

**Articles of Association of Quara Finance Company**

**(A Saudi Public Joint Stock Company - Listed)**

**Chapter One: Establishment of the Company**

**Article One: Establishment:**

**Quara Finance Company** is established in accordance with the provisions of the Companies Law issued by Royal Decree No. (M/132) dated 01/12/1443 AH, and its executive regulations issued by the decision of His Excellency the Minister of Commerce No. (284) dated 23/06/1444 AH. This company is a Saudi joint-stock company as follows:

**Article Two: Company Name:**

Quara Finance Company (A Saudi Public Joint Stock Company - Listed).

**Article Three: Company's Head Office**

The company's head office is located in Riyadh, and branches may be established inside or outside the Kingdom by a decision of the Board of Directors after obtaining the prior approval of the Saudi Central Bank.

**Article Four: Objectives of the Company:**

The objectives for which the company was established are:

1. Consumer financing.
2. Financing for small and medium enterprises.
3. Financial leasing.

The company shall carry out its activities in accordance with applicable regulations and after obtaining the necessary licenses from the relevant authorities, if any.

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**Article Five: Duration of the Company:**

The duration of the company is not specified.

**Chapter Two: Capital and Shares**

**Article Six: Capital:**

The authorized capital of the company is set at (300,000,000) three hundred million Saudi Riyals, divided into (30,000,000) thirty million equal-value shares, each with a value of (10) ten Saudi Riyals, all of which are ordinary cash shares.

**Article Seven: Subscription to Shares:**

The founders subscribed to all the shares of the issued capital, amounting to (30,000,000) thirty million shares, fully paid at a value of (300,000,000) three hundred million Saudi Riyals.

**Article Eight: Conversion of Shares:**

1. A type or class of shares may be converted into another type or class.
2. The conversion of a type or class of shares into another type or class requires the approval of the extraordinary general assembly, except in cases where the resolution to issue the shares stipulates their automatic conversion into another type or class upon the fulfillment of certain conditions or after the passage of a specified period.
3. The provisions of the Companies Law shall apply in cases where the conversion results in amending or canceling the rights and obligations associated with a type or class of share.
4. Ordinary or preferred shares or any class thereof may not be converted into redeemable shares or any class thereof except with the approval of all shareholders in the company.

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## Article Nine: Amendment of Rights and Obligations Related to Shares:

1. To amend or cancel any of the rights, obligations, or restrictions related to the shares, or to convert any type or class of shares into another type or class if this results in the amendment or cancellation of the rights and obligations associated with the type or class of shares to be converted, or to issue shares of a specific type or class that affect the rights of another class of shareholders, the approval of a special assembly composed in accordance with the Companies Law from the shareholders adversely affected by this amendment, cancellation, conversion, or issuance is required, as well as the approval of the extraordinary general assembly.
2. If the company's shares include redeemable shares, the issuance of new shares that take precedence over any of its classes shall not be allowed except with the approval of a special assembly composed in accordance with the Companies Law from the shareholders adversely affected by this issuance.

## Article Ten: Trading of Shares:

The shares of the company shall be traded in accordance with the provisions of the Capital Market Law and its executive regulations.

## Article Eleven: Preferred Shares and Redeemable Shares:

1. The extraordinary general assembly of the company, according to the principles set by the competent authority, may issue preferred shares or decide to purchase them or convert ordinary shares into preferred shares, provided that this does not exceed ten percent of the company's capital, or convert preferred shares into ordinary shares. Preferred shares do not grant the right to vote in the general assemblies of shareholders but entitle their holders to a higher percentage of the company's net profits after allocating the statutory reserve than ordinary shareholders.
2. The extraordinary general assembly of the company may issue redeemable shares according to the principles and regulations set by the competent authority.

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## Article Twelve: Sale of Unpaid Shares

1. The shareholder is obligated to pay the remaining value of the share by the specified deadlines. If they fail to do so, the Board of Directors may, after notifying the shareholder by any modern means of communication, sell the share at public auction or in the financial market, as applicable.
2. The company shall deduct the amounts owed to it from the proceeds of the sale and return the remaining amount to the shareholder. If the sale proceeds are insufficient to cover these amounts, the company may collect the remaining balance from all the shareholder's assets.
3. The exercise of rights related to shares for which payment has not been made shall be suspended after the expiration of the specified deadline until the shares are sold or the owed amount is paid in accordance with paragraph (1) of this article. This includes the right to receive a share of the net profits to be distributed and the right to attend Assemblies and vote on their resolutions. However, the shareholder who has defaulted on payment may, up to the day of sale, pay the amount owed plus any expenses incurred by the company in this regard, and in this case, the shareholder shall have the right to request the distribution of profits determined for distribution.

## Article Thirteen: Company Purchase of Its Shares, Sale, and Pledge:

The company may purchase its ordinary, preferred, or redeemable shares, and it may also pledge its shares as collateral for a debt in accordance with the regulations set by the competent authority.

## Article Fourteen: Increase of Capital:

1. By a resolution of the company's Board of Directors, and after obtaining the prior approval of the Saudi Central Bank, the issued capital may be increased within the limits of the authorized capital, provided that the issued capital has been fully paid.
2. The extraordinary general assembly, after obtaining the prior approval of the Saudi Central Bank, may decide to increase the issued capital of the company, provided that the issued capital has been fully paid. It is not required

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for the entire capital to be paid if the unpaid portion relates to shares issued in exchange for the conversion of debt instruments or financing instruments into shares and the period for their conversion has not yet expired.

## Article Fifteen: Reduction of Capital:

1. The extraordinary general assembly, after obtaining No- Objection of the Saudi Central Bank, may decide to reduce the capital if it exceeds the company's needs or if the company has incurred losses. In the latter case only, the capital may be reduced to below the limit specified in the Companies Law. A reduction decision shall not be issued until a statement prepared by the Board of Directors regarding the reasons for the reduction, the company's obligations, and the effect of the reduction on fulfilling those obligations has been read in a general assembly, accompanied by a report from the company's auditor.
2. If the capital reduction is due to an excess over the company's needs, creditors must be invited to express their objections, if any, to the reduction at least (forty-five) days prior to the date set for holding the extraordinary general assembly to decide on the reduction. The invitation shall include a statement indicating the amount of capital before and after the reduction, the date of the meeting, and the effective date of the reduction. If any creditor objects to the reduction and submits their documents to the company by the aforementioned deadline, the company must pay their debt if it is due or provide sufficient collateral for payment if it is deferred.
3. Equality among shareholders holding shares of the same type and class must be observed when reducing capital.

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**Chapter Three: The Board of Directors**

**Article Sixteen: Management of the Company:**

After fulfilling the suitability requirements determined by the Saudi Central Bank and obtaining a letter of no objection from it, the management of the company shall be entrusted to a Board of Directors consisting of (8) eight members. It is required that they be natural persons elected by the ordinary general assembly of shareholders for a term not exceeding four years.

**Article Seventeen: Termination or Ending of Board Membership:**

Membership in the board shall end upon the expiration of its term or the expiration of the member's eligibility in accordance with any applicable laws or regulations in the Kingdom. The general assembly may, based on a recommendation from the Board of Directors, terminate the membership of any member who has failed to attend (three) consecutive meetings or (five) separate meetings during their membership without a valid excuse accepted by the Board of Directors.

However, the ordinary general assembly may dismiss all or some members of the Board of Directors, and in this case, the ordinary general assembly shall elect a new Board of Directors or appoint a replacement for the dismissed member (as applicable) in accordance with the provisions of the Companies Law.

**Article Eighteen: Expiration of the Board's Term or Resignation of Its Members or Vacant Membership:**

1. The Board of Directors shall invite the ordinary general assembly to convene to elect a new Board of Directors before the end of its term. If it is not possible to hold elections and the current board's term ends, its members shall continue to perform their duties until a new Board of Directors is elected, provided that the duration of the continued membership of the outgoing board members does not exceed the period specified by the executive regulations of the Companies Law.
2. If the chairman and members of the Board of Directors resign, they must invite the ordinary general assembly to convene to elect a new Board of Directors. The resignation shall not take effect until a new board is elected, provided that the duration of the continued membership of the resigned board does not exceed the period specified by the executive regulations of the Companies Law.

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3. A member of the Board of Directors may resign from their membership by providing written notice to the chairman of the board. If the chairman of the board resigns, the notice must be directed to the other members of the board and the board secretary. The resignation shall be effective— in both cases— from the date specified in the notice.
4. If a vacancy arises due to the death or resignation of any board member, and this vacancy does not result in a failure to meet the requirements for a valid board meeting due to the number of members falling below the minimum threshold, the board, after fulfilling the suitability requirements determined by the Saudi Central Bank and obtaining a letter of no objection from it, may appoint (temporarily) a qualified individual with the necessary expertise to fill the vacant position. The commercial register and the Capital Market Authority must be notified of this appointment within (fifteen) days from the date of appointment, and the appointment must be presented to the ordinary general assembly at its first meeting, where the appointed member will complete the remaining term of their predecessor.
5. If the requirements for a valid board meeting are not met due to the number of members falling below the minimum specified in the Companies Law or in this regulation, the remaining members must invite the ordinary general assembly to convene within (sixty) days to elect the necessary number of members.

## **Article Nineteen: Powers of the Board of Directors:**

Subject to the competencies assigned to the general assembly, the Board of Directors shall have the broadest authority in managing the company to achieve its objectives.

In relation to real estate and land, it has the authority to sell and transfer ownership to the buyer in the name of the company, acknowledge receipt of the payment, purchase and accept transfer, pay the price, engage in barter, make gifts and transfer ownership, accept gifts and transfers, accept assignments and transfers, mortgage and accept mortgages, release mortgages, merge deeds, subdivide and sort, update deeds, incorporate them into the comprehensive system, receive deeds, issue a set of replacement deeds for lost ones, issue a set of replacement deeds for damaged ones, waive any deficiencies in area, amend the owner's name, civil registration number, and certificate, modify boundaries, lengths, areas, plot numbers, layouts, deed dates, and neighborhood names, lease properties, sign lease agreements, renew lease agreements, receive rent, cancel and rescind lease agreements—all for properties located

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inside or outside the Kingdom of Saudi Arabia. It may also sell and transfer ownership to heirs and to third parties in the name of the company and receive payment in cash or by check. It has the right to contract, engage, and commit in the name of the company and on its behalf before all governmental, non-governmental, private entities, financial institutions, banks, financial companies, and insurance companies, whether within the Kingdom or outside it. Regarding commercial registers, it has the authority to review the registration department, issue commercial registers, renew commercial registers, transfer commercial registers, reserve trade names, register trademarks, assign trademarks, assign trade names, open subscriptions with the Chamber of Commerce, renew subscriptions with the Chamber of Commerce, sign all documents with the Chamber of Commerce, manage commercial registers, certify signatures with the Chamber of Commerce, cancel signatures with the Chamber of Commerce, oversee the company's commercial activities, supervise commercial registers, amend commercial registers, add activities, open branches of commercial registers, cancel commercial registers, register with the e-services of commercial chambers, activate services and receive secret numbers, review social insurance, issue labor prints, review the Zakat and Income Authority, review the General Authority for Zakat and Income, review the Civil Defense, and with respect to banks and financial institutions, review all banks operating within or outside the Kingdom of Saudi Arabia—open bank accounts, manage bank accounts, certify signatures, withdraw from accounts, deposit, transfer between accounts in foreign and local currencies, issue ATM cards and receive them, receive and enter secret numbers, issue credit cards compliant with Sharia regulations and receive them, receive their secret numbers, issue account statements, issue checkbooks and receive and endorse checks in the name of the company, receive and cash them, sign promissory notes, bills of exchange, and any other commercial papers in the name of the company, receive and cash them, issue certified checks, receive and cash them, receive remittances and cash them, and sign all types of contracts, documents, and papers with others, whether governmental entities, banks, financing companies, or private entities, amend and rescind them, and sign electronic banking services and execute them, sign treasury agreements with banks and financial institutions, and sign all contracts related to conducting and implementing automated transactions via the internet or otherwise. It also has the authority over all investment operations, request bank loans compliant with Sharia rules and conditions, accept their terms, conditions, and pricing, sign contracts and forms related to these loans, receive the loan and manage it,

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request exemption from loans, reschedule installments, request bank credits, additional facilities, and sign contracts and forms, request bank guarantees, sign and receive guarantees, register and cash bank guarantees, request point-of-sale services, close accounts and settle them, activate accounts, dispute checks, update data, issue proof of debt, deposit it into other portfolios or accounts, receive share certificates, receive share values, receive profits, receive surplus, subscribe to shares, and mortgage financial assets or shares. Regarding security entities, it is responsible for reviewing the governorate, the Execution of Rights Division, police stations, the General Directorate of Prisons, the General Directorate of Civil Defense, and its branches and affiliated departments. In terms of governmental institutions, it represents the company before the Saudi Central Bank and its branches, departments, and various sections, as well as the General Administration for the Supervision of Financing Companies, signing all documents, papers, and contracts, amending and renewing the license issued for the company by the Saudi Central Bank, representing the company before the Technical and Vocational Training Corporation, the General Organization for Social Insurance and its branches, and representing the company before the Capital Market Authority, submitting license requests to the Capital Market Authority on behalf of the company, signing all forms, contracts, and documents on behalf of the company, renewing and amending licenses. Regarding company establishment, it has the authority to establish a company, sign articles of incorporation and amendment appendices, sign partner resolutions, appoint and dismiss managers, amend management clauses, admit and withdraw partners, enter into existing companies, increase and decrease capital, determine capital, receive surplus allocations, purchase shares and stock, pay prices, sell shares and stock, receive values and profits, sell company branches, amend the nationality of a partner in the contract, assign shares and stock from capital, accept assignments of shares and stock and capital, transfer shares and stock and bonds, sign agreements, amend company purposes, amend the company name, amend the terms of articles of incorporation or appendices, register the company, register agencies and trademarks, assign or cancel trademarks, attend general assemblies, open company files, open company branches, liquidate the company, cancel articles of incorporation and amendment appendices, sign articles of incorporation and amendments with a notary public, participate in the Chamber of Commerce and renew it, issue and renew licenses for the company, sign contracts related to the company with others, publish articles of incorporation, amendments, summaries, and by-laws

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in the official gazette. The Board of Directors is also authorized to sell the company's assets or mortgage them or sell the company's commercial establishment or mortgage it. However, the minutes of the board meeting and the rationale for the decision must include the following conditions:

- The board must specify the reasons and justifications for the sale in its decision.
- The sale must be close to market value.
- The sale must be immediate, except in cases determined by the board with adequate guarantees.
- Such a transaction should not result in the cessation of some of the company's activities or burden it with other obligations. Within its scope of authority, the Board of Directors may delegate one or more of its members or others to carry out specific tasks or actions.

## **Article Twenty: Remuneration of Board Members:**

1. The remuneration of the Board of Directors shall consist of a specified amount, in-kind benefits, or a certain percentage of net profits, as determined by the Board and approved by the General Assembly, within the limits stipulated by the Companies Law and its regulations or any complementary laws, decisions, or instructions. This shall also include attendance fees and travel allowances as determined by the Board, taking into account the applicable laws, regulations, and instructions issued by the competent authorities in the Kingdom.
2. The Board of Directors' report to the ordinary General Assembly during its annual meeting must include a comprehensive statement of all remuneration, attendance fees, expenses, and other benefits received or due to each member of the Board during the financial year. It must also include a statement of any amounts received by the Board members in their capacity as employees or administrators, or for technical, administrative, or consulting services. Additionally, the report should provide details on the number of Board meetings and the number of meetings attended by each member.

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## **Article Twenty-One: Powers of the Chairman, Vice Chairman, Managing Director, and Secretary:**

The Board of Directors shall appoint, at its first meeting, one of its members as Chairman of the Board. It may also appoint a Managing Director from among its members. The Board shall appoint, at its first meeting, one of its members as Vice Chairman.

After obtaining the prior approval of the Saudi Central Bank, the Board of Directors shall appoint a Chief Executive Officer from among its members or from outside.

### **- Powers of the Chairman of the Board:**

In line with the provisions of the financing systems and their executive regulations, the Chairman of the Board represents the company before the judiciary, arbitration bodies, and governmental and non-governmental entities. The Chairman of the Board has the following powers:

Regarding real estate and land, the Chairman may sell and transfer to the purchaser in the name of the company, acknowledge receipt of the amount, purchase, accept transfers and payments, barter, donate and transfer, accept donations and transfers, accept assignments and transfers, mortgage, accept mortgages and release them, merge and subdivide deeds, update deeds, enter them into the comprehensive system, receive deeds, issue a set of replacement deeds for lost deeds, issue a set of replacement deeds for damaged deeds, waive claims of area deficiency, amend the owner's name and national ID number, and adjust borders, lengths, areas, lot numbers, plans, deeds, their dates, and neighborhood names. The Chairman is also authorized to lease, sign lease contracts, renew lease contracts, collect rents, and cancel or rescind lease contracts, all for real estate located within or outside the Kingdom of Saudi Arabia. The Chairman may sell and transfer property to heirs and to third parties in the name of the company, receive payments in cash or by check, and has the right to contract and commit in the name of the company and on its behalf before all governmental, non-governmental, private entities, financial institutions, banks, and financing companies, both within and outside the Kingdom. Regarding claims in courts, the Chairman represents the company before all judicial authorities and courts in all parts of the Kingdom of Saudi Arabia, including general courts, Sharia courts, administrative courts (Board of Grievances), commercial courts, the primary committee for labor dispute resolution and its branches, the High Committee for

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Labor Dispute Resolution and its branches, and related departments, the Financial Disputes Resolution Committees, Banking Dispute Resolution Committees, Securities Dispute Resolution Committees, Commercial Disputes Resolution Committees, Customs Committees, Commercial Fraud Committees, Insurance Disputes and Violations Resolution Committees, Financial Disputes Resolution Committee, the Investigation and Oversight Authority, the Public Prosecution, and the Attorney General, for the purpose of claiming, initiating lawsuits, pleading, defending, hearing claims, responding to them, acknowledging, denying, reconciling, waiving claims, requesting oaths and declining them, presenting witnesses and evidence, contesting them, responding to and revising them, contesting forgery, denying signatures and seals, requesting travel bans and their removal, reviewing seizure and enforcement departments, representing the company before enforcement courts in all parts of the Kingdom, and taking all necessary legal measures to enforce judgments, request seizures and executions, accept and deny judgments, contest them, request appeals, seek reconsideration, request annulment of judgments before the Supreme Court and the Supreme Judicial Council, receive judgment documents and endorse judgments, request case referrals, request the judge's retirement, request inclusion and intervention, appoint legal representatives, pay their fees, and dismiss them. The Chairman may contest expert and arbitrator reports and request their replacement, seek rehabilitation, request preemption, arbitration, appoint experts and arbitrators, pay their fees, and dismiss them, request the application of Article 230 of the Sharia Litigation System, and attend all hearings in all lawsuits before all courts, receive funds. Regarding commercial registries, the Chairman has the authority to review the Registry Administration and obtain commercial registrations, renew commercial registrations, transfer commercial registrations, reserve trade names, register trademarks and transfer trademarks, transfer trade names, open memberships at the Chamber of Commerce, renew memberships at the Chamber of Commerce, sign all documents at the Chamber of Commerce, manage commercial registries, approve and cancel signatures at the Chamber of Commerce, manage the company's commercial activities, supervise commercial registries, amend commercial registries, add activities, open branches for commercial registries, cancel commercial registries, register for e-services at the Chambers of Commerce, activate services, and receive secret numbers. The Chairman may also review social insurance, obtain employee prints, review the General Authority of Zakat and Income, and review the Civil Defense. Regarding

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banks and financial institutions, the Chairman has the authority to review all banks and financial institutions operating in the Kingdom or abroad, open bank accounts, manage bank accounts, approve signatures, withdraw from accounts, deposit, and transfer funds in both foreign and local currencies, issue and receive ATM cards, enter secret numbers, issue credit cards that comply with Sharia laws, receive and enter secret numbers, obtain bank statements, obtain checkbooks, receive and endorse them, sign checks in the name of the company, receive and disburse them, sign promissory notes, bills of exchange, and any other commercial documents in the name of the company, receive and disburse them, issue certified checks, receive and disburse them, receive and disburse remittances, sign all types of contracts, documents, and papers with others, whether governmental entities, banks, financing companies, or private entities, amend, terminate, sign electronic banking services, execute them, sign treasury agreements with banks and financial institutions, and sign all contracts related to conducting and executing automated transactions through the internet or otherwise. The Chairman has the authority to handle all investment operations, request bank loans that comply with Sharia regulations after the Board's approval, accept the terms, conditions, prices, and sign contracts and agreements, receive the loan, and deal with it. He may request loan waivers, renegotiate installments, request bank guarantees, sign and receive guarantees, register and disburse bank guarantees, request point-of-sale systems, close accounts, settle them, activate accounts, contest checks, update data, obtain proof of debts, deposit them into other accounts, receive shares, receive the value of shares, receive profits, receive surpluses, subscribe to shares, and mortgage financial assets or shares. Regarding security agencies, the Chairman may review the Emirate and the Enforcement of Rights Department, review police stations, review the General Directorate of Prisons, the General Directorate of Civil Defense, and their branches and departments. Regarding government institutions, the Chairman represents the company before the Saudi Central Bank, its branches, and various departments, the General Administration for Monitoring Finance Companies, and signs all documents, papers, and contracts, amend and renew the company's license issued by the Saudi Central Bank. The Chairman also represents the company before the General Organization for Technical and Vocational Training, the General Organization for Social Insurance and its branches and related departments, and the Capital Market Authority,

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applying for the license on behalf of the company from the Capital Market Authority, signing all forms, contracts, and documents on behalf of the company, renewing and amending the license. Regarding company establishment, the Chairman may establish companies, sign foundation contracts and amendments, sign partner resolutions, appoint and dismiss managers, amend management clauses, add and remove partners, enter into existing companies, increase capital, reduce capital, determine capital, receive surplus allocations, purchase shares and interests, and pay for them, sell shares and interests, and receive their value and profits. He may also sell the company branch, amend the nationality of a partner in the contract, transfer shares and interests from the capital, accept transfers of shares and interests, and sign agreements, amend company purposes, amend the company name, amend articles of incorporation or amendments, register the company, register agencies and trademarks, transfer or cancel trademarks, attend general assemblies, open files for the company, open branches for the company, liquidate the company, cancel foundation contracts and amendments, sign foundation contracts and amendments at a notary public, participate in the Chamber of Commerce, renew it, and obtain and renew licenses for the company. The Chairman also signs the company's contracts with others, publishes the foundation contract, amendments, summaries, and basic systems in the official gazette. The Chairman of the Board may also enter into loans with government and non-government financing institutions and commercial loans that do not exceed the company's term, provided that the following conditions are met for commercial loans exceeding three years:

- The Chairman must specify in his decision the uses of the loans and how to repay them.
- The loan terms and guarantees provided must not harm the company, its shareholders, or the general guarantees for creditors.

## - Powers of the Chief Executive Officer:

In accordance with the provisions of the financing systems and their executive regulations, the Chief Executive Officer is responsible for the following powers:

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managing the day-to-day operations of the company, including but not limited to signing before chambers of commerce and industry, private authorities, institutions, and various companies, executing all transactions that fall within the scope of the company's work, and signing all necessary documents, contracts, and other items for this purpose or related to it. The CEO may lease any premises for the company's purposes, appoint assistants, secretaries, and other employees, determine their employment conditions as deemed appropriate, define their powers and responsibilities, suspend or dismiss any of them as seen fit, and sign checks for any amounts owed to the company at any bank, open accounts in the company's name at banks, operate these accounts, and sign all correspondences, contracts, and obligations on behalf of the company. The CEO must also take all necessary actions to safeguard these funds while they are owned and available under his management, ensuring effective and efficient administration of the company's business and its affairs and employees.

## Powers of the Secretary:

The Board of Directors shall appoint a Secretary chosen from among its members or from outside, responsible for recording the minutes of the Board meetings and documenting the decisions made during these meetings, as well as keeping them safe. The Secretary shall also perform other duties assigned to him by the Board of Directors, and his compensation shall be a fixed amount determined by the Board.

The Chairman of the Board may delegate in writing some of his powers to other members of the Board or to others to carry out a specific task or tasks.

The Vice Chairman of the Board shall substitute for the Chairman in cases of absence, provided that there is a Vice Chairman in the Board.

The terms of the Chairman, Vice Chairman, Managing Director, and Secretary shall not exceed the duration of their membership in the Board. The Board of Directors has the authority to relieve the Chairman, Vice Chairman, Managing Director, Chief Executive Officer, Secretary, or any of them from their positions, but this shall not result in their removal from membership in the Board.

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**Article Twenty-Two: The Board Meetings:**

1. The Board of Directors shall meet at least (four) times a year at the invitation of its Chairman. The Chairman must invite the Board to meet whenever requested in writing by any member to discuss one or more subjects.
2. The Board of Directors shall determine the location of its meetings, and meetings may be held using modern technology.

**Article Twenty-Three: The Board Meetings and Decisions:**

1. A meeting of the Board shall not be valid unless attended by at least five members (in person or by proxy). A member of the Board may appoint any of the other members to represent them at meetings, provided that the proxy member does not hold more than one proxy.
2. Decisions of the Board of Directors shall be made by a majority vote of the attending members, either in person or by proxy. In the event of a tie, the side that the Chairman votes with shall prevail.
3. The decision of the Board of Directors shall take effect from the date of its issuance, unless stated otherwise for its effect to commence at a later date or upon the fulfillment of certain conditions.

**Article Twenty-Four: Issuing Decisions in Urgent Matters:**

The Board of Directors may issue decisions in urgent matters by circulating them to all members, unless a member requests in writing a meeting of the Board to discuss the matter. Such decisions shall be issued with the approval of the majority of its members and shall be presented to the Board at its next meeting for documentation in the minutes of that meeting.

**Article Twenty-Five: The Board Deliberations:**

1. The deliberations and decisions of the Board of Directors shall be recorded in minutes prepared by the Secretary and signed by the Chairman of the meeting, the attending members of the Board, and the Secretary.
2. The minutes shall be documented in a special register signed by the Chairman of the Board and the Secretary.

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3. It is permissible to use modern technology for signing, recording deliberations and decisions, and documenting the minutes.

## Chapter Four: Shareholders' Assemblies

### Article Twenty-Six: Meeting of the General Assembly of Shareholders:

1. The meeting of the General Assembly of Shareholders shall be chaired by the Chairman of the Board of Directors or, in their absence, by the Vice Chairman, or by a member appointed by the Board in the event both are absent. If this is not possible, the General Assembly shall be chaired by a person elected by the shareholders from among the Board members or others by voting.
2. Every shareholder has the right to attend the General Assembly meeting, and they may appoint another person, who is not a member of the Board, to represent them.
3. The General Assembly meeting may be held, and shareholders may participate in the deliberations and vote on decisions using modern technology.

### Article Twenty-Seven: Inviting for Assemblies:

1. General and special assemblies shall be convened at the invitation of the Board of Directors. The Board must invite for the ordinary General Assembly to convene within thirty days from the date of a request by the auditor or one or more shareholders representing at least (ten percent 10%) of the company's shares with voting rights. The auditor may call for the ordinary General Assembly if the Board does not issue the invitation within (thirty) days from the date of the auditor's request.
2. The request referred to in paragraph (1) of this article must specify the issues that shareholders are to vote on.
3. **The invitation to convene the assembly must be sent at least (twenty-one) days prior to the scheduled date in accordance with the provisions of the system, taking into account the following:**

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- A. Notifying shareholders by registered letters to the addresses listed in the shareholders' register, or announcing the invitation through modern technology.
  - B. Sending a copy of the invitation and the agenda to the commercial register, as well as a copy to the Capital Market Authority.
4. The invitation to the General Assembly meeting must include at least the following:
- A. A statement of the right of the shareholder to attend the meeting and their right to appoint someone from outside the Board of Directors, along with a statement of the shareholder's right to discuss the topics on the assembly's agenda, ask questions, and how to exercise their voting rights.
  - B. The location, date, and time of the meeting.
  - C. The type of assembly, whether it is general or special.
  - D. The agenda of the meeting, including the items that require shareholder voting.

## **Article Twenty-Eight: Quorum for the Ordinary General Assembly Meeting:**

1. The Ordinary General Assembly meeting shall not be validly convened unless attended by shareholders representing at least one-quarter of the company's shares with voting rights.
2. If the necessary quorum for the Ordinary General Assembly meeting is not present according to paragraph (1) of this article, a second meeting shall be called under the same conditions stipulated in the Companies Law within (thirty) days following the date set for the previous meeting. However, the second meeting may be held one hour after the expiration of the time set for the first meeting, provided that the invitation to the first meeting includes a statement indicating the possibility of holding that meeting. In all cases, the second meeting shall be valid regardless of the number of shares with voting rights represented therein.

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**Article Twenty-Nine: Quorum for the Extraordinary General Assembly Meeting:**

1. The Extraordinary General Assembly meeting shall not be validly convened unless attended by shareholders representing at least half of the company's shares with voting rights.
2. If the necessary quorum for the Extraordinary General Assembly meeting is not present according to paragraph 1 of this article, a second meeting shall be called under the same conditions stipulated in the Companies Law. However, the second meeting may be held one hour after the expiration of the time set for the first meeting, provided that the invitation to the first meeting includes a statement indicating the possibility of holding that meeting. In all cases, the second meeting shall be valid if attended by a number of shareholders representing at least one-quarter of the company's shares with voting rights. .
3. If the necessary quorum for the second meeting is not present, a third meeting shall be called under the same conditions stipulated in the Companies Law, and the third meeting shall be valid regardless of the number of shares with voting rights represented therein.

**Article Thirty: Voting in Assemblies:**

- 1- Each shareholder has one vote for each share in the general assemblies, and cumulative voting must be used when electing members of the Board of Directors, meaning that the voting right for each share cannot be used more than once.
- 2- Members of the Board of Directors may not participate in voting on assembly resolutions related to businesses and contracts in which they have a direct or indirect interest, or that involve a conflict of interest.

**Article Thirty-One: Resolutions of Assemblies:**

1. Resolutions of the Ordinary General Assembly shall be issued by the approval of the majority of the voting rights represented at the meeting.
2. Resolutions of the Extraordinary General Assembly shall be issued by the approval of (two-thirds) of the voting rights represented at the meeting, unless the resolution relates to an increase or decrease of capital, extending the duration of the company, dissolving it before the specified

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term in its bylaws, merging with another company, or dividing into two or more companies, in which case it shall not be valid unless issued with the approval of (three-quarters) of the voting rights represented at the meeting. The resolution shall not be effective until approved by the Saudi Central Bank.

## **Article Thirty-Two: Discussion in Assemblies:**

Every shareholder has the right to discuss the matters listed in the agenda of the General Assembly and to direct questions about them to members of the Board of Directors and the auditor. The Board of Directors or the auditor shall answer shareholders' questions to the extent that it does not harm the company's interests. If a shareholder believes the answer to their question is insufficient, they may refer the matter to the General Assembly, whose decision on the matter shall be final.

## **Article Thirty-Three: Preparation of Assembly Minutes:**

A record of the General Assembly meeting shall be prepared, including the number of shareholders present in person or by proxy, the number of shares they hold in person or by proxy, the number of votes allocated to those shares, the decisions made, the number of votes for or against each decision, and a concise summary of the discussions held. The minutes shall be recorded in an organized manner after each meeting in a special register, signed by the chairman of the assembly, the assembly's secretary, and the vote counters.

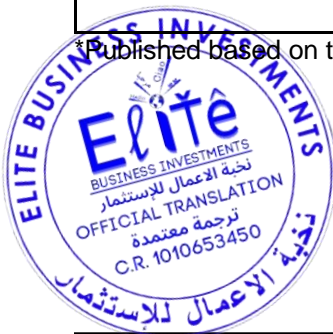
## **Chapter Five: Auditor:**

### **Article Thirty-Four: Appointment, Dismissal, and Resignation of the Company's Auditor:**

1. After obtaining prior approval from the Saudi Central Bank, the company shall appoint one or more auditors from among the licensed auditors in the Kingdom. The General Assembly shall appoint the auditor, determine their fees, duration of engagement, and scope of work, and the auditor may be reappointed, provided that their appointment period does not exceed the duration prescribed by law.
2. The General Assembly may dismiss the auditor by resolution. The chairman of the Board of Directors must notify the relevant authority of the dismissal decision and its reasons within five days from the date of the decision.

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3. The auditor may resign from their duties by submitting a written notice to the company. Their duties end on the date specified in the notice or on a later date they determine. This does not affect the company's right to seek compensation for any harm caused if warranted. The resigning auditor must provide the company and the relevant authority with a statement of reasons for their resignation upon submitting the notice. The Board of Directors is required to call a General Assembly meeting to consider the reasons for the resignation, appoint a new auditor, and determine their fees, term, and scope of work.

## **Article Thirty-Five: Auditor's Powers:**

The auditor has the right to access the company's documents, accounting records, and supporting documents at any time. They may request the information and clarifications deemed necessary to verify the company's assets, liabilities, and other matters within the scope of their work. The Board of Directors must facilitate the auditor's duties. If the auditor encounters difficulties in performing their tasks, they must document this in a report submitted to the Board of Directors. If the Board does not facilitate the auditor's work, the auditor may request that the General Assembly convene to address the issue. The auditor may directly call the General Assembly if the Board fails to do so within (thirty) days of the auditor's request.

## **Chapter Six: Company Finances and Profit Distribution**

### **Article Thirty-Six: Fiscal Year:**

The company's fiscal year begins at the beginning of January and ends at the end of December of each year.

### **Article Thirty-Seven: Financial Documents:**

1- At the end of each fiscal year, the Board of Directors must prepare the company's financial statements and a report on its activities and financial position for the concluded fiscal year. This report should include the proposed method for profit distribution. The Board shall make these documents available to the auditor, if appointed, at least (forty-five) days before the scheduled date of the annual Ordinary General Assembly meeting.

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- The company's Chairman, Chief Executive Officer, and, if available, Chief Financial Officer must sign the documents mentioned in paragraph (1) of this Article, and copies of these documents must be deposited at the company's main office for shareholders' access.
- The Chairman must provide shareholders with the company's financial statements, the Board of Directors' report (after it has been signed), and the auditor's report, if available, unless these documents are published using modern technology. This must be done at least twenty-one days prior to the scheduled date of the annual Ordinary General Assembly. Additionally, these documents should be filed in accordance with the requirements of the implementing regulations of the Companies Law.

## Article Thirty-Eight: Formation of Reserves:

- The Ordinary General Assembly, when determining shareholders' shares in the net profits, may decide to establish reserves to benefit the company or ensure, as much as possible, a stable distribution of dividends to shareholders. The Assembly may also allocate amounts from net profits to support social purposes for the company's employees.
- The General Assembly shall determine the percentage of net profits to be distributed to shareholders after deducting any reserves, if applicable.

## Article Thirty-Nine: Dividend Entitlement:

A shareholder becomes entitled to their share of dividends in accordance with the decision issued by the General Assembly in this regard. The decision shall specify the entitlement date and the distribution date. The entitlement to dividends is granted to shareholders who are registered in the shareholders' registry at the close of the specified entitlement date. The Board of Directors is required to implement the General Assembly's decision concerning the distribution of dividends to shareholders.

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## Chapter Seven: Audit Committee

### Article Forty: Audit Committee

- 1- By resolution of the company's Board of Directors, an Audit Committee shall be formed, consisting of no fewer than (three and no more than five members). These members shall not include any executive board members and may be chosen from among shareholders or others. The majority of the committee members must be independent, and the Chair of the Audit Committee shall be an independent member. This is subject to the fitness requirements set by the Saudi Central Bank and obtaining a non-objection letter from it. The General Assembly shall issue a decision on the committee's responsibilities, working methods, member selection criteria, compensation, and membership duration, based on a proposal from the Board of Directors.
- 2- For the Audit Committee meeting to be valid, a majority of its members must be present. Decisions are made by majority vote of those present, and if there is a tie, the side with which the committee chair voted shall prevail.
- 3- The Audit Committee is responsible for overseeing the company's activities and has the right to review its records and documents, and to request any clarification or statement from the Board members or executive management. It may also request that the Board of Directors call for a General Assembly meeting if the Board impedes its work or if the company faces significant harm or losses.

The Audit Committee shall review the company's financial statements, the reports and notes submitted by the auditor, and provide feedback as necessary. It must also prepare a report on its opinion regarding the adequacy of the company's internal control system and on other tasks within its scope of responsibilities. The Board of Directors must place sufficient copies of this report at the company's headquarters before the date of the General Assembly meeting.

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**Chapter Eight: Company Dissolution and Liquidation**

**Article Forty-One: Dissolution of the Company**

The company shall be dissolved in accordance with the provisions of the Companies Law. Upon dissolution, the company enters a liquidation phase as per the provisions of the Companies Law. If the company is dissolved and its assets are insufficient to cover its debts, or it is insolvent in accordance with the Bankruptcy Law, it must file with the competent judicial authority to initiate liquidation proceedings under the Bankruptcy Law.

**Chapter Nine: Final Provisions**

**Article Forty-Two:**

- 1- The company shall be subject to the applicable laws and regulations in the Kingdom of Saudi Arabia.
- 2- Any provision in this Articles of Association that conflicts with the Companies Law shall be disregarded, and the relevant provisions of the Companies Law shall apply. Matters not addressed in this Articles of Association shall be governed by the Companies Law and its implementing regulations.
- 3- Prior written No-objection from the Saudi Central Bank must be obtained before issuing the company's Articles of Association or making any amendments to it.

**Article Forty-Three:**

This Articles of Association shall be filed and published in accordance with the Companies Law and its implementing regulations.

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