



United Electronics Company (eXtra) Bylaws

Public Listed Company

Part One: Incorporation of the company

Article (1) Incorporation

United Electronics Company (eXtra) Saudi joint stock company listed in Saudi stock exchange shall be incorporated as per the company's regulations.

Article (2) - Company Name

United electronics company (Public Listed company)

Article (3) - Company purposes

The purposes of the company as following:

- 1- Trade: Wholesale, retail sales in food , soft drinks , office supplies , leather goods, Decorative materials, books , stationary , (books , magazine and all kind of stationary), computer games , electronic games , teaching aids, electronics machine and tools (refrigerators, freezers, ovens, cookers, air conditioners, fans, washers , dryers , dish washers, heaters , grills, coolers, vacuums, electric tools , other home appliances , its spare parts and accessories). Recording tapes, electrical transformers, lighting and lighting units, chandeliers, lampshades, dry batteries, electrical toys and their spare parts, and electronic devices (Televisions, radios, audio visual recorders, video, multimedia projectors, video cameras, headsets, car recorders, calculators and electronic diaries, computers and their accessories, computer printers, fax machines, telephones and cell phones, satellite receivers and their spare parts, selling SIMs and internet supplies). Fabrics, textiles and shoes: fabrics, ready-made clothes and furnishings, carpets, rugs, baby diapers, yarn, shoes, tents, tools, sports and scout clothes, sewing supplies, blankets and bed sheets, utensils set, home appliances: home utensils, plastic products, tools and household supplies (brooms - detergents), silver, crystal and gas tools Kitchens, wooden and metal furniture, mattresses, beds and bedrooms, electrical tools : electrical supplies, wires, cables, and electrical appliances (radio, TV, speakers). Washing machines, air conditioners, refrigerators, heaters, grills, gas tools, machines and devices: calculators, typewriters, medical and surgical machines, medical devices, artificial limbs, handicapped devices, medical materials and supplies, telephone wired communication equipment, telex ... etc., And photography devices : microscopic photography devices (microfilm - microfiche), computers, measuring and control devices, Geometric tools, drawing and zincograph devices, and sports & scout equipment. And perfumes and cosmetics: perfumes, oud, incense, cosmetics, pure metals and jewellery, precious stones: gold, silver, precious stones (diamonds) and traditional jewellery, machinery and tools for photography, watches and glasses: photographic machines and tools, photographic films, watches, gold watches and glasses. sunglasses and optical devices, hearing devices, leather goods and decorative materials: bags, suspended ceilings, shoe supplies, frames, and curtains, and sales in instalments).
 - 2- Commercial agencies, distribution agents, brokerage business in other than exchange and real estate, import and export services for others, marketing services to others, shipping services, inspection and testing services, clearance services for goods, weighing agent services, packaging services.
 - 3- Buying land for building construction for investment purposes through sale or lease.
 - 4- Operation and development of real estate assets.
 - 5- Establishing, managing and operating industrial and commercial projects, hotels, restaurants and shopping malls
 - 6- Operation and maintenance of the training, educational and entertainment centres.
 - 7- Maintenance and repairing services (photographic devices, computers, audio-visual equipment, clocks and alarms, shoes, automatic laundries, installation of car recorders).
 - 8- Computer services (application systems and data base), printing and photocopying services for documents and maps, student services and film development.
 - 9- Washing cars inside the malls' parking lots, using steam tools, and selling car accessories.
 - 10- Safety and security: It consists importing, selling, installing, operating and maintaining wired and wireless surveillance cameras, both internal and external - the intercom system with a camera and without wired and wireless cameras - motion sensors - breakage and opening sensors for doors and windows - fire sensor sensors - audio and visual alarm systems - second gas sensors Carbon Dioxide - Water Leakage Sensors - Access Sensors - Temperature Sensors - Wireless Control Devices - Lighting Control Switch - Light Power Control Switch - Smart Electrical Connections - Door Control Systems.
 - 11- Information technology: E-commerce in all the company's business.
 - 12- Transportation, storage and cooling services.
 - 13- Social and personal services
 - 14- Electronic games activities
- (The company can practice its activities as per the laws and regulations and after granting the required licenses from the right authorities).

Article (4) - Participation and ownership in companies

The Company may establish, by itself, other limited liability or closed joint stock companies, provided that their capital is no less than five (5) million Saudi riyals. The Company may own stocks and shares in other existing companies or merge with them. The Company may participate with others to establish joint stock or limited liability companies after fulfilling the requirements of the laws and instructions followed in this regard. The Company may also dispose of these stocks or shares, provided that this does not include acting as a broker in trading such stocks or shares.

Article (5) - The head office of the company

The Company's head office is in the city of Khobar in the Kingdom of Saudi Arabia. The Company may establish branches, offices, or agencies inside or outside the Kingdom of Saudi Arabia.

Article (6) - Company's term

The Company's term is ninety-nine (99) Gregorian years starting from the date of transition to public company after MCI approval. Such term may be extended for a similar, shorter or longer period(s) by resolution of the Extraordinary General Assembly taken at least one year prior to the term of the Company.

Part Two: Capital and Shares**Article (7) - Capital**

The Company's capital is set at six hundred million Saudi Riyals (SAR 600,000,000), divided into sixty million (60,000,000) equal voting ordinary shares with 10 SAR as nominal value.

Article (8) Subscription to Shares

The shareholders underwrote all the company shares 60,000,000 shares with total value 600,000,000 SAR.

Article (9) – Company shares

The share of the company should be nominal share may not be issued at less than the their nominal value , it might be issued at premium greater than nominal value , in this case the difference in the value will be prescribed in a separate clause within shareholders right and may not be distributed to shareholders as profit. Each share shall be indivisible vis-à-vis the Company. If the share is jointly owned by several persons, such persons shall elect one (1) of them to exercise on their behalf the rights attached to such share, and such persons shall be jointly and severally liable for the obligations arising from the ownership of such share.

Article (10) Shares Trading

The shares shall not be publicly traded until disclosing the financial statement of the company for two years with minimum 12 months since the establishment of the company, The bonds of these shares shall be indicated indicating their type, the date of incorporation of the company and the period during which it is prohibited to trade them, however it is permissible during the ban period to transfer the ownership of shares in accordance with the provisions of selling rights from one of the founders to another founder or from the heirs of one of the founders in the event of his death to others or in case Execution of the funds of the insolvent or bankrupt founder, provided that the priority of owning those shares is given to the other founders, and the provisions of this article shall apply to whoever subscribes to the founders in the event of increasing the capital before the end of the ban period

Article (11) - Company buys and sells its shares

The company may buy its shares, and the company may buy its shares to allocate them to the company's employees as part of the employee share program in accordance with the controls laid down by the competent authority, and the company may sell treasury shares according to the controls and procedures laid down by the competent authority.

Article (12) – Shares Register

The company's shares are traded in accordance with the provisions of the Capital Market Authority.

Article (13) - Capital increase

1- The Extraordinary General Assembly may approve an increase Company capital. The provided capital must has been paid in full, except in circumstances where the unpaid portion of the capital relates to shares held by the Company resulting from return for converting debt or financial bonds or other financial instruments into shares and the period specified for their conversion has not yet expired.

2- in all cases, the extra ordinary general assembly may allocate all the shares issued as a result of capital increase or part of it to the company's employees or subsidiaries' employees, the shareholders may not exercise his pre-emption right on shares allocated to employees.

3- At the time the Extraordinary General Assembly issues a resolution approving the capital increase, a shareholder will be entitled to a pre-emptive right to subscribe to the new shares issued against cash contribution. Such a shareholder shall be informed of their pre-emptive right by publishing a notice in a daily newspaper or by notifying them through registered mail of the resolution of capital increase as well as the conditions, duration and commencement and expiry date of the subscription.

4- The Extraordinary General Assembly may suspend the shareholders' pre-emptive right to subscribe for an increase in the number of shares of the Company against contributions in cash or may give priority to non-shareholders in such cases as it deems appropriate for the Company.

5- A shareholder may sell or assign the pre-emptive right during the period from the date the General Assembly resolution approving the capital increase is adopted until the last day of subscription to the new shares related to such right, in accordance with the controls set by the competent authority.

6- Subject to paragraph 4 above, the new shares shall be distributed to holders of pre-emptive right who requested subscription in proportionate to their pre-emptive right of the total pre-emptive rights resulting from the capital increase, provided that the shares they receive do not exceed the amount of new shares they requested. The remainder of the new shares shall be distributed to holders of pre-emptive right who requested more than their respective shares in proportionate to their pre-emptive right of the total pre-emptive rights resulting from the capital increase, provided that the shares they receive do not exceed the amount of new shares they requested. The remaining shares shall be offered to third parties, unless the Extraordinary General Assembly decides or the CML states otherwise.

Article (14) - Capital Reduction

The Company's capital may, by resolution of the Extraordinary General Assembly, be reduced, following the approval of the CMA, if the capital exceeds the Company's need or if the Company suffers losses. In the latter case only, the capital may be reduced below 500,000 SAR. The reduction resolution may only be issued after the Extraordinary General Assembly examines the auditor's Report explaining the reasons for the reduction, the Company's obligations and the effect of the reduction on these obligations. If the capital reduction is a result of the capital being in excess of the Company's need, the creditors shall be invited to submit their objections to the reduction within sixty days from the date the reduction decision is published in a daily newspaper distributed in the area where the Company's head office is located. If a creditor objects to such reduction and submits to the Company their documents on the specified date, the Company shall pay their debt if already due or shall provide them with sufficient guarantee to satisfy their debt if it is due in the future.

Part Three: Company Management

Article (15) – Board composition

The Company shall be managed by a Board composed of nine (9) members to be elected by the Shareholders' Ordinary General Assembly.

The Board members term is three (3) years, renewable once or more. The board first membership started from the date of the ministerial resolution for the company transition, the term of first board is five years.

Article (16) - Termination of Board Membership

Membership of a Board member will expire upon the expiry of their term, resignation, death or if a member becomes unfit for membership according to any law or instructions applicable in the KSA. If the position of a Board member becomes vacant, the Board may appoint a member to temporarily fill the vacancy after obtaining the approval from the ordinary general assembly. If the board of directors fails to convene due to not satisfying the minimum number of members as prescribed in the Companies Law or these Bylaws, the existing members shall call for an Ordinary General Assembly as soon as possible.

Article (17) - Board of Directors Powers

Subject to the powers reserved for the General Assembly, the Board shall have the broadest powers to manage the business of the Company in order to attain its objectives. The Board shall be responsible for achieving the strategic and operational objectives of the Company, The board of directors, for example, and not limited to, may represent the company in its relationship with third parties, government and private bodies, police departments, chambers of commerce and industry, private bodies, companies and institutions of all kinds, and the board has the right to contract, abide by, and engage in the name of the company and on its behalf, and enter into tenders, arrest, pay and do all Business and actions and signing of all types of contracts, documents, including without limitation contracts for the establishment of companies in which the company participates with all its amendments and annexes, amendment decisions and official bodies, as well as loan and guarantees agreements, requesting the issuance of guarantees and opening credits on behalf of the company, signing contracts and facilitation papers, and signing murabaha agreements Islamic and investment contracts, guaranteeing bank facilities granted to others and signing guarantees in the name of the company to guarantee others, selling, buying, emptying, accepting, receiving, delivering, renting, leasing, arresting, paying and mortgaging real estate, stocks, equipment, investment funds and deposits of all kinds, and carrying out all banking transactions necessary for the company's activity, including this. open, manage, operate and close accounts, withdraw from them, deposit in them, request facilities and credits of all kinds from commercial banks, loans in any amounts and sign them, open and manage investment portfolios, sell and buy shares and collect the price, mortgage and transfer shares, close investment portfolios, inside and outside Kingdom, issuing bank guarantees, signing and creating all commercial papers,

endorsing and seizing them, signing all papers, documents and all banking transactions, as required by the interest of the company, as well as the right to participate in companies, amend their legal entities, open branches, close them and transfer them to independent companies, and appoint and dismiss branch managers. The Board also has the right to appoint and dismiss employees and workers, request visas, bring in manpower from outside the Kingdom, contract with them, determine their salaries, extract residencies, transfer and waive guarantees, issue legal agencies and authorizations on behalf of the company and grant the agent the right to delegate and dismiss others. guarantees the minutes of the Board of Directors and the reasons for the decision to act in accordance with the following conditions:

- That the board specify the reasons and justifications for it in the sale decision,
- That the sale is close to the price of the same,
- That the sale be present except in cases estimated by the Board and with adequate guarantees,
- That this action does not result in stopping some of the company's activities or imposing it with other obligations

The Board of Directors may also conclude loan agreements with funds and government financing institutions and commercial loans whose terms do not exceed the end of the term of the company, provided that the following conditions are observed with respect to commercial loans with maturities exceeding three years:

- That the board of directors specify in its decision the uses of loans and the manner of their repayment,
- To take into account the conditions of the loan and the guarantees provided to him not to harm the company and its shareholders and the general guarantees for creditors

The Board of Directors may delegate or delegate on its behalf, within the limits of its competence, one or more of its members and others to take a specific action or conduct or perform a specific act or business with the right of the Board to withdraw or cancel that as it chooses.

The company's board of directors, and in the cases it assesses, shall have the right to absolve the company's debtors from their obligations in accordance with what is in its interest, provided that the minutes of the board of directors and the reasons for its decision include the following conditions:

- That the release shall take place after a full year since the emergence of the debt, as a minimum.
- That the release of a specified amount, as a maximum, per year, shall be for one debtor,
- Discharging is the right of the board may not be delegated.

Article (18) - Board of Directors Remunerations

Remuneration of a Board member and all their benefits, if any, shall be specified as per the percentage in paragraph 4 in article 40 in the company's bylaws in accordance with official decisions and instructions issued in this regard and within the limits of the provisions of the Companies Law and Regulations. The company might pay BOD specific amount as annual compensation beside attendance and transportation allowances considering companies Law and Regulations in this regard. The Board's report to be submitted to the Ordinary General Assembly must include a comprehensive statement of all benefits received by the Board members during the financial year, including bonuses, expense allowances and other benefits. The report must also include a statement of the amounts received by the Board members in their capacity as officers or administrators or any other amounts received thereby in consideration of technical or administrative activities or consultations already approved by the ordinary general assembly

Article (19) - Chairman, Vice Chairman, Managing Director and Board Secretary

Board of Directors shall appoint from among their members a Chairman and a vice Chairman and Board may also appoint a managing director from among their members, however, a Board member may not be a chairman and at the same time occupy another executive position in the Company. Chairman has the authority to invites board meetings and chairs the board meetings.

- The Chairman and his deputy in case of the Chairman absence or his representative shall represent the company before third parties including before the judiciary, arbitration tribunals, ministries and other governmental bodies, and take the necessary action with regard to this representation.
- The Board of Directors defines the powers and authorities of the Chairman, for matters not stipulated in this bylaw.
- The Chairman has the right to empower one or more persons to take a specific action, act or conduct or perform a specific action or actions.

The vice-chairman as well as the Managing Director in case of his appointment; have the powers assigned to them by the Board of Directors.

The Board of Directors shall determine, at its sole discretion, the special remuneration to be granted to the Chairman, Vice President, and Managing Director, in addition to the remuneration specified to the members of the Board of Directors under this bylaw.

the Board of Directors shall appoint a Secretary for the Board, whether from among its members or from others, the Board of Directors shall determine his remuneration, The Secretary shall be responsible for recording the minutes, drafting and filing resolutions of such meetings, in addition the other tasks assigned to him by the board. the board of directors determines the Secretary remuneration.

The membership term of the Chairman, Vice Chairman, Managing Director and Secretary shall not exceed the membership of each of them in the Board and they may be re-elected for another term.

Article (20) – Board Meetings

The Board shall meet regularly according to what it sees fit, provided that these meetings are no less than two meetings annually by invitation of its Chairperson. The invitation must be in writing and must be delivered in person, through mail, facsimile or Email. The Chairperson, or their representative, shall call the Board to convene where two (2) members request that therefrom.

Article (21) - Quorum of Board of Directors meetings and decisions

Board meeting shall not be deemed valid unless at least half the members attend it, provided that the number of attendees in person is no less than five (5) members. A member may give proxy to another member to attend a Board meeting, as stipulated by the Board.

In case of proxy voting the following points should be considered:

- Board member shall not give proxy to more than one member
- The proxy should be documented and for specified meeting
- The board member with proxy shall not vote on decisions if it's out of his authority range

Board resolutions shall be adopted by the majority of votes of the members attending or represented therein. In case of a tie, the Chairperson of the meeting will have a casting vote. In case of urgent matters, the Board may adopt resolutions by circulating them among the members separately unless one of the Board members request in writing a meeting of the Board to discuss these resolutions. Such resolutions shall be adopted by the majority votes of the Board members and they must be brought before the Board at the first following meeting.

Article (22) – Meetings Minutes

Deliberations and resolutions of the Board shall be documented in minutes to be signed by the Chairperson of the Board, the Board members attending the meeting and the Secretary. The minutes shall be recorded in a special register to be signed by the Chairperson of the Board and the Secretary. The attendance of the board members must be registered in attendance log. Each member should disclose to the board any direct or indirect personal interest in the business or the contract created for the company, the disclosure shall be documented in the board MOM and the member with any interest shall not vote on this matter.

Article (23) – Audit Committee

Formation of the Committee

By resolution of the Ordinary General Assembly, an audit committee shall be composed of no less than three (3) and no more than five (5) members, other than from the executive members of the Board and whether or not from amongst the shareholders. The resolution must specify the functions and controls of the Committee and the remuneration of its members.

Quorum of the Committee Meetings

An audit committee meeting shall be valid only if attended by majority of its members, and its decisions shall be passed by a majority vote of attending members. In case of a tie, the Chairperson of the meeting will have a casting vote.

Scope of the Committee

The audit committee shall monitor the Company's activities. To this end, the Committee shall have access to the Company's records and documents and may acquire any clarification or statement from members of the Board or the executive management. The Committee may ask the Board to call for a meeting of the Company's General Assembly if the Board obstructs its work or if the Company suffers substantial damage or loss.

Reports of the Committee

The audit committee shall examine the Company financial statements, reports, and notes submitted by the auditor and shall give its opinion thereon, if any. The Committee shall also prepare a report including its opinion on the efficiency of the Company's internal audit system and the other activities it performed within its powers. The Board shall keep sufficient copies of the Committee's report at the Company's head office at least twenty-one (21) days prior to the date the General Assembly convenes to provide any interested shareholder with a copy of the report. The report shall be recited at the Assembly meeting.

Part Four: Shareholders Meetings

Article (24) – Meetings attendance

A General Assembly duly composed shall represent all the shareholders and shall be convened in the city where the head office of the Company is located. Each shareholder may, regardless of the number of shares owned thereby, attend the General Assembly and they may give proxy to another shareholder, other than a member of the Board or company's employees.

Article (25) - Ordinary General Assembly

Except for matters reserved for the Extraordinary General Assembly, the Ordinary General Assembly shall be in charge of all matters relating to the Company and shall be convened at least once a year within the six (6) months following the end of the Company's financial year. The Ordinary General Assembly may be called to hold other meetings whenever needed.

Article (26) – Extra Ordinary General Assembly

The Extraordinary General Assembly shall be in charge of amending the Company's Bylaws, except for the provisions it may not amend by law. The Extraordinary General Assembly may adopt resolutions relating to the powers of the Ordinary General Assembly under the same conditions and controls set for the Ordinary General Assembly.

Article (27) - General Assembly Invitation

Meetings of the Ordinary or Special Assemblies shall be held by call of the Board. The Board shall call for a meeting of the Ordinary General Assembly if this is requested by the auditor, the audit committee or a number of shareholders representing at least 5% of the capital. The auditor may call for a meeting of the General Assembly if the Board fails to call for such meeting within thirty (30) days from the date of the auditor's request. The call for a meeting of the General Assembly shall be published in a daily newspaper distributed in the area where the Company's head office is located at least twenty-one (21) days prior to the date scheduled for the meeting. However, it may be sufficient to address the invitation for the meeting at the said time to all shareholders by registered mail. The invitation shall include the agenda and a copy of the invitation and the agenda shall be sent to the CMA within the period specified for publication.

Article (28) - Proof of attendance

Minutes shall be kept for every General Assembly, showing the names of Shareholders present or represented, the number of Shares held by each of them, whether personally or by proxy the number of votes allotted thereto.

Article (29) - Ordinary General Assembly Meeting Quorum

A meeting of the Ordinary General Assembly shall be valid only if attended by shareholders representing at least one-quarter of the capital. If such quorum is not attained in the first meeting, a second meeting shall be held one month after the lapse of time set for the first meeting, provided that the invitation for holding the first meeting indicates the possibility of holding such meeting. The invitation will be announced as per article 27 in this bylaw in all cases, the second meeting shall be valid regardless of the number of shares represented therein.

Article (30) – Extra Ordinary General Assembly Meeting Quorum

Meeting of the Extraordinary General Assembly shall be valid only if attended by shareholders representing at least one-half of the capital. If such quorum is not attained in the first meeting, a second meeting shall be held one hour after the lapse of time set for the first meeting, provided that the invitation for holding the first meeting indicates the possibility of holding such meeting. The second meeting shall be valid if attended by a number of shareholders representing at least one-quarter of the capital. If quorum is not attained in the second meeting, an invitation shall be made for a third meeting to be held under the same conditions provided for in article 27 of these Bylaws. The third meeting shall be valid regardless of the number of shares represented therein after obtaining the approval of the related authorities.

Article (31) - Voting power

Each shareholder shall have one vote per share in the ordinary General Assemblies and the extraordinary General Assemblies. Cumulative voting shall be applied to election of the Board members. The board members shall not vote on any matters related to their membership duration and any direct or indirect interest

Article (32) - Resolutions

Resolutions of the Ordinary General Assembly shall be passed by absolute majority of the shares represented at the meeting. Resolutions of the Extraordinary General Assembly shall be passed by two-thirds majority of the shares represented at the meeting unless the resolution relates to increase or reduction of capital, extension of the Company's term, dissolution of the Company prior to the term set therefor in its Bylaws or merger of the Company with another company, in which case such resolution shall only be valid if passed with a three-quarters majority of the shares represented at the meeting.

Article (33) – Meeting Agenda

Each shareholder shall have the right to discuss the subjects listed on the agenda of the Assembly and may address questions in respect thereof to the Board members and the auditor. The Board members or the auditor shall answer questions of the shareholders to the extent that does not expose the Company's interest to harm. If a shareholder deems the answer to their question is unsatisfactory, they may raise the issue with the Assembly whose resolution in that regard shall be effective and enforceable.

Article (34) – Meeting procedures

Shareholder General Assemblies shall be chaired by the Chairperson of the Board; the Vice Chairperson of the Board, in case of absence of the Chairperson, or by whomever the Board delegates from its members for this purpose, in case of absence of the Chairperson or the Vice Chairperson of the Board. The Chairperson shall appoint a secretary for the meeting and a vote collector. At the meeting of the Assembly, there shall be written minutes including the number of shareholders attending or represented, the number of shares they hold in their personal capacity or by proxy, the number of votes they are entitled to, the resolutions adopted and the number of votes for or against them and a sufficient summary of the deliberations which has taken place in the

meeting. After each meeting, minutes shall be regularly recorded in a special register to be signed by the Assembly's Chairperson, secretary and vote collector.

Part Five: External Auditor

Article (35) - External Auditor appointment

The Company shall have one or more auditors from amongst the auditors licensed to work in the KSA. The Ordinary General Assembly shall annually appoint the auditor and shall specify their compensation and term of office and it may re-appoint them as per the law and regulation in this matter.

Article (36) – Checking the records

The auditor may, at any time, have access to the books and records of the Company and any other documents, may ask for any statements or clarifications they deem necessary to verify the assets and liabilities of the Company

Article (37) - External Auditor Report

The external auditor must submit yearly report to the general assembly include the company opinion in facilitating the access to any data or disclosures requested. The external auditor shall highlight any violation with company regulations or these bylaws and their opinion about the company's financials

Part Six: Company statements and Dividends payments

Article (38) – Financial year

The Company's financial year will commence on January 1 and will end by the end of December of each year. The first financial year will commence from the date the resolution establishing the Company is adopted and will end by the end of December of the following year.

Article (39) – Company Financial statements

At the end of the financial year, the Board shall prepare the Company's financial statements and a report about its activities and financial position for the previous financial year. The report must include the method proposed for distribution of dividends. The Board shall put these documents at the disposal of the auditor at least forty-five (45) days prior to the date scheduled for the convening of the General Assembly. The Company's Chairperson of the Board, CEO and CFO shall sign the documents referred to in paragraph 1 of this Clause. Copies of these documents shall be kept at the Company's head office at the disposal of the shareholders at least twenty-one (21) days prior to the date scheduled for the convening of the General Assembly. The Chairperson of the Board shall provide the shareholders with the Company's financial statements, the Board report and the auditor's report, unless they are published in a daily newspaper distributed in the area where the Company's head office is located. The Board shall also send a copy of these documents to the related authorities at least fifteen (15) days prior to the date scheduled for the convening of the General Assembly.

Article (40) – Dividends Distributions

After deduction of all overheads and other costs, the annual net profits of the Company shall be distributed as follows:

1. 10% of the net profits shall be retained to form a statutory reserve. The Ordinary General Assembly may discontinue such retention if the reserve reaches 30% of the paid capital.
2. The Ordinary General Assembly may, based on a proposal by the Board, retain maximum 10 % of the net profits to form an additional reserve to be allocated for a certain purpose(s).
3. After that, a percentage of no less than 5% of the paid-up capital of the company shall be distributed to the shareholders.
4. Allocates not greater than 5% from the remaining as compensation to board members in accordance to the number of meeting attended by each member

General Assembly may approve to distribute quarterly or semi-annual dividends and may delegates this authority to the board of directors.

Article (41) – Dividends payment

A shareholder will be entitled to their share of dividends in accordance with the resolution approved by the board. The resolution must indicate the date of entitlement and the date of distribution and as per CMA rules and regulations.

Article (42) – Company losses

If losses of a joint stock company reach one-half of the paid capital, at any time during a financial year, any officer of the Company or the auditor shall, upon being aware of such losses, notify the Chairperson of the Board of such losses. The Chairperson of the Board shall notify the Board members of such losses forthwith. Within fifteen (15) days from the date of being aware of the losses, the Board shall call for a meeting of the Extraordinary General Assembly within forty-five (45) days from the date the Board is aware of the losses in order to decide either to increase or reduce the Company's capital in accordance with the provisions of the Companies Law to the extent the losses fall below one-half of the paid capital or to dissolve the Company prior

to the term set herein. The Company shall be deemed to have expired by operation of the Companies Law if the General Assembly does not meet within the time specified in paragraph 1 of this Clause, if the Assembly meets and is unable to pass a resolution in this regard or if the Assembly decides to increase the capital according to the conditions stipulated in this Clause but not all of the capital increase shares have been subscribed to within ninety (90) days from the date the Assembly's resolution to increase the capital is passed.

Part Seven: Disputes

Article (43) - Liability claim

Each shareholder has the right to file a liability action, which is vested in the Company, against the Board members if they committed a fault which has caused special damage to the shareholder. A shareholder may not file such action unless the Company is still entitled to file such an action. A shareholder shall inform the Company of their intent to file the action.

Part Eight: Dissolution and liquidation of the company

Article (44) - Termination of the Company

upon expiry of the Company's term or the dissolution thereof, the Extraordinary General Assembly shall, based on a proposal by the Board, decide the method of liquidation. The Company shall maintain its corporate personality to the extent needed for the liquidation. The liquidation resolution must include appointment of one or more liquidators and must specify their powers, fees, and limitations of their powers and the period required for liquidation. The powers of the Board will end with the dissolution of the Company; however, members of the Board shall continue to manage the Company and they shall act as liquidators when dealing with third party until a liquidator is appointed. The General Assembly shall continue to exist during the liquidation period and its role shall be restricted to performance of its functions that do not contradict those of the liquidator. The General Assembly resolution must be announced through local newspaper.

Part Nine: Final Provisions

Article (45) – Bylaw Approval

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

Article (46) – Companies Law

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