Board of Directors shall enable him to perform his duty, and if the auditor encounters difficulty in this regard, he shall prove this in a report submitted to the Board of Directors. If the Board of Directors does not facilitate the work of the auditor, the Board shall request him to convene the General Assembly to consider the matter. The auditor may issue such invitation if the Board of Directors does not issue it within thirty (30) days from the date of the auditor's request.

**Chapter Six:**

**Company Finance & Dividend Distribution**

**Article (37): Fiscal Year:**

The Company's fiscal year starts from the first of January and ends by the end of December of each year, provided that the first fiscal year starts from the date of its registration in the commercial register until the end of December of the following year.

**Article (38): 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 activities and financial position for the preceding fiscal year, and this report shall include the proposed method of distribution of dividends. The Board shall place such documents at the disposal of the Auditor, if any, at least (45) days before the date fixed for the Annual Ordinary General Meeting.
2. The Chairman of the Board of Directors of the Company, its Chief Executive Officer, and its Chief Financial Officer, if any, shall sign the documents referred to in paragraph (1) of this Article, copies of it shall be deposited at the Company's head office at the disposal of the Shareholder, at least (21) days before the date set for the General Assembly.
3. The Chairman of the Board of Directors shall provide the Shareholder with the financial statements of the Company, the report of the Board of Directors, after signing them, and the auditor's report, if any, unless published in any means of modern technology, at least twenty-one (21) days before the date set for the Annual Ordinary General Assembly, and he shall also deposit these documents in accordance with the Implementing regulations of the Companies Law.

**Article (39): Formation of Reserves:**

1. The Ordinary General Assembly may, when determining the net profit of the shares, decide to form reserves to the extent that it is in the interest of the Company or ensures the distribution of fixed dividends, to the extent possible, to the Shareholder. The said association may also deduct from the net profits sums for the social purposes of the Company's employees.
2. The General Assembly shall determine the percentage to be distributed to Shareholder from the net profits after deducting reserves, if any.

**Article (40): Distribution of Profits:**

The Company's annual net profits shall be distributed as follows:

- 1- (10%) of the net profits shall be set aside to form the statutory reserve of the Company, and the ordinary general assembly may decide to suspend this retainer when the said reserve reaches (30%) of the paid-up capital.
- 2- The Ordinary General Assembly may, upon the proposal of the Board of Directors, set aside (10%) of the net profits to form a general agreement reserve.
- 3- The Ordinary General Assembly may decide to form other reserves, to the extent that it is in the interest of the Company or ensures the distribution of fixed profits as much as possible to the Shareholder, and the said General Assembly may also deduct from the net profits amounts for the establishment of social enterprises for the Company's employees or for the assistance of any such institutions.
- 4- No less than (5%) of the Company's paid-up capital shall be distributed thereafter to the Shareholder.
- 5- Subject to the provisions prescribed in Article (18) of this Law, no more than (10%) shall be allocated to the remuneration of the Board of Directors, provided that the total remuneration and financial or in-kind benefits received by the member of the Board of Directors does not exceed the amount of five hundred thousand riyals annually in accordance with the controls set by the competent authority, provided that the entitlement to this remuneration is proportional to the number of sessions attended by the member.
- 6- The Company may distribute interim dividends to its Shareholder on a semi-annual or quarterly basis in accordance with the regulations issued by the competent authority, based on an authorization issued by the ordinary general assembly of the Board of Directors to distribute interim dividends.

**Article (41): Entitlement to Profits:**

The shareholder shall be entitled to his share in the profits in accordance with the resolution of the General Assembly issued in this regard, and the resolution shall indicate the date of maturity and the date of distribution. Dividends shall be eligible for Shareholder registered in the Shareholder' registers at the end of the day fixed for maturity. The Board of Directors shall implement the resolution of the General Assembly regarding the distribution of dividends to Shareholder. The General Assembly may decide to distribute interim dividends to Shareholder on a semi-annual or quarterly basis in accordance with the provisions prescribed in the Companies Law and its implementing regulations and the Corporate Governance Regulations issued by the Capital Market Authority, provided that the General Assembly authorizes the Board of Directors to do so and it is renewed annually.

**Article (42): Distribution of Dividends for Preferred Shares:**

Preferred dividends shall be distributed in accordance with the provisions prescribed in the Companies Law and its Regulations, the Corporate Governance Regulations and the controls set by the competent authority.

**Article (43): Company Losses:**

1. If the Company's losses amount to half of the paid-up capital at any time during the fiscal year, any official in the Company or the auditor shall, upon becoming aware of this, inform the Chairman of the Board of Directors, and the Chairman of the Board of Directors shall immediately inform the members of the Board thereof, and the Board of Directors shall, within fifteen days of becoming aware of this, invite the Extraordinary General Assembly to a meeting within (45) days from the date of becoming aware of the losses, to decide whether to increase or decrease the Company's capital. In accordance with the provisions of the Companies Law, to the extent that the percentage of losses falls below half of the paid-up capital, or the dissolution of the Company before the period specified in this Companies Law.
2. The Company shall be deemed to have lapsed by the force of the Companies Law if the General Assembly does not meet within the period specified in paragraph (1) of this Article, or if it meets and is unable to issue a resolution on the matter, or if it decides to increase the capital in accordance with the conditions prescribed in this Article and the subscription to all the capital increase is not made within ninety days of the issuance of the Assembly's decision to increase.

**Chapter Seven:**

**Disputes**

**Article (44): Liability to Claim:**

1. Every Shareholder has the right to file a lawsuit for the liability prescribed for the Company against the members of the Board of Directors if the mistake issued by them would cause his own damage, and the shareholder may not file the said lawsuit unless the Company's right to file it still exists. The shareholder must inform the Company of his intention to file the lawsuit.
2. The Company may be charged the following expenses incurred by the shareholder to file a lawsuit, regardless of its outcome, under the following conditions:
  - a. If he institutes the lawsuit in good faith.
  - b. If he submits to the Company the reason for which he filed the lawsuit and does not receive a response within thirty (30) days.
  - c. If it is in the interest of the Company to institute such a lawsuit.
  - d. The claim must be properly founded.



**Chapter Eight:**

**Expiry and liquidation of the Company**

**Article (45): Expiry of the Company:**

The Company shall lapse by one of the reasons for the expiry mentioned in Article (243) of the Companies Law, and upon its expiry, it shall enter into liquidation in accordance with the provisions of Chapter Twelve of the Companies Law, and if the Company lapses and its assets are insufficient to pay its debts or were troubled in accordance with the Bankruptcy Law, it shall apply to the competent judicial authority to commence any of the liquidation procedures under the Bankruptcy Law.

**Chapter Nine:**

**Final provisions**

**ARTICLE (46):**

1. The Company is subject to the laws in force in the Kingdom of Saudi Arabia.
2. Any provision that contradicts the provisions of the Companies Law in this Bylaw shall not be considered and shall be subject to the provisions contained in the Companies Law, and all that is not provided for in this Bylaw shall be applied in respect with the Companies Law and its implementing regulations.

**ARTICLE (47):**

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

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