

# **BinDawood Holding Company Bylaws**

**A Saudi Joint Stock Company**

**Approved by the**

**EXTRAORDINARY GENERAL ASSEMBLY**

**04 Thul Hijjah 1444H corresponding to 22 June 2023G**

*[This is a translation of the official Arabic document;  
in case of any unintended discrepancy the Arabic would prevail]*

## **CHAPTER ONE COMPANY INCORPORATION**

### **ARTICLE (1) COMPANY INCORPORATION:**

The Company incorporated in accordance with the provisions of the Saudi Companies Law issued by virtue of the Royal Decree No. (M/132) dated 01/12/1443 H, its implementation regulations issued based on a decision number (284) on 23/06/1444 H released by the Minister of Commerce and this Bylaw. BinDawood Holding Company registered in the Commercial Register in Makkah Al-Mukarramah, under No. 4031063470 and dated 16/08/1432 H, whose provisions are set out in this Bylaw below:

### **ARTICLE (2) COMPANY NAME:**

The name of The Company is "BinDawood Holding Company", a Saudi joint stock company.

### **ARTICLE (3) COMPANY OBJECTIVES:**

The Company's objective is:

Carrying out the activities of holding company (by controlling the units and acquiring assets and owning a dominant share of the capital of a group of subsidiaries, and whose main activity is the ownership of that group). The Company has the right to carry out and achieve its purposes inside and outside the Kingdom in accordance with the applicable regulations and after obtaining the necessary authorization from the competent authorities.

### **ARTICLE (4) PARTICIPATION AND OWNERSHIP IN COMPANIES:**

The Company may incorporate companies on its own, either limited liability, closed joint stock or simplified joint stock companies. It may also own equity and shares in other existing companies including through merger; or to incorporate jointly with others limited liability companies or joint stock companies, after fulfilling the applicable requirements. The Company may also dispose of these shares or equity in any way deemed fit, provided it is not involved in the business of brokerage. The Company may have an interest or participate in any way with individuals, companies or organizations that carry out businesses similar to its business and that assist it in achieving its objectives.

### **ARTICLE (5) COMPANY'S TERM:**

The duration of The Company shall be ninety-nine (99) Gregorian years commencing from the date of its registration in the commercial registry as a joint stock company. The Company's duration may always be extended by virtue of Extraordinary General Assembly's resolution at least one year prior to the expiration of its term.

### **ARTICLE (6) COMPANY'S HEAD OFFICE:**

The Company's head office is located in Makkah Al-Mukarramah. The Company may open branches or offices inside and outside of the Kingdom upon the decision of Board of Directors.

## **CHAPTER TWO: CAPITAL AND SHARES**

### **ARTICLE (7) COMPANY'S SHARE CAPITAL:**

The Capital of the Company is one billion one hundred forty-three million (1,143,000,000) Saudi Riyals divided into one billion one hundred forty three million (1,143,000,000) shares of equal value, the nominal value of each share amounting to one (1) Saudi Riyal, and all of which are ordinary monetary shares.

#### **ARTICLE (8) SUBSCRIPTION TO THE SHARES:**

The Shareholders have subscribed to all shares amounting to one billion one hundred forty three million (1,143,000,000) shares with a value of one billion one hundred forty-three million (1,143,000,000) Saudi Riyals, and the Shareholders acknowledge that the entire capital of The Company has already been paid.

#### **ARTICLE (9) CONVERSION OF SHARES:**

- 1- The share types that the Company may issue are ordinary, preferred and redeemable shares, and if the company has shares of different types or classes, it may convert one type or class into another type or class if provided for in the company's bylaws.
- 2- To convert a type or class of shares into another type or class, the approval of the extraordinary general assembly must be obtained, except for cases in which the decision to issue shares stipulates that they are automatically converted into another type or class upon satisfying certain conditions or upon the lapse of a specified period.
- 3- The provisions provided for in Article 110 of the Company's Law shall apply to cases in which the conversion of shares requires the amendment or cancellation of the rights or obligations associated with a type or class of shares.
- 4- Common and preferred shares and their classes may not be converted into redeemable shares or any classes thereof except with the approval of all shareholders of the company.
- 5- The Regulations shall determine the implementing rules of this Article and the manner in which the effects, rights, and obligations of shares are managed prior to conversion or thereafter.

#### **ARTICLE (10) AMENDMENT OF SHARE-ASSOCIATED RIGHTS AND OBLIGATIONS :**

- 1- If company shares are of different types and classes or if the company's bylaws allow for the issuance of different types and classes of shares, the amendment or cancellation of any of the rights, obligations, or restrictions associated with said shares; the conversion of any type or class of shares into another type or class, if such conversion results in the amendment or cancellation of the rights or obligations associated with the type or class of shares to be converted; or the issuance of shares of a particular type or class that would prejudice the rights of another class of shareholders, shall require the approval of a special assembly composed, in accordance with Article 89 of the Company's Law, of shareholders who are prejudiced by such amendment, cancellation, conversion, or issuance as well as the approval of the extraordinary general assembly.
- 2- If company shares include preferred or redeemable shares, new shares with priority over any of their classes may not be issued except with the approval of a special assembly composed, in accordance with Article 89 of the Company's Law, of shareholders who are prejudiced by such issuance.

The Extraordinary general assembly may decide to issue, buy-back preferred shares, convert ordinary shares into preferred shares into ordinary shares, or to convert preferred shares, as per the competent authorities' requirements, Preferred Shares shall not grant its holders the right to vote in General Assemblies, exceptionally the Preferred Shares shall be granted the right to vote in the cases identified in the Company's Law and the implementing regulations. Preferred shareholders are granted a higher percentage than the percentage granted to ordinary shareholders in company's net profits after reserves transfer, if any. The issuance of preferred shares must be approved by shareholders who are prejudiced by such issuance convened in a Special Assembly in accordance with Article (110) of the Companies Law, also the Preferred Shares must not exceed (10 %) of the Company's share capital.

#### **ARTICLE (11) ISSUANCE OF SHARES:**

The shares may not be issued at less than their nominal value. However, the shares may be issued at a value higher than their nominal value, in which case the difference in value shall be added as a separate item in the Shareholders' equity, the articles will identify how it will be used.

The shares may be divided into shares of a lower nominal value or merged in order to become shares of a higher nominal value in accordance to the competent authority rules necessary thereafter.

**ARTICLE (12) SHARES TRADING:**

The Capital Market Authority (CMA) may set restrictions on the trading of shares of joint-stock companies that intend to be listed in the capital market.

**ARTICLE (13) SHAREHOLDER REGISTER:**

The Company's shares shall be traded in accordance with the provisions of Capital Market Law and its implementing regulations.

**ARTICLE (14) PURCHASE, SALE AND PLEDGE BY THE COMPANY OF ITS OWN SHARES:**

1. The Company may buy, sell or pledge its own shares in accordance with the regulatory controls set by the competent authorities.
2. The shares purchased by The Company shall not have votes in the shareholders' assemblies.
3. Shares may be pledged and the pledgee may receive dividends and exercise share-related rights, unless the pledge agreement stipulates otherwise. The pledgee may not attend shareholder assembly meetings nor vote therein.
4. The Company may purchase its own shares for the purpose of allocating them to its employees within the employee shares program in accordance with the regulatory controls set by the competent authorities.
5. The Company may sell its treasury shares in one phase or multiple phases in accordance with the regulations set by the competent authorities.
6. Company may pledge its own Shares as a security for a debt in accordance with the regulations set by the competent authorities.

**ARTICLE (15) CAPITAL INCREASE:**

- 1) An Extraordinary General Assembly may resolve to increase The Company's issued or authorized capital if any, provided that the issued capital have been paid up in full. The Capital may not be paid in full where the unpaid part thereof belongs to shares issued in return for converting debts or financing certificates/deeds into shares, while the term prescribed for their conversion has not ended yet.
- 2) In all cases, the Extraordinary General Assembly may allocate any or some of the issued shares to employees in The Company and/or its Subsidiaries or some of them, or any of that, when the capital or part thereof increases. Shareholders may not exercise pre-emptive right when The Company issues shares designated for employees. . The Competent Authority may set the rules and procedures for allocating shares to the employees of the company or any of its subsidiaries. In all cases, the nominal value of the new shares shall be equal to the nominal value of the original shares of the same type or class.
- 3) A Shareholder, owning the share at the time of issuing the Extraordinary General Assembly resolution to approve the issued capital increase or the board of directors' resolution to increase the issued capital within the limits of the authorized capital, shall have the preemptive right to subscribe in the new shares issued for cash. Such shareholder shall be notified of such right, if any, by registered mail sent to the address stated in the shareholders' register or by any means of technology. The shareholder shall also be notified of the capital increase resolution, the conditions and method of subscription, and the dates on which said subscription begins and ends, subject to the type and class of shares owned by him.

- 4) The Extraordinary General Assembly may suspend the application of the Shareholders' preemptive right for subscription to capital increase in exchange for cash shares or may give priority to non-Shareholders in cases that it sees appropriate for the interest of The Company.
- 5) The Shareholder may sell or assign his preemptive rights with or without financial consideration in accordance with regulations imposed by the competent authority.
- 6) Newly issued shares shall be distributed to the holders of the preemptive rights they have against total preemptive rights resulting from the capital increase, provided that the number of newly issued shares does not exceed what they were request. The remaining new shares shall be distributed to the preemptive rights' holders who requested more than their shares, in proportion to their preemptive rights they have against the total preemptive rights resulting from the capital increase, provided that the number of newly issued shares they receive does not exceed the number of share they request. Any shares remaining shall be offered to other than the holders of preemptive rights, unless otherwise resolved by the Extraordinary General Assembly or the Capital Market Law states otherwise.

#### **ARTICLE (16) CAPITAL DECREASE:**

- 1- Capital may be decreased by a resolution of the Extraordinary General Assembly if it exceeds The Company's need or if The Company incurred losses. Only in the last case, the capital may be decreased to less than the limit stipulated in Article (59) of the Companies Law. The resolution to decrease shall not be issued until a statement prepared by the board of directors stating the grounds for such decrease, the obligations to be fulfilled by The Company and the reduction impact on such obligations. The said statement shall include the report of the company's auditor.
- 2- If the reason for the capital reduction is due to the capital being in excess of The Company's needs, the creditors must be invited to express their objections to decrease, if any at least 45 days prior to the date set for the extraordinary general assembly meeting to decide on the decrease. The invitation shall include a statement indicating the amount of capital prior to and after the decrease, the date of the meeting, and the date the decrease becomes effective . If any creditor has objected to the decrease and submits supporting documents to the company within the specified period, the company shall pay the debt owed to him if it is due or provide him with a sufficient guarantee if it is not due. If a creditor notifies the company of his objection to the decrease and the company fails to pay his due debt or to provide him with a sufficient guarantee if his debt is not due, he may petition the competent judicial authority prior to the date set for the decision on the decrease in the extraordinary general assembly meeting. The competent judicial authority may, in such case, order the payment of the debt, the provision of a sufficient guarantee, or the adjournment of the extraordinary general assembly meeting, as the case may be.
- 3- Capital decrease shall not be invoked against a creditor who has submitted his application on the date stipulated in paragraph (1) of this Article, unless his due debt is paid or he is provided with a sufficient guarantee for undue amounts.
- 4- Equality among shareholders of the same type and class shall be observed upon the decrease of capital.
- 5- If the company's capital is decreased by purchasing a number of its shares for the purpose of cancelling them, shareholders shall be invited to offer their shares for sale. They shall be notified of the company's intent to purchase shares by registered mail sent to the addresses registered in the shareholders' register or by announcing such invitation through means of technology.
- 6- If the number of shares offered for sale exceeds the number of shares the company decides to purchase, the sale orders shall be reduced in proportion to such increase.
- 7- The purchase price of the shares shall be estimated in accordance with the Capital Market Law.

## **CHAPTER THREE: COMPANY'S MANAGEMENT**

### **ARTICLE (17) COMPANY'S MANAGEMENT:**

- 1- The Company is managed by a Board of Directors consisting of nine (9) members.
- 2- A shareholder may nominate himself or one or more shareholders for membership on the board of directors.
- 3- The ordinary general assembly shall elect the company's board members. In all cases, board members must be natural persons.
- 4- The Regulations shall specify the voting method for electing board members.
- 5- The board tenure is (4) four years, Board members may be re-elected.
- 6- The ordinary general assembly may remove some or all board members even if the company's bylaws stipulate otherwise. In such case, the ordinary general assembly shall elect a new board of directors or a replacement for removed members, as the case may be, in accordance with the provisions of the Company's Law. The Competent Authority may specify the rules governing the removal of board members by the ordinary general assembly.

### **ARTICLE (18) EXPIRY OF BOARD MEMBERSHIP:**

The membership of a Board of Directors member ends upon the expiry of the term of his/her appointment, or the member's resignation or death, or in the event that the member has become convicted of a crime or subject to interrogation, which may harm the reputation of The Company, or the expiration of the term of his/her membership in accordance with any laws or regulations applicable in the Kingdom. The General Assembly has the right to terminate the membership of a Board Member without prejudice to the right of the terminated Board Member towards The Company to claim compensation if the termination occurs for an unacceptable reason or at an unfavorable time. The Board Member may resign, provided that this shall be in a timely manner or otherwise he/she shall be responsible before The Company for the damages that follow his/her resignation. The General Assembly may - based on a recommendation from the Board - terminate the membership of a member who has failed to attend three consecutive or five non-consecutive meetings without a legitimate excuse acceptable by the board of directors.

### **ARTICLE (19) BOARD VACANCY:**

When a position of a Board of Directors member becomes vacant due to his death or resignation, and if the minimum number of members required for the validity of board meetings as stipulated in this Law or the company's bylaws is not affected by such vacancy, the Board may appoint a temporary member with the experience and competency to fill the vacancy. The Commercial register, the Capital Market Authority and other competent authorities shall be informed within fifteen Days from the appointment date, provided that such appointment shall be presented before the first Ordinary General Assembly's meeting. The new member shall complete the term of his predecessor. If the number of members falls below the minimum number stipulated in the Companies' Law or this law, the remaining members shall call for an Ordinary General Assembly meeting within sixty days to elect the required number of members.

### **ARTICLE (20) POWERS OF THE BOARD OF DIRECTORS:**

Without prejudice to the powers conferred to the General Assembly, the Board shall be vested with full powers to manage The Company in order to achieve its objectives, except for actions exempted under a special provision in the Companies Law or this bylaw, that fall within the competence of the General Assembly. The Board, within the limits of its competence, may delegate or authorize one or more of its members or from others to carry out a specific work or certain works or some or all of its powers and cancel this authorization or power of attorney in whole or in part and give them the right to delegate the others.

#### **ARTICLE (21) REMUNERATION OF THE BOARD OF DIRECTORS:**

- 1- The Board of Directors remuneration's may be a certain amount, attendance allowance for sessions, benefits in kind, or a certain percentage of the net profits, and two or more of these benefits may be combined. and the ordinary general assembly shall determine such amount, provided that it is fair, incentivizing, and commensurate with the performance of the member and the company. The Regulations shall specify the rules necessary for the implementation of this paragraph.
- 2- The Board of Directors' report to the annual Ordinary General Assembly meeting must include a comprehensive statement of all the amounts received or were entitled to be received by the members of the Board of Directors during the Financial Year in the way of remunerations, attendance fees, expenses, allowances and other benefits. This report shall also include the amounts received by the Board Members in their capacity as employees or administrators or in consideration for technical, administrative or advisory services to The Company. Moreover, it shall include a statement of the number of the Board meetings and the number of meetings attended by each member.

#### **ARTICLE (22) AUTHORITIES OF THE CHAIRMAN, VICE CHAIRMAN, MANAGING DIRECTOR AND SECRETARY OF THE BOARD:**

- The Board of Directors shall appoint, from among its members, chairman of the Board, and the Chairman of the Board of Directors shall be responsible for inviting the Board of Directors to the meeting, and presides over the Board meetings and the meetings of the General Assemblies of the shareholders. It is not permissible to combine the position of the Chairman of the Board of Directors with any other executive position in The Company.
- The Board of Directors may appoint a Vice-Chairman of the Board of Directors and a Managing Director from the members of the Board of Directors.
- The remuneration that each of them receives shall be as determined by the Board of Directors based on the recommendation of the Remuneration and Nominations Committee. This is within the limits stipulated in the Companies Law or any other complementary regulations, decisions or instructions.
- The Board of Directors shall appoint a secretary to be chosen from among its members or from others. who shall be responsible for recording the minutes of meetings of the Board of Directors, recording the decisions issued by these meetings, saving them in a special register, maintaining and updating that record, and performing any tasks assigned entrusted thereto by the Board of Directors. The Secretary's remuneration shall be determined later.
- The term of membership of the Chairman, Deputy-Chairman, Managing Director, secretary and the member of the Board of Directors shall not exceed the term of their membership in the board, and they may be re-elected. The Board may, at any time, dismiss all or any of them without prejudice to the right of the dismissed party to be compensated if the dismissal occurred for an unlawful reason or at an inappropriate time.
- The Chairman of the Board of Directors shall represent The Company before the others, and shall have, for example, but not limited to, the following authorities:
- **With regard to (Real Estate):**  
in selling and transfer for the buyer and receiving the consideration by check in the name of The Company, buying and accepting the transfer and paying the price in favor of The Company's purposes, the pledge, releasing the pledge, merging the title deeds, the retailing and sorting - receiving the title deeds, updating the title deeds and entering them into the comprehensive system, and modifying the borders, lengths, area, plots numbers, layouts and title deeds and their dates and names of neighborhoods – lease and lease out- signing and renewing the lease and lease out contracts - receiving the lease by check in The Company's name or by bank transfers to The Company's account in the banks - canceling and terminating the lease contracts - selling and transferring to the heirs - proof of the building. And investing in real estate, lands, and The Company's fixed and transferrable assets and properties, and signing all kinds of contracts, cancelling, terminating, amending and renewing them.

**With regard to (Companies):**

establishing the companies of all its kinds - signing the Articles of Association and amendment annexes, signing the shareholders resolutions, appointing and terminating the managers - entering and exiting partners - or participating in its establishment or the acquisition thereon - entering or participating in the existing companies of all its kinds in the name of The Company - modifying The Company's objectives - amending the Articles of Association contracts or amendment annexes - whether by increasing or decreasing its capital, buying or selling shares or stocks therein, assigning or liquidating them - signing the Articles of Association and amendment annexes with the notary public - signing The Company's contracts with the third party and entering into tenders on behalf of The Company and all kinds of contracts, documents and other documents and their amendments - Converting The Company to a joint stock company or to a limited liability - Converting the branch of The Company into a company - publishing the articles of incorporation, amendment annexes, summaries and articles of association in the Official Gazette, approving the establishment of subsidiaries, branches, offices and agencies for The Company, subscriptions and participation in any of the companies, amending its bylaws and reserving the trade name, and all of the above also applies to all the companies that The Company is a founder, owner of, participating in, or a shareholder in. Registering the trademark, opening and renewing the subscription to the Chamber of Commerce, the right to subscribe in The Company's name in joint stock companies and to receive the surplus after allotment and receipt of profits, and the right to buy and sell the shares for the benefit of The Company, and they have the right to open and manage the investment portfolios in The Company's name, or to cancel, liquidate and close them, the right to buy and sell in the shares, transfer from the investment accounts to the current accounts and vice versa, receipt of the proceeds of the sale of the shares and their profits, the right to issue the main and branch commercial registries and noting any additional changes that occur to them such as cancelling, adding, modifying, defining or striking off and receiving the assets of the commercial registries, the right to waive the main or branch commercial registries, waiving the trade names, opening the subscription to the Chamber of Commerce - renewing the subscription with the Chamber of Commerce - approving the signature with the Chamber of Commerce - Cancellation of signature with the Chamber of Commerce and the right to sign with all the chambers of commerce and industry in the Kingdom of Saudi Arabia and abroad, the right to negotiate with the companies, institutions, government agencies, and individuals, and to make the decisions and sign on behalf of The Company on all the contracts, the right to attend the assemblies, meetings, discussions and vote on behalf of The Company, or delegate whomever it deems appropriate to attend and vote on behalf of The Company in all the instances that require it, and the right to decide on opening or canceling the branches and appointing their managers, to determine their salaries and benefits, to terminate and to dismiss them, to appoint a board secretary based on a recommendation from the chairman or his deputy.

**With regard to (Passports):** in the issuance of the residence permits - renewal of the residence permits - replacement of lost or damaged residence permits – carry out of exit and return - perform of the final exit - transfer of sponsorships - transfer of information and data update - modification of professions - settlement and assignment of the workers - reporting of the escape - cancellation of the escape reports - Ending the procedures of the deceased workers - extracting the workers data sheet (Print) - dropping the employment – refer to the deportation and expatriate department - managing the port affairs – refer to the maids' affairs - registering in the electronic service.

- **With regard to (Labour and Workers Office):** in obtaining the visas - canceling the visas - receiving the visa compensation - transferring the sponsorships - modifying the professions - updating the workers data - liquidating and canceling the labor - reporting of the labor absconding – canceling the labor escape reports - extracting and renewing the work licenses - ending the procedures of the employment with the Social Insurance – refer to the computer management in the workforce to drop the employment and to add the employment - opening, renewing and



canceling the main and branch files - adding and deleting Saudis – receiving the Saudization certificates - upgrading to the second level.

- **With regard to (Banks and Financial Institutions):**

Refer to all the banks and financial institutions - opening the accounts in the name of The Company with legal boundaries - withdrawing from the accounts - depositing - transferring from the accounts - extracting and receiving the ATM cards, receiving and entering the secret numbers - extracting an account statement - extracting, receiving and editing checkbooks - issuing, signing and receipt of certified checks - loan exemption request - request for a bank approval – signing the contracts and forms - requesting a bank guarantee - signing, receiving and recording the guarantee – closing and settling the accounts - requesting the points of sale - cashing the checks - activating the accounts - objecting to the checks - receiving the checks - updating the data - managing the investment portfolios - obtaining a proof of indebtedness, opening, managing, operating and closing the bank accounts, obtaining the loans from the government financing funds and institutions and all the banks and the financial institutions, requesting them and signing their contracts and the credit facilities regardless of their value or duration, and even those with a period exceeding three years from the government financing funds, commercial banks, financial institutions and any companies or credit institutions, and issuing the letters of guarantee for the benefit of the third party, if the Board of Directors considers in its estimation that these guarantees serve the interest of The Company. Editing the promissory notes and the other trading papers, and entering into all the types of banking transactions and agreements. Providing the financial support to any of the companies in which The Company participates or to any of its subsidiaries or affiliates and guaranteeing the credit facilities obtained by any of the companies in which The Company or any of the subsidiaries or affiliates participate in, provided that the other shareholders in these companies provide a financial support in proportion to their shareholding in these companies.

- **With regard to (Secretariats and Municipalities):**

opening the shops - Issuing licenses - Renewing the licenses - Cancellation of licenses - Transfer of licenses - Issuance of building and restoration permits - Issuance of fencing licenses - Issuance of demolition licenses - Issuance of building completion certificates - Issuance of health cards - Entering the tenders and receiving the forms – refer to the secretariats - supervising the construction - signing the contracts with the construction institutions and contractors.

**With regard to (Industrial Licenses):** extracting the licenses - renewing the licenses - modifying the licenses - adding an activity - booking the names – canceling the licenses.

**Concerning (Compensation and Assistance):** refer to the departments and bodies with regard to the compensation and receiving the compensation for The Company and receiving the appraisal for that.

**With regard to (Ministries, Security Agencies and Service Companies):** refer to all the ministries and their branches - refer to the Royal Court - refer to the Ministry of Interior - refer to the Ministry of Foreign Affairs - refer to the Ministry of Commerce - refer to the Ministry of Finance - refer to the Ministry of Social Affairs - refer to the Ministry of Municipal and Rural Affairs - refer to the Ministry of Electricity and Water - refer to the Ministry of Petroleum and Mineral Resources to obtain a license - refer to the Ministry of Hajj - refer to the Ministry of Communications and Information Technology - refer to the Emirate and the Division of Enforcement of Judicial Judgments - refer to the Investigation and Public Prosecution Authority - refer to the police stations - refer to the public investigations - refer to the administrative investigations - refer to the criminal investigations - refer to the General Directorate for Drug Control - refer to the social insurance and its branches, refer to the Department of Zakat and Income and its branches, refer to the civil defense and its branches - refer to the electricity company, requesting the entering of meters, transferring, strengthening and separating them, detecting the meters, objecting to the bills and fines, and refer to the water company, requesting the entering,

transfer and separation of the meters, detecting the meters, objecting to the bills and fines, and requesting a sewage receipt.

**With regard to (Customs Authority):** Issuance and renewal of customs licenses - Transfer and cancellation of customs licenses and opening of branches for them - Clearance of the goods, inspection and detection - Payment of the fees and receipt of clearances and customs cards - Amendment or replacement of lost customs cards - Management and supervision of the licenses – Refer to the medical quarantines.

**With regard to (Vehicles):** in the sale and purchase of the vehicles - transferring the ownerships and receiving the price in cash or by check in the name of The Company and paying the price by check in the name of The Company - importing the vehicles - buying and selling the heavy equipment - transferring the ownerships, receiving the price and paying the price in cash or by check in the name of The Company - refer to the customs and the car customs and issuance of the vehicles plates - refer to the Ministry of Transport for the issuance of the vehicles operating cards - receiving the seized vehicles - refer to the traffic department regarding the accident on The Company's vehicles - buying a vehicle from outside the Kingdom of Saudi Arabia, registering the ownership in the name of The Company, receiving the ownership documents and finalizing the procedures for shipping it to the Kingdom of Saudi Arabia.

**With regard to (General Traffic Department):** Issuance of a traffic license - Issuance of a replacement driving license for damaged or lost - Renewal of a traffic license - Issuance of plates - Renewal of plates - Transfer of vehicle plates - Dropping of vehicle plates - Issuance of a vehicle repair permit - Purchase of a vehicle plate from the traffic department- Export the vehicle - changing the color of the vehicle - issuing a driving permit for the vehicle - submit a theft report - canceling the theft report - objection, settlement and adjudication of the violations - extracting a data sheet (print).

**With regard to (Telecommunications Companies):** In referring to all the telecommunications companies - requesting all the services provided by the telecommunications companies - requesting the establishment, transfer and cancellation of landlines (Mobily, Etisalat, Zain, Virgin, and the other companies).

**With regard to (Post):** In the mail box request - receiving the mail box key - receiving the registered mail - extracting an authorization card for the box - renewing or canceling the subscription to the box - disbursing the amounts deposited in the postal boxes.

- To authorize or delegate any member or members or other party to perform a specific assignment or certain assignments with all or part of the above-mentioned authorities and has the right to revoke such authorization in part or in full.
- Receiving, delivering, referring to all the relevant authorities, completing all the necessary procedures, and signing what is required in this regard.

#### **ARTICLE (23) BOARD MEETINGS:**

The Board shall meet at least (4) times a year by an invitation from the Chairman, as stipulated in the company's bylaws. The Competent Authority may amend the minimum number of meetings provided for in this paragraph. The invitation shall be written and may be served personally, e-mail or registered mail, at least two weeks prior to the date set for the meeting, unless the members of the Board agree otherwise. The Chairman of the Board shall call for a board meeting to discuss one or more matters if requested in writing by a board member.

The board of directors shall determine the location of its meetings, and may hold its meetings through means of technology.

#### **ARTICLE (24) QUORUM OF THE BOARD'S MEETING AND ITS RESOLUTIONS:**

The meeting of the Board shall not be valid unless attended by at least (5) five members (in person or by proxy). When necessary, any member may participate in any meeting of the Board by phone, video, or any

other electronic method through which all the members can communicate with each other electronically. In the event that a member of the Board of Directors delegates another member to attend the meetings of the Board, then the delegation must be in accordance with the following regulations:

- A Board of Directors Member may not deputize more than one Board Member in attending the same meeting.
- The delegation should be proofed in writing.
- A Board member acting by delegation may not vote on resolutions on which the represented Board Member voting is prohibited as per a law, regulation or instructions.

The resolutions of the Board of Directors are issued by the majority vote of attending members, whether (in person or by proxy), and the chairman of the meeting shall, in case of a tie, have the casting vote.

#### **ARTICLE (25) ISSUING DECISIONS ON URGENT MATTERS:**

A board decision shall become effective on the date of its issuance, unless the decision provides for a specific date or condition for its effectiveness.

The board of directors may issue decisions on urgent matters by circulation to all members, unless a member submits a written request for a board meeting to deliberate such matters. The decisions shall be passed by the majority vote of members. Such decisions shall be presented to the board of directors at its subsequent meeting to be recorded in the minutes of said meeting.

#### **ARTICLE (26) DELIBERATIONS OF THE BOARD:**

Deliberations and resolutions of the Board shall be recorded in minutes prepared by the board's secretary and to be signed by the meeting chairman, the attended Board Members and the Secretary. Such minutes shall be recorded in a special register signed by the Chairman and the Secretary.

Means of technology may be used to obtain signatures, record deliberations and decisions, and prepare meeting minutes.

### **CHAPTER FOUR: GENERAL ASSEMBLIES**

#### **ARTICLE (27) ATTENDANCE OF GENERAL ASSEMBLIES:**

Each shareholder has the right to attend the Shareholders' General Assembly, and may appoint another person who is not a Board Member or a Company's employee to attend the General Assembly.

#### **ARTICLE (28) COMPETENCIES OF THE ORDINARY GENERAL ASSEMBLY:**

Except for matters falling within the authority of the Extraordinary General Assembly, the Ordinary General Assembly shall be responsible to deal with all other matters related to The Company and shall be convened at least once a year during the first six (6) months following the end of The Company's Financial Year. Other Ordinary General Assembly meetings may be called for when necessary.

#### **ARTICLE (29) COMPETENCIES OF THE EXTRAORDINARY GENERAL ASSEMBLY:**

The Extraordinary General Assembly shall be responsible to amend The Company's Bylaws, except the matters whose amendment is prohibited by law. In addition, the Extraordinary General Assembly may resolve in matters within the authority of the Ordinary General Assembly under the same conditions and situations as prescribed for the Ordinary General Assembly.

#### **ARTICLE (30) CALL FOR ASSEMBLIES:**

The ordinary general assembly shall hold its annual meeting at least once within the six-month period following the end of the company's fiscal year. Other ordinary general assembly meetings may be held as

necessary. Shareholders' general and special assemblies shall be convened by virtue of a call made by the Board of Directors. The Board shall call for an Ordinary General Assembly within 30 days if requested by the Auditor or a Shareholder, or more, representing at least (%10) of The Company's voting shares. The Auditor may call for a General Assembly meeting if the Board did not call for such a meeting within (30) thirty days from the date of Auditor's request. The invitation to the Ordinary General Assembly and the agenda shall be published on the website of the Saudi Stock Exchange " Tadawul " and The Company's website at least(21) twenty-one days prior to the meeting date. Nevertheless, an invitation sent by registered letters to all Shareholders within the set time limit suffice sent to the addresses registered in the shareholders' register. A copy of the invitation and agenda are to be sent to the Commercial Register, the Capital Market Authority and the other relevant authorities, during the time frame of publication.

**ARTICLE (31) RECORD OF ASSEMBLIES' ATTENDANCE:**

Shareholders wishing to attend a general or special assembly shall register their names electronically or at The Company's Head Office before the scheduled time for such assembly.

**ARTICLE (32) QUORUM OF THE ORDINARY GENERAL ASSEMBLY'S MEETING:**

A meeting of the Ordinary General Assembly shall not be valid unless attended by Shareholders representing at least one- fourth of the voting shares, weather personally or by delegation. If the necessary quorum is not available to hold such meeting, then an invitation shall be sent to a second meeting to be held within the thirty (30) days following the previous meeting, and this invitation shall be published in the manner prescribed in Article (thirty) of this Bylaws. The second meeting may be held one hour after the end of the period set for the first meeting, provided that the invitation for the first meeting provides for the possibility of holding a second meeting. In all cases, the second meeting shall be deemed valid regardless of the number of voting shares represented therein.

**ARTICLE (33) QUORUM OF THE EXTRAORDINARY GENERAL ASSEMBLY'S MEETING:**

The Extraordinary General Assembly shall be valid only if attended by Shareholders representing at least a half of the voting shares. If the necessary quorum is not available in the first meeting, an invitation shall be sent for a second meeting to be held in the same conditions stipulated in Article (Thirty) of this Bylaws. The second meeting may be held one hour after the end of the period set for the first meeting, provided that the invitation for the first meeting provides for the possibility of holding a second meeting. In all cases, the second meeting shall be deemed valid if attended by Shareholders representing at least a one-fourth of the voting shares. If this quorum is not satisfied a call shall be sent for a third meeting to be held in the same conditions stipulated in Article (Thirty) of this Bylaws. The third meeting shall be deemed valid regardless of the number of voting shares represented therein.

**ARTICLE (34) VOTING AT ASSEMBLIES:**

Each shareholder shall have a vote for each share in the General Assemblies. Cumulative voting shall be used upon electing the Board of Directors. Each shareholder may vote on the resolutions of the general assemblies by means of modern technology, according to the regulations set by the competent authorities.

Members of the board of directors may not vote on assembly decisions relating to transactions and contracts in which they have direct or indirect interest or which involve a conflict of interest.

**ARTICLE (35) ASSEMBLIES' RESOLUTIONS:**

Resolutions of the Ordinary General Assembly shall be adopted by an absolute majority of the voting shares represented at the meeting. The resolutions of the Extraordinary General Assembly shall be adopted by a majority vote of two-thirds of the voting shares represented at the meeting. However, if the resolution to be adopted is related to increasing or reducing the capital, extending The Company's period, dissolving The Company prior to the expiry of the period specified under This Bylaws or merging The Company into another company, or division of the company into two companies or more then such resolution shall be valid only if adopted by a majority of three-fourths of the voting shares represented at the meeting.

#### **ARTICLE (36) DISCUSSION AT ASSEMBLIES:**

The board of directors shall, when preparing the agenda of the general assembly, take into consideration the matters that shareholders wish to include. A shareholder, or more, representing at least 10% of the company's voting shares may add an item, or more, to the agenda during its preparation; the Competent Authority may amend said percentage.

Every Shareholder shall have the right to discuss the matters listed in the General Assemblies' agenda, and to address questions to the Board Members and the Auditor with respect thereto. The Board of Directors or the Auditor shall respond to the extent that does not endanger The Company's interests. If a shareholder deems the answer to the question unsatisfactory, then he/she may request the General Assembly to decide, whose decision in this regard shall be final.

#### **ARTICLE (37) CHAIRING THE ASSEMBLIES AND PREPARING MINUTES OF MEETINGS:**

- 1- The Shareholders' General Assembly meetings shall be chaired by the Board's Chairman or, in his absence, by his deputy or, in their absence, any member deputized by the Board. If none of the above is possible, the shareholders shall vote to designate a board member or any other person to chair the general assembly meeting.
- 2- A shareholder shall have the right to attend general assembly meetings even if the company's bylaws stipulate otherwise. A shareholder may delegate a person other than a board member to attend such meetings on his behalf.
- 3- Means of technology may be used to hold general assembly meetings and enable shareholders to engage in deliberations and vote on resolutions.
- 4- Minutes of the assembly meeting, showing the number of Shareholders present or represented thereat, the number of shares held by each of them, whether personally or by delegation, the number of votes allotted thereto, the resolutions adopted, the number of approving and dissenting votes, and a comprehensive summary of the debate conducted at the meeting. Following every meeting, the minutes shall be regularly recorded in a special registry, which shall be signed by the Assembly's Chairman, the Secretary, and the vote counters. The Competent Authority may set rules for the minutes of assembly meetings and the duties of assembly secretaries and vote counters.

### **CHAPTER SIX: AUDITOR**

#### **ARTICLE (38) APPOINTMENT, REMOVAL, AND RESIGNATION OF COMPANY'S AUDITOR:**

The Company shall have one (or more) licensed to practice in the Kingdom. Auditors shall be appointed by the General Assembly which shall specify their fees, term, and scope of work and he may be re-appointed. The Regulations shall determine the maximum term for the auditor.

The General Assembly may, at any time, remove the auditor, without prejudice to their right for compensation for any damage he incurs, if justified. The chairman of the board of directors shall notify the Competent Authority of the removal decision and the grounds therefor within a period not exceeding five days from the decision date.

The auditor may resign pursuant to a written notice submitted to the company. His assignment shall terminate from the date of submitting the resignation notice or at a later date as specified therein, without prejudice to the company's right to compensation for any damage it incurs, if justified. The resigning auditor shall, upon submission of the notice, provide the company and the Competent Authority with the reasons for his resignation. The company's board of directors shall call the general assembly to be held to review said reasons and appoint another auditor.

#### **ARTICLE (39) AUDITOR OBLIGATIONS:**

1. The company's auditor shall be independent, in accordance with professional standards that are endorsed in the Kingdom.
2. The auditor may not, while serving as an auditor of a company, participate in its incorporation or management or serve as a member of its board of directors, nor may he purchase or sell interests or shares thereof. He may not be a partner, employee, or relative of any of the company's incorporators, managers, or board members.
3. The company's auditor may not carry out any technical, administrative, or advisory work in the company or for its benefit, except as provided for by the Regulations
4. The Auditor shall at any time have access to The Company's books, records and other documents. It may request details and clarifications it deems necessary to verify The Company's assets, liabilities and others that are within the scope of its work. The Board Chairman shall enable the Auditor to perform its duties. If the Auditor faces any challenges in this regard, it may submit a report to the Board thereon. If the Board does not facilitate the work of the Auditor, it shall request the Board to invite the Ordinary General Assembly to consider the matter. If the Board of Directors fails to call for a meeting within 30 days from the date of the auditor's request, the auditor himself may call for a meeting.
5. The auditor shall submit to the General Assembly at its annual assembly meeting a report on the company's financial statements to be prepared in accordance with auditing standards that are endorsed in the Kingdom. The auditor's report shall indicate the extent to which the company's management enabled him to obtain the information and clarifications he requested. The report shall include any violations of this Law or this bylaws that are within the scope of his work as well as his opinion on the integrity of the company's financial statements. The auditor shall present his report or a summary thereof at the annual General Assembly meeting
6. The auditor may not disclose to the partners or shareholders, except in the general assembly, or to third parties any confidential information he came across in the course of carrying out his assignment. If he fails to do so, he may be held liable for compensation and removed.
7. The auditor shall be held liable for the information included in his report and for any damage incurred by the company, partners, shareholders, or other parties arising from any mistake he makes in the course of carrying out his assignment. In case of multiple auditors, they shall be jointly and severally liable, except for those established not to have been involved in the commission of the mistake subject of the liability.

### **CHAPTER SEVEN: COMPANY ACCOUNTS AND DIVIDEND DISTRIBUTION**

#### **ARTICLE (40) FINANCIAL YEAR:**

The Company's Financial Year shall begin on 1 January and end on 31 December each Gregorian year.

#### **ARTICLE (41) FINANCIAL DOCUMENTS:**

1. The Board shall prepare The Company's financial statements at the end of each Financial Year together with a report of its operations and financial position for the ended Financial Year. This report shall include the proposed method for dividend distribution. The Board shall place such documents at the disposal of the Auditor at least forty-five (45) days prior to the date set for convening the annual Ordinary General Assembly.
2. The Company's Board Chairman, or whoever is deputized or assigned, Chief Executive Officer and Chief Financial Officer, if any shall sign the documents referred to in Paragraph (1) of this Article, and copies thereof shall be deposited in The Company's headquarter at the disposal of the Shareholders.
3. The Board's Chairman, or whoever is deputized or assigned, shall provide the Shareholders with The Company's financial statements and the Board's report after signing the same , as well as the Auditor's report, if any, unless they are published using any means of technology, at least (21) days

prior to the date set for the annual ordinary General Assembly meeting. Moreover, the documents shall be deposited in accordance with the Regulations.

**ARTICLE (42) DIVIDEND DISTRIBUTION:**

The general assembly shall determine the percentage of the net profit to be distributed to the shareholders after transferring the reserves, if any.

The Company's annual net profits may be distributed after the deduction of any amounts apportioned to reserves allocated for specific purposes in the bylaws, if any, or any amounts allocated for reserves decided by the General Assembly, in addition to retained earnings and distributable reserves from the profits.

The Company may distribute interim profits to its shareholders biannually or quarterly from distributable dividends. The Board of Directors may be delegated by the Ordinary General Assembly to distribute interim profits renewed annually, if The Company's financial position permits and it has liquidity in accordance with the controls and procedures set by the relevant authority.

**ARTICLE (43) ENTITLEMENT TO DIVIDENDS:**

A Shareholder shall be entitled to its share in dividends in accordance with the General Assembly's resolution issued in this regard. The decision shall indicate the maturity date and the date of distribution. Moreover, the dividends shall be distributed to the Shareholders registered in the Shareholders' register at the end of the maturity day. The Board must implement the General Assembly resolution with respect to dividends distribution to the Registered Shareholders within fifteen (15) business days from the date they become entitled to such dividends as determined in such resolution, or the Board's resolution for the distribution of interim dividends.

**ARTICLE (44) CREATION OF RESERVES:**

The ordinary general assembly may, when determining dividends from the net profit, decide to create other reserves to serve the company's interest or ensure the distribution of fixed dividends, as feasible, to the shareholders. Said assembly may allocate amounts from the net profit for social objectives that benefit the company's staff or for the establishment of Not-For-Profit Organizations or to support whoever responsible for such organizations aiming community service.

**ARTICLE (45) THE COMPANY'S LOSSES:**

1. If The Company's losses reach half of the issued capital, the Board of directors shall, within 60 days after being aware of that, announce the losses and the recommendations relating thereto, and shall call for an Extraordinary General Assembly meeting within (180) days from the date of becoming aware of the losses to consider the continuation of the company by taking measures necessary to resolve such losses or the dissolution of the company.

**CHAPTER EIGHT: DISPUTES**

**ARTICLE (46) LIABILITY CLAIM:**

1. The Company may initiate a derivative action against a manager or board members for any damage incurred by the company resulting from the violation of the Company's Law or this bylaws or from a wrongful act, negligence, or omission in the performance of their duties. The decision to initiate the action and to designate a representative on behalf of the company to pursue such action shall be made by the General Assembly, or the shareholders. If the company is under liquidation, the liquidator shall initiate the action. If any liquidation proceedings are initiated against the company under the Bankruptcy Law, the action shall be initiated by its legal representative.

2. A single partner or shareholder, or more, representing 5% of the company's capital, may initiate a derivative action on behalf of the company if such action is not initiated by the company, provided the action serves the interests of the company and is based on valid grounds, and the plaintiff is acting in good faith and is a shareholder in the company at the time of initiating the action.
3. To initiate the action referred to in this Article, the company's board members, shall be notified of the intent to initiate the action at least 14 days prior to the initiation date.
4. A shareholder may initiate a private right of action against the manager or board members if the wrongful act attributed thereto results in a damage personally affecting him.
5. The competent judicial authority may, at the request of the shareholder, order the company to pay the expenses he incurred in the initiation of a derivative action, regardless of its outcome, if he initiates the action in good faith and such action is in the interest of the company.

## **CHAPTER NINE: COMPANY DISSOLUTION AND LIQUIDATION**

### **ARTICLE (47) EXPIRATION OF THE COMPANY:**

The Company shall be terminated for any of the reasons mentioned in the article (243) of the Company's Law. The company's Board of Directors shall, prior to the issuance of a decision to dissolve the company by the General Assembly, prepare a statement indicating that they have conducted an examination of the company's status. Such statement shall confirm that the company's assets are sufficient to pay its debts at the end of the proposed liquidation period and that the company is not distressed under the Bankruptcy Law. Said statement shall be presented within 30 days of its preparation to the General Assembly to decide to:

1. Dissolve the company.
2. If the statement referred to in paragraph (1) of this Article indicates that the company's assets are not sufficient to pay its debts or that the company is distressed under the Bankruptcy Law, the General Assembly may not decide on the dissolution of the company; otherwise, they shall be jointly and severally liable for any remaining debts owed thereby.

## **CHAPTER TEN: FINAL PROVISIONS**

### **ARTICLE (48) COMPANIES LAW:**

The Companies Law and its regulations shall apply to all matters not provided for in The Company's Bylaw.

### **ARTICLE (49) PUBLICATION:**

The Company's Bylaws shall be deposited and published in accordance with the Companies Law and its implementation Regulations.