

**Articles of Association of the Middle East Healthcare Company**  
**A Listed Joint-Stock Company**

**(Section One)**

**Article (1)**

The company has been established in accordance with these articles and the company system, as a Saudi joint-stock company among the shareholders as the following:

**Article (2) Company's Name:**

The name of the company is “Middle East Healthcare Company” (MEAHCO), a listed joint-stock company.

**Article (3) Company's Objectives:**

The company objectives are:

1. Establishing, managing, operating and maintaining hospitals, infirmaries, centers, institutes, health qualification and natural treatment centers, test and x-ray laboratories and pharmacies.
2. Purchasing lands for the purpose of establishing buildings and investing, in the interest of the company, in medical projects, establishing factories necessary for the company, importing the necessary machines including drug factories and equipments, and owning patents to help achieve the company objectives both inside and outside the Kingdom.
3. Wholesale and retail trade in drugs, medical tools and equipments, health qualification tools, natural treatment, and whatever is relevant to hospitals and medical centers.
4. Wholesale and retail trade in computers and their spare parts and programs related to healthcare, hospitals, and medical centers.
5. Commercial agencies in healthcare and drug fields.
6. Establishing training centers for employment related to the company activities.
7. Establishing, managing and organizing the company’s own fairs and conference.

The company carries out these activities after obtaining the necessary licenses from the relevant authorities (if found).

**Article (4) Participation in Other Companies:**

The company is entitled to establish single companies with limited responsibility, or closed stock companies, on condition the capital should not be less than (5) million riyals. It is also entitled to own shares and parts in other standing companies or merge with them, and it also has the right to participate with others in founding joint or limited responsibility companies after meeting the requirements and

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On 01/13/1441 Corresponding to 09/12/2019

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regulations necessary in this regard. The company is also entitled to deal with these shares and parts on condition there is no mediation in their circulation.

**Article (5) Company's Registered Office:**

The company's registered office is in the city of Jeddah, Kingdom of Saudi Arabia, and the Board of Directors has the right to establish branches, or offices, or agencies, inside or outside the Kingdom.

**Article (6) Duration of the Company:**

The duration of the company is ninety-nine years beginning with the date of its registration in the commercial register, and the duration of the company could always be extended with a decision made by the extraordinary general assembly one year before its expiration at least.

**(Section Two)**  
**Capital and Shares**

**Article (7) Company's Capital:**

The company capital has been set at (920,400,000) nine hundred and twenty million and four hundred thousand Saudi riyals divided into (92,040,000) ninety-two million and forty thousand shares with equal value, and the nominal value of each share is (10) ten Saudi riyals, (19,544,000) nineteen million and five hundred and forty four shares of which are paid in cash, and (72,496,000) seventy two million and four hundred and ninety six thousand shares of which are for in-kind shares.

**Article (8) Subscription in the Company's Capital:**

The founders subscribed to all the company's shares (920,400,000 shares) valued nine hundred and twenty million and four hundred thousand Saudi Riyals. The owners of (19,544,000) cash shares of paid a sum of (195,440,000) Saudi Riyals representing the total value of the cash shares subscribed. This sum was deposited in the company's name in one of the licensed banks in the Kingdom under foundation according to the certificate issued by the bank and these shares represent (21,23%) twenty-one per cent and twenty-three per thousand of the company's capital. In addition, the owners of shares in kind presented their total value to the company.

**Article (9) Failing to Pay the Value of the Share:**

Shareholder must pay the value of the share on the assigned dates, and in case they fail to do that on due time the Board of Directors may then notify the shareholder with a letter sent to his address found in the shareholders register to sell the share in an auction or in the banknote market in accordance with the constrictions defined by specialized authorities. The company gets from the result of the selling its accrued sums and gives the shareholder the remaining amount. If the selling result doesn't meet the expected sums, the company may get the rest from all the shareholder's other funds. Nonetheless, the shareholder unable to pay till the sale day may pay the due sum in addition to the expenses paid by the company in this regard. The company cancels the sold share in accordance with the provisions of this article and gives the buyer a new share holding the number of the cancelled share; and then it indicates that in the shareholders register with the name of the new owner.

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**Article (10) Shares:**

The shares are nominal and must not be issued with less than their nominal value. They may be issued with a value higher than their nominal value, and in this case, the difference in value is added in a separate article in the shareholders equities. They cannot be distributed as profits among shareholders. The share is indivisible against the company: if many people came to own it, they should choose one of them to represent all of them in using the rights related to the share. Those people are held coordinately responsible for the commitments resulting from the ownership of the share.

The company is entitled to buy shares and resell them or mortgage them in accordance with the restrictions issued by the Financial Market Authority. The shares bought by the company have no votes in the shareholders assemblies. The company is also entitled to buy its shares for the purpose of allocating them to its employees within the program of employee shares in accordance with the restrictions issued by the Financial Market Authority.

Shares could also be mortgaged in accordance with the restrictions devised by organizational authorities, and the mortgaged debtor enjoys the right to receive the profits and use all rights associated with the share with the exception of attending the meetings of the shareholders general assembly or voting at these meetings unless it is agreed otherwise in the mortgage contract.

**Article (11) Circulating the Shares:**

Shares given in exchange of ratios in kind, or cash shares subscribed by the founders cannot be circulated before publishing the financial lists for two years none of which is less than 12 months starting from the date of the establishment of the company. These rules are valid concerning the shares in which the founders subscribe or those given in exchange for ratios in kind in the case of increasing the capital before the banning period is completed, as to the period remaining from the banning period. These deeds are marked with what would indicate its type and the company's foundation date and the period during which no circulation is allowed. However, during the banning period, it is allowed to transfer the ownership of the cash shares according the decrees of selling the rights by one founder to another; or by one Board member to offer as a guarantee for the administration; or by one of the heirs of one of the founders, in case the latter dies, to others.

**Article (12) Shareholders Register:**

The company shares are circulated in accordance with the provisions of the Financial Market System.

**Article (13) Outstanding shares:**

The company's unusual general assembly, in accordance with the basics devised by the specialized committee, is entitled to issue outstanding shares or decide to buy them or change normal shares into outstanding shares or outstanding shares into normal shares, and outstanding shares are not given the right of voting at shareholders general assemblies, and these shares grant their owners the right to get a higher percentage than that of the owners of normal shares of the company's net profits after excluding the regular reserve.

**Article (14) Increasing the Capital:**

1. The unusual general assembly is entitled to decide to increase the company capital by issuing new shares for cash or in-kind shares or for the company's due debts, or for the amount of the regular reserve which the general assembly decides to merge with the capital, or for transforming debt tools or financing deeds,

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on condition the capital is totally paid. It is not conditioned for the capital to be totally paid in case the unpaid part of the capital relates to shares issued for transforming debt tools or financing deeds into shares and the period set for transferring them into shares is not expired.

2. The unusual general assembly is entitled, in all conditions, to allocate the issued shares when the capital is increased or part or part of them for the employees of the company and its subsidiaries or some of them, or any of the kind, and the shareholders are not entitled to exercise the priority right when the company issues the shares allocated for employees.

3. The shareholder owning the share, at the time the resolution of the unusual general assembly is issued in agreement for the increase of capital, has the priority in subscribing in the new shares issued for cash shares, and these are informed of this priority in a daily newspaper or by registered mail about the resolution to increase the capital and the subscription conditions, its duration, and the dates of its beginning and end.

4. The unusual general assembly is entitled to suspend the priority right of shareholders in subscription by increasing the capital for cash shares or by giving priority to non-shareholders in cases it sees in line with the company interest.

5. The shareholder is entitled to sell or concede his priority right during the period extending between the issuance of the general assembly resolution to increase the capital and the last day of subscription in the new shares associated with these rights, in accordance with the restrictions set by the specialized authority.

6. Taking into consideration what is mentioned in item (4) above, the new shares are distributed among the priority holders who requested subscription at a percentage of what they own of the priority right of the total priority rights resulting from the capital increase, on condition that what they get should not exceed what they had requested of the new shares, and the rest of the new shares is distributed among the priority right holders who had requested more than their share, at a percentage of what they own of the priority right of the total priority rights resulting from capital increase, on condition that what they get does not exceed what they had requested of the new shares, and the rest of shares is placed for others, unless the unusual general assembly decides otherwise or the financial market system dictates otherwise.

**Article (15) Decreasing the Capital:**

The extraordinary general assembly may decrease the capital if it becomes superfluous or if the company suffers losses, and in the last case only the capital could be reduced to a level lower than that stated in article (54) of the articles of association. The decision can only be issued after reading the Auditor's report on the reasons justifying the decrease and on the company's commitments and the decrease's effects on these commitments. All should be done in accordance with the companies' law and with showing the method of the decrease.

If the decrease were due to the superfluous capital, the creditors should be invited to present their objections within (60) sixty days of the date of the publication of the decrease decision in a daily newspaper distributed in the city in which the company's headquarters is located. If one creditor objects and presented his documents to the company within the aforementioned date, the company should pay his debt if it were instant, or offer enough guarantee to pay it later if it were deferred.

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**(Section Three)**  
**Bonds**

**Article (16) Bonds**

The company is entitled, with a resolution from the unusual general assembly in accordance with the financial market system and other relevant systems and lists, to issue any kind of debt tools that could be circulated whether in Saudi or another currency, inside the Kingdom of Saudi Arabia and outside it, like bonds and deeds. The unusual general assembly is entitled to authorize the Board of Directors to issue these debt tools including bonds and deeds, whether in one or many parts, or through a series of issuances according to a program or more devised by the Board of Directors from time to time, and all of this at times and in sums and conditions approved by the Board of Directors, which enjoys the right to take all measures necessary for their issuance.

The company is also entitled – with a resolution by the unusual general assembly – to issue debt tools or financing deeds transferrable into shares, after a resolution from the unusual general assembly setting the maximum limit of the number of shares that could be issued for those tools or deeds, whether those tools or deeds were issued at the same time or through a series of issuances or through a program or more for issuing debt tools or financing deeds.

The Board of Directors – without the need for a new approval from this assembly – may issue new shares for those tools or deeds whose holders request their transfer immediately after the end of the transfer period set for the holders of those tools or deeds. The Board of Directors makes the necessary decisions to amend the articles of association as for the number of the issued shares and the capital. The Board of Directors has to announce the completion of the procedures of each increase in capital in the way defined in the articles to announce the resolutions of the unusual general assembly.

**(Section Four)**  
**Board of Directors**

**Article (17) Forming the Board of Directors:**

The company is managed by a Board of Directors consisting of seven members named by the ordinary general assembly for a period no longer than three years. The membership period of the first Board starts from the date on which the management decision to announce the establishment of the company was issued.

**Article (18) Expiry of the Board membership:**

The membership of the Board expires with the expiry of its duration or with the expiry of the member's eligibility in accordance with any system or instructions valid in the Kingdom. Nonetheless, the unusual general assembly is entitled at any time to dismiss all members of the Board or some of them without violating the right of the dismissed member towards the company to ask for compensation in case the dismissal happened to be for an unacceptable reason or at an unsuitable time, and the Board member may quit at a convenient time, otherwise he would be responsible before the company for the damages incurred by his withdrawal.

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**Article (19) Vacancy in the Board of Directors Membership:**

If a vacancy in the membership of the Board appears, the Board may name temporarily a member in this vacancy This must be reported to the Ministry of Commerce and Investment and the Capital Market Authority within five working days from the date of appointment and put this appointment before the ordinary general assembly in its first meeting. The new member completes the period of his predecessor. If the number of Board members falls down and becomes improper for holding meetings, the ordinary general assembly must be called as soon as possible to name the necessary number of members.

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

(A) Taking into consideration the specialties decided for the general assembly, the Board of Directors has the most authority and powers in running the company provided that all the commercial and fiscal transactions of the company are according to Islamic Sharia. The Board, for example, has the right to decide the company's participation in other companies and the right to make use of the company's assets, properties and real estates. It also has the right to buy and pay the buying money, to mortgage and unmortgage, to sell and receive the selling money and deliver the evaluative amount. As to the selling of the company's real estates, however, the record of the Board and the rationale of the decision must take into consideration the following conditions:

- 1- The Board must define within the selling decision the reasons and justifications for the selling.
- 2- The selling price must be close to what it originally is.
- 3- The selling must be present except in the cases which the Board estimates and with enough guarantees.
- 4- That act mustn't lead to stopping some activities of the company or lead to burden the company with other commitments.

Moreover, the Board of Directors may contract loans with governmental funds and funding institutions no matter how long their duration is. It may also contract commercial loans with financing companies or commercial banks whatever their duration or value.

The Board of Directors also has the right to reconcile, waive, contract, make commitments and make associations using the company's name and on its behalf. Furthermore, the Board of Directors may do all the procedures and acts that should achieve the company's objectives.

(B) The Board of Directors, whenever it sees it suitable, has the right to discharge the company's debtors of their liabilities in a way that serves the company's interests. The Board of Directors may authorize or deputize, within the limits of its powers, one or more of its members, or others, to take any procedures or acts, or do any particular businesses. The Board may also form from its members specialized committees, and the Board renews the work method of these committees, their specializations and bonuses.

**Article (21) Bonuses of the Members of the Board of Directors:**

The bonus of the Board consists of a specific sum or particular privileges or a particular percentage of the net profits as decided by the general assembly in addition to compensation for attending the sessions and

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travel compensation set by the Board of Directors within the limits of what is stated in the company's law or any other supplementary laws, decisions, or instructions. The Board's report to the ordinary general assembly consists of a full statement of all the salaries, portions in the revenues, attendance allowances and other expenses and privileges the members had obtained during the fiscal year. The aforementioned report also includes a statement of what the members of the Board had been paid as employees or administrative, or what they had been paid in exchange for technical, administrative, or advisory undertakings previously approved by the company's general assembly. It also includes a statement of the number of Council sessions and the number of sessions attended by each member from the date of the last meeting of the General Assembly.

**Article (22) Chairman of BOD, Vice Chairman, Delegated Member, and Secretary:**

The Board of Directors appoints one of its members a chairman and a vice chairman, and it is also entitled to appoint a delegated member from its members. No member can occupy the position of chairman of BOD and any executive position at the company at the same time, and the chairman is entitled to call the Board to meet, chair the Board meetings, and the right to represent the company alone, and he is entitled to authorize another person to some of his powers in writing. The BOD defines the specializations and powers of the chairman of BOD and the delegated member.

Furthermore, the chairman and the delegated member, in case one was named, have the right, whether separately or together, to represent the company in its relationships with the others, and before a court of law, governmental authorities, a notary, various settlement-of-disputes committees, arbitration bodies, chambers of commerce and industry, private commissions, and different companies and institutions. They have the right as well to sign all kinds of contracts, deeds and documents, which includes establishment contracts of companies participating with the company with all their modifications and appendices; and to sign agreements, deeds, and deeds' transfer before a notary and the official authorities, and agreements of loans, guarantees, bails, mortgages and dismortgaging; in addition to issuing legal commissioning on behalf of the company, pleading, advocating, avowing and arbitrating on behalf of the company. Any of the two may have one or more commissions within the limits of their powers regarding the initiation of one or more particular businesses.

A delegated member, in case one was named, enjoys, in addition to what has already been stated, other powers defined by the Board, and runs the daily businesses of the company.

The Board estimates the special bonus which the chairman, the vice chairman, and the delegated member in accordance with its powers in a way suitable to their powers stated in these articles of association.

The Board of Directors names a secretary, whether he was one of the Board's members or not, whose duty is to register the Board's meetings' records, and to register the decisions issued by these meetings and save them. There are also several other powers assigned to him by the Board, which decides his bonuses.

The membership duration of the chairman, the managing director, and the secretary (members) does not exceed the duration of their membership in the Board. They may always be renamed.

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**Article (23) Board Meetings:**

The Board of Directors shall meet at least four times a year at the invitation of its President. The invitation shall be in writing and may be delivered by hand or by mail, fax or telegram. The Chairman shall invite the Board to the meeting whenever two members so request.

The Board's meeting is not valid unless at least five of its members attended. In case one member deputized another in those meetings, the deputation must be according to the following rules:

- a- A Board member should not be the deputy of more than one member at the same meeting.
- b- The deputation must be fixed by writing it, and must be for a specific meeting.
- c- The deputy may not vote on decisions that the articles of association deprive the one being represented by the deputy from voting on.

Any member has the right to participate in any Board meeting by phone, conference video, or any other electronic means through which all members could communicate simultaneously, and this kind of participation is tantamount to attending the meeting.

**Article (24) Board Decisions:**

The decisions of the Board are issued by the majority of the votes of the present Board members or their representatives in the meeting. When there is a draw, the decision on which the chairman or his deputy in case he missed the meeting, votes outweighs.

The Board can issue pass-on decisions via presenting them before all the members individually, unless one of the members demanded registering the Board's meeting for deliberation.

These decisions are presented before the Board in its next meeting. The deliberations of the Board are recorded in registers and distributed on all the members, and are signed by the chairman and the secretary after all the members present had signed one of the register's copy. These registers are recorded in a special record signed by the chairman and the secretary.

**(Section Five)**  
**Shareholders' Assemblies**

**Article (25) Attending the Assemblies:**

Each shareholder has the right to attend the general assembly. He also may in written form deputize another shareholder who is not a member of the Board or an employee in the company to represent him in the general assembly.

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**Article (26) The Constituent Assembly:**

The constituent assembly is concerned with the following:

- 1- Verifying the subscription with all of the capital and paying, according to the companies' law, the minimum of the capital with the due amount of the shares' value.
- 2- Setting the final texts of the company's articles of association. It may not, however, insert essential modifications into the articles of association proposed to it unless all the subscribers represented in it approve of that.
- 3- Deliberation in the founder's report about the businesses and the expenses brought about by the establishment.

For the holding of the constituent assembly to be valid, there must be a number of subscribers representing at least half of the capital. Each subscriber in its meetings has a vote for each share he subscribed to or represents.

**Article (27) The Ordinary General Assembly:**

Except for the issues the extraordinary general assembly is concerned with, the ordinary general assembly is concerned with all the issues related to the company, and it is held at least once a year during the six months following the end of the company's fiscal year. Other ordinary general assemblies may be called for whenever there is need.

**Article (28) The Extraordinary General Assembly:**

The extraordinary general assembly is concerned with modifying the companies' articles of association, except for the articles it is banned by law from modifying.

In addition, the extraordinary general assembly may issue decisions concerning issues within the powers of the ordinary general assembly according to the same conditions and situations decreed for the last assembly.

**Article (29) Calling for the General Assemblies:**

The general assemblies are held by an invitation by the chairman. The Board must call for an ordinary general assembly if the Auditor or a number of shareholders representing at least (5%) of the capital. The invitation for the general assembly is published in the official newspaper and a daily newspaper distributed in the city in which the company's headquarters is located, at least 21 days before the date set for the assembly. The invitation includes a timetable. However, so long as the shares are nominal, it is enough to invite on the same date using written letters. A copy of the invitation and the timetable is sent to the Ministry of Commerce and Capital Market Authority during the period set for the publication.

**Article (30) Record of attending assemblies:**

Shareholders who desire to attend the general or special assembly must register their names at the registered office of the company prior to the date set for the assembly meeting.

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**Article (31) The Quorum of the Usual General Assembly:**

The meeting of the usual general assembly is not valid unless attended by shareholders representing at least quarter of the capital. If this quorum is not achieved in the first meeting, an invitation to a second meeting to be held as follows:

- a) One hour after the end of the duration set for the first meeting on condition the invitation for holding the first meeting must include the announcement of the possibility of holding this meeting, or
- b) During the next 30 days following the previous meeting and this invitation should be published in the way stated in article (29) of this system.

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

**Article (32) The Quorum of the Unusual General Assembly:**

The meeting of the unusual general assembly is not valid unless attended by shareholders representing at least half of the capital. If this quorum is not achieved in the first meeting, the second meeting is held as follows:

- a) One hour after the end of the duration set for the first meeting on condition the invitation for holding the first meeting must include the announcement of the possibility of holding this meeting, or
- b) During the next 30 days following the previous meeting and this invitation should be published in the way stated in article (29) of this system.

In all cases, the second meeting is valid if attended a number of shareholders representing at least quarter of the capital.

If the necessary quorum is not available in the second meeting, there should be an invitation for a third meeting held in the same conditions mentioned in article (29) of this system, and the third meeting is valid regardless of the number of shares represented in it after the approval of the specialized authority.

**Article (33) The Voting Power:**

Every subscriber owns one vote for each share he owns in the constituent assembly. The votes in the ordinary and extraordinary general assemblies are calculated on the basis of one vote for each share. The accumulative voting method is followed in appointing members of Board of Directors by the shareholders general assembly.

**Article (34) Decisions:**

The decisions in the constituent assembly are issued by the absolute majority of the shares represented in it. Nevertheless, if these decisions are related to evaluating ratios in kind or special privileges, the approval of the majority of the subscribers to cash shares representing two thirds of the aforementioned shares, after excluding what is subscribed to by the presenters of ratios in kind or those benefiting from the special privileges, is required. These do not have a say in these decisions even if they own cash shares.

The decisions in the ordinary general assembly are issued by the absolute majority of the shares represented in it. The decisions in the extraordinary general assembly are issued by the majority of two thirds of the shares represented in it, unless the assembly were related to increasing or decreasing the

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capital, elongating the company's duration, dissolving the company before the duration stated in the articles of association is over, or merging it with another company or institution; in this case, the decision is only valid if it was voted for by the majority of three quarters of the shares represented in the meeting.

**Article (35): Discussing the Agenda:**

Each shareholder has the right to discuss issues included in the agenda of the general assembly and to ask questions related to them addressed to the Board of Directors members and the Auditor. The Board of Directors or the Auditor answers the shareholders' question to an extent that would not damage the company's interests. If the shareholder sees that the answer to his question unconvincing, he may arbitrate the matter to the assembly and the assembly's decision in this matter is held effective.

**Article (36) Procedures of the General Assemblies:**

The usual general assembly is headed by the chairman of the Board of Directors or whoever he might authorize in his absence. The chairman appoints a meeting secretary and a vote collector and prepares a meeting minutes including the names of the attending shareholders or the representatives and the number of shares they own in person or in authorization and the number of the decisive votes and the decisions approving or disapproving of them and a detailed summary of the discussions in the meeting. These minutes are written regularly after each meeting in a special record book signed by the assembly chairman, the secretary and the vote collector.

**(Section Six)**  
**Audit Committee**

**Article (37) Audit Committee:**

With a resolution passed by the usual general assembly, an Audit Committee is formed of at least three and at most five members from other than the Board executive members, whether from the shareholders or others, and the resolution must define the tasks of the committee, its work restrictions and the bonuses of its members.

**Article (38) Meeting quorum of the Audit Committee:**

The meeting of the Audit Committee is valid if attended by the majority of its members, and its resolutions are issued with the majority of the votes attending the meeting, and when the votes are even the side favored is that enjoying the vote of the head of the committee.

**Article (39) Specializations of the Audit Committee:**

The Auditing Committee is specialized in monitoring the company works, so it has the right to review its records and documents and demand any explanation or statement from members of Board of Directors or the executive management, and it is also entitled to ask the Board of Directors to call the company's general assembly to meet in case the Board of Directors hinders its work or if the company suffers severe injuries or losses.

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**Article (40) Audit Committee reports:**

The Auditing Committee must look into the company’s financial reports and the notes presented by the Auditor and respond to them if necessary, and it also has to prepare a report about its opinion regarding the efficiency of the company’s internal supervision and any other works achieved in the scope of its specialization. The Board of Directors has to provide enough copies of this report at the company’s registered office at least (21) days prior to the meeting of the general assembly to provide shareholders with copies of this report, and this report is read during the meeting of the assembly.

**(Section Seven)**  
**The Auditor**

**Article (41) Naming the Auditor:**

The company has one or more Auditors of those authorized to work in the Kingdom. An Auditor is named yearly by the general assembly and it defines his bonus. It may rename him. The assembly may also replace him at all times without violating his rights to compensation in case the replacement happens at an unsuitable time or for an illegitimate reason.

**Article (42) Powers of the Auditor:**

The Auditor has the right to have access to the company's registers and records and other documents at any time. He also has the right to demand the statements and illustrations which he sees necessary to be examined. He also may check the company's assets and commitments and any other tasks covered by his authority. The chairman of Board of Directors must enable him to perform his job, and if the Auditor faces any difficulties in this regard he must state that in a report presented to the Board of Directors. In case the Board fails to facilitate the work of the Auditor, he has to ask the Board of Directors to call the usual general assembly for a meeting to look into the matter.

**(Section Eight)**  
**The Company's Accounts and Dividends**

**Article (43) The Fiscal Year:**

The company's fiscal year starts in the beginning of January and ends on December 31<sup>st</sup> of each year. However, the first fiscal year starts from the date of the ministerial decision that announces the company's establishment and ends on December 31<sup>st</sup> of the next Gregorian year.

**Article (44) Financial documents:**

1. The Board of Directors, at the end of each financial year of the company, has to prepare the company’s balance sheets and a report on its activities and financial center for the previous year, and this report must include the way suggested for dividing profits, and the Board must provide the Auditor with this report at least (45) days prior to the date set for the meeting of the general assembly.
2. The company’s chairman of Board of Directors, its executive chairman, and its financial manager must sign the documents referred to in item (1) of this article, and copies of these documents should be deposited at the company’s registered office to be available to the shareholders at least (21) days prior to the date set for the meeting of the general assembly.

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3. The Board chairman must provide shareholders with the company's balance sheets, the Board report, and the Auditor's report, unless they are published in a daily newspaper distributed in the company's registered office, and he also has to send a copy of these documents to the Ministry of Commerce and Investment and the Financial Market Authority at least (15) days prior to the date set for the general assembly meeting.

**Article (45) Dividends:**

The company's net profits are distributed after all the general expenses and other costs had been deducted as the following:

- 1- (10%) of the net profits are spared to constitute a statutory reserve. The usual general assembly may stop this sparing once the aforementioned reserve reaches (30%) of the paid capital.
- 2- The usual general assembly, based on a suggestion from the Board of Directors, may spare (10%) of the net profits to form a provisional reserve and allocate it for one or more particular purposes.
3. The usual general assembly has to decide the formation of other reserves at the amount that provides the company interest or guarantees the distribution of stationary profits among shareholders. The mentioned assembly may also deduce from the net profits amounts to establish social institutions for the company employees or to help other standing institutions.
- 4- The usual general assembly is entitled to decide, on the basis of the Board's suggestion, to distribute the remaining as a first payment to shareholders at a percentage not less than (5%) of the paid capital.
- 5- The usual general assembly is entitled to decide, on the basis of the Board's suggestion, to distribute the remaining after that among shareholders as an extra share in profits at the percentage suggested by the Board of Directors and approved by the general assembly, or to carry over the remaining to the following financial year after the approval of the shareholders' usual assembly.

The company may also distribute provisional profits among its shareholders twice a year or quarterly in accordance with the restrictions issued by the Financial Market Authority, all this on the basis of an authorization issued by the usual general assembly to the Board of Directors regarding the distribution of provisional profits renewed annually.

**Article (46) Paying the Profits:**

The shareholders deserve his share in the profits in accordance with the resolution of the general assembly issued in this regard, and the resolution must state the profitability date and the distribution date, and the right to profitability is for the share owners registered in the shareholders registers at the end of the day set for profitability.

**Article (47) Profit distribution for outstanding shares:**

If no profits are distributed for any financial year, profits for the following years should not be distributed before paying the percentage set by article (104) of the articles of association to owners of outstanding shares for this year.

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If the company fails to pay the percentage set by the provisions of article (104) of the articles of association of the profits for three consecutive years, the special general assembly of the owners of these shares, held in accordance with the provisions of article (89) of the articles of association, is entitled to decide on their attendance of the meetings of the company's general assembly and vote in them, or appoint their representatives in the Board of Directors according to the value of their shares in the capital, until the company is able to pay all priority profits allocated for the owners of these shares for the previous years.

**Article (48) Company's Losses:**

1. If the losses of the joint company reach half of the paid capital, at any time during the financial year, any official at the company or the Auditor must immediately inform the chairman of Board of Directors, and the Board chairman has to inform the Board members instantly, and within (15) days the Board must call the unusual general assembly for a meeting within (45) days of his knowledge of the losses, so it would decide either to increase the company's capital or decrease it in accordance with the provisions of the articles of association to the point where the percentage of losses are decreased to a level lower than half of the paid capital, or liquidate the company before the time set in the articles of association.

2. The company is considered liquidated with the power of the articles of association if the general assembly fails to meet within the period set in item (1) of this article, or if it meets and fails to make a decision on this issue, or if it decides to increase the capital in accordance with the conditions stated in this article and there is no subscription in all of the capital increase within (90) days of the assembly's resolution to increase the capital.

**(Section Nine)**  
**Disputes**

**Article (49) Liability Suit:**

Every shareholder has the right to file a liability suit against the Board of director members if the flaw committed by them was to cause a personal damage to this shareholder, provided that the company's right to file the suit is still valid. The shareholder must inform the company of his intention to file the suit.

**(Section Ten)**  
**Dissolving and Liquidating the Company**

**Article (50)**

When the company ends or if it is dissolved before the date set for ending it, the extraordinary general assembly decides, based on a suggestion by the Board, a way to dissolve the company. It also assigns a dissolver or more and defines their powers and fees. The power of the Board of Directors ends with the company's end. Nevertheless, the Board remains the entity which runs the company until a dissolver is assigned. The company's bodies maintain their powers and concerns in a way that does not oppose the dissolvers' powers.

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**(Section Eleven)**  
**Concluding Rules**

**Article (51) Articles of association:**

Any laws in contradiction with the Sharia Law and the articles of association stated in this system is considered null, and the articles of association and their bylaws are enforced on any issues not stated in these articles.

**Article (52) Publication:**

These articles of association are filed and published according to the rules of the companies' law.

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