



## **United International Holding Company Bylaws**

### **(A Closed Joint-Stock Saudi Company)**

#### **Chapter One: Incorporation of the company**

##### **Article (1) Incorporation**

The company was established as a closed joint-stock Saudi company in accordance with the shareholders' agreement, pursuant to the provisions of the Companies Law and its regulations, as well as other applicable laws in the Kingdom of Saudi Arabia and the provisions of these bylaws.

##### **Article (2) - Company Name**

United International Holding Company (A Closed Joint-Stock Saudi Company).

##### **Article (3) - Company purposes**

The purposes for which the company was established are as follows:

1. Managing its subsidiaries or participating in the management of other companies in which it owns shares and providing the necessary support.
2. Owning real estate and movable property necessary to carry out its activities.
3. Investing its funds in stocks and other securities.
4. Providing loans, guarantees, and financing to its subsidiaries.
5. Owning industrial property rights such as patents, trademarks, industrial designs, franchises, and other intellectual property rights, and exploiting, leasing, or licensing them to its subsidiaries or others.

(The company shall conduct its activities in accordance with applicable regulations and after obtaining the necessary licenses from the relevant authorities, if required).

##### **Article (4) - Participation and ownership in companies**

The company may participate in other companies to the extent that allows it to control them through ownership or management. It may also establish companies in accordance with the Companies Law and its executive regulations. Additionally, it may have an interest in or participate in any manner with entities or companies that engage in similar activities or that may assist in achieving its purposes. The company may own shares or equity in these companies, merge with them, or acquire them, and may also dispose of such shares or equity, provided this does not involve brokerage in trading them.

##### **Article (5) - The head office of the company**

The company's headquarters is located in the city of Khobar, Kingdom of Saudi Arabia. The company may establish branches, offices, or agencies within or outside the Kingdom by a resolution of the Board of Directors, in compliance with the applicable laws and regulations in the Kingdom of Saudi Arabia.

##### **Article (6) - Company Duration**

The company shall have a duration of (99) Gregorian years starting from the date of its registration in the Commercial Register. The company's duration may always be extended by a resolution of the Extraordinary General Assembly issued at least one year before its expiration.

#### **Chapter Two: Capital and Shares**

##### **Article (7) - Capital**

The capital of the company is set at 250,000,000 Saudi Riyals, divided into 25,000,000 nominal cash shares of equal value. The nominal value of each share is 10 Saudi Riyals, and all shares are ordinary (cash) shares.

##### **Article (8) Shares Subscription**

The founders have subscribed to the full capital of 25,000,000 shares, fully paid, with a total value of 250,000,000 Saudi Riyals. All paid amounts have been deposited in the name of the company under formation at Bank AlBilad.

##### **Article (9) – Sale of Partially Paid Shares**

1. A shareholder is obligated to pay the value of the share on the dates specified. If they fail to pay on time, the Board of Directors may, after notifying them via their email or by a letter sent to their residence or through registered mail, sell the share in a public auction or on the stock exchange, as the case may be, following the regulations set by the relevant authority.
2. The company shall recover from the sale proceeds the amounts owed to it and return the remainder to the shareholder. If the sale proceeds are insufficient to cover these amounts, the company may recover the balance from all the shareholder's assets.
3. The rights associated with shares that have not been fully paid are suspended upon the expiration of the payment deadline until the shares are sold or the outstanding amount is paid, as stated in paragraph (1) of this article. These rights include

the right to a share of the net profits decided for distribution and the right to attend and vote at general meetings. However, the delinquent shareholder may, until the day of the sale, pay the outstanding amount plus any expenses incurred by the company in this regard. In such a case, the shareholder is entitled to request the distribution of any profits that have been decided upon.

4. The company shall cancel the certificate of the sold share in accordance with the provisions of this article and issue a new certificate to the buyer bearing the same number, and the sale shall be recorded in the shareholders' register with the necessary details of the new owner.

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

The shares shall be nominal and may be divided into shares of lower nominal value or consolidated into shares of higher nominal value. They may also be issued at a higher value, in which case the difference in value is added to a separate item within shareholders' equity and used in accordance with the regulations set by the relevant authority. The difference in value may not be distributed as dividends to shareholders. The share is indivisible concerning the company, and if multiple people own a share, they must appoint one of them to represent them in exercising the rights associated with it, and those people shall be jointly liable for the obligations arising from share ownership.

#### **Article (11) Share Certificates**

The company issues share certificates with serial numbers, signed by the chairman of the board or a delegated board member, and stamped with the company seal. The certificate shall include, in particular, the number and date of the ministerial decision authorizing the company's conversion, the number and date of the ministerial decision announcing the company's conversion, the nominal value of the share, the amount paid for it, the company's purpose in brief, its headquarters, and its duration. The shares may have coupons with serial numbers attached to the share certificate.

#### **Article (12) - Trading of Shares**

Shares subscribed by the founders may not be traded until financial statements for two fiscal years, each not less than twelve months from the date of the company's establishment, have been published. The certificates of these shares shall bear a notation indicating their type, the date of the company's establishment, and the duration for which they are prohibited from being traded.

However, during the prohibition period, the shares may be transferred according to the rules governing the sale of rights, from one founder to another founder, from a founder's heirs in the event of death to others, or in the event of enforcement against the insolvent or bankrupt founder's assets, provided that the priority of acquiring these shares lies with the other founders.

The provisions of this article shall apply to shares subscribed by the founders in the event of a capital increase before the end of the prohibition period.

#### **Article (13) - Shareholders' Register**

1. The company's shares shall be traded by recording them in a shareholders' register prepared or contracted by the company, which includes the names, nationalities, places of residence, and occupations of the shareholders, as well as the number and amount paid for the shares. The transfer of ownership of the nominal share is not recognized by the company or others except from the date of its entry in the mentioned register, which must be kept in the Kingdom.
2. The company shall provide the Commercial Register with the information from the register mentioned in paragraph (1) of this article and any amendments to it within fifteen (15) days from the date of the company's registration with the Commercial Register or from the date of the amendment, as the case may be.

#### **Article (14) - Capital Increase**

1. The Extraordinary General Assembly may decide to increase the company's capital, provided that the capital has been fully paid. It is not required that the capital has been fully paid if the unpaid portion of the capital is attributable to shares issued in exchange for the conversion of debt instruments or financial bonds into shares, and the period prescribed for their conversion into shares has not yet expired.
2. The Extraordinary General Assembly may, in all cases, allocate the issued shares in the event of a capital increase or part of them to the company's employees and its subsidiaries or some of them. Shareholders do not have the right of preemption when the company issues shares allocated to employees.
3. A shareholder who owns shares at the time the Extraordinary General Assembly's resolution approving the capital increase is issued has the preemption right to subscribe to new shares issued for cash shares. They shall be notified of their preemption right (if any) by registered mail to their address listed in the shareholders' register or through modern technology, along with the resolution to increase capital, subscription conditions, method, start and end dates.
4. The Extraordinary General Assembly has the right to suspend the preemption rights of shareholders to subscribe to the capital increase for cash shares or to give priority to non-shareholders in cases deemed appropriate for the company's interest.
5. The shareholder may sell or waive their preemption right during the period from the issuance of the Extraordinary General Assembly's resolution approving the capital increase to the last day of subscription in the new shares linked to these rights, in accordance with the regulations set by the relevant authority.

6. Subject to the provisions of paragraph (4) above, new shares shall be distributed among the holders of preemption rights who requested subscription in proportion to their preemption rights from the total preemption rights resulting from the capital increase, provided that they do not receive more than they requested of the new shares. The remaining new shares shall be distributed among the holders of preemption rights who requested more than their share in proportion to their preemption rights from the total preemption rights resulting from the capital increase, provided that they do not receive more than they requested of the new shares. The remaining shares shall be offered to third parties unless the Extraordinary General Assembly decides otherwise or the Capital Market Authority (CMA) stipulates otherwise.

#### **Article (15) Capital Reduction**

1. The Extraordinary General Assembly may decide to reduce the company's capital if it exceeds its needs or if the company suffers losses. In the latter case, the capital may be reduced below the minimum stipulated in the Companies Law. The reduction decision is not issued until after the reading of a statement, in a general assembly prepared by the Board of Directors, outlining the reasons for the reduction, the company's obligations, and the effect of the reduction on fulfilling those obligations. This statement must be accompanied by a report from the company's auditor.
2. If the capital reduction is due to its excess over the company's needs, creditors must be invited to submit their objections, if any, to the reduction within forty-five (45) days before the date set for the Extraordinary General Assembly meeting to decide on the reduction. The invitation must be accompanied by a statement showing the capital amount before and after the reduction, the date of the meeting, and the effective date of the reduction. If a creditor objects and submits their documents within the mentioned period, the company must settle their debt if it is due or provide adequate security if it is deferred.
3. Equality among shareholders holding shares of the same type and class must be observed when reducing capital.

### **Chapter Three: Company Management**

#### **Article (16) – Board composition**

The company shall be managed by a Board of Directors consisting of Six (6) members who must be natural persons elected by the General Assembly of shareholders for a term not exceeding four years.

However, the founders appointed the first Board of Directors for a term of four years, and the members of the Board of Directors may be re-elected for successive terms.

#### **Article (17) - Termination of Board Membership**

Board membership shall terminate upon the expiration of the term of appointment, resignation, death, or if the Board of Directors determines that the member has breached their duties in a manner that harms the company's interests, provided that this is accompanied by the approval of the General Assembly. Membership may also end in accordance with any applicable laws or regulations in the Kingdom or if a member is declared bankrupt, insolvent, or submits a request for a settlement with their creditors, or stops paying their debts, loses mental capacity, or is afflicted with a mental illness, or if they are convicted of an act involving dishonesty, immorality, or forgery.

The General Assembly may, based on a recommendation from the Board of Directors, terminate the membership of a member who has missed three consecutive meetings or five separate meetings during their term without a valid excuse accepted by the Board of Directors. However, the General Assembly may, at any time, dismiss all or some members of the Board of Directors without prejudice to the dismissed member's right to claim compensation if the dismissal occurs for an unacceptable reason or at an inappropriate time. A Board member may resign, provided that it is done at an appropriate time; otherwise, they shall be liable to the company for any damages resulting from their resignation. In this case, the General Assembly shall elect a new Board of Directors or a replacement member (as the case may be) in accordance with the provisions of the Companies Law.

The Board of Directors must invite the General Assembly to convene before the end of its term in sufficient time to elect a new Board of Directors. If the election cannot be held and the current Board's term expires, the Board members shall continue to perform their duties until a new Board is elected, provided that the continuation period does not exceed the period specified in the executive regulations of the Companies Law.

If the Chairman and members of the Board of Directors resign, they must invite the General Assembly to convene to elect a new Board of Directors. The resignation shall not take effect until the new Board is elected, provided that the continuation period does not exceed the period specified in the regulations.

A member of the Board of Directors may resign by submitting a written notice to the Chairman of the Board. If the Chairman resigns, they must direct the notice to the remaining Board members and the Board Secretary. The resignation shall take effect on the date specified in the notice.

#### **Article (18) - Vacant Board Position**

If a Board member's position becomes vacant due to death or resignation, and this vacancy does not result in a breach of the quorum required for the Board's meetings, the Board may appoint a temporary member to fill the vacant position, provided that

the appointee has the necessary experience and competence. The appointment must be registered with the Commercial Register within fifteen (15) business days from the date of the appointment, and the appointment shall be presented to the General Assembly at its first meeting for approval. The new member shall only complete the term of their predecessor.

If the necessary conditions for the validity of the Board of Directors' meetings are not met due to a lack of the minimum number of members required by the Companies Law or these bylaws, the remaining members must invite the General Assembly to convene within sixty (60) days to elect the required number of members.

The Ministry must be notified within five (5) business days of the resignation or termination of any Board member's membership, except for when the Board's term ends, in compliance with the relevant disclosure requirements.

#### **Article (19) - Board Powers**

Subject to the powers reserved for the General Assembly, the Board of Directors shall have the broadest powers to manage the company and achieve its objectives, except for those actions that are specifically reserved for the General Assembly by law or these bylaws. The Board's powers include, but are not limited to:

- a) Establishing internal regulations for its operations.
- b) Setting the company's internal regulations, control systems, and governance frameworks.
- c) Approving the company's vision, strategies, work plans, and approving its operational and capital budgets, among other responsibilities.
- d) Providing all necessary guarantees, including moral guarantees, to secure facilities that may be granted to individuals, sole proprietorships, or companies, including mortgage deeds, promissory notes, stock certificates, and other collateral. The Board may sign all contracts related to automated transactions through the internet or other means, issue letters of credit and guarantees, sign all documents, including checks, promissory notes, bills of exchange, and all banking transactions, and buy and sell securities and other investments on behalf of the company.
- e) Entering into all contracts and agreements, including but not limited to contracts for purchase, sale, lease, agency, franchising, financial hedging, and other documents, contracts, transactions, and deals on behalf of the company, and participating in tenders on behalf of the company.
- f) Opening, managing, operating, and closing bank accounts, obtaining loans and other credit facilities for any term, including loans exceeding three years, from government finance funds and institutions, commercial banks, financial institutions, credit companies, and any other credit entities, and issuing guarantees and indemnities in favor of any party deemed appropriate in the company's interest. The Board may also issue promissory notes and other commercial papers, engage in all transactions, and conclude all banking agreements and deals, sell, mortgage, and release the company's properties and assets, and discharge the company's debtors from their obligations.
- g) Providing financial support to any of the companies in which it participates as well as its subsidiaries.
- h) Approving internal, financial, technical, and control regulations for companies, as well as policies and regulations concerning their employees.
- i) Appointing and dismissing managers and individuals responsible for the company's management, provided they have the necessary expertise and competence, and determining their duties, rights, and salaries.
- j) Appointing offices, experts, engineers, lawyers, agents, and doctors, and determining their fees.
- k) Delegating or authorizing any person to carry out specific tasks with the conditions and period deemed appropriate.
- l) Authorizing individuals responsible for the company's management to sign on behalf of the company within the limits set by the Board of Directors.
- m) Forming committees and granting them the powers the Board deems appropriate, and coordinating between these committees to expedite decision-making.
- n) Approving the establishment of branches, offices, and agencies for the company, participating in and contributing to any companies, and signing their incorporation contracts, amendments, and annexes within and outside the Kingdom.
- o) Establishing, opening, managing, and closing the company's investment portfolios and accounts in banks and investment companies within and outside the Kingdom of Saudi Arabia, buying and selling Saudi and non-Saudi shares, bonds, and securities, buying and selling commodities, metals, lands, and real estate, and establishing companies and investment funds within and outside the Kingdom of Saudi Arabia. The Board may, by majority decision, delegate one or more of its members or others to carry out specific tasks.

The Board of Directors must obtain the approval of the General Assembly when selling assets that exceed fifty percent (50%) of the total value of the company's assets, whether through a single transaction or multiple transactions. In this case, the transaction that leads to exceeding fifty percent (50%) of the value of the assets is considered the transaction that requires the General Assembly's approval. This percentage is calculated from the date of the first transaction that occurred within the previous twelve (12) months.

The Board of Directors may, within its jurisdiction, delegate one or more of its members or others to carry out specific tasks.

**Article (20) - Board Members' Remuneration**

The remuneration of the members of the Board of Directors, if any, may be a fixed amount, attendance fees for meetings, in-kind benefits, or a percentage of the net profits, as determined by the General Assembly, in accordance with official resolutions and regulations issued in this regard and within the limits prescribed by the Companies Law or any other supplementary regulations. In addition to attendance and travel allowances determined by the Board in accordance with the relevant rules and regulations in force in the Kingdom issued by the relevant authorities, the Board's report to the General Assembly shall include a comprehensive statement of all amounts received by the Board members during the financial year, including salaries, bonuses, allowances, and other benefits. The report must also include details of amounts received by the Board members as employees or administrators or for technical, administrative, or consulting work previously approved by the General Assembly. The report must also include a statement of the number of Board meetings and the number of meetings each member attended from the date of the last General Assembly meeting.

**Article (21) – Powers of the Chairman, Vice Chairman, Managing Director, and Secretary**

The Board of Directors shall appoint from among its members a Chairman and Vice Chairman. It may also appoint from among its members a Managing Director. A single member cannot combine the position of Chairman of the Board and any executive position within the company. The Chairman shall have the authority to call the Board of Directors to meet and preside over the Board meetings.

1. The Chairman of the Board or, in their absence, the Vice Chairman or their delegate, shall represent the company before third parties, including the judiciary, arbitration panels, ministries, and other government authorities, and take the necessary actions concerning such representation.
2. The Board of Directors shall determine the responsibilities and powers of the Chairman in matters not specified in these bylaws.
3. The Chairman of the Board may delegate one or more persons to carry out specific actions or perform certain tasks.

The Vice Chairman of the Board shall have the powers determined by the Board of Directors, and the Managing Director, if appointed, shall have the powers determined by the Board of Directors.

The Board of Directors, at its discretion, shall determine the special remuneration for the Chairman, Vice Chairman, and Managing Director, in addition to the remuneration determined for the Board members in accordance with these bylaws.

The Board of Directors shall appoint a Secretary for the Board, whether from among its members or others, and determine their remuneration. The Secretary shall be responsible for recording the minutes of the Board meetings, documenting the decisions issued by these meetings, and keeping them, as well as performing other duties assigned by the Board of Directors. The Board shall determine the Secretary's remuneration.

The term of Chairman membership, Vice Chairman, Managing Director, and Secretary, who is also a Board member, shall not exceed their term of membership on the Board. They may always be reappointed.

**Article (22) - Board Meetings**

The Board of Directors shall meet at the invitation of its Chairman at least four times a year. The invitation shall be in writing and may be delivered by hand, sent by mail, fax, or email, at least ten days before the scheduled meeting date, unless the Board members agree otherwise. The Chairman of the Board must call the Board to meet whenever requested by any Board member to discuss any matter or more.

The Board of Directors shall determine the location of its meetings, which may be held using modern technology.

**Article (23) – Quorum for Board Meetings**

A meeting of the Board of Directors shall only be valid if attended by at least half of the members, either in person or by proxy.

Decisions of the Board of Directors shall be issued by a majority of the votes of the members present, either in person or by proxy. In the event of a tie, the side with which the Chairman votes shall prevail.

The Board of Directors may issue its decisions on urgent matters by passing them to all members for voting, unless any member requests in writing that the Board meet to discuss the matter. Such decisions shall be approved by a majority of the Board members and shall be presented to the Board at the next meeting for inclusion in the minutes.

A Board member may delegate another member to attend Board meetings on their behalf according to the following rules:

- a) A Board member may not represent more than one member at the same meeting.
- b) The delegation must be in writing and pertain to a specific meeting, and may be sent via email.
- c) The proxy may not vote on matters for which the delegating member is prohibited from voting.

The Board's decisions are issued by the majority of the members present or represented at the meeting. In the event of a tie, the side with which the Chairman votes shall prevail.

The Board of Directors may issue decisions by passing them to all members for voting unless any member requests in writing that the Board meet to discuss the matter. Such decisions shall be approved by the majority of the Board members and shall be presented to the Board at the next meeting for inclusion in the minutes.

A Board decision shall take effect from the date of its issuance unless it specifies a different effective date or upon the fulfillment of certain conditions.

#### **Article (24): Board Deliberations**

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

### **Chapter Four: Shareholders Meetings**

#### **Article (25) – Meetings attendance**

Each shareholder, regardless of the number of shares they hold, has the right to attend the founding assembly. Each shareholder has the right to attend the general assemblies of shareholders and may delegate another person, other than members of the Board of Directors or employees of the company, to attend the general assembly on their behalf.

#### **Article (26) - Founding Assembly**

The founders shall invite all subscribers to hold a founding assembly within forty-five (45) days from the date of the ministry's decision to license the company's establishment. The meeting shall be valid only if attended by subscribers representing at least half of the capital. If this quorum is not met, a second meeting shall be called at least fifteen (15) days after the date of the first meeting. In all cases, the second meeting shall be valid regardless of the number of subscribers represented.

#### **Article (27) – Ordinary General Assembly Responsibilities**

Except for matters reserved for the Extraordinary General Assembly, the Ordinary General Assembly is responsible for all matters related to the company. It must meet at least once a year within the six months following the end of the company's fiscal year. Additional Ordinary General Assemblies may be convened whenever necessary.

#### **Article (28) - Extraordinary General Assembly Responsibilities**

The Extraordinary General Assembly is responsible for amending the company's bylaws, except for matters that are legally prohibited from being amended. It may also issue decisions on matters originally within the purview of the Ordinary General Assembly, subject to the same conditions and requirements applicable to the Ordinary General Assembly.

#### **Article (29) - Calling Assemblies**

General or special assemblies of shareholders shall be convened by the Board of Directors. The Board must call for an Ordinary General Assembly if requested by the auditor, the Audit Committee, or a number of shareholders representing at least 10% of the capital. The auditor may also call for a general assembly if the Board fails to do so within thirty (30) days from the auditor's request.

The invitation to convene the assembly must be issued at least twenty-one (21) days before the scheduled meeting date. Shareholders shall be notified by registered letters sent to their addresses as listed in the shareholders' register, or through modern communication technology. A copy of the invitation and agenda must also be sent to the ministry on the date of the invitation.

The invitation to the assembly must include at least the following:

1. A statement of the right to attend the meeting and the right to appoint a proxy, other than members of the Board of Directors, to attend the meeting on behalf of the shareholder.
2. The right of the shareholder to discuss the topics on the agenda and to ask questions, as well as how to exercise the right to vote.
3. The place, date, and time of the meeting.
4. The type of assembly, whether it is a general or special assembly.
5. The meeting agenda, including the items to be voted on by the shareholders.

#### **Article (30) - Attendance Register for Assemblies**

Shareholders who wish to attend a general or special assembly must register their names at the company's headquarters or at the location of the meeting before the scheduled meeting time. During the meeting, a list of the names of attending and represented shareholders, their places of residence, the number of shares they hold in person or by proxy, and the number of votes allocated to them shall be prepared. Any interested party may review this list. Shareholders who wish to attend the assemblies and vote on decisions may also register electronically when available.

#### **Article (31) – Quorum for Ordinary General Assembly Meetings**

An Ordinary General Assembly meeting shall not be valid unless attended by shareholders representing at least one-quarter of the shares with voting rights.



If the required quorum is not met for the Ordinary General Assembly meeting, a second meeting shall be called under the same conditions outlined in Article 91 of the Companies Law, within thirty (30) days following the date of the previous meeting. However, the second meeting may be held one hour after the time scheduled for the first meeting, provided that the invitation for the first meeting includes a statement indicating the possibility of holding the second meeting. In all cases, the second meeting shall be valid regardless of the number of shares with voting rights represented.

#### **Article (32) - Quorum for Extraordinary General Assembly Meetings**

An Extraordinary General Assembly meeting shall not be valid unless attended by shareholders representing at least half of the shares with voting rights.

If the required quorum is not met for the Extraordinary General Assembly meeting, a second meeting shall be called under the same conditions outlined in Article 91 of the Companies Law. However, the second meeting may be held one hour after the time scheduled for the first meeting, provided that the invitation for the first meeting includes a statement indicating the possibility of holding the second meeting. In all cases, the second meeting shall be valid if attended by shareholders representing at least one-quarter of the shares with voting rights.

If the required quorum is not met for the second meeting, a third meeting shall be called under the same conditions outlined in Article 91 of the Companies Law, and the third meeting shall be valid regardless of the number of shares with voting rights represented.

#### **Article (33) - Voting in Assemblies**

Each subscriber has one vote for every share they represent in the founding assembly, and each shareholder has one vote for every share in the general assemblies. Cumulative voting must be used when electing the Board of Directors in the Ordinary General Assembly. However, Board members are not allowed to participate in voting on decisions of the assembly related to absolving them of their management responsibilities or on any contracts or dealings in which they have a direct or indirect interest or that involve a conflict of interest.

#### **Article (34) – Assembly Resolutions**

Resolutions of the Ordinary General Assembly shall be issued by a majority of the voting rights represented at the meeting. Resolutions of the Extraordinary General Assembly shall be issued by a two-thirds majority of the shares represented at the meeting. However, resolutions related to increasing or decreasing the capital, extending the company's term, dissolving it before the term specified in its bylaws, or merging it with another company shall only be valid if issued by a three-quarters majority of the shares represented at the meeting.

#### **Article (35) – Discussions in Assemblies**

Each shareholder has the right to discuss the matters listed in the assembly's agenda and to ask questions about them to the Board members and the auditor. The Board of Directors or the auditor must answer the shareholders' questions to the extent that does not harm the company's interests. If a shareholder considers the response to their question unsatisfactory, they may refer the matter to the assembly, whose decision shall be final.

#### **Article (36) – Chairmanship of Assemblies and Preparation of Minutes**

The General Assembly meetings of shareholders shall be chaired by the Chairman of the Board or, in their absence, the Vice-Chairman, or any Board member appointed by the Board in the absence of the Chairman and Vice-Chairman. If this is not possible, the assembly shall be chaired by a person appointed by the shareholders from among the Board members or others by vote. The assembly's minutes shall include the number of shareholders present or represented, the number of shares they hold in person or by proxy, the number of votes assigned to those shares, the decisions made, the number of votes for and against each decision, and a summary of the discussions that took place. The minutes shall be recorded regularly after each meeting in a special register signed by the Chairman of the assembly, the secretary, and the vote collector.

The General Assembly meeting may be held, and shareholders may participate in the deliberations and vote on decisions through modern technology.

#### **Article (37) – Issuance of General Assembly Resolutions by Circulation**

1. The Chairman of the Board of Directors may propose issuing a General Assembly resolution by circulation, without the need for a meeting, unless any shareholder requests in writing that the General Assembly meet to deliberate on the matter. However, resolutions related to the election or dismissal of Board members, the appointment or dismissal of the company's auditor (if any), and the review and discussion of the financial statements for the past fiscal year require the convening of the General Assembly according to the relevant rules.
2. For the proposed resolution to be valid according to paragraph (1) of this article, the company must send the related documents to all shareholders, along with instructions on how shareholders should respond and the date by which the resolution should be issued

3. General Assembly resolutions by circulation shall be issued as follows:
  - For resolutions within the jurisdiction of the Ordinary General Assembly: a resolution shall be issued with the approval of one or more shareholders representing the majority of the voting rights.
  - For resolutions within the jurisdiction of the Extraordinary General Assembly: a resolution shall be issued with the approval of one or more shareholders representing seventy-five percent (75%) of the voting rights.
4. The resolutions of the General Assembly issued by circulation shall be recorded in minutes and entered in the special register mentioned in Article 97 of the Companies Law.

#### **Chapter Five: External Auditor**

##### **Article (38) - External Auditor appointment**

1. The company shall appoint one or more auditors licensed in the Kingdom, as appointed by the General Assembly, which shall determine their fees, duration of service, and scope of work. Reappointment is permitted, provided that the total duration of the appointment does not exceed the period stipulated by the relevant regulations.
2. The General Assembly may, by resolution, dismiss an auditor. The Chairman of the Board of Directors must notify the relevant authority of the dismissal and its reasons within five days of the resolution's issuance.
3. The auditor may resign by submitting a written notice to the company, with the resignation taking effect from the date of submission or a later date specified in the notice. The company reserves the right to claim compensation for any damage caused by the resignation, if applicable. The resigning auditor is obligated to submit a statement of reasons for the resignation to the company and the relevant authority. The Board of Directors must convene the General Assembly to review the resignation reasons and appoint a new auditor, determining their fees, duration of service, and scope of work.

##### **Article (39) – Powers of the Auditor**

The auditor has the right, at any time, to access the company's books, records, and other documents, and may request any necessary information and clarifications to verify the company's assets and liabilities and other matters within the scope of their work.

The Chairman of the Board of Directors must enable the auditor to perform their duties. If the auditor encounters any difficulty, they must document it in a report to the Board of Directors. Should the Board fail to facilitate the auditor's work, the auditor may request the Board to convene the General Assembly to address the issue.

#### **Chapter Six: Company statements and Dividends payments**

##### **Article (40) – Financial year**

The company's financial year starts on January 1st and ends on December 31st of each Gregorian year. The first financial year begins from the date of registration in the commercial register and continues until the end of December of the current financial year.

##### **Article (41) – Financial Documents**

1. At the end of each financial year, the Board of Directors must prepare the company's financial statements and a report on its activities and financial position for the past financial year. This report should include the proposed method for profit distribution. The board must provide these documents to the auditor at least forty-five days before the scheduled date of the General Assembly.
2. The Chairman of the Board, the CEO, and the CFO must sign the documents referred to in paragraph (1) of this article. Copies of these documents should be deposited at the company's headquarters and made available to shareholders at least twenty-one days before the scheduled date of the General Assembly.
3. The Chairman of the Board must provide shareholders with the company's financial statements, the Board of Directors' report, and the auditor's report, unless they are published using modern technology. Additionally, a copy of these documents must be sent to the Ministry at least twenty-one days before the annual General Assembly meeting.

##### **Article (42) – Dividends Distributions**

The General Assembly determines the percentage of net profits, after deducting reserves if any, to be distributed to shareholders.

The Ordinary General Assembly can allocate a portion of net profits to reserves, based on the Board of Directors' proposal, for purposes benefiting the company or shareholders, ensuring the company's interests or providing a stable distribution of profits to shareholders. The Assembly may also allocate amounts from net profits for social purposes for the company's employees

##### **Article (43) – Profit Entitlement**

Shareholders are entitled to their share of profits according to the decision of the General Assembly, which specifies the entitlement and distribution dates. The right to profits belongs to shareholders registered in the shareholder records at the end of the entitlement day. The Board of Directors must implement the General Assembly's decision regarding profit distribution to shareholders



#### **Article (44) – Company losses**

If the losses of a joint-stock company reach fifty percent of its capital, the Board of Directors must disclose this and any recommendations concerning these losses within sixty days of becoming aware of them. An Extraordinary General Assembly must be convened within one hundred eighty days of becoming aware of the losses to decide whether to continue the company and to take any necessary actions to address the losses or to dissolve the company.

### **Chapter Seven: Disputes**

#### **Article (45) - Liability claim**

The company may file a liability lawsuit against members of the Board of Directors for violating the provisions of the Companies Law or its Bylaws, or for any errors, negligence, or shortcomings in the performance of their duties that result in damage to the company. The General Assembly or shareholders decide to file this lawsuit and appoint a representative to pursue it. If the company is in liquidation, the liquidator is responsible for filing the lawsuit. If any liquidation proceedings are initiated against the company under bankruptcy laws, the lawsuit must be filed by the person legally representing the company.

Shareholders representing at least five percent of the company's capital may file the company's liability lawsuit if the company fails to do so, provided that the primary purpose of the lawsuit is to protect the company's interests, the lawsuit is based on valid grounds, the plaintiff is acting in good faith, and the plaintiff is a partner or shareholder at the time of filing the lawsuit.

Before filing the lawsuit mentioned in paragraph (2) of this article, it is required to notify the Board of Directors of the intention to file the lawsuit at least fourteen days prior to filing.

A shareholder may file a personal lawsuit against the Board of Directors if the error committed by them causes specific harm to the shareholder.

### **Chapter Eight: Company Dissolution and Liquidation**

#### **Article (46) - Termination of the Company**

The company is terminated for any of the reasons specified in Article (243) of the Companies Law, and upon its termination, it enters into liquidation according to the provisions of Chapter Twelve of the Companies Law. If the company is terminated and its assets are insufficient to pay its debts or it is insolvent according to bankruptcy laws, it must apply to the competent judicial authority to initiate any liquidation proceedings under bankruptcy laws.

### **Chapter Nine: Final Provisions**

#### **Article (47)**

The company is subject to the laws in force in the Kingdom of Saudi Arabia.

Any text that contradicts the provisions of the Companies Law in this Bylaws is not considered valid, and the provisions of the Companies Law will apply. Any matter not addressed in this Bylaws will be governed by the Companies Law and its executive regulations.

#### **Article (48)**

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