



Articles of Association THIMAR Development Holding Company

(Listed Saudi Joint Stock Company)

Chapter One

Incorporation of the Company

Article No. (1) - Incorporation:

Under the terms and provisions of the Companies Law No. (M/132) dated 01/12/1443 AH, and its implementing regulations issued by the decision of His Excellency the Minister of Commerce No. (284) dated 23/06/1444 AH, and this AoA, a Saudi joint stock Company shall be incorporated according to the following:

Article No. (2) - Name of the Company:

THIMAR Development Holding Company

Article No. (3) - Objectives of the Company:

The Company is incorporated for practicing and carrying out the following:





1. Managing subsidiaries of holding companies.
2. Investing the funds of subsidiaries of holding companies.
3. Owning real estate and movables necessary for holding companies.
4. Providing loans, guarantees, and financing to subsidiaries of holding companies.
5. Owning industrial property rights for subsidiaries of holding companies.
6. Leasing industrial property rights for subsidiaries of holding companies.

Article No. (4) - Participation and Ownership in Companies:

The Company may, by itself or in partnership, incorporate limited liability or closed joint stock company, provided that the capital is not less than SAR 5 million. It may also establish limited liability companies by itself or in partnership, according to the requirements of the capital. Additionally, the company may own shares and stakes in other existing companies or merge therewith. The company may also deal with these shares or stakes, provided that it does not include brokerage in their trading.

Article No. (5) - Headquarters of the Company:

The company headquarter is located in the city of Riyadh. The company may, by a resolution of the extraordinary general assembly, to transfer the main headquarters to any other city within the Kingdom of Saudi Arabia. The company is also allowed to





establish branches, offices, or agencies inside or outside the Kingdom of Saudi Arabia, with the approval of the competent authorities and by a decision of the board of directors.

Article No. (6) - Term of the Company:

The duration of the company is 60 (sixty) Hijri years, starting from the date of its registration in the commercial register. It automatically renews for a similar period unless the extraordinary general assembly issues a decision to the contrary at least one year before the end of its term.

Chapter Two

Capital and Shares

Article No. (7) - Capital:

The company's capital has been set at an amount of SAR 65,000,000 (Sixty-Five million Saudi Riyals) divided into (6,500,000) nominal shares of equal value, the value of each of which is (10) Saudi riyals, all of which are ordinary shares.

Article No. (8) - Subscription to Shares:

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Founders and shareholders have subscribed to the full capital shares amounting to (6,500,000 shares) Sixty million five hundred shares, with a value of SAR 65,000,000 (Sixty-Five million Saudi Riyals) paid in full.

Article No. (9) - Preferred Shares:

According to the principles set and laid down by the competent authority, the Extraordinary General Assembly of the Company may issue preferred shares, decide to purchase the same, or convert ordinary shares into preferred shares, not exceeding 10% of the company's capital. Preferred shares do not have the right to vote in the general meetings of shareholders. These shares arrange for their holders the right to obtain a percentage greater than the holders of ordinary shares of the company's net profits after setting aside the statutory reserve.

Article No. (10) - Issue of Shares:

Shares are nominal and may not be issued for less than their nominal value. Rather, they may be issued for more than this value. In this latter case, the value difference is added in a separate item within the shareholders' rights, and it is not permissible to distribute them as dividends to the shareholders. The share is indivisible against the company. If it is owned by several persons, they must choose one of them to act





on their behalf in the use of the rights pertaining to the share, and these persons shall be jointly liable for the obligations arising from the ownership of the share.

Article No. (11) - Trading of Shares:

Shares subscribed to by the founders may not be traded prior to publishing the financial statements for a couple of financial years, each of which shall not be less than twelve months from the date of the Company's incorporation, and deeds of such shares shall be marked with an indication denoting their type, the date of the Company's incorporation, and the period during which trading is prohibited.

However, within the period of prohibition during which shares may not be transferred according to the provisions of selling 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 third parties, or in the event of execution on the funds of the insolvent or bankrupt founder, provided that the priority of holding such shares is for the other founders.

The provisions of this Article shall apply to what the founders shall subscribe to if the capital is increased before the prohibition period expires.

Article No. (12) - The company's purchase, sale and mortgage of its shares.





1. The Company may purchase its own shares with the approval of the Extraordinary General Assembly according to the Companies Law, its regulations and controls set and laid down by the competent authority in this regard.
2. That the value of the shares subject of purchase be paid in full and that the purpose of the purchase is to decrease the Company's capital or to keep the ordinary shares subject of purchase as treasury shares, provided that the percentage of the treasury shares does not exceed at any time (10%) of the total class of shares of the subject matter Company. the purchase.
3. The debit balance of treasury shares should not exceed the value of the company's remaining profits.
4. The shares purchased by the Company shall not have votes in the shareholders' assemblies.
5. The Company may purchase its own shares for the following purposes and objectives:





- a) To fulfil the rights of holders of debt instruments, financing instruments, or loans convertible into shares according to the terms and conditions of those instruments, deeds or loans and provisions thereof.
 - b) To exchange for the holding shares or stakes or the purchasing assets.
 - c) To allocate them to employees or members of the board of the Company within the employee shares plan.
 - d) Should the Board of Directors find that the market value of the share is less than its fair value.
 - e) To cancel the shares according to the provisions of the capital decreasing.
6. The Company may purchase its own shares to allocate the same to the Company's employees or members of the board of directors in the Company within the employee shares plan, following an approval of the extraordinary general assembly of the plan of shares allocated to employees. The Company shall have the authority required for authorizing the Board of Directors to determine the provisions of this plan, including the allocation price for each share offered to a worker if such share is for a consideration, and not to en-





gage the non-executive members of the Board within the plan, and also not to let in the executive members of the Board of Directors participate in voting on the resolutions of the Board of Directors related to the plan of shares allocated to workers.

7. The Company may sell the treasury shares in one or several stages according to the controls set and laid down by the competent authorities.
- The Company may mortgage its own shares according to the Companies Law, its regulations and controls set and laid down by the competent authority in this regard. The mortgagee shall receive profits and use the share-related-rights, unless otherwise agreed in the mortgage contract. The mortgagee may neither attend the meetings of the general assemblies of shareholders nor vote therein.

Article No. (13) - Debt instruments, financing instruments and loans.

Under the financial market regulations, the Company may issue debt instruments or negotiable financing deeds. For the Company to issue debt instruments or financing deeds convertible into shares, the issuance of a resolution by the extraordinary general assembly indicating the maximum number of shares that may be issued in ex-





change for these instruments or deeds, whether issued those instruments or deeds at one time or through a series of issuances or through one or more plans for issuance and without the need for a new approval by this assembly the Board of Directors shall issue new shares in exchange for those instruments or deeds whose holders request that they be converted immediately after the expiration of the conversion request period specified for that the holders of such instruments or deeds or when the conditions for their automatic conversion into shares are met or with the expiration of the period specified for this conversion, and with regard to the number of issued shares and capital, the board shall take the necessary measures to amend the Company's articles of association.

1. The Board of Directors must register, with the commercial register, the completion of the procedures for each capital increase.
2. The company may convert debt instruments, financing instruments, or loans into cash or in-kind shares or stakes in other companies in accordance with the financial market system, with the approval of its holder, whether it was a previous approval, such as within the terms of the issuance, or with a subsequent agreement.





3. Any interested party may request the competent judicial authority to invalidate the disposition that takes place in violation of the provisions of the Companies Law, in addition to compensating the owners of debt instruments or financing deeds for the damage incurred by them.
4. The resolutions of the shareholders' assemblies shall apply to the owners of debt instruments and financing instruments. However, these assemblies may not amend the rights assigned to them except with an approval issued by them in an assembly of their own that is held according to the provisions of the Companies Law.

Article No. (14) - Register of Shareholders:

The Company's shares shall be traded in accordance with the provisions of the Capital Market Law and its implementing regulations.

Article No. (15) - Capital Increase:

1. The Extraordinary General Assembly may resolve to increase the Company's capital, provided that the capital has been paid in full. It is not required that the capital be paid in full if the unpaid part of the capital belongs to shares issued





against the transfer of debt instruments, financing instruments, or loans. into shares and the period prescribed for converting them into shares has not expired.

2. In all cases, the extraordinary general assembly may allocate the shares issued upon the capital increase or part thereof to the employees of the Company and all or some of its subsidiaries. Shareholders may not exercise the right of preference and priority when the Company issues the shares allocated to the employees.
3. 3. The shareholder who holds the share at the time of issuance of the resolution by the Extraordinary General Assembly approving the capital increase shall have priority in subscribing to new shares that are issued in exchange for cash shares, and those shareholders shall be notified of their priority, if applicable, by publishing in a daily newspaper or by informing them by registered mail of the resolution to increase the capital, the conditions of subscription, its duration and the date of its commencement and end.





4. The Extraordinary General Assembly shall have the right to suspend the preemptive right of shareholders to subscribe to a capital increase in exchange for cash or giving priority to non-shareholders in cases deemed appropriate for the benefit of the company.
5. The shareholder shall have the right to sell, waive or assign a right of preference and priority during the period from the time of issuance of the General Assembly's resolution approving the capital increase to the last day of subscription in the new shares linked to these rights according to the controls set by the Capital Market Authority.
6. Subject to the provisions of Paragraph (4) above, the new shares shall be distributed among the right of preference and priority of the holders who have applied for subscription, in proportion to the right of preference and priority they own out of the total right of preference and priority resulting from the capital increase, provided that what they obtain does not exceed the number of shares they requested. The remainder of the new shares shall be distributed among





the holders of priority rights who have requested more than their share in proportion to the rights of preference and priority owned by them out of the total priority rights resulting from the capital increase, provided that what they obtain does not exceed what they requested of the new shares, and the remainder of the shares shall be offered to third parties. Unless otherwise decided by the Extraordinary General Assembly or the Capital Market Authority Regulations.

Article No. (16) - Capital Reduction:

The Extraordinary General Assembly may resolve to decrease the capital if the same exceeds the Company's need or if it suffers losses. In the latter case only, the capital may be decreased to less than the limit stipulated in Article number (59) of the Companies Law. The decreasing resolution shall not be issued except after reading a statement in the General Assembly prepared by the Board of Directors on the reasons for the decreasing, the Company's obligations and the effect of the decreasing in fulfilling them. This statement shall be accompanied by a report made by the Company's auditor. However, in cases supported by a resolution from the General Assembly, presentation of the said statement to the shareholders would be enough.





If the reduction is a result of the capital increase beyond the company's need, the creditors shall be invited to express their objections thereto at least within (45) forty-five days before the date scheduled to convene the Extraordinary General Assembly to take the reduction resolution, provided that the call shall be accompanied by a statement that indicates the capital amount before and after reduction, the date of the meeting, and the effective date of the reduction. If any of the creditors object to the reduction and provide their documents to the company within the mentioned timeframe, the company shall settle their debt if it is due or provide sufficient guarantee if it is deferred. If the company fails to repay the debt or provide sufficient guarantee to a creditor who has notified the company of their objection to the reduction, whether the debt is due or deferred, the creditor has the right to apply to the competent judicial authority before the designated date for holding the Extraordinary General Assembly meeting to make the decision of reduction. In this case, the competent judicial authority may order the repayment of the debt, or the provision of sufficient guarantee, or the postponement of the extraordinary general assembly meeting, as the case may be.





The creditor who has submitted its request within the timeframe specified in paragraph (1) of this article is not required to object to the reduction unless it has its debt settled or obtained sufficient guarantee for the outstanding amount.

Chapter Three

Management of the Company

Article No. (17) - Company Management:

The company shall be managed by a board of directors consisting of (Seven members) elected by the Ordinary General Assembly of shareholders for a period of four years, with the option of re-election by the Ordinary General Assembly.

Article (18): Expiry or Termination of Board Membership:

Membership of the Board shall expire concurrently with the expiration of its term or with the expiration of the member's validity according to any law or instructions in force in the Kingdom. The General Assembly may (on the recommendation of the





Board of Directors) terminate the membership of any member who has been absent from attending (three) consecutive meetings or (five) separate meetings during his membership without a legitimate excuse accepted by the Board of Directors. Nevertheless, the Ordinary General Assembly may dismiss all or some of the members of the Board of Directors. In this case, the Ordinary General Assembly shall elect a new Board of Directors or someone to replace the dismissed member (as the case may be) in accordance with the provisions of the Companies Law.

Article No. (19) - Expiration of the Board of Directors' term, retirement of its members, or membership vacancy:

1. The Board of Directors shall, before the end of its term, call the Ordinary General Assembly to convene to elect a Board of Directors for a new term. If the election cannot be held and the term of the current Board term has expired, its members shall continue to perform their duties until the Board of Directors is elected for a new term, provided that the period of continuation does not exceed Members of the Board, whose term has ended, as determined by the Executive Regulations of the Companies Law.





2. If the Chairman and members of the Board of Directors resign/retire, they must call for the convening of an ordinary General Assembly to elect a new Board of Directors. The resignation/retirement does not take effect until the election of the new Board, provided that the duration of the resigned Board does not exceed the period specified in the Companies Law implementing regulations.
3. A member of the Board of Directors may resign from their membership by submitting a written notice to the Chairman of the Board. If the Chairman of the Board resigns, the notice shall be directed to the remaining members of the Board and the Secretary of the Board. The resignation takes effect from the date specified in the notice in both cases.
4. If a position of a Board member of a joint-stock company becomes vacant due to the death or resignation of a member, and this vacancy does not result in a deficiency in the necessary conditions for the validity of the Board's meeting due to a shortage of the number of members below the minimum, the Board may temporarily appoint a person with the required experience and competence to fill the vacant position. The commercial register and CMA, if the company is listed in the financial market, shall be notified of the appointment within fifteen days from the date of appointment. The appointment shall be presented to the ordinary General Assembly at





its first meeting, and the appointed member completes the remaining term of their predecessor.

5. Should the conditions necessary for the validity of the meeting of the Board of Directors are not met because the number of its members is less than the minimum stipulated in the Companies Law or in this Law, the rest of the members must invite the Ordinary General Assembly to convene within a period of (60) days to elect the necessary number of members.

Article No. (20) - The Vacant Office in the Board:

1. The Board of Directors shall, before the end of its term, call the Ordinary General Assembly to convene to elect a Board of Directors for a new term. If the election cannot be held and the term of the current Board term has expired, its members shall continue to perform their duties until the Board of Directors is elected for a new term, provided that the period of continuation does not exceed Members of the Board, whose term has ended, as determined by the Executive Regulations of the Companies Law.
2. If the Chairman and members of the Board of Directors resign/retire, they must call for the convening of an ordinary General Assembly to elect a new Board of





Directors. The resignation/retirement does not take effect until the election of the new Board, provided that the duration of the resigned Board does not exceed the period specified in the Companies Law implementing regulations.

3. A member of the Board of Directors may resign from their membership by submitting a written notice to the Chairman of the Board. If the Chairman of the Board resigns, the notice shall be directed to the remaining members of the Board and the Secretary of the Board. The resignation takes effect from the date specified in the notice in both cases. If a position of a Board member of a joint-stock company becomes vacant due to the death or resignation of a member, and this vacancy does not result in a deficiency in the necessary conditions for the validity of the Board's meeting due to a shortage of the number of members below the minimum, the Board may temporarily appoint a person with the required experience and competence to fill the vacant position. The commercial register and CMA, if the company is listed in the financial market, shall be notified of the appointment within fifteen days from the date of appointment. The appointment shall be presented to the ordinary General As-





sembly at its first meeting, and the appointed member completes the remaining term of his predecessor. The Board may decide to keep the seat vacant until the end of the meeting or until the General Assembly is called to appoint a member in the vacant office.

4. Should the conditions necessary for the validity of the meeting of the Board of Directors are not met because the number of its members is less than the minimum stipulated in the Companies Law or in this Law, the rest of the members must invite the Ordinary General Assembly to convene within a period of (60) days to elect the necessary number of members.

Article No. (21) - Powers of the Board of Directors Members:

Subject to the functions and duties assigned to the General Assembly, the Board of Directors shall have the widest powers that may enable them to manage the Company and conducting its affairs, supervising its business and financial affairs inside the Kingdom and outside thereof of Saudi Arabia and preparing policies and guidelines to achieve its objectives. The Capital Market Authority, courts of all kinds, judicial and quasi-judicial committees, civil rights, police departments, chambers of commerce and industry, private bodies, companies and institutions of all kinds, en-





tering into tenders and auctions, awarding bids- for example without limitation - and signing sales, lease and leasing documents And representation, approval, mortgage, etc., conducting transactions on behalf of the Company, arresting, paying, and receiving rights with others. The Board shall, also, have the right to incorporate companies, contribute to the incorporation of companies, open branches of the Company, and the right to sign all types of contracts, papers, documents and instruments including, for example without limitation, articles of association of the companies incorporated by the Company or in which the Company is a partner with all amendments to the articles of association of companies in which the Company is a partner and its appendices and all resolutions of partners in those companies, including resolutions related to increasing and decreasing of the capital, waiver and purchase of shares, documentation of contracts and signing before the Companies Department at the Ministry of Commerce and Investment and the Notary Public, making amendments, changes, additions, deletions, extracting and renewing commercial records, receiving and deleting them, changing Company names, granting loans to subsidiaries and guaranteeing their loans, and signing agreements and instruments before notaries And official bodies, as well as loan agreements, guarantees, guarantees, securities, waiver of priority in paying the Company's debts, issu-





ance of legal agencies on behalf of the non-judicial Company, sale and purchase of real estate, lands, shares and shares in companies and other properties, whether movable. Or immovable, disposing of the Company's assets and properties, investing and mortgaging fixed and movable assets to guarantee loans to the Company and subsidiaries according to the following conditions:

- A- That the board determines in the sale resolution the reasons and justifications for it.
- B- That the sale price is close to the price of similar items.
- C- That the sale be in advance except cases of necessity and with sufficient guarantees.
- D- That this behavior shall not result in the cessation of some of the Company's activities or burden it with other obligations.

With regard to selling the Company's assets that exceed 50% of the value of its total assets, the Board of Directors must obtain the approval of the General Assembly when selling assets of the Company whose value exceeds (fifty percent) of the value of its total assets, whether the sale is made through a single transaction or several transactions, and in this case it is considered The transaction that leads to exceeding (fifty percent) of the value of the assets is the transaction that requires the ap-





proval of the General Assembly, and this percentage is calculated from the date of the first transaction that took place during the previous (twelve) months. The competent authority may exclude some actions and disposals from the provision of this article, and the board shall have the right to discharge and accept it, receive the price, receive, deliver, rent, lease, receive, pay, open accounts, manage, operate and close bank accounts, withdraw and deposit with banks, borrow from them, sign all papers, documents, checks, all banking transactions, and invest the Company's funds And operating in the local and international markets inside and outside Saudi Arabia. He also shall have the right to appoint and dismiss employees and workers, request visas, recruit workers from outside the Kingdom, contract with them, determine their salaries, obtain residencies, transfer and assign sponsorships. The Board of Directors may also conclude loans with government funding funds and institutions, regardless of their duration, and it may contract commercial loans and obtain loans and other credit facilities from government institutions, commercial banks, financial institutions and any credit companies, and issue letters of guarantee in favor of any party if it deems that this is in the interest of The Company, issuing promissory notes and other negotiable documents and entering into all types of agreements and banking transactions for any period of time that does not exceed





the end of the Company's term. As for loans whose terms exceed three years, the following conditions are observed:

- A. That the Board of Directors determine in its resolution the aspects of using the loan and the method of repayment.
- B. It shall be taken into consideration that the conditions of the loan and the guarantees provided to it shall not cause harm to the Company, its shareholders and the general guarantees of the creditors.

In addition, the Board of Directors shall appoint the CEO of the Company, subject to a resolution issued by the Board which shall include and state powers and duties of such CEO which shall include conducting the Company's daily business and implementing the policies and plans that the Board of Directors shall set for him according to the regulations and controls. The Board of Directors is also concerned with approving the preliminary and annual financial statements, and to discharge the debtors of the Company from their obligations, provided that the minutes of the board of directors and the reasons for its resolution include the following conditions:

- The discharge of the debt shall be at least one year after the creation of the debt.





- The discharge decision must be for a specific maximum amount per year for each debtor.

- That the Board of Directors may provide financial support to any of the subsidiaries or associate companies, as well as the companies in which the Company participates, in the amount and manner it deems appropriate, or the companies in which the Company participates. The Board of Directors may provide guarantees for loans and credit facilities of various types obtained by any of the subsidiaries and associate companies, according to the percentage of their ownership in them. In addition, and within the limits of its competence, the board may delegate or authorize the chairman of the board in all or some of his powers and authorities to undertake a specific work or actions. Delegation or trust in part or in whole.

Article No. (22) - Remunerations of Board, committee members & executive management:

The Board of Directors' remuneration shall be formed and made up of sums of money, allowances for attending meetings, transportation allowances, expenses and other benefits and allowances according to the policy approved by the General Assembly for the disbursement of remunerations to members of the Board and its





committees and within the limits stipulated by the Companies Law or any other issued regulations, resolutions, instructions or controls. The report of the Board of Directors to the Ordinary General Assembly must include a comprehensive statement of all the financial rewards received by the members of the Board of Directors during the financial year. attendance allowances for meetings. transportation allowances. expenses and other benefits. and that the mentioned report includes a statement of what members received in their capacity as employees or administrators or what they have received in exchange for technical. administrative or advisory work for the Company. It also includes a statement of the number of Board meetings and the number of meetings attended by each member.

Article No. (23) - Powers and Authorities of the Chairman, Vice Chairman, Managing Director and Secretary:

The Board appoints a chairman and a deputy from among its members. It is not permissible to combine the position of the chairman of the board with any executive position in the company.

The Chairman shall have the authority to call the Board to a meeting and to preside over the meetings of the Board and the assembly. The chairman of the board is re-





sponsible for representing the Company in its relationship with others, before the judiciary, government agencies, notaries, courts, dispute settlement committees of all kinds, arbitration and civil rights bodies, police departments, chambers of commerce and industry, private bodies, companies and institutions of all kinds, issuing legal agencies, appointing and dismissing agents and lawyers, pleading, advocating and litigating. Conciliation, acknowledgment, denial, waiver, release, arbitration, acceptance of judgments and objection to them on behalf of the Company, and signing of all types of contracts, papers, documents and instruments including for example without limitation the articles of association of companies in which the Company participates, with all its amendments by amending some articles of the articles of association, including the amendments to increase the Company's capital, decrease the same, or purchase shares and assign them to others, or related to liquidation and merger, before the notary public and all official authorities; and its appendices, signing agreements, instruments and discharges before the notary public and official authorities, loan agreements and rescheduling agreements with government finance funds and institutions, banks, financial houses, guarantees, warrantees and





mortgages, dismantling them, collecting the Company's rights and paying its obligations, selling, buying, discharging, accepting, receiving, delivering, renting, leasing, arresting, paying and entering into tenders Opening accounts and credits, withdrawing and depositing with banks, issuing and signing bonds, cheques, remittances, promissory notes and all commercial papers, appointing employees and contracting with them, determining their salaries and dismissing them from service, requesting visas, recruiting employees and workers from abroad, issuing residencies and work permits, transferring and assigning guarantees, and the chairman of the board may donate for charitable purposes and community activities The Chairman may delegate and delegate powers to others, within the limits of his competence, to take a specific procedure or disposal, or to perform a certain work or acts, and he may revoke the authorization or authorization in part or in whole.

The vice-chairman of the board shall exercise the duties and powers of the chairman of the board if the latter is absent. The managing director shall also be concerned with the powers delegated to him by the board of directors. The board of directors determines, by a resolution from him, the special remuneration that the





chairman, his deputy, and the managing director receive for each of them, in addition to the remuneration prescribed for members of the board of directors, according to the policy approved for that, as stipulated in the Companies Law and its regulations.

The Board of Directors shall appoint a secretary to be chosen from among its members or from others, and shall be responsible for recording the minutes of the Board of Directors meetings, writing down and keeping the resolutions issued from these meetings, in addition to exercising other powers assigned to him by the Board of Directors, and his remuneration is determined according to the list of rewards.

- The membership of the board chairman, vice chairman, the managing director and the secretary shall not exceed the membership of each of them in the board, and they may be re-elected and the Board may recommend to the General Assembly at any time to dismiss them or any of them without prejudice to the right of the dismissed to compensation if the dismissal occurred for an illegitimate reason or at an inappropriate time.

Article No. (24) - Board meetings:





1. The Board of Directors shall meet at least four times a year at the invitation of its Chairman. The invitation shall be in writing, delivered by hand, sent by mail, or by means of modern technology, at least (48) hours prior to the date set for the meeting, unless otherwise agreed. Board members otherwise, and the board chairman shall convene the board to a meeting whenever requested to do so in writing by any member of the board to discuss one issue or more.
2. The Board of Directors shall determine the location of its meetings, which may be held using modern technology.

Article No. (25) - Quorum of the Board meetings:

The meeting of the Board of Directors shall not be valid unless attended by at least half of the members, provided that the number of attendees shall not be less than 3 members. A member of the Board of Directors may deputize other members to attend the meetings of the Board according to the following controls:

- (A) A member of the Board of Directors may not represent more than one member in attending the same meeting.
- (B) The delegation must be fixed in writing and for a specific meeting.
- (C) The representative may not vote on resolutions that the law prohibits the representative from voting with relation thereof.





(D) Meetings of the board may take place by telephone, video conference, or by using modern technologies.

(E) The resolutions of the Board shall be issued by the majority of the opinions of the members present, and when the votes are equal, the side of the Chairman shall prevail.

The resolutions of the Board shall be issued and passed by the majority of the opinions of the members present or represented. In the event of equal opinions/votes, the side with which the meeting chairman voted shall prevail.

Article No. (26) - Deliberations of the Board:

The deliberations and resolutions of the Board of Directors shall be recorded in minutes signed by the Chairman of the Board, the attending members of the Board of Directors, and the Secretary. These minutes are recorded in a special register signed by the Chairman of the Board of Directors and the Secretary.

Chapter Four

Shareholders' Assemblies

Article No. (27) - Attending Assemblies:

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Properly formed General Assembly shall represent all shareholders, and shall convene in the city where the company's head office is located.

Each shareholder, regardless of the number of his shares, shall have the right to attend the constituent assembly, and each shareholder shall have the right to attend the general assemblies of shareholders, and in this regard, he may authorize another person other than the members of the board of directors or the Company's employees to attend the general assembly.

Meetings of the general assemblies of shareholders may be held, and the shareholder may participate in its deliberations and vote on its decisions by means of modern technology, according to the controls set by the Capital Market Authority.

Article No. (28) - Functions of the Ordinary General Assembly:

Except the matters related to the extraordinary general assembly, the ordinary general assembly shall be concerned with all matters related to the Company, and it convenes at least once a year during the six months following the end of the Company's financial year. Other ordinary general assemblies may be called whenever a need therefore may arise.

Article No. (29) - Functions of the Extraordinary General Assembly:





The extraordinary general assembly shall be concerned with amending the Company's articles of association with the exception of matters that it is prohibited by law from being amended. It may issue resolutions in matters originally included in the functions and duties assigned to the ordinary general assembly, under the same terms and conditions prescribed for the ordinary general assembly.

Article No. (30) - Calling General Assemblies for Meeting:

The general or private assemblies of shareholders shall be convened under a call by the Board of Directors, and the Board of Directors must invite the Ordinary General Assembly to convene if requested by the auditor, the audit committee, or a number of shareholders representing at least (10%) of the capital, provided that the request is written and clarified in it. The request to hold the assembly and the justifications for the request to invite the assembly, signed by the shareholder and specifying the date of the request. The auditor may invite the assembly to convene if the board does not invite the assembly within thirty days from the date of the auditor's request.

The invitation to convene the General Assembly shall be published in a newspaper distributed at the Company's head office at least twenty-one days before the date set for the meeting. However, it may be sufficient to address the invitation on the





mentioned date to all shareholders by registered letters, and a copy of the invitation and the agenda shall be sent to the Capital Market Authority within the period specified for publication or via modern technologies.

Article No. (31) - Attendance Record of Assemblies:

Shareholders desiring to attend the general or private assembly shall register their names at the Company's headquarters or the place specified by the Company for the assembly to be held prior to the time specified for the assembly.

Article No. (32) - Quorum of the Ordinary General Assembly Meeting:

1. The Ordinary General Assembly meeting shall not be considered valid unless attended by shareholders representing at least one-fourth of the company's shares with voting rights, unless the company's AOA specifies a higher quorum percentage, provided that it does not exceed one-half.
2. If the necessary quorum for holding the Ordinary General Assembly meeting, as specified in paragraph (1) of this article, is not met, a second meeting shall be called under the same conditions specified in Article 91 of the Companies Law within thirty days following the date set for the previous meeting. However, the second meeting may be held one hour after the expiration of the





specified period for the first meeting, provided that it is authorized by the company's AOA, and that the call for the first meeting indicates the possibility of holding such a meeting. In all cases, the second meeting is considered valid regardless of the number of shares with voting rights represented.

3. Resolutions of the Ordinary General Assembly meeting are issued with the approval of the majority of the voting rights represented at the meeting.

Article No. (33) - Quorum of the Extraordinary General Assembly Meeting:

1. The extraordinary general assembly meeting shall not be considered valid unless attended by shareholders representing at least half of the company's shares with voting rights, unless the company's AOA specifies a higher percentage, provided that it does not exceed two-thirds.
2. If the necessary quorum for holding the extraordinary general assembly meeting, as specified in paragraph (1) of this article, is not met, a second meeting shall be called under the same conditions specified in Article 91 of the Companies Law. However, the second meeting may be held one hour after the expiration of the specified period for the first meeting, provided that the





- call for the first meeting indicates the possibility of holding such a meeting. In all cases, the second meeting is considered valid if attended by shareholders representing at least one-fourth of the company's shares with voting rights.
3. If the necessary quorum for the second meeting is not met, a third meeting shall be called under the same conditions specified in Article 91 of the Companies Law, and the third meeting is considered valid regardless of the number of shares with voting rights represented.
 4. Resolutions of the extraordinary general assembly meeting are issued with the approval of two-thirds of the voting rights represented at the meeting unless the resolution relates to increasing or decreasing the capital, extending the company's term, dissolving the company before the expiration of its specified term, merging it with another company, or dividing it into two or more companies. In such cases, the resolution is not considered valid unless issued with the approval of three-fourths of the voting rights represented at the meeting.
 5. The board of directors shall register the resolutions of the extraordinary general assembly meeting, as determined by the regulations, with the commercial register within fifteen days from the date of issuance.





Article No. (34) - Voting in Assemblies' Meetings:

Each subscriber shall have a vote for every share he represents in the Constituent Assembly, and every shareholder has a vote for every share in the General Assemblies. The cumulative vote must be used in electing the Board of Directors.

Article No. (35) - Resolutions of Assemblies:

Resolutions in the General Assembly shall be issued with the approval of the majority of the voting rights of the shares represented in the meeting. The resolutions of the Extraordinary General Assembly shall, also, issued be issued by a two-thirds majority of the shares represented in the meeting, unless it is a resolution related to increasing or decreasing the capital, or dissolving it before the expiration of the period specified in its articles of association, or its merger with others. Or dividing it into two or more companies with another Company, so it is not valid unless it is issued with the approval of three quarters of the voting rights represented at the meeting. The resolution of the General Assembly shall be valid from the date of its issuance, with the exception of cases in which the Companies Law or this Law, or the issued resolution, stipulates that it will be effective at another time or when certain conditions are met.





Article No. (36) - Discussion in Assemblies:

Each shareholder shall have the right to discuss the topics listed on the agenda of the general assemblies, and direct questions about them to the members of the Board of Directors and the auditor. Any provision in the company's articles of association that prohibits the shareholder from exercising this right shall be deemed void. The board of directors or the auditor shall answer the questions of the shareholders to the extent that it does not harm the company's interests. If the shareholder is not satisfied with the answer to their question, he may refer the matter to the general assembly, and its decision in this regard shall be binding.

Article No. (37) - Chairing of the Assemblies and Preparing Minutes of Meetings:

The chairman of the board of directors or his deputy, in his absence, or whoever the board of directors designates among its members, shall preside over the general meetings of shareholders. In case of the absence of the chairman and his deputy, the board of directors shall appoint someone to preside over the meeting. A minute of the meeting shall be prepared, including the names of the attending or represented shareholders, the number of shares they own or represent, the number of votes





assigned to them, the resolutions taken, the number of votes for and against each resolution, and a comprehensive summary of the discussions that took place during the meeting. The minutes shall be recorded regularly after each meeting in a special register signed by the chairman of the meeting, the secretary, and the vote collector.

Chapter Five

Committees emanating from the Board of Directors - Audit Committee

Article No. (38) - Committees of the Board of Directors.

Board committees shall be formed in accordance with the relevant laws and regulations.

Article No. (39) - Formation of the Audit Committee.

An audit committee shall be composed under a resolution by the Board of Directors, which number of its members shall not be less than three and not more than five members other than the executive members of the Board of Directors, whether shareholders or others, and that one of them shall be a member specialized in financial and accounting matters. If the position of one of the committee members be-





comes vacant during the committee's work cycle, the board shall have the right to appoint a temporary member, provided that this appointment is presented to the nearest general assembly of shareholders for approval, and the new member completes the term of his predecessor.

Article No. (41) – Quorum of The Audit Committee Meetings

Quorum that may give validity of the Audit Committee meeting shall require the attendance of the majority of its members, and its resolutions shall be issued by the majority of votes of those attendance, and when the votes are equal, the side with which the Chairman of the Committee, whose vote shall be casting, will prevail.

Article No. (41) - Functions and Duties of the Audit Committee

The Audit Committee shall be assigned with monitoring the Company's business and for this purpose it shall have the right to view its records, books and documents and request any inquiries or statements from the members of the Board of Directors or the executive management, and it may request the Board of Directors to convene the General Assembly of the company if the Board of Directors obstructs its work or if the company suffers serious damage or losses.

Article No. (42) - Audit Committee Reports





The audit committee shall review the Company's financial statements, reports and notes submitted by the auditor and express its views thereon, if any. It shall also prepare a report on its opinion regarding the adequacy of the internal control regulations or code in the Company and the other works it has undertaken within its jurisdiction. The Board of Directors shall deposit copies. It is sufficient of this report to be deposited in the headquarters of the Company at least twenty-one days before the date of the general assembly meeting to provide each of the shareholders who desires with a copy thereof, and this report shall be read during such related assembly.

Chapter Six

Auditor

Article No. (43) - Appointment of the Auditor.

The Company shall have an auditor (or more) from among the licensed auditors in the Kingdom who shall be appointed by the General Assembly of Shareholders, and whose fees, duration and scope of work shall be determined by the General Assembly of Shareholders, and he may be re-appointed. The regulations specify the maximum period for the work of the individual auditor or the Company and its partner supervising the audit.





The General Assembly may dismiss the auditor, without prejudice to his right to compensation for the damage incurred by him, if required. The chairman of the board of directors must inform the competent authority of the dismissal resolution and its reasons, within a period not exceeding (five) days from the date of issuance of the resolution.

The auditor may retire from his mission by virtue of a written report that he submits to the Company, and his mission ends from the date of its submission or at a later date specified in the report, without prejudice to the Company's right to compensation for the damage incurred by it, if required. The retired auditor shall submit to the Company and the competent authority - when submitting the communication - a statement of the reasons for his retirement, and the board of directors of the Company shall invite the shareholders to the General Assembly to convene to consider the reasons for retirement and appoint another auditor.

Article No. (44) - Powers of the Auditor.

At any time, the auditor shall have the right to view the Company's books, records and other documents, and may also request data and notes that he may deem necessary to be obtained in order to verify the Company's assets and liabilities and otherwise falling within his own scope of work. The chairman of the board of directors





shall enable the auditor to perform and fulfill his own duty, and if the auditor encounters any difficulty in this regard, he shall state the same in a report provided to the board of directors. If the Board does not facilitate the work of the auditor, it must request the Board of Directors to invite the Ordinary General Assembly to consider the matter, and the auditor may extend this invitation if the Board of Directors does not send it within a period of thirty (30) days from the date of the auditor's request.

Chapter Six

Company's Accounts and Distribution of Dividends

Article No. (46) - Financial Year

The financial year of the Company shall start on the first of January and end on the December 31 of each year.

Article No. (47) - Financial Documents and Instruments

1. At the end of each fiscal year of the Company, the board of directors shall have to prepare the Company's financial statements in addition to a report on its activities and its financial position for the past financial year. This report shall include the proposed method for the dividends' distribution. The Board





shall put those documents under the control and at the disposal of the auditor forty-five (45) days, at least, prior to the date set for the General Assembly.

2. The above-mentioned documents shall be signed by the Chairman of the Board of Directors, Chief Executive Officer and Chief Financial Officer, and copies thereof shall be deposited at the company's main office at the disposal of the shareholders at least ten days prior to the date set for the General Assembly.
3. The chairman of the board of directors shall provide the shareholders with the company's financial statements, the report of the board of directors, and the auditor's report, unless they are published in a daily newspaper distributed at the company's head office. He shall also send a copy of these documents to MOC and CMA, twenty-one (21) days at least prior to the date of the General Assembly.

Article No. (48) - Dividend Distribution





The Company may distribute interim semi-annual and quarterly profits after the following controls are met and fulfilled:

- A. that the General Assembly authorize the Board of Directors to distribute interim profits according to a resolution issued annually.
- B. that the Company achieves good and regular profits.
- C. that the Company should have reasonable liquidity and be able to reasonably predict the level of its profits.
- D. The Company should have distributable profits according to the latest financial statements that are sufficient to cover the profits proposed to be distributed after deducting what has been distributed and drawn from these profits after the date of those lists.

Distributable profits shall consist of the balance of retained earnings appearing in the statement of financial position prepared at the end of the period immediately preceding the period during which a resolution is taken for the distribution in addition to the balance of any distributable reserves and setting aside the specified percentage of the net profits of reserves made for specific purposes, if any.

Article No. (49) - Entitlement to Profits:





Under a resolution by the General Assembly issued in this regard, a shareholder shall be entitled to his/ her own share of the profits, while such resolution shall indicate the date of maturity and the date of distribution, and the entitlement to the dividends shall be for the shareholders registered in the shareholders' register at the end of the day specified for the entitlement.

Article No. (50) - Dividend Distribution of Preferred Shares

1. If no profits are distributed for any financial year, then profits for the following years may not be distributed except after paying the specified percentage in accordance with the provision of Article (114) one hundred and fourteenth of the Companies Law for holders of preferred shares for this year.
2. If the company fails to pay the specified percentage of profits according to Article 14 of the Companies Law for three consecutive years, the special assembly of the shareholders who own these shares, held in accordance with the provisions of Article 89 of the Companies Law, may decide to either attend the





general meetings of the company and participate in the voting or appoint representatives for them on the board of directors, proportional to the value of their shares in the capital, until the company is able to pay all the priority profits allocated to the holders of these shares for the previous years.

Article No. (51) - Company Losses:

1- Should the Company's losses amount to half of the paid-up capital, at any time during the financial year, any official of the Company or the auditor thereof must immediately inform the chairman of the board of directors upon being informed of the same, and the chairman of the board of directors must immediately inform the members of the board of the same. Within a period of fifteen days of its knowledge of this matter, the Board of Directors shall convene the Extraordinary General Assembly to meet within forty-five days of being informed of the losses, in order that the to give the Extraordinary General Assembly a chance to resolve whether to increase the Company's capital or decrease it according to the provisions of the Companies Law, to the extent that the percentage of losses decreases to less than half of the capital. The money paid or the dissolution of the Company before the deadline





specified in the Companies Law. In all cases, the decision of the assembly must be published on the website of the Ministry of Commerce and Investment.

2- By the force of the Companies Law, the Company shall be considered dissolved 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 regarding such matter, or if it decides to increase the capital according to the conditions prescribed in this article and the subscription has not taken place. In each capital increase within ninety (90) days from the issuance of the assembly's resolution to increase.

Chapter Eight

Disputes

Article No. (52) - Liability lawsuit

Each shareholder shall have the right to file a liability lawsuit for the Company's liability against the members of the Board of Directors if the mistake they committed would cause damage to such shareholder. The shareholder may not file the aforesaid liability lawsuit unless the Company's right to file the same still exists and valid. The shareholder must inform the Company of his/ her own intention to file a law-





suit, while limiting his / her right to claiming compensation for the private damage he / she has suffered.

Unless its articles of association provides for a less percentage, one shareholder or more representing (five percent) of the Company's capital may file a liability lawsuit for the Company in the event that the Company fails to file it, taking into account that the main objective of filing the lawsuit is to achieve the interests of the Company, and that such lawsuit is based on a valid basis, and the plaintiff must act with a good faith and be a shareholder in the Company at the time of is filing such lawsuit.

To file the lawsuit referred to in Paragraph (2) of this Article; the members of its board of directors must be notified of the intention to file the lawsuit (fourteen) days, at least, before the date of filing it.

A shareholder may file his / her private or personal lawsuit against the members of the Board of Directors if the mistake they made may cause him / her a personal damage.

In addition, the Company may be charged with the expenses incurred by a shareholder to file a lawsuit against the Company, whatever the outcome of such lawsuit, under the following terms and conditions:

A- if he / she files a lawsuit in good faith,





- B- if he / she provides the Company with the reason for which he / she filed the lawsuit and did not receive a response within a period of 30 days,
- C- if filing such lawsuit shall end with an interest to the Company as per the provision of Article Seventy-Nine of the Companies Law, and
- D- that the claim is filed and based on a valid basis.

Chapter Nine

Dissolution and liquidation of the company

Article No. (53) - Termination of the Company

The Company shall be terminated by one of the termination reasons provided for in the Companies Law. Upon its termination, the Company shall enter into liquidation according to the provisions of the Companies Law. should the Company lapses while its own assets are insufficient to pay off its debts or if the Company is default according to the bankruptcy law, it must apply to the competent judicial authority to initiate any of the liquidation procedures according to the bankruptcy law.

Chapter Ten

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Final Provisions

Article No. (54) - Notices

Notices exchanged between shareholders and between shareholders and the company shall be sent by registered mail, fax, or hand-delivered against a receipt on their addresses indicated in the company's records.

Article No. (55):

Matters not covered by this AoA shall be subject to the Companies Law and its regulations.

Article No. (56) - Publication

This AoA shall be kept and published according to the provisions of the Companies Law and regulations thereof.

