



**Bylaws of the Knowledge Economic City Company
Saudi Listed Joint Stock Company**



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Chapter One: Incorporation of the Company

Article (1): Incorporation:

Pursuant to the provisions of the Companies Law and its Regulations and the provisions of these Bylaws, a Saudi Joint Stock Company shall be incorporated pursuant to the following:

Article (2): Name of the Company:

Knowledge Economic City, (Saudi Listed Joint Stock Company)

Article (3): Objectives of the Company:

- 1- To develop real property, reclaimed and other land, in economic cities or others with mixed use or other development operations, including infrastructure, telecommunication, water and electricity networks, water purification plants and other works related to development of economic cities.
 - 2- To promote, market and sell properties, buildings and plots of land with services for development or acquisition by others.
 - 3- To sell exploitation and usufruct rights for the purpose of development by others and to sell and market the usufruct of properties and residential units.
 - 4- To lease land, to carry out development operations, to lease buildings and residential units, to build facilities on land for others and to develop economic cities.
 - 5- To manage, operate and provide telecommunication and Internet network services and information, teaching and training centers, the added services to visual communication networks and other supporting services.
 - 6- To manage and operate infrastructure networks, to manage public utility and other knowledge industry aids and supporting services.
 - 7- To provide city management and cleaning services and to manage and operate water, electricity and telecommunication services.
 - 8- To obtain, own, acquire, sell, lease, mortgage, manage, rent or dispose in any other way of all the said properties, both movable and immovable (to the extent permitted by the Bylaws) as may be necessary to achieve the objectives of the Company.
 - 9- To purchase, own and establish offices, workshops, factories, fittings and other things as may be necessary or required for the Company's business.
 - 10- To manage housing services, tourism projects, resorts, hotels and serviced apartments.
 - 11- To manage and construct knowledge and educational projects, to develop software, to construct and manage scientific research centers, universities, colleges, institutes and academies.
 - 12- To undertake commercial agencies in within the business and objectives of the Company upon registration in the commercial agents' register.
 - 13- To organize exhibitions, conferences, e-commerce and engineering and management consultation.
- The Company shall carry on its activities pursuant to the applicable laws and after obtaining the necessary licenses from the competent authorities.

Article (4): Participation and Ownership in Companies:

The Company may establish companies on its own or in participation with others and may own stocks and shares in or merge with other existing companies upon fulfilling the requirements of the regulations and instructions followed in this regard. The Company may also dispose of such shares and stocks.

Article (5): Head Office of the Company:

The head office of the Company shall be located in Medinah, Kingdom of Saudi Arabia. The Board of Directors may open branches or other offices or agencies of the Company in or outside the Kingdom.

Article (6): Term of the Company:

The Company's term shall be indefinite and commence from the date of entry of the Company into the Commercial Register.



Chapter Two: Capital and Shares

Article (7): Capital:

The capital of the Company shall be (SR 3,393,000,000) (Saudi Riyals three billion three hundred ninety three million) divided into (339,300,000) (three hundred thirty nine million three hundred thousand) equal shares in cash and in-kind, with nominal value of Saudi Riyals (10) each, of which (239,300,000) (two hundred thirty nine million three hundred thousand) shares are paid in cash and (100,000,000) (one hundred million) shares are shares in-kind.

Article (8): Subscription to Shares:

The founders have subscribed to a number of the shares of the Company amounting to (237,300,000) (two hundred thirty seven million three hundred thousand) shares of which (100,000,000) (one hundred million) are in-kind shares and (137,300,000) (one hundred thirty seven million three hundred thousand) are cash shares and have paid the full amount of the cash shares being Saudi Riyals (1,373,000,000) (one billion three hundred seventy three million) by depositing it in the name of the Company under incorporation. The remaining amount of the capital, Riyals (1,020,000,000) (one billion twenty million), will be offered for public subscription within thirty days from the date of publication of the Ministerial Resolution issued on establishment of the Company as follows:

Sr	Shareholder	No. of Shares in Kind	No. of Shares in Cash	Value of Share in Riyals	Amount In Riyals
1	King Abdullah Bin Abdulaziz Foundation for Development Housing Dedicated to His Parents	100,000,000	0	10	1,000,000,000
2	Knowledge Economic City Developers Company	0	83,000,000	10	830,000,000
3	Savola Group	0	21,720,000	10	217,200,000
4	Projects Management and Development Real Estate Company	0	13,575,000	10	135,750,000
5	Taiba Holding Company	0	10,860,000	10	108,600,000
6	Al Rubaiyah International Real Estate Development Company	0	5,430,000	10	54,300,000
7	Ebla Developed Real Estate Company	0	2,715,000	10	27,150,000
-	Total	100,000,000	137,300,000	10	2,373,000,000

In-kind shares are two plots of land which represent the contribution of King Abdullah Bin Abdulaziz Foundation for Housing Development Dedicated to His Parents under title deed no. 33/1/3 issued by Medina Notary Public on 21/3/1428AH.

Article (9): Issuance of Shares:

The shares shall be nominal shares, they may not be issued for less than their nominal value. The Company may divide its shares into shares with lower nominal value and merge such shares to represent shares with higher nominal value in accordance with the controls established by the competent authority. A share shall be indivisible vis a vis the Company. If a share is held by multiple persons, they shall select one of them to represent them in exercising the rights attaching to the share. Such persons shall be jointly liable for the obligations arising from ownership of the share.

Article (10): Preferred Shares and Redeemable Shares:

The Extraordinary General Assembly of the Company may, pursuant to the bases and controls established by the competent authority, issue preferred shares or redeemable shares or decide to purchase such shares, convert ordinary shares into preferred shares or convert preferred shares into ordinary shares. Preferred shares shall not have voting rights at the General Assemblies of Shareholder. Such shares shall entitle their holders to receive a higher percentage of the net profits of the Company than the holders of ordinary shares after setting aside the statutory reserves, if any.

Article (11): Sale of Partly Paid-up Shares:

In the case of failure of a Shareholder to pay the share value at the times designated for the same or in the case of failure to make payment by the due date, the Board of Directors may, after notifying such Shareholder – through



any technology medium or on their address entered into the shareholders' register, sell such share in public auction or in the capital market, as the case may be, in accordance with the controls established by the competent authority. The Company shall receive the amounts due to the Company from the sale proceeds and shall pay any balancing amount to the Shareholder. If the sale proceeds are insufficient to cover these amounts, the Company may satisfy such amounts from all the properties of the Shareholder. The rights attaching to the shares the subject of default of payment shall be suspended pursuant to the relevant regulations. However, the defaulting Shareholder may, up to the date of sale, pay the due amount, in addition to any expenses incurred by the Company in this respect, in which case, the shareholder shall be entitled to claim for the dividends decided to be distributed.

Article (12): Purchase, Sale and Pledge by the Company of its Shares:

- 1) The Company may purchase, sell or pledge any category of its shares in accordance with the controls issued by the competent authorities. Shares purchased by the Company shall not have voting rights at the General Assemblies of the shareholders.
- 2) The Company may pledge shares pursuant to the controls issued by the competent authority. Unless otherwise provided by the pledge contract, the creditor pledgee may receive the dividends and exercise the rights attached to the share. However, the creditor pledgee shall not attend or vote at the General Assemblies of the shareholders.
- 3) The Company may purchase its shares for the purpose of using them to reduce the capital or for the purpose of keeping them as treasury shares pursuant to the relevant regulations and controls issued by the competent authorities .
- 4) In the case of purchase by the Company of its shares for keeping them as treasury shares, the Company shall use such shares only for the purposes provided in Article (Eighteen) of the Companies Law and in accordance with the relevant regulations and controls issued by the competent authorities, including allocating the shares to the employees of the Company in an employee shares program .
- 5) The Company may sell the treasury shares at once or at several stages pursuant to the relevant controls issued by the competent authorities.
- 6) Without prejudice to any other relevant laws and regulations, a person entitled to hold or acquire the shares of the Company for the benefit of another party may pledge such shares in accordance with the controls established by the competent authorities.

Article (13): Trading of Shares and Shareholders' Register:

The shares of the Company shall be traded pursuant to the provisions of the Capital Market Law and its Implementing Regulations.

Article (14): Capital Increase:

The Extraordinary General Assembly may decide to increase the issued or authorized (if applicable) capital of the Company, provided that the capital has been paid-up in full. The capital shall not be required to be paid-up in full if the unpaid portion of the capital relates to shares issued in exchange for the conversion of debt instruments or financing sukuk into shares and the period set for conversion has not yet expired.

In all cases, the Extraordinary General Assembly may allocate the shares issued by increase of the capital of the Company or part thereof to the employees of the Company or any of its subsidiaries. Shareholders may not exercise their pre-emptive rights on the issuance of the shares allocated for employees.

When the Extraordinary General Assembly issues a resolution approving capital increase, a Shareholder shall be entitled to a pre-emptive right to subscribe to the new shares issued against cash shares. Such Shareholders shall be notified of their pre-emptive right by any modern technology medium or by mail showing in their address in the shareholders' register concerning the decision of increase of the capital and the conditions, duration and commencement and expiry dates of subscription.

The Extraordinary General Assembly may stop application of the pre-emptive rights and vest the pre-emptive right in a Shareholder or new investors in accordance with the relevant laws and regulations.

The Shareholder may sell or assign the pre-emptive right pursuant to the regulations issued by the competent authorities.

The new shares shall be allocated to the holders of the pre-emptive rights who requested subscription in proportion to their respective pre-emptive rights to the total pre-emptive rights resulting from the capital increase, provided that the shares allocated to them shall not exceed the number of new shares requested by them. The balance number of shares shall be offered in accordance with the relevant laws.



Article (15): Capital Decrease:

The Extraordinary General Assembly may decide to decrease the capital by any of the means designated by law if it exceeds the Company's needs or if the Company incurs losses. Only in the latter case the capital may be decreased below the limit specified by the Companies Law. The decision to decrease the capital shall not be issued until a statement is prepared by the Board of Directors on the reasons justifying such decrease, the Company's liabilities and the impact of the decrease on meeting such liabilities has been read at the General Assembly. The statement shall be accompanied with a report prepared by the Auditor of the Company.

If the decrease of the capital is due to exceeding the Company's needs, the creditors shall be invited to submit their objections - if any - to the decrease within the period specified by the law to the date of holding the Extraordinary General Assembly for passing the decrease decision, and as provided by the law. If a creditor objects to the decrease and submits their documents to the Company within the period specified by law, the Company shall pay the debt owed to the creditor if it is due or provide such creditor with a sufficient guarantee if it is not due.

Article (16): Issuance of Debt Instruments and Finance Sukuk:

The Company may issue any type of sukuk and instruments pursuant to the applicable controls and laws.

1. The Company may, by resolution of the Board of Directors, issue debt instruments or finance Sukuk or any other debt instruments, in Saudi or other currency, in or outside the Kingdom of Saudi Arabia, in one or more part(s) or by way of a series of issues under one or more program(s) established by the Board of Directors from time to time, all within the timelines, for the amounts and on the conditions approved by the Board of Directors of the Company who shall have the right to take all the necessary procedures for issuance of the same.
2. The Company may, by resolution of the Extraordinary General Assembly, issue debt instruments or finance Sukuk which are convertible into shares upon resolution of the Extraordinary General Assembly specifying the maximum number of shares which may be issued against such instructions or Sukuk, whether such instruments or Sukuk were issued simultaneously, through a series of issues or through one or more program(s) for issuance of debt instruments or finance Sukuk. The Board of Directors shall, without the need for a new approval of the Extraordinary General Assembly, issue new shares against such instruments or Sukuk whose holders request conversion, immediately upon expiry of the conversion period specified for the holders of such instruments or Sukuk. The Board of Directors of the Company shall take the necessary action to amend the Bylaws of the Company in relation to the number of issued shares and capital. The Board of Directors of the Company shall complete the procedures of reflecting every increase of the capital into the Commercial Register.

Chapter Three: Board of Directors

Article (17): Management of the Company

The Company shall be managed by a Board of Directors consisting of eleven (11) members elected by the General Assembly for four (4) years by cumulative voting. The members of the Board of Directors shall be nominated in accordance with the relevant laws and may be re-elected for additional terms in accordance with the procedures and controls established by the competent authority.

As an exception, the founders have appointed the first Board of Directors of the following members for a term of five years commencing from the date of the Ministerial Resolution announcing the incorporation of the Company:

1. His Royal Highness Prince Khalid Bin Abdullah Bin Abdul Aziz Al Saud
2. His Excellency Mr. Ibrahim Abdul Rahman Al Tasan
3. His Excellency Dr. Yousef Ahmed Al Othaimeen
4. His Excellency Eng. Abdul Aziz Abdul Rahman Al Hussien
5. His Excellency Dr. Majid Abdullah Al Qasbi
6. Dr. Sami Mohsen Baroum
7. Mr. Saleh Mohammad Binladen
8. Eng. Adil Abdul Mohsen Al Mandil
9. Mr. Adel Bin Mohammad Al Zaid
10. Eng. Tahir Mohammad Bawazir
11. Dr. Abdullah MohammadAli Telmesani

Article (18): Expiry of Board Membership:

Membership of the member of the Board shall expire upon expiry of the term of his appointment or upon resignation, death or disqualification of the member pursuant to any law or instructions applicable in the Kingdom. However, the Ordinary General Assembly may remove all or any of the members of the Board of Directors at any time without prejudice to the removed member's right to claim against the Company for compensation if such removal occurs for an invalid cause or at an inappropriate time. The member of the Board of Directors may resign his position provided that the resignation is at an appropriate time otherwise the member shall be liable to the Company for any damages resulting from such resignation.



Article (19): Vacant Position in the Board:

If the position of a Board member becomes vacant, and where such vacancy does not result in breach of the conditions required for validly holding the Board meetings by reason of the number of members falling below the minimum number provided by the law or the Bylaws of the Company, the Board may appoint a member to temporarily fill the vacancy, provided that such member shall meet the conditions of experience and efficiency and that the competent authorities shall be notified accordingly within the period specified by such authorities from the date of appointment. The appointment shall be presented to the Ordinary General Assembly at its first following meeting. The appointed member shall complete the term of his predecessor or the seat shall remain vacant until the expiry of the term of the Board, as may be considered proper by the Board. If the conditions necessary for the validity of the meetings of the Board of Directors are not met due to the number of members falling below the minimum stipulated in the Companies Law or the Bylaws of the Company, the remaining members shall call for an Ordinary General Assembly within the period specified by the competent authorities to elect the required number of members.

Article (20): Powers of the Board of Directors:

a) Subject to the powers reserved for the General Assembly, the Board of Directors shall have the widest powers and authorities in management of the Company, drawing its policies, approving and supervising the implementation of its strategic orientations and main objectives, determining its investments, supervising its business and properties in order to attain its objectives and conduct its affairs in and outside the Kingdom of Saudi Arabia. The Board shall be entitled within its powers to delegate one or more of its members or third parties to carry out specific work(s). The Board of Directors shall be authorized to do all acts which do not fall within the powers and authorities of the General Assembly, with the exception of the powers, functions and authorities that may be delegated to the Board by the General Assembly. The Board of Directors shall, without limitation, represent the Company in its relationships with others, government and private authorities, notaries public, labor offices, civil rights offices, police stations, chambers of commerce and industry, private bodies and companies, and shall collect the execution proceeds. The Board shall be also authorized to establish companies of all forms and to amend, deregister and merge the same to the extent to which the same is not inconsistent with the laws and to approve providing financial support to any subsidiary or associated companies or companies in which the Company participates, in the amount and the manner considered proper by the Board and to sign all types of contracts, documents and instruments including, without limitation, articles of associations of companies in which the Company is a partner and the amendments thereto, increase and decrease of the capital, decisions of amendment by purchase, sale and transfer of shares and stock, to sign agreements and deeds before the notary public and the government authorities, as well as loan and guarantee agreements, waive priority in payment of the debts of the Company, issue powers of attorney on behalf of the Company, sell, purchase, mortgage and dispose of real property, assets and properties of the Company, provided that the minutes of the Board of Directors shall include the recitals of its decision on disposition (the reasons and rationale of the sale, the sale shall be close to the price of similar property and that the sale is a spot sale with the exception of the cases determined by the Board and with sufficient guarantees, and such disposition shall not result in discontinuation of certain activities of the Company or creating further obligations on the Company). The Board shall obtain the approvals required by law in relation to sale of assets with value exceeding (50%) of the total assets whether such sale is made in one transaction or in several transactions, as specified by the relevant laws and regulation. The Board shall be authorized to transfer and accept transfer, to receive and deliver, to lease and rent, to collect and pay, to open accounts and letters of credit, to withdraw and deposit funds with banks and all financial institutions of all forms including, without limitation, investment funds, finance and financial brokerage companies, trustees, open investment portfolios and appointment of managers of and taking all actions relating to the same, issue bank guarantees and sign all documents, papers, cheques and all banking transactions.

The Board may appoint delegates, attorneys or legal representatives for the Company pursuant to the law, for representing the Company before others and before all ministries, government authorities, secretariat generals, general courts, Board of Grievances, administrative courts, judicial committees of all types and degrees, all government and execution authorities, ministries and departments and their instrumentalities in relation to all claims, with the same powers of the chairman of the Board of Directors and the managing director. The Board may also appoint and dismiss employees and workers, apply for visas, recruit, and contract labor from abroad and determine their salaries, issue residency visas, transfer and assign sponsorships. The Board may within its powers appoint one or more of the Board members or third parties to carry out any of its works. The Board shall be authorized to establish and open branches, offices or agencies of the Company in or outside the Kingdom of Saudi Arabia, and appoint managers of the branches and specify their activities.



b) The Board of Directors may enter into loans with government funds and finance institutions of whatever term, and may enter into other commercial loans of whatever term. The Board of Directors may apply for facilities and loans of all types from banks and finance institutions, of whatever amount or term, and may sign guarantees and apply for issuance of guarantees, open letters of credit on behalf of the Company, sign facility contracts and documents, sign, execute, endorse and receive promissory notes. The Board of Directors may, in its discretion, discharge the debtors of the Company from their liabilities as may be in the interest of the Company. The Board shall be authorized to enter into settlement, waiver and contracts and may enter into commitments and binding agreements in the name and on behalf of the Company. The Board of Directors may perform all the acts and transactions that would achieve the objectives of the Company including, without limitation:

a. To approve and supervise implementation of the strategic orientations and the main objectives of the Company including:

1. To approve, review and direct the comprehensive strategy and the main objectives of the Company, the main business plans and the risk management policy.
2. To identify the optimum capital structure, the strategy and financial objectives of the Company and to approve its annual budget.
3. To supervise the main capital expenditures of the Company and to acquire and dispose of assets on behalf of the Company.
4. To review the performance targets and to oversee the comprehensive implementation and performance in the Company.
5. To periodically review and approve the organizational and functional structures of the Company.

b-To set and supervise regulations and controls for internal control, including:

- 1-To ensure application of the policies regulating conflict of interest and addressing potential conflicts of interest of each member of the Board of Directors, the executive management, the Shareholders and the employees, including misuse of the assets and facilities of the Company and misconduct resulting from dealing with related persons.
- 2-To ensure integrity of the financial and accounting systems, including the systems relevant to preparing financial reports.
- 3-To ensure application of appropriate control systems for risk management through determining the resulting perception of the risks that may be encountered by the Company and presenting such risks transparently.
- 4-To annually review the effectiveness of the internal control procedures of the Company.

c-To ensure application of the policies regulating the relationship with stakeholders for protecting and preserving the rights of stakeholders. This policy shall cover- in specific:

- 1-The mechanisms of compensating the stakeholders for infringement of their rights recognized by regulations and protected by contracts.
- 2-The mechanisms of settlement of complaints or disagreements that may arise between the Company and the stakeholders.
- 3-The appropriate mechanisms for establishing good relationships with customers and suppliers and keeping confidential information relating to them.
- 4-The rules of professional conduct for the managers and employees of the Company which are compatible with the sound professional and ethical standards and regulation of the relationship between them and the stakeholders, provided that the Board of Directors shall establish mechanisms to monitor the application of and compliance with these rules.
- 5-The social contribution of the Company.

d-To ensure application of the policies and procedures which ensure the Company's respect of the laws and regulations and its compliance with disclosure of material information to the Shareholders, creditors and other stakeholders.

e-To enable the employees of the Company to communicate and report the information in their possession which indicates presence of irregular or unethical practices in the Company's work which would result in harming the interests and reputation of the Company.

f-To authorize the members of the Board of Directors to have direct or indirect interest in the business and contracts made to the account of the Company or to participate in any business that would be competing with the Company or with any of the activities carried on by the Company, provided that the Board obtains authorization in the same from the General Assembly pursuant to the controls provided in the relevant laws and regulations .

The Board of Directors may form committees emanating from it to assist the Board in fulfillment of its obligations and performance of its duties in management and supervision of the Company's operations, each within their respective function, expertise and term. The Board may form other committees pursuant to the laws of the Capital Market Authority and their Implementing Regulations and the decisions of the competent authorities.



g-The Board may form an executive committee to assist the Board in performing the duties and tasks vested in the Board to ensure smooth and uninterrupted conduct of the Company's operations and to assist the Board in establishing the main strategic objectives of the Company and its investment strategy. The committee shall have the powers and duties vested in the Board of Directors in performance and approval of the activities vested in it by the Board .

h-To establish endowments, to participate in any existing endowments, to determine the investments and expenditures of the endowment, to appoint and dismiss superintendents, and to specify their powers.

Article (21): Remuneration of the Members of the Board of Directors:

a)The remuneration of the members of the Board of Directors shall consist of a specific amount, an allowance for attendance of meetings, an allowance for expenses, benefits in-kind or a percentage of the profits. Two or more of these benefits may be combined which may be of variable amount in accordance with the remuneration policy approved by the Board of Directors. Remuneration may be given to the chairman of the Board of Directors, the vice chairman and the managing director in addition to the remuneration designated for the members of the Board of Directors as may be approved by the members of the Board of Directors. The Board of Directors shall disclose in the annual report of the Board of Directors the details of the remunerations pursuant to the relevant regulations.

b)The Board of Directors shall determine the remunerations of the members of the committees, the attendance allowance and the other benefits based on the recommendation of the Remuneration and Nomination Committee. Remunerations shall be disbursed as per the policy approved by the Board.

Article (22): Chairman and Vice Chairman of the Board, Managing Director and Secretary and their Powers:

The Board of Directors shall appoint at its first meeting – at the beginning of every new term- from among its members, a chairman and a vice chairman of the Board, as required by the laws. The Board may also appoint from among its members a managing director. The position of the Chairman of the Board of Directors and any other executive position in the Company may not be held by the same person pursuant to the relevant laws. The vice chairman shall replace the Chairman of the Board of Directors on his absence.

The Chairman of the Board of Directors shall follow-up all the business and activities of the Company and shall issue decisions and directives concerning them and shall approve the decisions and determine the matters within his powers, direct the Board in performing its duties and responsibility effectively, convene the Board meetings and identify the matters to be addressed at the meetings taking into consideration the matters proposed by the members, manage the meetings of the Board and encourage full and effective participation of all the members in the best interest of the Company, establish constructive relationships between the members, follow-up regularity of the Board meetings and conducting its business in a timely manner in accordance with the approved business plan of the Board, follow-up management of the Company in implementing the Board decisions, follow-up the business of the Board committees and ensure effective performance of their powers, supervise convention of the General Assembly meetings and chair its meetings and take the necessary action to ensure effective communication between the Board and the Shareholders. In addition to the powers delegated from time to time by the Board the Chairman of the Board shall represent the Company in its relationships with others, government authorities and private entities and before the judicial authorities, take the necessary procedures for attending the hearings in all claims and for representing the Company before courts of all types, authorities, bodies and judicial committees of all degrees, types and categories and submit defence and pleadings before them, the Board of Grievances and notaries public, submit memoranda and statements of claims, hear evidence and witnesses and reject the same, make admission, denial, conciliation and release, accept and appeal judgments, file appeals and petitions, appear before police stations and all execution authorities and execution courts, apply for attachment and execution of all types, represent the Company before chambers of commerce and industry, labor offices, supreme and first instance committees, commercial papers committees, financial dispute resolution committees, banking dispute settlement committees, commercial dispute resolution committees, the Secretariat General of Zakat and Tax Committees, commercial deceit committees, control and combatting of corruption Authority, and the other judicial committees, arbitration and civil rights tribunals, police stations, civil defence, chambers of commerce and industry, government authorities, private bodies, companies and institutions of all kinds, enter into tenders, receive and make payments, receive the entitlements of the Company with others, admit, claim, defend, plead, sue and discharge, hear and respond to claims, enter into conciliation, make waiver and denial, request oath and reject and refuse to make it, call witnesses and evidence and appeal the same and pre-emption, accept and appeal to judgments, respond, challenge and amend, challenge by forgery, deny handwriting, seals and signatures, apply for ban of travel and lifting the same, request application of Article (230) of the Procedures Law, file appeal, apply for review, apply for restoration of status, apply for pre-emption, apply for attachment and execution of judgments, appeal and deny judgments, agree to resort to arbitration, appoint arbitrators on behalf of the Company and remove them, receive the execution proceeds, receive judgments, apply for recusing judgments,



apply for joinder and interference in claim, apply for extracts of possession deeds, apply for amendment of deeds of title and their lengths, with the right to sign all types of contracts, instruments and documents, whether manually or via electronic media or networks, including, without limitation, sign and amend articles of association of subsidiary or associated companies and companies in which the Company participates and any amendments thereto, and all decisions of the shareholders in such companies, cancel memoranda of association, publish memoranda of association, amendment, extracts and articles of association of the same, as may be determined by the competent authority, admission and withdrawal of shareholders, enter into existing companies, acquire shares and stock and pay, purchase and sale of shares and receipt of the price thereof, transfer of shares and stock in the capital, accept transfer of shares, stock and capital, increase, decrease and determine the capital, transfer of shares, stock, instruments and Sukuk, amend articles of association of subsidiaries and sign decisions of shareholders of such subsidiaries for liquidation of the same and the decisions of appointment or removal of directors, appoint superintendents in the endowments established or contributed in by the Company and identify their powers and remove them, determine the investments of the endowments and the expenditures thereof, make amendments, appoint representatives for the Company in the general assemblies of shareholders of meetings of the partners, notarize contracts and sign before the Companies Department of the Ministry of Commerce and the notary public, make amendments and changes, add, delete, procure and renew commercial registers and receive and deregister the same, change names of companies, sign all agreements, deeds and transfer before the notary publics, the Ministry of Commerce and the relevant government authorities, establish and sign loan agreements, securities and guarantees, issue powers of attorneys on behalf of the Company, follow-up transactions, collect entitlements and settle liabilities of the Company, sell, purchase, transfer, accept transfer and receive the price in any manner as he considers proper, receive and deliver, lease and rend, receive and pay, open and manage bank accounts of all types and investment portfolios, make withdrawal and deposit with banks, issue cheques, execute, amend and cancel documents of all types and promissory notes, issue bills of exchange bank letters of guarantee and securities, sign all documents and cheques and all banking transactions, appoint signatories and remove them, sign loan contracts and bank facilities, borrow from commercial banks, government banks, government finance funds and other finance institutions, sell, purchase, transfer and accepted transfer and receive the price by manager's cheque or by bank transfer in the name of the Company, make mortgage and release the same, issue deeds, amend deeds and procure deeds in lieu of lost ones, rent and lease in favour of the Company, sign lease agreements, receive and pay the lease amount and invest the Company's funds, with the right to appoint and remove employees, enter into contracts with them, pay their remuneration and terminate their services, apply for visas and recruit and deport labour, procure work permit and visas, transfer and waive sponsorship, apply for tenders, submit bids, establish and open branches, offices or agencies of the Company in or outside the Kingdom, appoint managers for branches and determine their activities, appoint representatives and directors for the Company in subsidiaries or in companies in which the Company has investments, attend the general assemblies of the companies in which the Company participates or is a shareholder, appoint chartered accountants for the Company, with the right to register businesses, trade names, commercial agencies and trademarks, apply for renewal of commercial agencies and trademarks, with the right to delegate to one or more members of the Board, employees of the Company or third parties, appoint attorneys, delegates, advocates and legal representatives pursuant to the laws, and authorize them and issue powers of attorney for them with the authority to sub-delegate all or any of the foregoing powers to others and to remove them and cancel the authorization or power of attorney in whole or in part.

The Board of Directors shall appoint, from among its members or from others, a secretary for the Board. The Chairman shall determine the powers and remuneration of the secretary. The membership of the Chairman, vice chairman, managing director or secretary shall not exceed the term of their respective memberships on the Board and they may be re-elected. The Board may at any time remove all or any of them without prejudice to the right of the removed member to compensation if the removal occurs for unlawful cause or at an inconvenient time. The Board of Directors shall determine, by resolution, the remuneration of the Chairman of the Board of Directors, the vice chairman and the managing director in addition to the remuneration prescribed to the members of the Board of Directors.

The vice chairman of the Board shall represent the Chairman in his absence.

The managing director- if appointed- shall have the powers determined by the Board of Directors.

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

The Board of Directors shall meet not less than four times in every year upon invitation by the Chairman of the Board. The invitation shall be sent by mail, email, fax or by any technology medium. The Invitations may be sent by the secretary on behalf of the Chairman of the Board of Directors. The meeting shall be held at the place designated by the Board and may be held by use of modern technology. The Chairman of the Board shall convene a meeting whenever requested to do so by any member of the Board for discussing one or more matters.



Article (24): Quorum and Resolutions of the Meetings of the Board:

A meeting of the Board shall be valid only if attended (in person or by proxy) by fifty percent of the members at least. The Chairman of the Board of Directors may delegate another member to attend the meetings of the Board in accordance with the following controls:

- a) The member of the Board of Directors may not represent more than one member to attend the same meeting.
- b) The delegation shall be in writing or by any technology medium for a specified meeting.
- c) The proxy shall not (in connection with the vote of the delegating member) vote on decisions concerning which the delegating member is prohibited to vote.

The decisions of the Board shall be issued by the majority of the votes of the members of the Board present (in person or by proxy), and in the case of a tie, the chairman of the meeting shall have a casting vote.

The Board may issue decisions by presenting such decisions to each of the members by circulation separately, unless a member requests in writing to hold a meeting of the Board for deliberation of such decisions. Such decisions shall be presented to the Board of Directors at its first meeting following the same. A decision of the Board of Directors shall be valid from the date of issuance, unless it provides for another time or realization of certain conditions for its validity.

Article (25): Deliberations of the Board:

The deliberations and decisions of the Board shall be recorded in minutes signed by the Chairman of the Board, the present members and the secretary. The minutes shall be entered into a special register signed by the Chairman of the Board and the secretary. Modern technology may be used for signing and recording the deliberations and decisions and for recording the minutes.

Chapter Four – Board Committees

Article (26): Board Committees:

The Board of Directors may form committees pursuant to the needs, circumstances and conditions of the Company to assist the Board in performing its duties effectively. The Board shall specify the duties and the term of every committee, and the proper powers vested in it throughout such term, and shall coordinate among such committees for the purpose of realization of the objectives for which the committee is formed and determination of the matters presented to the committee, in accordance with the laws and regulations.

Chapter Five – Rights and Assemblies of Shareholders

Article (27): Attending General Assemblies:

The General Assembly shall be held in the city in which the principal office of the Company is located or as specified by the Board of Directors. Modern technology may be used for holding the General Assembly meeting in accordance with the regulations and controls. A Shareholder shall be entitled to attend the General Assemblies of shareholders (in person or through technology media). A Shareholder may delegate another person who is not a member of the Board of Directors to attend the General Assembly. Delegation shall be pursuant to the controls specified by the competent authorities.

These Bylaws and the regulations and controls issued by the competent authorities shall guarantee to all Shareholders exercise of all the rights associated with their shares, without discrimination between the holders of the shares of the same class, including the voting rights, the right to receive the distributed profits, the right to dispose of their shares and to receive a share of the assets of the Company upon liquidation.

Article (28): Functions of the Ordinary General Assembly:

With the exception of the functions of the Extraordinary General Assembly, the Ordinary General Assembly shall be responsible for all the matters relating to the Company and shall be held at least once during the six months following the end of the financial year of the Company. Other Ordinary General Assembly meetings may be convened as and when the need arises for the same. The requirement of holding the annual General Assembly shall be fulfilled by holding an Extraordinary General Assembly during the (six) months following the end of the financial year of the Company if its agenda includes the items to be presented to the annual Ordinary General Assembly and as specified by the relevant regulations.



Article (29): Functions of the Extraordinary General Assembly:

The Extraordinary General Assembly shall have the power to amend the Bylaws of the Company excluding the provisions which amendment is prohibited by law. The Extraordinary General Assembly may issue decisions on matters that fall within the functions of the Ordinary General Assembly under the same terms and conditions prescribed for the Ordinary General Assembly.

Article (30): Invitation to the Assembly Meetings:

Meetings of the General Assemblies of Shareholders shall be held upon invitation by the Board of Directors. The invitation for the General Assembly meeting and the agenda shall be published by any technology medium prior to the time scheduled for holding the meeting as provided by the relevant regulations issued by the competent authorities. The Board of Directors shall convene a meeting of the General Assembly within (30) days upon request of the auditor or a one or more Shareholders representing not less than (ten percent) of the shares of the Company with voting rights. The Auditor may convene the Ordinary General Assembly if the Board fails to send the invitation within the specified period from the date of the Auditor's request. The invitation and agenda of the General Assembly meeting shall be published through any technology medium prior to the time scheduled for the meeting as provided in the relevant regulations issued by the competent authorities. The invitation of the General Assembly meeting shall include the main elements provided in the laws and regulations issued by the competent authorities. A copy of the invitation and the agenda shall be sent to the competent authorities on the date of publication of the invitation. The General Assembly meeting may be held, and a Shareholder may participate in the deliberations and voting on the decisions by modern technology means.

Article (31): Quorum of the Ordinary General Assembly Meeting:

An Ordinary General Assembly meeting shall be valid only if attended by Shareholders representing not less than (one quarter) of the shares of the Company with voting rights. If the quorum required for this meeting is not achieved, invitation shall be sent for holding a second meeting within the (30) thirty days following the first meeting. However, the second meeting may be held after one hour from the time specified for holding the first meeting provided that the invitation for the first meeting notes the same. The invitation shall be published in the manner stipulated in Article (30) of these Bylaws. The second meeting shall be validly held regardless of the number of shares with voting rights represented at the meeting.

Article (32): Quorum of the Extraordinary General Assembly Meeting:

An Extraordinary General Assembly Meeting shall be valid only if attended by Shareholders representing not less than (half) of the shares of the Company with voting rights. If this quorum is not achieved for this meeting an invitation shall be sent for holding a second meeting in accordance with the same conditions provided in Article (30) of these Bylaws. However, the second meeting may be held after one hour from the end of the period specified for the first meeting, provided that the invitation for the first meeting provides for the possibility of holding a second meeting. The second meeting shall be validly held if attended by a number of Shareholders representing not less than (one fourth) of the shares of the Company with voting rights. If the quorum required for holding the second meeting is not available, an invitation shall be sent for a third meeting to be held in accordance with the conditions provided in Article (30) of these Bylaws. The third meeting shall be validly held regardless of the number of shares with voting rights representing at the meeting, upon approval of the competent authorities.

Article (33): Voting at General Assembly Meetings:

A Shareholder shall have one vote for every share at the Ordinary General Assemblies and the Extraordinary General Assemblies. The members of the Board of Directors shall not participate in voting on the decisions of the General Assembly which they are prohibited from voting on pursuant to the relevant laws.

Article (34): Decisions of the General Assembly:

Decisions of the Ordinary General Assembly shall be passed by the majority of the voting rights represented at the meeting. Decisions of the Extraordinary General Assembly shall be passed by the majority of (two-thirds) of the voting rights represented at the meeting, unless the decision is relating to increase or decrease of the capital of the Company, dissolution of the Company or merger of the Company with another company, in which cases the decision shall be valid only if passed by the majority of (three- fourths) of the voting rights represented at the meeting. The Board of Directors shall enter with the competent authorities the decisions of the Extraordinary General Assembly within the period specified in the relevant laws. The decisions of the General Assembly shall be valid from the date of issuance, with the exception of the cases specified by the relevant laws, or the decision which provides that it shall be valid at another time or on realization of certain conditions.



Article (35): Deliberations at the General Assembly Meetings:

A Shareholder shall have the right to discuss the subjects listed on the agenda of the meeting and may address questions on the same to the members of the Board of Directors and the Auditor. The Board of Directors or the Auditor shall answer questions of the Shareholders to the extent the same is not detrimental to the interests of the Company. If a Shareholder considers the answer to their question is unsatisfactory, they may appeal to the Assembly whose resolution in that regard shall be enforceable.

Article (36): Chairman of the General Assembly Meetings and Preparation of its Minutes:

The General Assembly meeting shall be chaired by the chairman or, in his absence, the vice Chairman of the Board of Directors or, in the absence of the chairman and vice chairman, by a member elected by the Board of Directors from among its members present at the meeting. The chairman shall appoint a secretary and a vote counter. Minutes of the General Assembly meetings shall be prepared and shall include the number of Shareholders present or represented at the meeting, the number of the shares held by them in person or by proxy and the number of the votes prescribed to the shares, the decisions taken by the meeting and the number of the affirmative or disapproving votes on such decisions, and a comprehensive summary of the deliberations that took place at the meeting. The minutes shall be entered on regular basis after every meeting into a special register signed by the chairman and the secretary of the meeting and the vote counter.

Chapter Six - The Auditor

Article (37): Appointment, Removal and Resignation of the Auditor:

The Company shall have one or more auditors from among the auditors licensed to practice in the Kingdom who shall be appointed and whose remuneration and scope and term of work shall be determined by the General Assembly. The Auditor may be re-elected, provided that the total term of appointment of the Auditor shall not exceed the term specified in the relevant laws and regulations. The General Assembly may at any time remove the Auditor without prejudice to the Auditor's right to claim for compensation of the damage sustained by them if the same is justified. The Board of Directors may, in emergency cases, remove the Auditor and appoint another auditor. The removal and appointment shall be presented to the nearest General Assembly. The Chairman of the Board of Directors shall notify the competent authorities of the removal decision and cause within the period specified in the relevant laws. In the case of resignation of the Auditor the Board of Directors shall convene a General Assembly meeting to consider the causes of removal and appointing another auditor. The controls provided by the relevant laws and regulations shall be observed on appointing the Auditor.

Article (38): Powers of the Auditor:

The auditor shall, at any time, have access to the accounting books and records of the Company and the supporting documents, and may request any statements or clarifications as they consider necessary to verify the assets and liabilities of the Company and may perform any other function within the scope of the Auditor's work. The Chairman of the Board of Directors shall enable the Auditor to perform their duties. If the Auditor faces any difficulty in this regard, they shall state that fact in a report to be submitted to the Board of Directors. If the Board does not facilitate the duty of the auditor, the auditor shall request the Board to convene the Ordinary General Assembly to consider the issue.

Chapter Seven - The Company Accounts and Profit Distribution

Article (39): Financial Year:

The financial year of the Company shall commence on 1 January and shall end on 31 December of every calendar year.

Article (40): Financial Documents:

At the end of the financial year, the Board of Directors shall prepare the financial statements of the Company and a report on its activities and financial position for the ended financial year and their recommendation on the method of distribution of dividends. The Board of Directors shall put these documents at the disposal of the Auditor prior to the date scheduled for holding the General Assembly pursuant to the term specified by the law. The Chairman of the Board of Directors or a member delegated by the Board and the CEO and the CFO shall sign the aforesaid documents. Copies of the aforesaid documents shall be deposited in the principal office of the Company and shall be made available to the Shareholders in accordance with the term specified by law. The Chairman of the Board of Directors shall provide the Shareholders with the financial statements of the Company, the Board of Directors' report and the Auditor's report, unless they are published by any modern technology medium within the period specified by the relevant laws and regulations and shall file these documents in accordance with the relevant laws and regulations.



Article (41): Formation of Reserves and Distribution of Profits:

- 1) The Ordinary General Assembly may- on determining the net profits allocated to the shares- decide to form reserves, to the extent of achieving the interest of the Company or guaranteeing distribution of fixed profits- to the extent possible- to the Shareholders. The said Assembly may also deduct amounts from the net profits to achieve social objectives for the employees of the Company, to establish non-profit charitable institutions or to extend aid to existing institutions serving the community, for initiatives supporting and motivating the employees or for any other purposes.
- 2) The General Assembly shall specify the percentage to be distributed to the Shareholders from the net profits after deduction of the reserves- if any- as required by the laws in this respect.

Article (42): Interim Profits:

The Company may distribute interim profits to its Shareholders on biannual or quarterly basis in accordance with the controls set by the competent authorities.

Article (43): Entitlement to Profits:

A Shareholder shall be entitled to their share in the profits in accordance with the decision of the General Assembly or the decision of the Board of Directors – as the case may be- issued in this regard. The decision shall note the entitlement date and the distribution date. Entitlement to profits shall be for the Shareholders who are registered in the Register of Shareholders at the end of the day specified for entitlement. The profits determined to be distributed to Shareholders shall be paid at the place and time specified by the Assembly of the Shareholders or the Board of Directors – as the case may be- in accordance with the instructions issued by the competent authority.

Article (44): Distribution of Profits to Preferred Shares:

- 1) If in any financial year no dividends are distributed, dividends shall be distributed for the following years only after payment of the percentage specified in the Companies Law to holders of the preferred shares for that year.
- 2) In the case of failure of the Company to pay the specified percentage from the net profits of the Company after deduction of the reserves – if any- for three consecutive years, the Special Assembly of holders of such shares, convened pursuant to the Companies Law, may resolve either to attend the meetings of the General Assembly of the Company and to participate in voting until the Company has paid all the priority dividends allocated to the holders of such shares for the previous years. A preferred share shall have one vote at the General Assembly meeting. The holder of the preferred share may, in this case, vote on all the items of the agenda of the Ordinary General Assembly without exception.

Article (45): Losses of the Company:

If the losses of the Company reach one-half of the paid-up capital, the Board of Directors shall disclose the same along with its recommendations concerning such losses within the time specified by the law from the date of becoming aware of reaching such amount and shall convene a meeting of the Extraordinary General Assembly to be held within the time prescribed by law from the date on which the Board became aware of the same in order to consider continuation of the Company with taking the necessary procedures for remedy of such losses or dissolution of the Company.

Chapter Eight: Disputes

Article (46): Liability Action:

The liability action may be filed pursuant to the controls provided in the Companies Law.

Chapter Nine: Dissolution and Liquidation of the Company

Article (47): Expiration of the Company:

The Company shall expire for any of the expiration causes provided in the relevant laws. In the case of dissolution of the Company the Extraordinary General Assembly shall decide, upon recommendation of the Board of Directors, the method of liquidation and shall appoint one or more liquidators and determine their powers and remuneration. The authority of the Board of Directors shall expire on expiration of the Company. However, the Board shall continue to undertake management of the Company until the liquidator has been appointed. The departments of the Company shall maintain their powers to the extent to which the same are not inconsistent with the powers of the liquidators. If the assets of the Company upon its expiration are not sufficient to settle its debts or if it was insolvent pursuant to the Bankruptcy Law, the Company shall file with the competent judicial authority application for opening any liquidation procedures under the Bankruptcy Law.



Chapter Ten: Final Provisions

Article (48): Application of the Companies Law:

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

Article (49): Publication:

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

End.

***Note:**

This English version of the Knowledge Economic City Company bylaws is a translation of the original Arabic document, provided for the information of non-Arabic speakers. In the event of any discrepancies or misinterpretations, the original Arabic version of the bylaws shall prevail.