

The amended Articles of Association of Makkah Construction and Development Company in accordance with the requirements of Article 224 of the Companies Law

Chapter One - Incorporation of the Company

Article (1) Incorporation of the company:

- The company shall be established in accordance with the provisions of the Companies Law and its regulations, and this bylaw for a Saudi joint stock company, according to the following:

Article (2) Company name:

- Makkah Construction and Development Company – a listed Saudi joint stock company.

Article (3) Objectives of the company:

The company carries out and implements the following purposes:

- Owning, developing and reconstructing real estate and the places adjacent to the Grand Mosque in Makkah and any other areas within the Kingdom of Saudi Arabia.
- Establishing development projects and urban development in the areas owned by the company or other areas and implementing its urban and economic plans.
- Carry out all necessary construction, reconstruction, maintenance, demolition and survey works.
- Establishment, management and investment of buildings and residential complexes and their maintenance, restoration and cleanliness.
- Establishing, owning, managing and operating hotels, hotel apartments, commercial markets (malls), hospitals and medical centers.
- Management and leasing of owned or leased real estate (residential – non-residential).

- The company may have an interest or participate in any way with the bodies, companies or individuals that carry out business similar to its business or that assist it in achieving its objectives. It may also buy it, and it may invest its money in a way that achieves its interests.
- Establishment of a private civil security guards company.

The company may achieve its objectives in all regions of the Kingdom of Saudi Arabia in multiple stages in order to achieve the implementation of the royal directives and the royal order issued in their regard.

The company may also, according to the aforementioned, carry out any necessary or complementary work to achieve these purposes directly or jointly with other companies.

Article (4) Participation and Ownership in Companies:

- The company may establish companies on its own (with limited liability or closed joint stock, provided that the capital of the basic company is not less than (5) million riyals. It may also own shares in other existing companies or merge with them. It has the right to participate with others in the establishment of joint stock or limited liability companies, after fulfilling the requirements of the regulations and instructions followed in this regard. The company may also dispose of these shares, provided that this does not include mediation in their trading.

Article (5) Company's headquarter:

- The head office of the company is located in Makkah. It may establish branches, offices or agencies within or outside the Kingdom of Saudi Arabia by a decision of the company's board of directors.

Article (6) Term of the Company:

- The term of the company is (99) ninety-nine Hijri years starting from the date of its registration in the Commercial Register. This period may always be extended

by a decision issued by the extraordinary general assembly at least one year before the expiry of its term.

Chapter Two - Capital and Shares

Article (7) Capital:

- The company's capital is set at 1,648,162,400 riyals (one thousand six hundred and forty-eight million, one hundred and sixty-two thousand four hundred Saudi riyals), divided into 164,816,240 (one hundred and sixty-four million, eight hundred and sixteen thousand two hundred and forty) nominal shares of equal value. The nominal value of each share is (10) ten Saudi riyals, all of which are ordinary shares.

Article (8) Subscription to Shares:

- The founders and shareholders have subscribed to the entire capital stock amounting to 164,816,240 (one hundred and sixty-four million eight hundred and sixteen thousand two hundred and forty) shares worth 1,648,162,400 riyals (one thousand six hundred and forty-eight million and one hundred and sixty-two thousand four hundred Saudi riyals).

Article (9) Issuance of Shares:

- The nominal value of the share shall be (10) ten riyals. It may not be issued for less than its nominal value. However, it may be issued with a value higher than this value if approved by the General Assembly. In this case, the difference in value is placed in a separate item within the shareholders' equity. It may not be distributed as dividends to shareholders.

Article (10) Trading in Shares:

- The company's shares are traded in accordance with the provisions of the Capital Market Authority Regulations. Subscription to and ownership of shares indicates the shareholder's acceptance of the company's bylaws and his commitment to the

decisions issued by the shareholders' assemblies in accordance with the provisions of this law and the companies' law, whether he is present or absent, and whether he agrees with or disagrees with these decisions.

Article (11) Endowment Shares:

- The trading of shares owned by endowments shall take into account all the legal rules and instructions in force with regard to the disposal of endowed real estate properties, and the shares representing them shall be marked accordingly.

Article (12) Capital Increase:

- The Extraordinary General Assembly may decide to increase the capital of the company, provided that the capital has been paid in full. It is not required that the capital has been paid in full if the unpaid part of the capital belongs to shares issued in exchange for converting debt instruments or financing instruments into shares and the period prescribed for their conversion into shares has not yet expired.
- The Extraordinary General Assembly may, in all cases, allocate the shares issued upon the capital increase, or part thereof, to employees of the company and its subsidiaries or some of them, or any of that. Shareholders may not exercise the right of priority when the company issues the shares allocated to employees.
- The shareholder who owns the share at the time of the issuance of the extraordinary general assembly's decision approving the capital increase shall have priority in subscribing to the new shares issued in exchange for cash shares. These persons shall be informed of their priority by publishing in a daily newspaper or by modern means of communication or by informing them by registered mail of the decision to increase the capital, the terms of subscription, its duration and the date of its start and end.
- The Extraordinary General Assembly may suspend the priority right of the shareholders to subscribe to the capital increase in exchange for cash shares, or to

give priority to non-shareholders in the cases it deems appropriate for the interest of the company.

- The shareholder may sell or waive the priority right during the period from the time of the issuance of the General Assembly's decision approving the capital increase until the last day of subscribing to the new shares associated with these rights, in accordance with the regulations set by the competent authority.
- Subject to what was stated in paragraph (4) above, the new shares shall be distributed to the priority rights holders who requested subscription, in proportion to their pre-emptive rights out of the total pre-emptive rights resulting from the capital increase, provided that what they receive does not exceed what they have requested of the new shares. The remainder of the new shares shall be distributed to the rights holders who have requested more than their share, in proportion to the rights they own from the total rights resulting from the capital increase, provided that what they receive does not exceed what they have requested from the new shares. The remainder of the shares shall be offered to third parties, unless the extraordinary general assembly decides or the financial market system stipulates otherwise.

Article (13) Reducing the Capital:

- The Extraordinary General Assembly may decide to reduce the capital if it exceeds the company's needs or if it suffers losses. In the latter case alone, the capital may be reduced below the limit stipulated in Article (54) of the Companies Law. The reduction decision shall not be issued except after reading a special report prepared by the auditor on the reasons for it, the obligations of the company, and the effect of the reduction in these obligations.
- If the reduction of the capital is a result of it being greater than the company's need, the creditors must be invited to express their objections to it within sixty days from the date of publishing the reduction decision in a daily newspaper distributed in the area in which the company's head office is located. If one of the

creditors objects and submits his documents to the company on the aforementioned date, the company shall pay him his debt if it is immediate, or provide him with a sufficient guarantee to pay it if it is deferred.

Article (14) Debt Instruments:

- The company may issue in accordance with the provisions of Islamic Sharia, the Capital Market Law and the Companies Law, debt instruments or negotiable financing instruments.
- The company may not issue debt instruments or financing instruments that are convertible into shares, except after a decision is issued by the extraordinary general assembly specifying the maximum number of shares that may be issued in exchange for those instruments or sukuk, whether these instruments or sukuk are issued at the same time, or through a series of issues, or through one or more programs to issue debt instruments or financing sukuk. The Board of Directors shall issue, without the need for a new approval from this assembly, new shares in exchange for those instruments or sukuk that their holders request for their conversion, immediately after the end of the conversion request period specified for the holders of those instruments or sukuk. The Board shall take what is necessary to amend the company's articles of association with regard to the number of issued shares and the capital.
- The board of directors must announce the completion of the procedures for each capital increase in the manner specified in the law for the publication of the extraordinary general assembly resolutions.

Article (15) Purchase and Mortgage of Shares:

- The company may purchase or mortgage its shares in accordance with regulations set by the competent authority. The shares purchased by the company do not have votes in the shareholders' assemblies.
- Shares may be mortgaged according to regulations set by the competent authority. The mortgagee creditor may receive the profits and use the rights related to the share, unless otherwise agreed upon in the mortgage contract. However, the mortgagee creditor may not attend or vote at the meetings of the general assembly of shareholders.

Chapter Three - Board of Directors

Article (16) Company Management:

- The company is managed by a board of directors consisting of (11) eleven members elected by the ordinary general assembly for a period of three years. Except for this, the founders appointed the first board of directors for a period of (5) five years.

Article (17) Termination of Board Membership:

- The membership of the Board shall expire upon the expiry of its term or upon the expiry of the member's validity thereto in accordance with any law or instructions in force in the Kingdom. However, the Ordinary General Assembly may at any time dismiss all or some of the members of the Board of Directors, 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. A member of the Board of Directors may retire, provided that this is at an appropriate time. Otherwise, he shall be liable before the company for the damages resulting from the retirement.

Article (18) Vacant Position in the Board:

- If the position of a member 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 sufficient experience. This must be reported to the Ministry of Commerce and Investment and the Capital Market Authority within five working days from the date of appointment. The appointment shall be presented to the Ordinary General Assembly for approval at its first meeting, and 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 its members below the minimum stipulated in the Companies Law or this bylaw, the rest of the members must call the Ordinary General Assembly to convene within sixty days to elect the necessary number of members. The General Assembly may, upon the recommendation of the Board, terminate the membership of a member who has been absent from three consecutive meetings of the Board without a legitimate excuse. The member shall not be discharged from the liability of his membership except after the approval of the Ordinary General Assembly for that for each independent fiscal year.

Article (19) Powers of the Board:

A- Taking into account the powers prescribed for the General Assembly, the Board of Directors shall have the widest powers in managing the company, operating of its affairs and deal of its assets, property and real estate. It also may purchase, accept it, pay the price, mortgage, redeem the mortgage, sell, conveyance, receive the price, and hand over the appraiser. The minutes of the board of directors and the rationale for its decision to deal with the company's assets, property and real estate must include the following conditions:

- 1- The board should specify in the sale decision the reasons and justifications for it.
- 2- The sale should be close to the same price
- 3- The sale shall be in present, except in cases determined by the Board and with sufficient guarantees

4- That this act/ deal does not result in the suspension of some of the company's activities or impose on it other obligations. The board of directors may also contract loans with government finance funds and institutions, regardless of their term, and commercial loans with banks, financial houses and finance companies whose terms do not exceed the end of the company's term, for any period. This includes loans with a term of more than three years. The following conditions must be observed for contracting loans with a term of more than three years:

- a. The value of the loans that the Board may make during the company's financial year shall not exceed 50% of the company's capital.
- b. That the Board of Directors specify in its decision the aspects of using the loan and how to repay it.
- c. To take into account in the terms of the loan and the guarantees provided to it, not to harm the company, its shareholders, and the general guarantees of the creditors. The Board of Directors shall also have the right of compromise, assignment, contract, commitment and association in the name and on behalf of the company. The Board of Directors may carry out all acts and actions that would achieve the objectives of the company.

B- Approval of the company's annual capital budgets and the approval of the company's internal, financial, administrative and technical bylaws, and the policies and regulations for its employees.

C- Appointing directors of departments and heads of departments, determining their powers, employees, regular and technical workers, determining their salaries and benefits, concluding contracts with them, and dismissing them.

D- The company's board of directors, in cases it deems appropriate, shall have the right to discharge the company's debtors from their obligations in accordance with what is in its interest. The minutes of the Board of Directors and the rationale for its decision must include the following conditions:

- 1- The discharge must be at least one full year after the debt arose.
- 2- The discharge shall be for a specified maximum amount per year for one debtor.
- 3- Discharge is a right of the Council, which may not be delegated.

Note that all these powers and authorities are inside and outside the Kingdom of Saudi Arabia. The Board of Directors may authorize or delegate on its behalf, within the limits of its competence, one or more of its members or third parties to take a specific action or conduct, carry out certain work or actions, or cancel the authorizations and agencies in whole or in part.

Article (20) Remuneration of Board Members:

- The remuneration of the members of the Board of Directors shall be a certain amount, attendance allowance for the meetings, in-kind benefits, or a certain percentage of the net profits. It is permissible to combine two or more of these advantages.
- If the remuneration is a certain percentage of the company's profits, this percentage may not exceed (5%) of the net profits, after deducting the reserves decided by the General Assembly in application of the provisions of the Companies Law and the company's articles of association and after distributing a profit to shareholders of no less than (5%) of the company's paid-up capital. The entitlement to this remuneration must be proportional to the number of meetings attended by the member, and any estimate to the contrary is void.
- In all cases, the sum of the remunerations and financial or in-kind benefits that a member of the Board of Directors receives shall not exceed five hundred thousand riyals annually in accordance with the regulations set by the competent authority.
- The report of the Board of Directors to the Ordinary General Assembly shall include a comprehensive statement of all the remuneration, expense allowance and other benefits received by the members of the Board of Directors during the fiscal year. It shall also include a statement of what the council members received

in their capacity as workers or administrators, or what they received in return for technical or administrative work or consultancy. It shall also include a statement of the number of board meetings and the number of sessions attended by each member from the date of the last meeting of the General Assembly.

Article (21) Powers of the Chairman, Deputy, Managing Director and Secretary:

- The Board of Directors appoints from among its members a Chairman and a Vice Chairman, who shall replace the Chairman of the Board of Directors in his absence. He may appoint a managing director and specify his competencies and remuneration. 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 appoints a secretary from among its members or others to be responsible for registering the minutes of the board's meetings and preparing for those meetings, and his remuneration is determined in accordance with the decision issued for his appointment. The term of the chairman, his deputy, the managing director and the secretary of the board of directors shall not exceed the term of their membership in the board. They may be re-elected.

The Chairman of the Board shall have the following powers:

- 1- Calling the Board to meet and presiding over the Board's meetings.
- 2- Representing the company in its relationship with others and before the courts, and has the right to delegate third parties to plead and defend the company.
- 3- The right to sign on behalf of the company and to enter into contracts and obligations. He may also sign on behalf of the company the articles of incorporation of the companies in which the company participates.
- 4- Purchasing land and real estate for the company's projects approved by the Board of Directors and conveying the company's side, as well as the sale and conveying of real estate from the company's property recommended by the Board of

Directors and approved by the general assembly of the company's shareholders. He may delegate all or some of it to others.

- 5- Opening, managing, operating and closing accounts, LCs, withdrawals, deposits, receipts, payments, internal and external transfers with banks, local commercial banks and money houses, and issuing letters of bank guarantees.
- 6- Signing all papers, promissory notes, checks, all commercial papers, documents, and all banking transactions. His authority to do so applies to the current and future bank accounts of the company and on its behalf.
- 7- Signing applications for participation in investment funds, requests for facilities and loans, and signing loan agreements and guarantees after obtaining the approval of the Board of Directors.
- 8- Delegating the company's officials, each in its own right, to all or some of the sub-accounts of the company.
- 9- Everything that is concerned with managing the affairs of the company and all that is entrusted to the board of directors so that it has the right to delegate any member of the board of directors, the managing director, the general manager of the company or others, in all or some of these powers.

Article (22) Board Meetings:

- The Board of Directors meets at least twice a year at the invitation of its Chairman. The invitation shall be in writing accompanied by the agenda at least seven days prior to the date set for the meeting, unless the members of the Board agree otherwise. The chairman of the council shall call the board to a meeting whenever two of the members ask him to do so. It is also possible to attend the meetings of the Board through modern technology, according to the regulations set by the competent authority.

Article (23) Quorum of the Board Meeting:

- The meeting of the Board of Directors shall not be valid unless attended by at least half of the members (six members), including the Chairman of the Board or his representative. A member of the Board of Directors may delegate other members to attend the meeting on his behalf. The decisions of the Board are issued by a majority of the opinions of the members present or represented therein. When the votes are equal, the side with which the chairperson voted shall prevail. The board of directors may issue resolutions by passing in urgent matters by presenting them to the members separately, unless one of the members requests in writing the board meeting to deliberate on them. These decisions are presented to the Board at its first subsequent meeting.

Article (24) Board Deliberations:

- The deliberations and decisions of the Board of Directors are recorded in minutes signed by the chairperson of the meeting, the members of the Board of Directors present and the Secretary. These minutes shall be recorded in a special register signed by the Chairman of the Board of Directors and the Secretary.

Chapter Four - Shareholders' Assemblies

Article (25) Attending Assemblies:

- The properly constituted General Assembly represents all the shareholders, and it shall be held in Makkah Al-Mukarramah region. Each shareholder, regardless of the number of his shares, may attend the general assembly of shareholders. The shareholder may delegate a person other than the members of the board of directors or the company's employees to attend the general assembly on his behalf.

Article (26) Responsibilities of the Ordinary General Assembly:

- With the exception of the matters pertaining to the extraordinary general assembly, the ordinary general assembly shall be concerned with all matters relating to the company. It convenes at least once a year during the six months following

the end of the company's financial year. Other ordinary general assemblies may be called whenever the need arises.

Article (27) Functions of the Extraordinary General Assembly:

- The Extraordinary General Assembly is concerned with amending the company's articles of association, except for matters that are prohibited by law. It may issue decisions on matters originally within the competences of the ordinary general assembly, under the same terms and conditions prescribed for the ordinary general assembly.

Article (28) Invitation to Associations:

- Shareholders' general assemblies are convened at the invitation of the Board of Directors. 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 distributed in the area in which the company's head office is located, at least twenty-one days before the date fixed for the meeting. However, it may be sufficient to send the invitation on the aforementioned date to all shareholders by registered letters, or by electronic messages. A copy of the invitation and the agenda shall be sent to the Ministry of Commerce, as well as a copy to the Capital Market Authority, within the period specified for publication.

Article (29) Record of Attending Assemblies:

- Shareholders who wish to attend the general assembly register their names at the company's head office before the time specified for the assembly.

Article (30) Quorum of the Ordinary General Assembly Meeting:

- The meeting of the Ordinary General Assembly shall not be valid unless attended by shareholders representing at least one quarter of the capital. If this quorum is not available to hold 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 an announcement of the possibility of holding this meeting. In the event that the first invitation does not include the possibility of holding the second meeting, the invitation is sent to a second meeting to be held within the thirty days following the previous meeting. This invitation shall be published in the manner stipulated in Article (28) of this bylaws.
- In all cases, the second meeting shall be valid regardless of the number of shares represented therein.

Article (31) Quorum of the Extraordinary General Assembly Meeting:

- The Extraordinary General Assembly meeting shall not be valid unless attended by shareholders representing at least 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 an announcement of the possibility of holding this meeting. In the event that the first invitation does not include the possibility of holding a second meeting, an invitation has been sent to a second meeting to be held in the same conditions stipulated in Article (28) of this Bylaw.
- In all cases, the second meeting shall be valid if attended by a number of shareholders representing at least a quarter of the capital.
- If the necessary quorum is not available to hold the second meeting, an invitation is sent to a third meeting to be held in the same conditions stipulated in Article (30) of this Bylaw. The third meeting shall be valid regardless of the number of shares represented therein, after the approval of the competent authority.

Article (32) Voting in Assemblies:

- Each subscriber has one vote for each share he represents in the general assembly. The votes in the ordinary and extraordinary general assemblies are calculated on the basis of one vote per share. Cumulative voting is used to elect the Board of Directors.
- However, members of the board of directors may not participate in voting on the decisions of the assembly that are related to their discharge of liability for the management of the company or that relate to a direct or indirect interest to them.
- It is also permissible to hold meetings of the general assemblies of shareholders, and the shareholder can participate in their deliberations and vote on their decisions by means of modern technology, according to the controls set by the competent authority.

Article (33) Decisions of the Assembly:

- Resolutions are issued in the Ordinary General Assembly by an absolute majority of the shares represented in the meeting. The decisions of the Extraordinary General Assembly shall also be issued by a two-thirds majority of the shares represented in the meeting, unless the decision is related to an increase or decrease in the capital, an extension of the company's term, its dissolution before the expiry of the period specified in this bylaw, or its merger with another company. The decision shall not be valid unless it is passed by a majority of three quarters of the shares represented at the meeting. In accordance with the provisions of Article (65) of the Companies Law, the company must publish the decisions of the extraordinary general assembly if they include amending the company's articles of association.

Article (34) Discussion in Assemblies:

- Each shareholder may discuss the topics included in the assembly's agenda and to address questions in this regard to the members of the Board of Directors and the auditor. Every provision in this bylaw that deprives the shareholder of this right

shall be void. The board of directors or the auditor shall answer the shareholders' questions to the extent that the company's interest is not harmed. If the shareholder deems that the answer to his question is not convincing, he shall appeal to the assembly, and its decision in this regard shall be enforceable.

Article (35) Presiding over associations and preparing minutes:

- The meetings of the general assembly of shareholders are chaired by the chairman of the board of directors or his deputy, with a written authorization in his absence, or by whomever the board of directors delegates from among its members to do so. In the absence of the chairman and his deputy, the chairman shall appoint a secretary for the meeting and collector of votes.
- Minutes of the meeting of the assembly shall be drawn up containing the number of shareholders present or represented, the number of shares they hold in person or by proxy, the number of votes assigned to them, the decisions taken, the number of votes approving or disapproving of them, and an adequate summary of the discussions that took place at the meeting. Minutes are recorded regularly after each meeting in a special register signed by the association's president, secretary and vote collector.

Chapter Five - Audit Committee

Article (36) Committee Formation:

- The Audit Committee is formed by a decision of the Ordinary General Assembly from non-executive members of the Board of Directors, whether shareholders or others, provided that the number of its members is not less than three and not more than five. In the resolution, the committee's tasks, rules of work, and remunerations for its members shall be specified.

Article (37) Committee meeting quorum:

- For a meeting of the Audit Committee to be valid, the presence of the majority of its members is required. Its decisions are issued by a majority vote of those present. When the votes are equal, the side with which the chairperson voted shall prevail.

Article (38): Committee's Functions:

- The Audit Committee is responsible for monitoring the company's business, and for this purpose it may review its records and documents and to request any clarification or statement from the members of the Board of Directors or the Executive Management. It may request the Board of Directors to invite the company's general assembly to convene if the Board of Directors obstructs its work or the company suffers serious damage or losses.

Article (39) Committee Reports:

- The Audit Committee shall review the company's financial statements, reports and notes submitted by the auditor, and express its views on them, if any. It shall also prepare a report on its opinion regarding the adequacy of the company's internal control system and the other work it has carried out within its jurisdiction. The board of directors shall deposit sufficient copies of this report at the company's head office at least ten days before the date of the general assembly meeting, to provide each shareholder who wishes with a copy of it. The report is read during the assembly.

Chapter Six – Auditor

Article (40) Appointment of the Auditor:

- The company shall have one or more auditors from among the auditors licensed to work in the Kingdom, who shall be appointed by the ordinary general assembly, and whose remuneration and term of work shall be determined. It may reappoint him, provided that the total term of his appointment does not exceed five consecutive years. A person who has exhausted this period may be re-appointed after two years from the date of its expiry. The assembly may also at any time

change it without prejudice to its right to compensation if the change occurred at an inappropriate time or for an illegal reason. It is not permissible to combine the work of an auditor with participation in the founding of the company or membership in the board of directors, or performing technical or administrative work in the company or for its benefit, even as a matter of consultation. Nor may the auditor be a partner of a member of the board of directors, a worker for him, or a relative of him to the fourth degree. Any act to the contrary shall be null, with him obligating him to return what he received to the Ministry of Finance.

Article (41) Powers of the Auditor:

- The auditor may at any time have access to the company's books, records and other documents. He may request data and clarifications that he deems necessary to obtain, in order to verify the company's assets, liabilities, and other matters that fall within the scope of his work. The Chairman of the Board of Directors shall enable him to perform his duty, and if the auditor encounters difficulty in this regard, this shall be evidenced in a report submitted to the Board of Directors. If the Board does not facilitate the work of the auditor, it must request the Board of Directors to invite the Ordinary General Assembly to consider the matter.
- The auditor shall submit to the annual ordinary general assembly a report prepared in accordance with the generally accepted auditing standards, including the position of the company's management in enabling him to obtain the data and clarifications he requested, and any violations of the provisions of the Companies Law or the provisions of this bylaw that he found, and his opinion on the fairness of the company's financial statements. The auditor shall read out his report in the General Assembly. If the assembly decides to ratify the report of the board of directors and the financial statements without listening to the auditor's report, its decision shall be void.

Chapter Seven - Company Accounts and Dividends

Article (42) Fiscal Year:

- The company's financial year begins on the first of January and ends at the end of December of each Gregorian year, provided that the first financial year begins after the adoption of the change from the Hijri year to the Gregorian year from the date of approval of the change by the concerned authorities and ends at the end of December of the Gregorian year.

Article (43) Financial Documents:

- At the end of each financial year of the company, the board of directors shall prepare the company's financial statements and a report on its activities and financial position for the past financial year. This report includes the proposed method of dividend distribution. The Board shall place these documents at the disposal of the auditor at least forty-five days before the date set for convening the General Assembly.
- The Chairman, CEO and Chief Financial Officer shall sign the aforementioned documents. Copies of it shall be deposited at the company's head office at the shareholders' disposal at least ten days before the date set for the general assembly.
- The chairman of the board of directors shall provide the shareholders with the company's financial statements, the board of directors' report, and the auditor's report, unless they are published in a daily newspaper distributed in the company's head office. He shall also send a copy of these documents to the Ministry of Commerce and Investment, as well as send a copy to the Capital Market Authority, at least fifteen days before the date of the general assembly.

Article (44) Dividend Distribution:

The company's annual net profits are distributed after deducting all general expenses and other costs, including the legally imposed zakat, as follows:

- 1- (10%) of the net profits shall be set aside to form the statutory reserve of the company. The Ordinary General Assembly may discontinue this deduction when the said reserve reaches 30% of the paid-up capital.

- 2- The Ordinary General Assembly, based on a proposal from the Board of Directors, may set aside a certain percentage of the net profits to form a consensual reserve to support the company's financial position.
- 3- The Ordinary General Assembly may decide to form other reserves, to the extent that achieves the interest of the company or ensures the distribution of fixed profits as much as possible to the shareholders. The aforementioned assembly may also deduct sums from the net profits for the establishment of social institutions for the company's employees or to assist the existing such institutions.
- 4- The Ordinary General Assembly may use the retained earnings and other distributable reserves to pay the remaining amount of the value of the share or part of it, provided that this does not prejudice equality among shareholders.
- 5- After that, a down payment to shareholders equivalent to (5%) of the company's paid-up capital shall be distributed.
- 6- Taking into account the provisions stipulated in Article (20) of this Bylaw, and Article (76) of the Companies Law, after the foregoing, 5% of the remainder is allocated to remunerate the members of the Board of Directors, provided that it is proportional to the number of meetings attended by the member.

Article (45) Entitlement to Profits:

- The shareholder is entitled to his share of the profits in accordance with the resolution of the General Assembly issued in this regard. The decision shows the due date and distribution date. The eligibility for dividends shall be for the owners of shares registered in the shareholders' records at the end of the day specified for entitlement. The competent authority shall determine the maximum period during which the Board of Directors must implement the decision of the Ordinary General Assembly regarding the distribution of profits to shareholders.

Article (46) Distribution of Interim Profits:

In the event that the company wishes to distribute interim dividends to its shareholders on a semi-annual or quarterly basis, this shall be in accordance with the following conditions.

- 1- The company should have regular profits throughout the financial year.
- 2- To have liquidity with which it can distribute interim profits, with a reasonable expectation of the level of its future profits.
- 3- That the company has profits that can be distributed according to the latest audited financial statements, and they are sufficient to cover the profits proposed to be distributed, after deducting what has been distributed from those profits after the date of these financial statements.
- 4- That the company's board of directors obtain an authorization from the ordinary general assembly to distribute interim dividends, provided that this authorization is renewed annually.

Article (47) Losses of the Company:

- 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, as soon as he becomes aware of that, must inform the Chairman of the Board of Directors. The Chairman of the Board of Directors shall immediately inform the Board members of this. The Board of Directors shall, within fifteen days of becoming aware of this, invite the Extraordinary General Assembly to meet within forty-five days from the date of becoming aware of the losses, , to decide either to increase or reduce 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 Article 6 of this Law.
- The company is considered dissolved by the force of law if the extraordinary general assembly did not meet within the period specified in paragraph (1) of this article, or if it met and was unable to issue a decision on the matter, or if it decided

to increase the capital in accordance with the conditions established in this article and the entire capital increase has not been subscribed to within ninety days from the issuance of the assembly's decision to increase.

Chapter Eight – Disputes

Article (48) Liability Claim:

- Each shareholder has the right to file a liability lawsuit for the company against the members of the board of directors if the mistake made by them would cause him a special harm. A shareholder may not file the aforementioned lawsuit unless the company's right to file it still exists.
- The shareholder must inform the company of his intention to file the lawsuit.

Chapter Nine - Dissolution and liquidation of the company

Article (49) Termination of the Company:

- Upon its completion, the company enters the phase of liquidation and retains the legal entity to the extent necessary for liquidation. The voluntary liquidation decision is issued by the extraordinary general assembly. The liquidation decision shall include the appointment of the liquidator, the determination of his powers, his fees, the restrictions imposed on his powers, and the time period required for liquidation. The term of voluntary liquidation shall not exceed five years. It may not be extended for more than that except by a judicial order. The authority of the company's board of directors ends with its dissolution. However, they remain in charge of the company's management, and they are considered to be liquidators with respect to third parties until the liquidator is appointed. Shareholders' assemblies shall remain in place during the liquidation period, and their role is limited to exercising their competencies that do not conflict with the competencies of the liquidator.
- If all the company's shares are transferred to one shareholder who does not meet the conditions set forth in Article (fifty-fifth) of the Companies Law, the company

shall remain solely responsible for its debts and obligations. However, this shareholder must reconcile the company's conditions with the provisions contained in the Companies Law, or transform it into a limited liability company from one person within a period not exceeding one year, otherwise the company will be terminated by the force of the law.

Chapter Ten - Final Provisions

Article (50):

- The provisions of the Companies Law and the Capital Market Authority Law shall apply in everything that is not provided for in this bylaw.

Article (51):

- This Articles of Association shall be filled and published in accordance with the Companies Law.