



## **The Policy of Alkhaleej Training and Education Company**

### **A Saudi Joint Stock Company**

Amended by the resolution of the Extraordinary General Assembly issued  
On 15/11/1443 AH, corresponding to 14/06/2022 AD



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**The Policy of Alkhaleej Training and Education Company**  
**A Saudi Joint Stock Company**

**Chapter one**

**Article 1: Company Transfer**

The company transformed from a limited liability company registered in the Commercial Registry No. 1010103367 and dated 05/30/1413 AH to a Saudi joint-stock company under the provisions of the Companies Law, its bylaws, and its amendments according to the following: -

**Article Two: Company Name:**

Al Khaleej Training and Education Company, a Saudi listed joint-stock company.

**Article Three: The Company's Objectives:**

The company practices and utilizes the following fields: -

- 1- Training in the field of electronics, information technology, and all kinds of training.
- 2- Teaching foreign languages and educational programs.
- 3- Holding training courses in the field of public administration, marketing, management, accounting, social and other courses.
- 4- Maintenance and operation.
- 5- Establishing, managing national and foreign schools for all educational levels.
- 6- Development, manufacture, operation, and maintenance of electronics, installation of networks, infrastructure, computer software, technical preparation, and all other related works.
- 7- Establishing, and managing call centers, technical support, electronic business, third-party marketing, and telemarketing.
- 8- Providing development and operational solutions for customer services and technical support in handling complaints.
- 9- Owning lands in favor of the company to establish projects related to the company's business (schools, educational centers, institutes, and sports clubs).
- 10- Obtaining commercial agencies, operating and managing public facilities and employment offices inside the country.
- 11- Establishing, and managing coffee shops and cafeterias and importing coffee and coffee products.
- 12- Establishing, and managing sports institutes, centers, and clubs.
- 13- Operating school transport.
- 14- Establishing and managing women's centers and beauty salons.
- 15 - Employment of the workforce
- 16- Operating health facilities
- 17- Establishment, and management of franchise centers partnerships
- 18- Consulting in business, administrative services, planning, and management information
- 19- Public relations, social media management, and e-marketing services

The company carries out its activities according to the rules and regulations after obtaining the necessary licenses from the concerned authorities if any.



#### **Article 4: Partnerships and ownership in other companies**

The company may solely establish (limited liability or closed joint-stock companies) as long as the paid-up capital is no less than 5 million Saudi riyals. and it may participate in any way with the bodies and companies that carry out work similar to their work or that may help them achieve their objectives It may also hold or own shares and stakes in other existing companies or merge with and may participate with others to establish joint-stock or limited liability companies upon complying with the requirements set forth by the prevailing rules and regulations. The company may dispose of these shares or stakes, provided that this does not include brokerage in its trading

#### **Article Five: Company Headquarters.**

The head office of the company is located in the city of Riyadh, Kingdom of Saudi Arabia, and the board of directors may establish other branches, offices, or agencies inside or outside the Kingdom of Saudi Arabia.

#### **Article Six: Company term**

The term of the company shall be ninety-nine (99) Gregorian calendar years commencing from the date of issue of His Excellency the Minister of Trade and Industry Resolution regarding its transformation, and such term may be extended under a resolution of the extraordinary general assembly, at least one (1) year before the date of its expiry.

### **Chapter two** **Capital and shares**

#### **Article 7: Capital**

The capital of the company shall be six hundred and fifty million Saudi Riyals (650,000,000) divided into (65,000,000) sixty-five million nominal shares of equal value. The nominal value of each share shall be ten Saudi Riyals (SR 10), all being ordinary nominal shares.

#### **Article 8: Subscription to shares**

The establishing shareholders of the company subscribed in full when establishing the company, amounting to (650,000,000) six hundred and fifty million Saudi riyals fully paid and offered for public subscription under the Capital Market Law.

#### **Article 9: Preferred Shares**

The extraordinary general assembly, according to the regulations issued by the concerned authorities, may issue preference shares; or decide to buy them; or convert ordinary shares to preference shares; or convert preference shares to ordinary shares. under the provisions of Islamic Sharia and under the principles laid down by the competent authorities and the regulations and regulatory procedures issued in implementation of the companies 'system of listed joint-stock companies These shares do not have voting rights in general assembly meetings and will give its owners the right to a higher percentage in net profits, after deducting the statutory reserve, than ordinary shares holders.

#### **Article Ten: Selling shares of unpaid value**

The shareholder shall pay the value of the share on the dates specified for that, and if he fails to pay the due date, the Board of Directors may, after notifying him by his e-mail or inform him by a registered letter at his registered address in the shareholders 'register, sell the share in the public auction or the stock market according to the conditions stipulated by the competent authority. From the sale proceeds, the company shall collect the sums owed to it and return the rest to the owner of the share. If the proceeds of the sale are



not sufficient to meet these sums, the company may collect the remainder of all the shareholder's funds. However, it is permissible for a shareholder who fails to pay until the day of the sale to pay the value owed on him in addition to the expenses that the company has spent in this regard.

The company cancels the sold share under the provisions of this article, and gives the buyer a new share bearing the number of the canceled share, and indicates in the stock register the occurrence of the sale with an indication of the name of the new owner.

#### **Article Eleven: Issuance of Shares**

All the company shares shall be nominal, and they shall not be issued with a value lower than their nominal value, but can be issued with a higher value. In this latter case, the balance shall be added to the reserve, in a separate line item under Shareholders' Equity, even if it reaches its limit. A share shall be indivisible, and if is jointly owned by several persons, they should choose one of them to take advantage of the share's rights, and the other parties shall be jointly responsible for the share's liabilities.

#### **Article twelve: Shares Trading**

The company's shares are traded under the provisions of the Capital Market Law. Shares subscribed by the founders may not be traded except after publishing the financial statements for two fiscal years, each of which is not less than twelve months from the date of the decision of the Minister of Commerce and Industry announcing the transformation of the company or the approval of the Capital Market Authority. The company and the period during which it is prohibited to be circulated.

Nevertheless, during the prohibition period, the ownership of shares may be transferred according to the provisions of the sale of rights from one of the founders to another founder or the heirs of one of the founders in the event of his death to a third party or the case of execution on the funds of the insolvent or bankrupt founder, provided that the priority of owning those shares is given to the other founders. The provisions of this article shall apply to what the founders subscribe to in the event of a capital increase before the expiration of the ban.

#### **Article Thirteen: The Register of Shareholders**

Shares are registered to shareholders and traded under the provisions of the Capital Market Law.

#### **Article Fourteen – Capital Increase:**

1: The extraordinary general assembly may decide to increase the company capital, with the condition that the capital has already been paid in full. Payment of the entire capital is not necessary if the unpaid portion was for shares issued to convert debt tools or financing bonds into shares, and the period of conversion has not yet expired.

2: The extraordinary general assembly may in any case allocate the issued shares during the capital increase or part of it to the company and subsidiary employees, or some or any subsidiary. The shareholders are not allowed to practice first rights when the company issues shares dedicated to employees.

3: The shareholder owning the share during the extraordinary general assembly decision approving the capital increase the first right to subscribe to the newly issued shares for cash stakes, the company notifies them to practice their right by publishing it in a local newspaper or through registered mail. This notice shall include the decision to increase the capital, terms, and conditions of subscription, duration, and the date of commencement and closing.



4: The extraordinary general assembly can cease dealing with the shareholders' rights to subscribe in the capital increase in exchange for cash stakes or granting rights to non-shareholders in cases that it deems beneficial for the company.

5: The shareholder can sell or waive his rights of the issue from the period the general assembly's approval to increase capital until the last date of the subscription of these new shares, according to the prevailing guidelines from the relevant regulatory authorities.

6: Observing the provisions stipulated in (13-4) above, the new shares shall be distributed to the rights issues owners that subscribed, according to their ownership percentage of the total offering, with the condition that in no case they are allocated more than what they subscribed to. The remaining new shares shall be proportionality distributed to those requesting more than what they are initially entitled to according to their ownership percentage in the rights issue offering because of the capital increase with the condition that what they receive does not exceed the number of requested shares. The remaining shares will be offered to the others unless the extraordinary general assembly or the capital market rules and regulations state otherwise.

#### **Article fifteen: Reducing the Capital**

The extraordinary general assembly may resolve to decrease the company's capital if it exceeded its needs or if the company suffers significant losses. The company may decrease its capital, in the case of significant losses alone, below the limits stipulated in Article (45) of the Companies Act. No resolution shall be issued until the external auditors read out the special report they prepared disclosing the reasons behind the decrease and the liabilities on the company due to the decrease in such liabilities.

If in case the decrease in the paid-up capital is due to its excess the company needs, the company shall invite its creditors to express their objections within 60 days from the date of publishing the capital decrease resolution in a daily local newspaper distributed in the same region where the company head office resides. If a creditor objects and submits all supporting documents within the abovementioned period, the company must pay its outstanding debt if it is due, or submit sufficient guarantees if it is not yet due.

- The company may issue loan bonds as well as bonds convertible into shares or mortgage its shares as a guarantee for a debt, provided that this is under the laws, regulations, controls, conditions, and regulatory procedures issued in implementation of the Companies Law for listed joint-stock companies.

#### **Article sixteen: Buying, selling, and mortgaging the company to its shares (treasury shares)**

1. The company may buy and sell its ordinary or preferred shares (treasury shares) under the Companies Law and the controls issued thereunder by the Capital Market Authority based on the approval of the Extraordinary General Assembly and the Board of Directors, and if the purpose of the company's purchase of its shares is to allocate them to the company's employees within the employee stock program. The extraordinary general assembly may delegate the board of directors to determine the conditions of this program, including the allocation price for each share offered to employees if it is for consideration.
2. The company also has the right to mortgage its ordinary or preferred shares as a guarantee for a debt under the Companies Law and the controls issued thereunder by the Capital Market Authority, based on the approval of the Ordinary General Assembly and the Board of Directors.

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

#### **Article seventeen: Company management**

The management of the company shall be undertaken by a board of directors composed of (7) seven members who are elected by the Ordinary General Assembly of shareholders for a period not exceeding



three years, and they may be re-elected for other terms. Issued by announcements of the establishment of the company.

#### **Article 18: Dissolution of Board Membership**

The membership of the Board shall end with the expiration of its term or the expiration of the member's validity according to any system or instructions in force in the Kingdom. Nevertheless, the Ordinary General Assembly may at all-time dismiss all or some of the members of the Board of Directors without prejudice to the right of the dismissed member towards the company to claim compensation if the dismissal occurred for a reason other than It is acceptable or at an inappropriate time, and a member of the board of directors may retire provided that it is at an appropriate time, otherwise he will be responsible before the company for the damages resulting from his retirement.

#### **Article Nineteen: Vacant position of Board Membership**

If the position of one of the members of the board of directors becomes vacant, the board may appoint a temporary member in the vacant position according to the order in obtaining votes in the assembly that elected the board, provided that he is among those who have experience and sufficiency and must inform the Ministry and the Financial Market Authority within (5) five days. He worked from the date of appointment and the appointment is presented to the Ordinary General Assembly at its first meeting and the new member completes the term of his predecessor. If the necessary conditions for the meeting of the Board of Directors are not met due to the lack of the number of its members below the minimum stipulated in the Companies Law or this system, the rest of the members must call the Ordinary General Assembly to convene within (60) sixty days to elect the necessary number of members.

#### **Article Twenty: Authorities of the Board of Directors**

1. Subject to the authorities of the General Assembly, the Board of Directors shall have the broadest authorities to manage the company, draw its policy, determine its investments, supervise its business and funds and all other transactions and conduct its affairs inside and outside the Kingdom of Saudi Arabia, including decision-making, approval of contracts, agreements, instruments, documents and acceptance thereof. And to carry out all other actions necessary to achieve the objectives of the company.
2. To carry out its duties, the board may exercise all the functions and conduct all the actions that the company may practice under its policy, provided that these actions are not within the authorities of the shareholders' general assemblies and under the company's policy and the companies' bylaws and regulations and instructions of the relevant regulatory authorities.
3. The Board of Directors, for example, but not limited to, has the right of approving contracts, tenders, and auctions, establishing partnerships in which the company shares with all their amendments and annexes, approving the issuance of guarantees to banks, monetary funds, and government financing institutions, approving all banking transactions, approving the sale, purchase, mortgage, and investment of the company's assets and properties, as well as buying and selling in real estate shares, provided that the Board determines in its decision the reasons and justifications for that, and that the price is present except in cases estimated by the Board and with adequate guarantees, and that does not result in the suspension of some of the company's activities or charging it with other obligations due to the conditions of the sale or mortgage
4. The Board of Directors has the power to approve the request for government loans, government and private financing funds and institutions, as well as bank and commercial loans, financial houses and warranty companies, and to approve contracts, agreements, guarantees, mortgages, and mortgages related to them, regardless of their value or duration, provided that their deadlines do not exceed the end of the company's term, bearing in mind that In its decision, the Board of Directors determines the use of the loan and the manner of its repayment and takes into account the conditions





of the loan, guarantees, and commitments made will not affect the company or its shareholders or general guarantees to creditors, as well as the right to request exemption from loans.

5. The Board of Directors may approve the provision of financial support to any of the companies in which the company has shared, as well as the subsidiary companies.
6. The Board of Directors may delegate on its behalf one or more of its members or third parties to exercise all or some of the authorities or to take a specific action a certain business, and the Board has the right to cancel the power of attorney or delegate partially or completely.
7. The Board of Directors may form any committee or committees that assist in carrying out its work, or based on the regulations of the company, provided that the decision of the board issued to form, any of its affiliated committees includes a definition of the committee's mission, the duration, the authorities, and how the board supervises it.

#### **Article Twenty-One: Remuneration for Board Members**

The Board of Directors must take into account in determining and disbursing the remuneration for each of its members, the relevant provisions contained in the Companies Law and the Corporate Governance Regulations, and under the regulatory controls and procedures issued in implementation of the Companies Law for listed joint-stock companies. The Board of Directors' report to the Ordinary General Assembly must include: A comprehensive statement of all bonuses, expenses allowances, and other benefits that board members obtained during the fiscal year, and it should also include a statement of what board members received as workers or administrators or what they received in return for technical, administrative or consulting work, and it also includes a statement of a number Board sessions and the number of sessions attended by each member from the date of the last meeting of the General Assembly, and in all cases, the total remuneration and financial or in-kind benefits and rewards that a member of the Board of Directors gets should not exceed an amount of five hundred thousand riyals annually according to what stated in the third paragraph of Article seventy-sixth of the Companies Law

#### **Article Twenty-Two: Authorities of the Chairman of the Board of Directors, his Deputy, the Chief Executive Officer, and the Secretary: -**

The board of directors shall appoint from among its members a chairman and a vice chairman, and he may appoint a chief executive officer. It is not allowed to join between the position of the chairman of the board of directors with an executive position in the company.

#### **First: Authorities of the Chairman of the Board of Directors:**

- Calling for a meeting of the Board of Directors and the General Assembly and chairing and managing the meetings of the Board of Directors and the General Assembly. And his vote is overweight in case the votes in the board of directors are equal.
- Representing the company in the official presence and media forums and its relations with others, before the judiciary, with all government and private agencies, dispute resolution committees of all kinds, judicial bodies, arbitration bodies, all other judicial committees, all governmental, private and public bodies and agencies, companies, banks, individuals and courts of all degrees and classes, the Board of Grievances and Notaries and inside and outside the Kingdom of Saudi Arabia.
- All legal, administrative, commercial, and civil authorities related to the company, including, but not limited to, the following matters: -

##### **1. Claims before the courts:**

Claiming, instituting cases, attending sessions in all cases before all courts, pleading, defending, hearing and responding to cases, submitting evidence and documents, litigating and concluding, affirmation, denial, conciliation, waiver, release, requesting the oath, returning it and refraining from it, bringing witnesses and



evidence and challenging them, answering, wounding and amending, appealing For forgery, request for seizure and execution, request for arbitration, the appointment of experts and arbitrators,

Appealing the reports of experts and arbitrators and their return and replacement, demanding the execution of judgments, accepting and denying judgments, objecting to judgments and requesting an appeal, petitioning for reconsideration, requesting rehabilitation, requesting pre-emption, receiving sums by check in the name of the company and seizing what happens from execution, receiving verdicts, requesting the judge to recuse Request for entry and overlap, and the company's representation before all courts, judicial bodies, labor offices, workers, higher and primary committees, commercial papers committees and all other judicial committees, arbitration and civil rights bodies, and with Sharia courts, before administrative courts (the Board of Grievances), at the Sharia medical committees, at the labor committees At the Financial Dispute Settlement Committees, Banking Dispute Settlement Committees, at the Commercial Paper Dispute Resolution Offices, Commercial Dispute Resolution Committees, at the Customs Committees and Commercial Fraud Committees, at the Supervision and Investigation Commission, at the Investigation and Public Prosecution Authority, The Supreme Court, the Supreme Judicial Board, the Ministry of Justice, the Financial Market Authority, and all judicial committees and bodies Elementary and higher education institutions or those in their position, inside and outside the Kingdom of Saudi Arabia.

## **2. Companies:**

The right to establish companies and open branches for the company inside and outside the Kingdom of Saudi Arabia and the right to sign all types of contracts and conclude deals of all kinds, documents and documentations , including without limitation contracts for the establishment of companies in which the company is a partner, its subsidiaries and their annexes, and all decisions of the partners in those companies, including special decisions By raising and reducing the capital, assigning shares and buying them, amending the company's objectives, amending the articles of incorporation contracts and amendment appendices, signing partners 'decisions, entering and leaving partners, entering into existing companies, buying shares in them inside and outside the Kingdom, signing agreements, registering the company, registering agencies and trademarks, assigning them, attending general assemblies, requesting their contract and signing me Its decisions, opening files for the company, signing incorporation contracts and amendment appendices with notaries public, extracting and renewing licenses for the company, reviewing all companies and bodies, documenting contracts and signing contracts with the companies 'management at the Ministry of Commerce and Industry and the notary, making amendments, changes, additions, deletions, subscribing to chambers of commerce and renewing them, approving and canceling the signature with the Chamber of Commerce, reservation of the Commercial name , assignment of the trade name, extracting and renewing commercial records, receiving, canceling and amending them, changing the names of partners, signing agreements and instruments before notaries and official authorities, agreements of guarantees, assignment of priority in the payment of company debts, issuance of legal agencies on behalf of the company, sale and purchase of real estate, land and shares in companies and other The property, whether movable or immovable, entering into tenders and auctions, awarding bids, arresting, paying and receiving rights with others, emptying, accepting and seizing the price in any way he sees, receiving, delivering, renting, leasing, arresting and paying, collecting the company's rights, performing its obligations and signing agreements with all private and governmental sectors for the benefit of the company Inside and outside the kingdom. And the right to appoint directors, lawyers, auditors, chartered accountants, employees, and workers, to request the issuance of visas to bring in manpower from outside the Kingdom, to contract with them, to determine their salaries, to disburse bonuses and incentives, to remove them, to extract and renew residencies, to transfer and waive guarantees, to amend professions, update data, and to terminate all related transactions inside and outside the Kingdom,



Reviewing all governmental, non-governmental, in front of others in every matter related to the interests of the company, especially with regard to the chambers of commerce and industry, bodies, companies and institutions of all kinds, banks, financing companies and financial institutions, and reviewing all ministries and governmental and non-governmental bodies inside and outside the Kingdom, for example but not limited to reviewing General Investment Authority and signing in front of it, reviewing the Saudi Standards, Metrology and Quality Authority, reviewing the Saudi Arabian Monetary Agency, reviewing the Capital Market Authority, reviewing the Ministry of Trade, reviewing the General Organization for Social Insurance and its branches and related departments and sections, reviewing the Department of Zakat and Income, reviewing the Ministry of Education, Reviewing the General Organization for Vocational and Technical Training, reviewing the Ministry of Finance, reviewing the Ministry of Interior in all its sectors and branches (civil defense, police departments, recruitment, passports and traffic department ...) reviewing the Ministry of Foreign Affairs and reviewing embassies, reviewing the Saudi Electricity Company, the National Water Company, telecommunications companies and establishing phones or mobile phones in the name of the company and others, reviewing all governmental and non-governmental companies, bodies and institutions inside and outside the Kingdom, as well as representing the company in front of all official and unofficial departments, reviewing free zones in the Arab Gulf states, reviewing all relevant authorities, completing all necessary procedures and signing what is required inside and outside the Kingdom .

### **3. Real estate, lands, and company property of all kinds:**

Selling and discharging the buyer, receiving the price by check in the name of the company, purchasing, accepting the clearance, paying the price, accepting the donation, emptying, mortgaging, releasing the mortgage, merging the instruments, retail, sorting, receiving, updating, modifying and entering the instruments in the comprehensive system, amending the owner's name, civil registry number, modifying limits, lengths, area, cut numbers, plans, instruments, their dates, neighborhood names, renting and sign contracts, their renewal, receipt of the rent by check in the name of the company, the cancellation and termination of rent contracts and the conclusion of all contracts and transactions involved in the purpose of buying and renting lands, whether long or short-term, places, real estate, stocks, equipment, building lands, joining the excess areas adjacent to the land, entering into real estate contributions, buying and selling shares of real estate contributions, reviewing the trust and municipalities with regard to selling, buying, unloading, paying fees, receiving instruments and other transactions, disposing of the company's assets and properties and mortgaging fixed and movable assets to secure the loans of the company and the subsidiary companies, provided that the sale decision specifies the reasons and justifications for it and that the sale is for the same price and the sale is present except in cases of necessity, with adequate guarantees, and that this deed does not result in the suspension of some of the company's activities or imposing it with other obligations, all inside and outside the Kingdom of Saudi Arabia.

### **4. Banks, and investment companies:**

Reviewing all banks, investment companies, and institutions inside and outside the Kingdom of Saudi Arabia, opening, closing, and activating accounts with banks in the name of the company, credits, extension, withdrawal, deposit, and transfer with banks in foreign or local currency at home and abroad, borrowing from them, issuing bank guarantees and signing all papers, documents, checks, all banking transactions and investment Company funds and operation in the local and international markets inside and outside the Kingdom of Saudi Arabia,

And the establishment of commercial papers, signing, endorsement, and seizure, and conducting all financing transactions necessary for the company's activity, including requesting facilities and loans of all kinds from banks, financing companies, and financial institutions in any amounts, signing them, and signing guarantees in the name of the company to others, signing contracts and facilitating papers and loans, signing cost-plus financing agreements, rental, securitization, istisna'a, and investment contracts,



Opening current accounts in the name of the company with banks and accepting, endorsing, and withdrawing bills of exchange, bonds, and checks authorizing the bank and investment companies to act to sell or buy stocks, bonds, foreign money or securities of any kind and whatever their value and approve the signature, extract and receive ATM cards and receive and enter secret numbers, Extracting and receiving credit cards and receiving their secret numbers, extracting an account statement, extracting check books, receiving and editing them, issuing certified checks and receiving them, issuing bank guarantees and guarantees and all types of securities of any type and whatever their value and canceling them, receiving and disbursing transfers, subscribing to safety deposit boxes, renewing Participating in safety deposit boxes, retrieving safety deposit units, cashing checks, objecting to checks, receiving returned checks, updating data, receiving certificates of contributions, receiving share value, profits, surplus, and underwriting, buying shares, selling shares, mortgaging shares, investing Shares, receipt of price and receipt of profits, transfer of shares from the portfolio, and opening and closing of the investment portfolio to pass and settle them, issue guarantees to banks, funds, and government and private institutions, sign all papers, order bonds, checks, all commercial papers, documents and all banking transactions, open investment accounts with financial and investment companies, sign participation, withdraw and transfer from all investment funds, including money market funds. And private funds, trading in securities through the main or alternative distribution channels, signing the procedures related to giving orders to sell and buy shares, convert them, mortgage them and release the mortgage on them, sign agreements to manage the company's portfolios, and sign all documents related to that, buy and sell bonds and instrument. And sign all the documents related to this, as well as the loan contract with government financing funds and institutions regardless of their duration, the contract of bank and commercial loans and acceptance of their terms, provisions, and prices, signing of their contracts, agreements, forms, mortgages, approval, and presentation of guarantees, payment schedules, receipt of the loan and disposal of it, and a request for exemption from loans. And rescheduling of installments, request for coffee credits and sign it and receive guarantees.

- The Board chairman has the right to delegate on his behalf one or more members of the Board or third parties to exercise all or some of the authorities, to take a specific action or deed, or to perform a specific action, and he has the right to cancel the delegation or power of attorney in part or in full.
- The Chairman of the Board of Directors gets an additional remuneration for chairing the Board of Directors in addition to the remuneration determined for members of the Board of Directors

### **Second: The Authorities of the Vice Chairman of the Board of Directors:**

The board of directors has the right to appoint from among its members a vice-chairman to replace the chairman of the board in his absence, and the chairman of the board has the right to delegate him to in all or some of the authorities or to take a specific action or deeds or to perform a specific action, and the chairman of the board has the right to partially cancel the delegation or power of attorney partially or totally, the board defines his authorities and remuneration in addition to the remuneration determined for the members of the board of directors.

### **Third: Authorities of the Chief Executive Officer:**

The board of directors has the right to appoint from among its members a Chief Executive Officer, and the chairman of the board has the right to delegate him in all or some of the authorities or to take a specific action or deed or to carry out a specific action or work. the board defines its authorities and remuneration in addition to the remuneration determined for the members of the board of directors.

### **Fourth: Authorities of the Board Secretary:**



The board of directors appoints a secretary for the Board to be chosen from among its members or from others, and the board determines by a decision the terms of his authorities and remuneration for the secretary.

- The term of the chairman, his deputy, the Chief Executive Officer, and the secretary of the board member shall not exceed the term of each of them in the Board, and they may be re-elected. The Board may dismiss them or any of them at any time without prejudice to the right of the dismissed person to compensation if the dismissal occurred for an unlawful reason or at an inappropriate time.

### **Article Twenty-Three: Board Meetings**

The Board of Directors meets at least twice a year at the invitation of its Chairman, and the invitation is in writing and may be delivered by hand or sent by regular mail, e-mail, fax, or other means of communication accompanied by the agenda, provided that it is (15) fifteen days before the date of the meeting. The Board may invite the Board to meet whenever requested by two of the members.

### **Article Twenty-Four: The Board's Quorum**

A board meeting is not valid unless it is attended by at least half of the members, provided that the number of attendees is not less than (3) three members.

- A member of the Board of Directors may delegate other members to attend the meetings of the Board under the following conditions:

1. A member of the Board of Directors is not allowed to represent more than one member in attending the same meeting.
2. The representation must be documented in writing.
3. Concerning the vote of the delegate, the deputy may not vote on the decisions on which the system prohibits the delegate from voting.

The decisions of the Board shall be issued by the majority of the opinions of the members present or represented at the meeting with a minimum of (3) three votes and when the opinions are equal, the side with which the chairperson voted shall prevail.

### **Article twenty-five: Board deliberations**

The deliberations and decisions of the Board of Directors are confirmed in minutes signed by the Chairman of the Board, the members of the Board present, and the Secretary, and these minutes are recorded in a special register signed by the Chairman of the Board of Directors and the Secretary.

## **Chapter Four**

### **Attending Assemblies**

### **Article Twenty-Six: Attending Assemblies**

Every shareholder, regardless of the number of his shares, has the right to attend the constituent assembly, and every shareholder has the right to attend the general assemblies of the shareholders, and in this regard, he has the right to delegate on him another person other than the members of the board of directors or the company's employees to attend the general or private assembly and vote on its agenda items on his behalf according to the power of attorney attached to the meeting invitation issued by the company or under a legitimate or statutory power of attorney, provided that it clearly states the right of the agent to attend public and private assemblies and vote on the items on their agenda.



#### **Article Twenty-Seven: The Constituent Assembly**

The founders invite all shareholders to hold a constituent assembly within (45) forty-five days from the date of the ministry's decision to authorize the establishment of the company (or from the date on which the door to subscribe to shares in the publicly subscribed joint-stock company is closed) and the meeting is required to attend many shareholders representing half of the capital, If this quorum is not met, an invitation will be sent to a second meeting to be held one hour after the end of the period specified for the first meeting, provided that the invitation to hold the first meeting includes a statement indicating the possibility of holding the second meeting, and in all cases, the second meeting shall be valid regardless of the number of shareholders attendance.

#### **Article Twenty-Eight: Competences of the Constituent Assembly**

The Constituent Assembly shall be concerned with the matters mentioned in Article 63 of the Companies Law.

#### **Article 29: Competences of the Ordinary General Assembly**

Except for matters about the extraordinary general assembly, the ordinary general assembly shall have authority over all matters related to the company, and it assembles at least once a year during the six months following the end of the company's fiscal year, and other ordinary general assemblies may be called whenever the need arises.

#### **Article 30: Competences of the Extraordinary General Assembly**

The extraordinary general assembly shall have the authority to amend the company's policy articles except for matters that it is forbidden to amend by law. It may issue decisions on matters originally within the terms of reference of the Ordinary General Assembly, under the same terms and conditions established for the Ordinary General Assembly.

#### **Article 31: Assemblies call**

The general or private assemblies of the shareholders shall assemble at the invitation of the Board of Directors, and the Board of Directors shall call the ordinary general assembly to assemble if requested by the auditor, the audit committee, or many shareholders representing at least 5% of the capital.

The auditor may invite the assembly to assemble if the board does not invite the assembly within thirty (30) days from the date of the auditor's request.

The invitation to assemble the general assembly and the agenda shall be published in a daily newspaper distributed in the region in which the head office of the company is located, at least twenty-one (21) days before the date set for the meeting. Nevertheless, it is permissible to simply address the invitation on the aforementioned time to all shareholders by registered letters or by e-mail or using modern technology to contact the shareholders, and a copy of the invitation and the agenda shall be sent to the Ministry and the Financial Market Authority within the specified period for publication.

#### **Article 32: Register of Attendance of Assemblies**

Shareholders who wish to attend the general or private assembly register their names in the company's head office before the time specified for the meeting.

#### **Article Thirty-Three: Quorum for the Ordinary General Assembly Meeting**

The holding of the Ordinary General Assembly meeting is not valid unless attended by shareholders representing at least one-quarter of the capital, and if the quorum necessary for holding this meeting is not available, the second meeting shall be held one hour after the end of the period specified for the first meeting, provided that the invitation to hold the first meeting includes what is declared of the possibility of

holding the second meeting. In all cases, the second meeting is valid regardless of the number of shares represented in it.

#### **Article 34: Quorum for the Extraordinary General Assembly meeting**

The meeting of the extraordinary general assembly is not valid unless attended by shareholders representing at least half of the capital. If this quorum is not available in the first meeting, the second meeting will be held an hour after the end of the period specified for the first meeting, provided that the invitation to hold the first meeting includes evidence of the possibility of holding The second meeting, and in all cases, the second meeting will be valid if attended by many shareholders representing at least quarter of the capital. And if the necessary quorum is not met in the second meeting, an invitation is sent to a third meeting to be held according to the same conditions stipulated in Article (30) of this policy, and the third meeting will be valid regardless of the number of shares represented in it after the approval of the concerned authority.

#### **Article 35: Voting in Assemblies**

- Every shareholder has a vote for every share he represents in the constituent assembly, and every shareholder has a vote for every share in the general assemblies, and the cumulative vote must be used in the election of the Board of Directors. It is not permissible for the Board of Directors to participate in voting on the decisions of the Assembly that relate to their discharge of liability for the term of the company's management.

- It is also permissible for the shareholders to participate in the meetings of the public and private assemblies, deliberate them, view their agendas, and vote through the means of modern technology, under the regulatory controls and procedures issued in implementation of the Companies Law for Listed Joint Stock Companies.

#### **Article 36: Resolutions of the Assemblies**

The decisions of the Constituent Assembly are issued by the absolute majority of the shares represented in it, the decisions of the Ordinary General Assembly are issued by the absolute majority of the shares represented in the meeting, and the decisions of the Extraordinary General Assembly are issued by a two-thirds majority of the shares represented in the meeting unless it is a decision related to increasing or reducing the capital or prolonging the term of the company. Or by liquefying it before the expiry of the period specified in its articles of the company policy, or by merging it with another company, it will not be valid unless it is issued by a three-fourths majority of the shares represented at the meeting.

#### **Article 37: Discussion in Assemblies**

Every shareholder has the right to discuss topics on the assembly's agenda and direct questions about them to the members of the board of directors and the auditor. The board of directors or the auditor answers the shareholders' questions to the extent that they do not compromise the interest of the company. And if the shareholder deems that the answer to his question is not convincing, he shall refer to the assembly and its decision shall be binding and enforceable in this regard.

#### **Article Thirty-Eight: Chairing Assemblies and preparing minutes**

The general assembly meetings of the shareholders shall be chaired by the chairman or his deputy in his absence, or whoever the board of directors delegates from among its members for that in the absence of the chairman and his deputy. Minutes shall be drawn up at the meeting of the assembly, including the number of shareholders present or representatives, the number of shares in their possession in origin or agency, the number of votes decided for them, the decisions taken, the number of votes that approved or disagreed with them, and a comprehensive summary of the discussions that took place at the meeting. The minutes are documented regularly after each meeting in a special register signed by the chair of the assembly, its secretary, and the vote collector.



## **Chapter five** **Review Committee**

### **Article 39: Formation of the Committee**

By a decision of the Ordinary General Assembly, a review committee shall be formed from members excluding the executive board of directors, whether from the shareholders or others, provided that the number of its members is not less than three and not more than five, and that the duties of the committee, its work supervision, and the remuneration of its members are specified in the decision.

### **Article Forty: Quorum for the meeting of the committee**

For the audit committee meeting to be valid, the attendance of the majority of its members is required, and its decisions are issued by the majority of the votes of those present. When votes are equal the part with the committee leader will prevail.

### **Article Forty-One: The Committee's Tasks**

The audit committee is responsible for monitoring the company's business, and for this purpose, it has the right to view its records and documents and requests any clarification or statement from the members of the board of directors or the executive management, and it may request the board of directors to invite the company's general assembly to assemble if the board of directors obstructs its work or the company is exposed to heavy damages or losses.

### **Article 42: Reports of the Committee**

The audit committee must consider the company's financial statements and the reports and notes provided by the auditor, and express its views on them if any, and it must also prepare a report on its opinion regarding the competence of the company's internal control system and what it has done of other activities that fall within the scope of its work. The board of directors must submit sufficient copies of this report in the company's head office at least (21) twenty-one days before the date of the general assembly meeting, to provide each of the shareholders a copy of it. The report is read during the assembly.

## **Chapter Six** **Accounts Auditor**

### **Article Forty-Three: Appointment of the Auditor**

The company must have one or more auditors from among the auditors licensed to work in the Kingdom appointed by the Ordinary General Assembly annually, and his remuneration and the duration of his work are determined, provided that the period of his appointment does not exceed five continuous years, and he may be reappointed again after two years have passed from the end of the previous five-year period. The assembly may also change it at any time without prejudice to its right to compensation if the change occurred at an inappropriate time or for an unlawful reason.

### **Article Forty-Four: Authorities of the Auditor**

The auditor has the right at any time to view the company's books, records, and other documents, and he also has the right to request the data and clarifications that he deems necessary to obtain, to verify the company's assets, obligations, and other things that fall within the scope of his work. The chairman of the board of directors must 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 does not facilitate the work of the auditor, he must request the board of directors to call the ordinary general assembly to consider the matter.

## **Chapter Seven** **Company accounts and dividend distribution**





#### Article Forty-Five: The Fiscal Year

The company's fiscal year begins from the first of January and ends at the end of December of each calendar year, provided that the first fiscal year begins from the date of the ministerial decision announcing the company's transformation until the end of December of the following year.

#### Article 46: Financial documents

1. At the end of every financial year for the company, the board of directors must prepare the company's financial statements and a report on its activities and financial position for the past financial year. This report includes the proposed method for distributing profits. The board shall place these documents at the auditor at least (45) forty-five days before the date set for the meeting of the general assembly.
2. The chairman of the company's board of directors, the Chief Executive Officer, and its financial director must sign the documents referred to in Paragraph 1 of this Article, and copies of them shall be submitted in the head office of the company with availability to the shareholders at least (21) twenty (21) days before the date set for the meeting of the general assembly.
3. The chairman of the board of directors shall provide the shareholders with the financial statements of the company, the report of the board of directors, and the auditor's report, unless they are published in a daily newspaper distributed in the company's head office. He must also send a copy of these documents to the Ministry and the Financial Market Authority, at least (15) fifteen days before the date of the General Assembly meeting.

#### Article Forty-Seven: Dividend distribution

The annual net profits of the company are distributed after deducting all general and other expenses as follows:

1. (10%) of the net profits shall be set aside to form the legal reserve for the company. The Ordinary General Assembly may decide to stop this retainer whenever the said reserve reaches 30% of the paid capital.
2. The Ordinary General Assembly, based on the proposal of the Board of Directors, may reserve a certain percentage of the net profits to form an agreed reserve to be allocated for a specific purpose or purposes determined by the Board of Directors.
3. The Ordinary General Assembly may decide to create other reserves, to the extent that it serves the interest of the company or ensures that fixed profits are distributed as much as possible to the shareholders. The aforementioned assembly may also deduct amounts from the net profits to establish social institutions for the company's employees or to assist those existing from these institutions.
4. From the remainder after that, a percentage representing (5%) of the paid-up capital of the company shall be distributed to the shareholders, or according to what is decided by the Ordinary General Assembly in this regard.
5. Subject to the provisions stipulated in Article Twenty of this Law, and Article 76 of the Companies Law, an amount is allocated after the above for the remainder of the remuneration of the Board of Directors, provided that the entitlement of this remuneration is proportional to the number of sessions attended by the member.
6. The company may distribute temporary profits to its shareholders on a semi-annual or quarterly basis after fulfilling the controls and requirements laid down by the concerned authorities in this regard.

#### Article Forty-Eight: Entitlement to Profits

The shareholder is entitled to his share of the profits under the decision of the General Assembly issued in this regard, and the decision specifies the date of entitlement and the date of distribution, and the eligibility of the profits shall be to the owners of the shares registered in the shareholders' records at the end of the day specified for entitlement.



#### **Article Forty-Nine: Dividends Distribution for Preferred Shares**

1. If profits have not been distributed for any fiscal year, it is not permissible to distribute profits for the following years except after paying the specified percentage under the provisions of Article (one hundred fourteen) of the Companies Law for owners of preference shares for that year.
1. If the company fails to pay the specified percentage under the provisions of Article (one hundred fourteen of the Companies Law) from the profits for three consecutive years, then the special assembly of owners of these shares held under the provisions of Article (eighty-nine) of the Companies Law may decide Either they attend the general assembly meetings of the company and participate in the vote, or they appoint representatives on the board of directors in proportion to the value of their shares in the capital, until the company can pay all the priority dividends allocated to the owners of these shares for previous years.

#### **Article fifty: Company losses**

1. If the losses of the joint-stock company amount to half of the paid-up capital, at any time during the fiscal year, an official in the company or the auditor must immediately inform the chairman of the board of directors, and the chairman of the board of directors must immediately inform the members of the board of that, and the board of directors during Fifteen days from his knowledge of this, to invite the extraordinary general assembly to a meeting within forty-five days from the date of his knowledge of the losses, to decide either to increase or decrease the company's capital under the provisions of the Companies Law, to the extent that the percentage of losses decreases to less than half of the paid capital, or to dissolve The company before the term specified in this system.
2. The company is considered terminated 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 convenes and is unable to issue a decision on the matter, or if it decides to increase the capital according to the conditions stipulated in this Article and the subscription has not been completed. In each capital increase within (90) ninety days from the issuance of the assembly's decision to increase it.

### **Chapter Eight Disputes**

#### **Article 51: Liability Claim**

1. Every shareholder has the right to file a liability lawsuit for the company against the members of the board of directors if the mistake made by them would cause special harm to him. The shareholder may not file the aforementioned lawsuit unless the company's right to file it is still valid. The shareholder must inform the company of his intention to file a lawsuit. While restricting his right to claim compensation for the special damage he suffered.
2. The company may charge the expenses charged by the shareholder to institute a lawsuit against the company, regardless of its outcome, under the following conditions: -
3. If he filed a lawsuit in good faith.
4. If he submitted to the company for the reason for which he filed the lawsuit, and he did not get a response within thirty days.
5. If it is in the interest of the company to institute this lawsuit based on the provision of Article (seventy-nine) of the Companies Law.
6. The case must be based on a valid basis.



## **Chapter nine**

### **Dissolution and liquidation of the company**

#### **Article 52: Dissolution of the company**

As soon as the company expires, the company enters the role of liquidation and maintains the legal personality to the extent necessary for liquidation. The voluntary liquidation decision is issued by the extraordinary general assembly. The liquidation decision must include the appointment of the liquidator, specifying his authorities and fees, restrictions imposed on his authorities, and the time required for liquidation. The period of voluntary liquidation must not exceed five years, and it is not permissible. Extending it to more than that except by court order and the authority of the company's board of directors ends with its dissolution. Nevertheless, they remain in charge of managing the company and are counted concerning others in the judgment of liquidators until the liquidator is appointed. Shareholders' assemblies remain in place during the liquidation period and their role is limited to exercising their competencies that do not conflict with the terms of reference of the liquidator.

## **Chapter 10**

### **Final provisions**

#### **Article Fifty-Three**

The Companies Law and its bylaws are applied in all that is not stipulated in this policy.

#### **Article Fifty-Four**

This policy shall be placed and published under the provisions of the Companies Law and its regulations.

#### **Article Fifty-Five**

The members of the assembly at the company agreed to amend the articles of the company policy and committed to implement it and abide by its provisions.