



Bylaw
Naseej International Trading Company

(Listed Joint Stock Company)

Chapter One : Company Incorporation

Article One Incorporation:

To be established in accordance with the provisions of the Companies Law and its Regulations and this bylaw a Saudi joint stock company according to the following:

Article Two: The Company Name:

“Naseej International Trading Company” Listed Saudi Joint Stock Company.

Article Three: The Company's Objectives

The company performs the following purposes:

- 1- Wholesale and retail trade in carpets, rugs, ceramics, floors, furnishings, mobilia, furniture, antiques, wooden and metal lamps shade, office furniture, kitchens, blankets, bedspreads, curtain fabrics and their accessories.
- 2- Carpet production, rugs and carpets cut under license of Ministry of Industry and Electricity No. (1566 / r) on 12/20/1420 H.
- 3- Production of bobbin-proline yarns, nylon yarns, processed polypropylene yarns, and processed nylon yarns (polyamide), according to Ministerial Decree issued by the Ministry of Commerce No. (1699 / r) on 12/27/1424 H.
- 4- Commercial services: (a) Marketing to others (b) commercial agents and distribution agents (c) import and export for others (d) brokerage in other than exchange and real estate (e) commercial undertakings.
- 5- Real estate investment: (a) Buying and selling lands, owning real estate, constructing buildings on them, and investing them for the benefit of the company. (b) Establishing and developing residential, commercial and service complexes and investing them by selling, leasing or managing them for the benefit of the company. (c) Establishing commercial and industrial exhibitions and warehouses and investing them through sale, leasing or managing them for the benefit of the company. (d) General contracting for buildings (construction, repair, demolition and restoration).
- 6- Services (transportation, freight, warehousing, customs clearance).
- 7- Production of calcium carbonate and chemicals.
- 8- Establishing, owning, maintaining, cleaning and establishing institutes, colleges and universities.
- 9- Establishing, owning and managing factories and metal drawing trade.
- 10- Establishing, owning, maintaining, cleaning and establishing health centers.
- 11- Wholesale and retail trade in building materials.
- 12- Establishing, establishing and managing the operation of standards and metrology laboratories.
- 13- Security and safety activities.

The company carries out its activities in accordance with the regulations followed in the Kingdom of Saudi Arabia and after obtaining necessary licenses from competent authorities, if any.

Article Four: Participation and Ownership in Other Companies

The company may establish companies alone (with limited liability or closed shareholding) provided that the capital is not less than (5) five million riyals, it may also own shares and stakes in other existing companies or merge with them, it has the right to participate with others in

establishing companies Contribution or limited liability, after fulfilling the requirements of the regulations, instructions followed in this regard, the company may dispose of shares or stakes, provided that this does not include mediation in its circulation.

Article Five: The Company Head Office

The company Head Office is located in Jeddah, and branches, offices or agencies may be established for it inside or outside the Kingdom by a decision of the Board of Directors.

Article Six: The Company Duration

The company duration is ninety-nine Gregorian years starting from the date of its registration in the Commercial Register, and the duration of the company may be extended by a decision issued by extraordinary general assembly at least one year before the expiry of its duration.

Chapter Two : Capital and Shares

Article Seven: Capital

The company's capital is determined in **(108,973,010) SR.** (One hundred eight million, nine hundred seventy-three thousand and ten Saudi Riyals) divided into **(10,897,301)** (Ten million, eight hundred ninety-seven thousand, three hundred one) shares of equal value, the value of each share is SR. **(10)** (ten Saudi riyals), all of them are cash shares.

Article Eight: Subscription to Shares

Shareholders are subscribed in in the entire capital shares of **(10,897,301)** (Ten million, eight hundred ninety-seven thousand, three hundred one) share, with nominal value in **(108,973,010) SR.** (One hundred eight million, nine hundred seventy-three thousand and ten Saudi Riyals) fully paid.

Article Nine: Preferred Shares

The extraordinary general assembly of the company, according to the principles laid down by the competent authority, may issue preferred shares, decide to buy them, convert ordinary shares into preferred shares, or convert preferred shares into ordinary shares. Preferred shares do not give the right to vote in general assemblies of shareholders and arranging these shares for their owners have the right to obtain more than the owners of ordinary shares of the net profits of the company after setting aside the statutory reserve.

Article Ten: Selling Shares of Unpaid Value

The shareholder is obligated to pay the value of the share on the dates specified for that, if he fails to fulfill on the due date, the Board of Directors may, after notify him or informing him by a registered letter, sell the share in public auction or in stock market, according to the circumstances and to the controls specified by the competent authority, the company shall collect from the sale proceeds the amounts, the company shall collect from the proceeds of the sale the sums owed to it and return the rest to the owner of the share, if the proceeds of the sale not sufficient to meet these amounts, the company may collect the remainder from all the shareholder's funds, nevertheless, a shareholder who fails to pay until the day of the sale may pay the value due on him in addition to the expenses that the company has spent in this regard.

The company cancels the sold share in accordance with the provisions of this article, and gives the buyer a new share bearing the number of the canceled share, and indicates in the stock register the occurrence of the sale with an indication of the name of the new owner.

Article Eleven: Issuance of Shares

Shares are nominal and may not be issued at less than their nominal value, but may be issued at a higher than this value, in this last case the difference in value is added in a separate item within the shareholders' equity, it is not permissible to distribute it as dividends to shareholders and the share is indivisible vis-à-vis the company. The share is owned by multiple persons, they must choose one of them to represent them in using the rights related to it, these persons shall be jointly responsible for the obligations arising from the ownership of the share.

Article Thirteen: Shareholders' Register - Shares Purchase and Mortgage

- 1- The shares of the nominal company are traded in accordance with the provisions of the Capital Market Law.
- 2- The company may buy its shares or mortgage them according to controls laid down by the competent authority, and the shares that the company buys shall not have votes in the shareholders' assemblies.
- 3- The company may purchase its shares to be used as treasury shares, as well as for the purpose of allocating them to its employees within the employee share program, in accordance with the controls laid down by the competent authority.
- 4- Shares may be mortgaged according to controls laid down by the competent authority, the mortgagee creditor may receive the profits and use the rights related to the share, unless the pledge contract agrees otherwise, but the mortgagee creditor may not attend or vote in the general assembly of shareholders.

Article Fourteen: Increasing the Capital

- 1- The extraordinary general assembly may decide to increase the capital of the company, provided that the capital has been fully paid, and it is not required that the capital has been fully paid if the unpaid part of the capital is due to shares issued in exchange for converting debt instruments or financing instruments into shares and not it expires after the prescribed period for converting them into shares.
- 2- The extraordinary general assembly in all cases may allocate the shares issued when increasing the capital or part of it to the employees of the company, subsidiary companies, some or any of that, and shareholders may not exercise the right of priority when the company issues shares allocated to employees.
- 3- The shareholder who owns the share at the time of the decision of the extraordinary general assembly to approve increasing the capital, priority in subscribing for new shares issued against cash shares, they shall be informed of their priority by publishing in a daily newspaper or by informing them by registered mail of the decision to increase the capital, terms of subscription, its period and expiry date.
- 4- The extraordinary general assembly has the right to suspend the priority right for shareholders to subscribe by increasing the capital in exchange for cash shares, or give priority to non-shareholders in cases it deems appropriate in the interest of the company.
- 5- The shareholder has the right to sell or waive the pre-emption right during the period from the time of the decision of the general assembly approving the increase in the capital to the last day for subscription for new shares related to these rights in accordance with the controls laid down by the competent authority.
- 6- and the rest is distributed Of the new shares of priority rights holders who requested more than their share in proportion to the priority rights they own from the total priority rights resulting from the capital increase, the remainder of the new shares shall be distributed to

the priority rights holders who demand more than their share in proportion to the priority rights they own from the total priority rights resulting from the capital increase, provided that it does not exceed what they receive from the new shares they requested and the remainder of the shares shall be offered to others, unless it is decided. The extraordinary general assembly or the financial market system stipulates otherwise.

Article fifteen: Reducing the Capital

The extraordinary general assembly may decide to reduce the capital if it exceeds the company's need or if it suffers losses. In the latter case alone, the capital may be reduced to below the limit stipulated in Article (54) of Companies Law, the reduction decision only issued after reading a special report prepared by the auditor on reasons for it, the obligations of the company and the effect of the reduction in these Obligations.

If the capital reduction was a result from increase the company's need, creditors must be called upon to express their objections on it within sixty days from the date of publishing the reduction decision in a daily newspaper distributed in the region in which the company's head office is located. The company is obligated to pay him his debt if it is due, or to provide him with sufficient security to fulfill it if it is deferred.

Chapter Three: The Board of Directors

Article sixteen: Company management

The management of the company is undertaken by a Board of Directors composed of (7) Seven members, elected by the ordinary general assembly of shareholders for a period not exceeding three years, and members of the Board of Directors may be reappointed, as an exception to this, the first Board of Directors has been appointed for a period of (five years), the term of the first board begins from the date of the Ministerial decision announcing the establishment of the company.

Article Seventeen: Termination of Board Membership

The membership of the Board shall expire with the expiration of its term or the expiration of the member's validity according to any system or instructions in force in the Kingdom, or due to death, or his resignation. However, the Ordinary General Assembly may at any time dismiss all or some of the members of the Board of Directors, if it is proven that he has committed an act of breach of trust and morals or was convicted of forgery, declared bankruptcy, made arrangements or agreements with creditors of the company, without prejudice to the right of the dismissed member towards the company to claim compensation if the dismissal occurred for an unacceptable reason or at an inappropriate time, and the member of the Board of Directors may retire, provided that this is at an appropriate time otherwise, he shall be responsible before the company for the damages arising from his retirement.

Article eighteen: The Vacant Position in the Board

If the position of one of the members of the Board of Directors becomes vacant, the board may appoint a temporary member in the vacant position, provided that he is one of those who have experience, sufficiency, must inform the Ministry and the Financial Market Authority within five working days from the date of appointment, the appointment shall be presented to the ordinary general assembly at the first meeting. The new member shall complete the term of his predecessor. If the necessary conditions for the meeting of the Board of Directors are not met due to the lack of number of its members below the minimum stipulated in Companies Law or this system, the rest of the remaining members must call the ordinary general assembly to convene within sixty days to elect the necessary number of members.

Article Nineteen : Powers of the Board

Taking into account the powers established for the General Assembly, the Board of Directors shall have the widest powers in managing the company in a way that achieves its objectives, adopting its strategic directions and its main objectives, supervising its implementation, drawing up company policies, determining its investments, supervising its business and funds, disposing of its affairs inside, outside the Kingdom, establishing internal control systems, mechanisms, general supervision over them, an agent for the company, shareholders in implementing this, and the Board of Directors, for example, but not limited to, do the following:

- 1- Disposing of the company's assets, property, real estate in a manner that achieves the interest of the company and its objectives. He has the right to purchase, accept it, pay the price, mortgage, redeem the mortgage, sell, emptying, collect prices and deliver the valuated, provided it includes the minutes of the Board of Directors, provided the minutes of the Board of Directors include the grounds of its decision to dispose of the assets, property and real estate of the company the following conditions:
 - a- The board shall specify the reasons and justifications for the sale decision.
 - b- The sale price shall be close to the price of the same.
 - c- The sale shall be in presence except in cases of necessity and with adequate guarantees.
 - d- Does not this act result in the suspension of some of the company's activities or impose other obligations on it.
- 2- The Board of Directors has the right also to contract financial loans and financing with governmental and commercial financing funds and institutions and benefit from all Islamic banking services conducted by banks and Islamic finance houses, whose terms do not exceed 50% at the end of the company's term, taking into account the following conditions for financing contracts whose terms exceed three years:
 - a- The Board of Directors shall specify in its decision the ways to use the financing and how to repay it.
 - b- To take into account in the financing conditions the guarantees provided in the interest of the company.
- 3- The Board of Directors shall also have the right to conciliate, assign, contract, abide by and link with the name of the company and on its behalf to approve contracts and tenders, establish companies in which the company participates with all its amendments and annexes, and carry out all actions and actions that would achieve the objectives of the company.
- 4- The Board of Directors of the company has the right to absolve the company's debtors from their liabilities, in the cases it assesses, in accordance with what is in its interest in accordance with the following conditions:
 - a- The exemption shall be at least one year after the debt arose.
 - b- The exemption is a right of the Board and cannot be delegated.
The Board may also, within the limits of its competence, delegate one or more of its members or others to carry out specific work or actions.
- 5- The Board of Directors has the right to issue a decision to appoint statutory representatives of the company in accordance with the Paragraph (c) of Article (18) of the eighteenth law system, in order to represent the company before others and in all public courts, the Board of Grievances, administrative courts and judicial committees of all types and degrees, and all agencies, ministries and government departments and the Executive and its sub-divisions in relation to all types of cases, and with the same powers granted to the Managing Director below in this regard.

Article Twenty: Reward of Board Members.

The reward of the members of the Board of Directors as stipulated in the Companies Law and the Regulations, Regulations and Decisions issued in this regard, provided that the annual reward for a single Board Member does not exceed the limit stipulated in the Companies Law of (five hundred

thousand Saudi Riyals), and the report of the Board of Directors to the General Assembly must include The regular statement includes a comprehensive statement of all rewards, expenses allowances and other benefits that board members obtained during the fiscal year, and it should also include a statement of what board members have received as workers or administrators or what they have received in return for technical or administrative work or consultations, and it should also include a statement of the number of Board sessions and the number of sessions attended by each member from the date of the last meeting of the general assembly.

Article Twenty One: The Powers of the President, the Deputy, the Managing Director, and the Secretary:

The Board of Directors shall appoint from among its members a President and a Vice President, and he may appoint a managing director. It is not permissible to combine the position of the Chairman of the Board of Directors with any executive position in the company.

1- The Chairman of the Board of Directors shall be responsible for following up all the company's business and activities, issuing decisions and directives regarding them, approving decisions and deciding on issues that fall within its powers, directing the Board to effectively perform its functions and responsibilities, inviting the Board to convene and determining the topics of the meetings taking into account the topics that the members propose to include, and managing Board meetings, encouraging all members to participate fully and effectively in what serves the interests of the company, creating constructive relationships between members, following up on the regularity of board meetings and carrying out its work on the dates specified in accordance with the approved board work plan, following up on the company's management in implementing the Board's decisions, following up on the work of the Board's committees and ensuring their performance of their duties effectively, supervising the invitation of the general assembly to convene and chairing its meetings, and taking appropriate measures to ensure effective communication between the board and the shareholders, in addition to the powers that the Board of Directors delegates to it from time to time.

The Chairman of the Board of Directors may, by a written decision, delegate some of his powers to other members of the Board or from third parties to carry out specific work or activities.

2- The Chairman of the Board of Directors is responsible for representing the company in its relations with others, before the judiciary, government agencies, notaries and arbitration bodies, reviewing the Board of Grievances, all public and administrative courts, authorities, bodies and judicial committees of all degrees, types and classifications, pleading and defending before them, attending sessions, submitting memoranda and lawsuit regulations, hearing evidence and witnesses and their response, acknowledgment and denial and reconciliation and acquittal, accepting judgments and distinguishing them, submitting appeals and petitions, reviewing police departments and all executive bodies and enforcement courts, collecting the rights of the company with others, requesting seizure and execution in all its forms, and representing the company before the Chambers of Commerce and Industry and has the right to sign contracts for the establishment of companies in which it participates and their appendices, amend them, and sign all contracts and agreements and the instruments and clearance before the Ministry of Commerce and Industry and before the notary and all relevant official authorities, amendment of contracts for the establishment of subsidiary companies or companies in which the company owns shares and amendment appendices, cancellation of incorporation contracts and amendment annexes, signing of incorporation contracts and amendment annexes with a notary public, publishing incorporation contracts and amendment annexes and their summaries and bylaws according to the determination of the competent authority, signing of partners' decisions, admission and discharge of partners, entry into existing companies, purchase of shares and stocks and payment of the price, sale of shares and stocks and receipt of value, waiving shares and stocks of capital, acceptance of assignment of shares, shares and capital Increase, reduce and determine

capital, transfer shares, stocks, bonds and instruments, amend the objectives of subsidiary companies and sign liquidation decisions and decisions to appoint or dismiss managers and company representatives in shareholders 'or partners' assemblies, receive, hand over, review all relevant authorities and finish all necessary procedures and sign and authorize as required, reviewing banks, opening accounts, withdrawing and depositing, issuing checks, issuing bonds, bills of exchange, guarantees, signing loan and bank facilities contracts, issuing letters of guarantee, borrowing from commercial and official banks and financing funds, selling, buying, exempting and accepting, receiving the price by a certified check or bank transfer in the name of the company, pledging and dissolving it, issuing and amending bonds and the extraction of a lost replacement, and the appointment and dismissal of agents and lawyers, and authorizing them and delegating them in all or some of the aforementioned and issuing power of attorney to them, and the Chairman of the Board of Directors has the right to lease the company's properties, rent for the benefit of the company, sign lease contracts, receive and pay the rent, appoint employees, dismiss them, contract with them, terminate their services, request visas, bring in workers, deport them, obtain work permits, residencies and transfer guarantees, and submitting tenders and submitting bids, and the Chairman of the Board may delegate others within the limits of their competence to powers, to take quick action or a specific act, or to carry out a rapid procedure or specific actions, and he may cancel the authorization and power of attorney partially or completely.

3- The Managing Director is responsible for implementing the policy drawn up by the company's Board of Directors, besides other functions and other powers that the Board of Directors specifies for him, and he must implement the instructions of the Board of directors.

The Board of Directors determines according to its own discretion and based on the recommendation of the Rewards Committee by a decision issued by it to issue the special reward that the Chairman of the Board of Directors and the Managing Director receive in addition to the reward determined for the members of the Board of Directors, provided that it does not exceed the limits stipulated in the Companies Law and its regulations.

4- The Board of Directors shall appoint a secretary to be chosen from among its members or from others who is concerned with the clerical work of the board, keeping its records, preparing its correspondence with the relevant authorities, recording the proceedings of the board meetings, preparing for those meetings, writing notices to the members about the Board's meetings, preparing letters to the concerned authorities inside and outside the company, and any other administrative tasks and works related to the work of the Secretary of the Board of Directors, and his reward shall be determined in accordance with the decision issued to appoint him. The term of the president, his deputy, the managing director, and the secretary of the board member shall not exceed the term of membership of each of them in the board, and they may be re-elected, and the board at any time may dismiss them or any of them without prejudice to the right of the dismissed person to compensation if the dismissal occurred for an unlawful reason or at an unjust time.

Article Twenty Two: Board Meetings:

The Board of Directors meets at least four times a year upon an invitation from its President, Vice President or Secretary, and the invitation to the meeting shall be addressed by a letter attached to the meeting agenda by mail, fax, or any other electronic means, and the Chairman of the Board must invite the Board to the meeting whenever any two of the members requested that, and the Board of Directors may issue its decisions in case of urgency by a single vote on it by the members (by passing), unless two of the members request writing to hold a meeting of the Board for deliberation.

Article Twenty Three: Board's Meeting Quorum:

The Board's meeting is not valid unless it is attended by at least half of the members, provided that the number of attendees is not less than (4) four members, and a board member may delegate other members to attend the meetings of the board according to the following controls:

- a- The Member of the Board of Directors may not represent more than one member in attending the same meeting.
- b- That the representation shall be fixed in writing.
- c- The representative may not vote on decisions in which the system prohibits the delegator from voting.

The decisions of the Board are issued by the majority of the opinions of the attending members or their representatives, and when opinions are equal, the side with which the chairman voted shall prevail.

Article twenty-four: Board Deliberations:

The deliberations and decisions of the Board of Directors are confirmed in minutes signed by the Chairman of the Board, the present members of the Board and the Secretary, and these minutes are recorded in a special register signed by the Chairman of the Board of Directors and the Secretary.

Chapter Four (Shareholders' Assemblies)

Article Twenty Five: Attending Assemblies:

Every subscriber, regardless of the number of his shares, has the right to attend the constituent assembly, and every shareholder has the right to attend the general assemblies of shareholders, and in this regard he has the right to delegate on him another person other than members of the Board of Directors or company employees to attend the general assembly.

Article Twenty Six: Constituent Assembly:

The founders invite all subscribers to hold a constituent assembly within forty-five days from the date on which the door to subscribe to shares is closed, and the meeting is valid the by attendance of a number of subscribers representing at least half of the capital. If this quorum is not met, the second meeting will be held one hour after the end of the period specified for the first meeting, provided that the invitation for the first meeting includes that.

In all cases, the second meeting shall be valid regardless of the number of subscribers represented.

Article Twenty Seven: Terms of Reference of Constituent Assembly:

The Constituent Assembly shall be concerned with the following matters:

- 1- Verify that the company's shares are subscribed to, and that the minimum capital has been met and the amount due from the share value is in accordance with the provisions of the system.
- 2- Discussing the in-kind shares evaluation report.
- 3- Approval of the final texts of the company's bylaw, provided that substantial amendments are not made to the bylaw presented to it except with the approval of all subscribers represented therein.

- 4- Appointing the members of the first Board of Directors for a period not exceeding five years and the first auditor if they have not been appointed in the company's articles of association or its bylaw.
- 5- Deliberating and approving the founders' report on the business and expenses required for establishing the company.

The Ministry, as well as the Financial Market Authority, may delegate one (or more) delegates as an observer to attend the Constituent Assembly of the company to ensure the implementation of the provisions of the system.

Article Twenty Eight: Terms of Reference of the Ordinary General Assembly:

With the exception of matters pertaining to the extraordinary general assembly, the ordinary general assembly shall be concerned with all matters related to the company, and it will be complicated at least once a year during the six months following the end of the company's fiscal year, and other ordinary general assemblies may be invited whenever the need arises.

Article Twenty Nine: Terms of Reference of the Extraordinary General Assembly:

The extraordinary general assembly shall be concerned with amending the company's bylaw with the exception of matters that it is forbidden to amend by law, and it may issue decisions on matters originally within the terms of reference of the ordinary general assembly under the same terms and conditions established for the ordinary general assembly.

Article Thirty: Invitation to the Assemblies:

The general or private assemblies of the shareholders shall convene upon an invitation from the Board of Directors in accordance with the procedures regulating this regard, and the Board of Directors shall invite the Ordinary General Assembly to convene if requested by the auditor, the Audit Committee, or a number of shareholders representing at least (5%) of the capital. The auditor may invite the assembly to convene if the board does not invite the assembly within thirty days from the date of the auditor's request.

The invitation to convene the general assembly shall be published in a daily newspaper that is distributed at the company's headquarters at least twenty-one days before the date set for the meeting. However, it is permissible to address the invitation on the aforementioned date to all shareholders by registered letters, and a copy of the invitation and the agenda is sent to the ministry and the authority within the specified period for publishing.

Article Thirty one: Record of Assemblies Attendance:

Shareholders who wish to attend the general or private assembly shall register their names in the company's head office or at the meeting place of the assembly prior to the time set for the assembly.

Article Thirty Two: Quorum for the Ordinary General Assembly meeting:

The holding of the Ordinary General Assembly meeting is not valid unless attended by shareholders representing at least a quarter of the capital, and if the quorum necessary for holding this meeting is not available, the second meeting will be held one hour after the end of the period specified for the first meeting, provided that the invitation to hold the first meeting includes what indicates the possibility of this meeting took place.

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

Article Thirty Three: Quorum for the Extraordinary General Assembly Meeting:

The meeting of the extraordinary general assembly is not valid unless attended by shareholders representing half of the capital. If this quorum is not available in the first meeting, the second meeting will be held an hour after the end of the period specified for the first meeting, provided that the invitation to hold the first meeting includes evidence of the announcement of the possibility of holding this the meeting.

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

And if the necessary quorum is not met in the second meeting, an invitation is sent to a third meeting to be held according to the same conditions stipulated in (Article Thirty) of this system, and the third meeting will be valid regardless of the number of shares represented in it after the approval of the competent authority.

Article Thirty Four: Voting in Assemblies:

Every subscriber has a vote for every share he represents in the constituent assembly, and every shareholder has a vote for every share in the general assemblies, and the cumulative vote must be used in the election of the Board of Directors.

Article Thirty Five: Decisions of the Assemblies:

The decisions of the Constituent Assembly are made by the absolute majority of the shares represented in it, the decisions of the Ordinary General Assembly are issued by the absolute majority of the shares represented in the meeting, and the decisions of the Extraordinary General Assembly are issued by a two-thirds majority of the shares represented in the meeting unless it is a decision related to increasing or reducing the capital or prolonging the term of the company By dissolving it before the expiry of the period specified in bylaw, or by merging it with another company, it will not be valid unless it is issued by a majority of three quarters of the shares represented at the meeting.

Article Thirty Six: Discussion in Assemblies:

Every shareholder has the right to discuss the topics on the assembly's agenda and direct questions about them to the members of the Board of Directors and the Auditor, and the Board of Directors or the auditor shall answers the shareholders' questions to the extent that it does not expose the interest of the company to harm, and if the shareholder deems that the answer to his question is not convincing, he must refer to the assembly, and its decision in this regard is enforceable.

Article Thirty Seven: Presiding Over Assemblies and Preparing Minutes:

The general assembly meetings of the shareholders shall be presided over by the Chairman or his deputy in his absence, or whoever is delegated by the Board of Directors from among its members for that in the absence of the Chairman and his deputy.

A minutes shall be set up at the meeting of the assembly including the number of shareholders present or representatives, the number of shares in their possession by authenticity or authorization, the number of votes decided for them, the decisions taken, the number of votes that approved or disagreed with them, and a full summary of the discussions that took place in the meeting, and the minutes shall be recorded regularly after each meeting in a special record signed by the president, secretary and the votes collector.

Chapter Five (Audit Committee)

Article Thirty Eight: Formation of the Committee:

The Audit Committee shall be formed by a decision of the ordinary general assembly consisting of at least three (3) members and not more than five (5) five members, who are not executive members of the Board of Directors, whether from the shareholders or others. The decision specifies the duties of the Committee, its work controls, and the rewards of its members.

Article Thirty Nine: Quorum for the Meeting of the Committee:

For the Audit Committee meeting to be valid, the attendance of the majority of its members is required, and its decisions shall be issued by the majority of the votes of those present, and when the votes are equal, the side with which the chairperson voted shall prevail.

Article Forty: The Committee's Responsibilities :

The Audit Committee is responsible for monitoring the company's business, and for this purpose it has the right to view its records and documents and request any clarification or statement from the members of the Board of Directors or the executive management, and it may request the Board of Directors to invite the company's general assembly to convene if the Board of Directors impedes its work or the company is exposed for heavy damages or losses.

Article Forty One: Committee Reports:

The Audit Committee must review the company's financial statements and the reports and notes provided by the auditor, and express its opinions about them, if any, and it must also prepare a report on its opinion regarding the adequacy of the company's internal control system and what it has done of other activities that fall within the scope of its competence. The Board of Directors must deposit sufficient copies of this report in the company's head office at least twenty-one days before the date set for the meeting to provide each of the shareholders a copy of it. The report is read during the assembly.

Chapter Six (Auditor)

Article Forty Two: Appointment of the Auditor:

The company is obligated to have an auditor from among the auditors licensed to work in the Kingdom of Saudi Arabia appointed by the Ordinary General Assembly annually, and determine his fees and the duration of his work, and the association may also change him at any time without prejudice to his right to compensation if the change occurred at an inappropriate time or for an illegal reason.

Article Forty Three: Powers of the Auditor:

The auditor has the right at any time to view the company's books, records and other documents, and he also has the right to request the data and clarifications that he deems necessary to obtain, in order to verify the company's assets, obligations, and other things that fall within the scope of his work. The Chairman of the Board of Directors must enable him to perform his duty, and if the auditor encounters difficulty in this regard, he shall prove this in a report submitted to the Board of Directors. If the board does not facilitate the work of the auditor, he must request the Board of Directors to invite the ordinary general assembly to consider the matter.

Chapter Seven (Company Accounts and Profit Distribution)

Article Forty Four: Fiscal Year:

The company's fiscal year begins on the first of January and ends on December 31 of each year. The company's first fiscal year began from the date of its registration in the commercial register until December 31 of the following calendar year.

Article Forty Five: Financial Documents:

1- The Board of Directors must, at the end of each fiscal year for the company, prepare the company's financial statements and a report on its activities and financial position for the past fiscal year, and this report includes the proposed method for distributing profits, and the board places these documents at the disposal of the auditor at least forty five days before the date set for the meeting of the general assembly.

2- The Chairman of the Board of Directors, the executive president and the financial director of the company shall sign the documents referred to in paragraph 1 of this article, and copies of them shall be deposited in the company's head office at the disposal of the shareholders at least twenty-one days before the date set for the meeting.

3- The Chairman of the Board of Directors shall provide the shareholders with the financial statements of the company, the report of the Board of Directors, and the auditor's report, unless they are published in a daily newspaper distributed in the company's head office, and he must also send a copy of these documents to the Ministry and the Financial Market Authority, at least fifteen days before the date the general assembly convenes.

Article Forty Six: Distribution of Profits:

The annual net profits of the company shall be distributed as follows:

1- (10%) of the net profits shall be set aside to form the statutory reserve of the company, and the Ordinary General Assembly may decide to stop this deduction whenever the said reserve reaches (30%) of the paid capital.

2- The Ordinary General Assembly, based on the proposal of the Board of Directors, may set aside (5%) of the net profits to form a consensual reserve to be allocated for a specific purpose or purposes.

3- The Ordinary General Assembly may decide to create other reserves, to the extent that it serves the interest of the company or ensures that fixed profits are distributed as much as possible to the shareholders, and the aforementioned assembly may also deduct from the net profits amounts to establish social institutions for the company's employees or to assist what may exist from these institutions.

4- From the remainder after that, a percentage representing (5%) of the company's paid-up capital shall be distributed to the shareholders.

5- Subject to the provisions stipulated in (Article Twenty) of this Law, and (Article 76) of the Companies Law, after the aforementioned, a percentage not exceeding (10%) of the remainder shall be allocated to the rewards of the Board of Directors if the rewards are a certain percentage of the company's profits. That the entitlement to this bonus be proportional to the number of sessions the member attends.

Article Forty Seven: Entitlement to Profits

The shareholder is entitled to his share in the profits in accordance with the general assembly resolution issued in this regard, and the decision specifies the date of entitlement and the date of

distribution, and the eligibility of the profits shall be for the owners of the shares registered in the shareholders' records at the end of the date specified for entitlement.

Article Forty Eight : Profits Distribution for Preferred Shares :

1- If profits have not been distributed for any fiscal year, it is not permissible to distribute profits for the following years except after paying the specified percentage in accordance with the provisions of article (one hundred and fourteen) of the companies law for owners of preference shares for that year.

2- If the company fails to pay the specified percentage in accordance with the provisions of article (one hundred and fourteen of the Companies Law) of profits for a period of three consecutive years, then the special association of owners of these shares, convened in accordance with the provisions of article (eighty nine) of the Companies Law, may decide either they attend the general assembly meetings of the company and participate in the vote, or they appoint representatives on the Board of Directors in proportion to the value of their shares in the capital, until the company is able to pay all the priority profits allocated to the owners of these shares for previous years.

Article Forty Nine: Company Losses:

1- If the company's losses amount to half of the paid-up capital, at any time during the fiscal year, any official in the company or the auditor must immediately inform the Chairman of the Board of Directors, and the Chairman of the Board of Directors must immediately inform the members of the board about that, and the Board of Directors within fifteen days from his knowledge of this to invite the extraordinary general assembly to a meeting within forty five days from the date of his knowledge of the losses, to decide either to increase or decrease the company's capital in accordance with the provisions of the companies' law, to the extent that the percentage of losses decreases to less than half of the paid-up capital, or to dissolve the company before the term specified in this bylaw.

2- The company shall be deemed terminated by the force of the Companies Law if the general assembly does not meet during the period specified in paragraph 1 of this article, or if it convenes and is unable to issue a decision on the matter, or if it decides to increase the capital according to the conditions stipulated in this article and the subscription has not been completed in each capital increase within ninety days from the issuance of the association's decision to increase it.

Chapter Eight (Disputes)

Article Fifty: Liability Lawsuit:

Every shareholder has the right to file the liability lawsuit for the company against the members of the Board of Directors if the mistake made by them would cause special harm to him. The shareholder may not file the aforementioned lawsuit unless the company's right to file it is still valid, and the shareholder must inform the company of his intention to file the lawsuit.

Chapter Nine (Dissolution and Liquidation of the Company)

Article Fifty One: Termination of the Company:

Upon its expiration, the company enters the role of liquidation and maintains legal personality to the extent necessary for liquidation, and the voluntary liquidation decision is issued by the extraordinary general assembly, and the liquidation decision must include the appointment of the liquidator, specifying his powers and fees, restrictions imposed on his powers and the time required for liquidation, and the voluntary liquidation period must not exceed five years, and it is not permissible to extend it to more than that except by a court order and the authority of the company's Board of Directors ends with its dissolution. Nevertheless, these remain in charge of managing the company and are counted in relation to others in the judgment of liquidators until the liquidator is appointed, and shareholders' associations remain in place during the liquidation period and their role is limited to exercising their competencies that do not conflict with terms of reference of the liquidator.

Chapter Ten (Final Provisions)

Article Fifty Two:

The Companies Law and its regulations are applied in all that is not stipulated in this bylaw.

Article Fifty Three:

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