

In the Name of Allah, the Most Merciful and Compassionate

Articles of Association of

Al-Omran Industry and Trading Company

(A Public Joint Stock Company)

Chapter No (1) : Company Incorporation

Article No (1): Based on provisions & regulations of Companies Law, and these articles a Saudi joint stock company is incorporated according to the following:

Article No (2): The Company Name:

Al Omran Industry and Trading Company (A Saudi public joint stock company).

Article No (3): Purposes of the Company:

The company practices and implements the following purposes:

- 1- Trade.
- 2- Manufacturing (transformative) industries and their branches according to industrial licenses.
- 3- Transport, storage and cooling.
- 4- Capital and business services and other services.



- 5- Information technology.
- 6- Construction and building.
- 7- Security and safety.
- 8- Electricity, gas, water and its branches.
- 9- Farming and hunting.
- 10- Mines, petrol and their branches.
- 11- Social, mass and personal services.

And the company practices its activities according to applicable laws, and after obtaining the necessary licenses from the competent authorities.

Article No (4): Participation and Owning in Companies

The company may establish alone limited liability companies or closed joint stock companies provided that their capital is not less than five million Saudi Riyals (SR 5,000,000), and it may also own shares and stocks at other existing companies or merge with them. It has the right to join with others in incorporating stock companies or limited liability companies after fulfilling whatever is required by laws and regulations applicable in this regard, and the company may also dispose of these shares or stocks provided that this does not include brokerage in their circulation.



Article No (5): Head Office of the Company

Head Office of the company will be in Riyadh city, Kingdom of Saudi Arabia. The company also has the right to establish branches, offices or agencies inside and outside the Kingdom of Saudi Arabia subject to a decision by the board of directors.

Article No (6): Term of the Company:

The company term is fifty (50) Gregorian years starting from date of its entry in the commercial register, and this term always may be prolonged through a decision issued by the extraordinary assembly one year at least before end of its term.



Chapter No (2) : Capital and Shares

Article No (7): Capital

Capital of the company is determined to be (SR 60,000,000) sixty million Saudi Riyals divided into (6000,000) six million equal nominal shares with a value of (10) Saudi Riyals each, and all of its shares are ordinary shares.

Article No (8): Subscription to the Shares

Founders and shareholders have subscribed for the whole capital shares of the company which amounted to (6000,000) six million nominal which constitutes one hundred percent (100%) of the company capital.

Article No (9): Sale of Shares with Unfulfilled Value

Shareholder commits to pay value of the share in the times appointed for that, and if it fails to fulfill in the due time, board of directors may, after being informed through its address registered in the shareholders record or notifying it with a registered letter, sell the share in the public auction or the stock market as per the situation , and according to the controls determined by the concerned entity.



The company will take from the sale proceeds the amounts due to it, and return the balance to the shareholder, and if proceeds of sale do not cover these amounts, the company may return the balance from all amounts of the shareholder. Nevertheless, the shareholder failing to pay till maturity date may pay the due amount in addition to the expenses which the company paid in this concern. However, the company may cancel the sold share according to provisions of this article and it gives the purchaser a new share with the number of the cancelled one, and it marks occurrence of the sale in the shares record, and writes name of the new owner.

Article No (10): Issue of the Shares:

The company shares will be nominal and they may not be issued with less than their nominal value but they may be issued with higher than this value and in this case, the value difference will be added in a separate item within the shareholder rights and may not be distributed as profits among shareholders, and the share is non-dividable against the company, and if the share is owned by several persons, they have to choose one of them to act on their behalf in using the rights pertaining to the share, and these persons will be jointly responsible for the liabilities arising out of the shares ownership.

Article No (11): Circulation of Shares

Shares to which shareholders subscribe may not be circulated till financial statements are issued for two successive fiscal years each of them not shorter than



(12) months from date of incorporation of the company and deeds of these shares will be marked to indicate their type, the date of incorporation of the company and the period during which circulation of the shares is stopped.

However, shares ownership may be transferred during the period of ban according to provisions of sale of rights from one founder to another or from heirs of one of the founders in case of his death to third parties, or in the case of execution of the funds of the insolvent or bankrupted founder provided that priority of owning those shares will be to other founders. Provisions of this article is applicable for the shares to which founders subscribe in case of increase of the capital before embargo period.

Article No (12): Shareholders Register

Shares of the company are circulated by entry in the shareholders register which is prepared by the company or which the company contracts for preparing it, which includes shareholders names and nationalities as well as their places of residence, occupations, the number of shares and the paid up portion, and the share is marked in this entry, and no consideration is given to transfer of ownership of the nominal share against the company or third parties till date of entry in the said register.



Article No (13): Capital Increase

- 1- The extraordinary general assembly may decide increase of the company capital provided that the capital has been fully paid, and it is not required for capital to be fully paid if the unpaid part of the capital is attributed to shares issued against transfer of debit tools or finance deeds to shares, and the term for transferring them into shares has not finished yet.

- 2- The extraordinary general assembly may in all cases allot the shares issued upon increase of the capital or a part thereof to the workers of the company or its affiliates or some of them or any of that, and shareholders may not practice the right of priority upon issue by the company of the shares assigned for workers.

- 3- Shareholder who owns the share at time of issue of the resolution of the extraordinary general assembly may agree upon increase of the capital of priority in subscription with the new shares which are issued against cash stocks, and those will be informed of their priority by publishing in a daily paper or by informing them through registered mail about decision of increase of capital, subscription conditions and term and date of its start and end.

- 4- The extraordinary general assembly may stop work with priority right for shareholders in subscription with increase of capital against cash stocks or



giving priority to non-shareholders in cases whereas it deems this as proper for interest of the company.

- 5- A shareholder may sell or assign the right of priority during the period from time of issue of decision of the general assembly of consent upon capital increase to the last day of subscription in the new shares associated with these rights according to the controls set up by the concerned entity.

- 6- Without prejudice of the provisions of Article No (4) hereinabove, the new shares will be distributed among holders of priority rights who claimed subscription proportionally to priority rights they own from total priority rights caused by increase of capital, provided that this does not exceed what they claimed from the new shares. The remaining from the new shares will be divided among holders of priority rights who claimed for more than their share proportionally to priority rights they own from total priority rights arising out of increase of the capital, provided that what they obtain does not exceed what they claimed from the new shares, and the remaining shares will be offered to third parties unless otherwise is determined by the extraordinary general assembly or provision of the capital market law.

Article No (14): Capital Decrease:

Extraordinary General Assembly may decide reduction of capital if it is more than the company requirements, or if it incurred losses, and only in the later case may the capital be decreased to below the limit stated in Article



No (54) of Companies Law, and the decrease decision may only be issued after reciting a special report prepared by the auditor about reasons leading to it, and the liabilities on part of the company and effect of decrease on these liabilities. In the event the reduction of capital is resulted from being more than the company requirement, the creditors may be called to object thereon within (60) sixty days from the date of publishing the reduction decision in a daily journal distributed in the area where head office of the company is located. If any debtor objects thereof and submits his documents on the date specified, the company shall pay him his debt if it is due, or it may present thereto a sufficient guarantee to fulfill it if it has to be paid later.



Chapter No (3)

The Board of Directors

Article No (15): Management of the Company:

The company management is undertaken by a board of directors composing of (5) five members elected by the ordinary general assembly for no more than three years, and they may be re-elected provided that majority of the members of the board of directors are from the non executive members, and that the number of its independent members are less than two members.

Article No (16): Expiry of the Board Membership:

The Board membership ends with expiry of its period or expiry of the powers and authority of the member according to any law or instructions applicable in the Kingdom. However, the ordinary general assembly may at any time terminate all members of the board of directors or some of them without violation of the right of terminated member towards the company for claiming for compensation if termination is made without a justifiable reason or untimely, and member of the board of directors may resign provided that this happens in a proper time as otherwise he will be responsible to the company for the damages caused by resignation.



Article No (17): Vacancy in the Board:

If a position is vacant in the board of directors, the board may appoint a member temporarily in the vacant position provided that the elected member fulfills conditions of experience and competence and ministry shall be informed of that within five work days from date of appointment, and appointment shall be proposed to the ordinary general assembly in its first meeting, and the new member will complete the period of his predecessor. However, if conditions required for holding the meeting of the board of directors are not fulfilled because the number of its members is less than the minimum limit as stipulated in the Companies Act or this act, other members shall invite the ordinary general assembly to be convened within sixty days to elect the necessary number of members.

Article No (18): Authorities of the Board

Without prejudice of the authorities determined for the general assembly, the board of directors will have the broadest powers and authorities in managing the company in a way that serving its purposes, and it may act as follows to this effect in particular, and without limitation:

- 1- Preparing, and drawing up policies of the company and the instruction to realize its objectives and determining its investment.
- 2- Supervising its businesses and funds, and running its affairs inside and outside Kingdom of Saudi Arabia, and also the board has the right to



invest company money and operate in in domestic and international markets inside and outside the kingdom.

- 3- Representing the company in its relationships with others and with the government and private entities and civil rights, the police centers, the chambers of commerce and industry, private corporations, companies, banks, commercial banking institutions, capital houses and all of the funds and the government finance institutions with their different names and specialties, as well as the financial corporations with their different types and other lenders.
- 4- Concluding all contracts and agreements including but not limited to the contracts of purchase, sale, lease, rent and agencies, as well as the franchise, the hedge contracts and other documents, transactions and deals on company behalf, and join bids on their behalf.
- 5- Opening all types of accounts and management and operation of bank accounts and signing all agreements, and the board also approve, withdraw and deposit with the banks and make authorization for signing bank accounts, and it will admit the contracts, enter into bids and auctions and attend them and sign them and award the bids, and will agree upon issue of guarantees and bails for the banks.



- 6- And the funds and government finance institutions, and approve all of the bank transactions and also sign loan contracts.

- 7- And the bank guarantees, bails and securities, and will assign priority in the payment of the company debts, and it may sign promissory notes and all of the papers, documents, checks and all banking transactions, and the board also has the right to sign commercial papers and to issue all types of authorization and agencies on behalf of the company.

- 8- Concluding loans, and financial facilities with the banks, government finance funds and institutions, monetary finance institutions, and credit company provided that they are sharia compliant and that their terms do not go beyond end of the company term, and the following conditions shall be observed for concluding loan agreements with terms longer than two years:
 - a- The board of director shall determine in its declaration the ways of using the loans and how to pay them.

 - b- Conditions of the contract and the guarantees presented shall observe causing no damage to the company and its shareholders and the general guarantees for the creditors, and the board will have the right



to issue guarantees in favor of any party is it deems this as realizing interest of the company.

- 9- The board has the right to purchase or sell the stocks or shares in other companies, and it has the right to subscribe in name of the company to the joint stock companies and to receive surplus after privatization, and it may receive the profits, attend their general assemblies and vote, and it may authorize a person chosen by it to attend and vote in company name. It may sell, purchase and circulate the shares, bonds, and financial deeds in favor of the company, and to sell, purchase and negotiate the financial shares, bonds and deeds.
- 10- The board has the right to incorporate the companies contributing in corporation of companies and open branches for them, and the right to sign all contracts and documents including but not limited to articles of incorporation of the companies incorporated by the company or in which the company is a partner with all of their amendments, appendices and amendment resolutions which state for company entry and exit, the decisions of transfer of the company or the companies affiliated to them, and liquidation of companies affiliated to them and appoint liquidators. The board will also sign on all decisions of shareholders a those companies including decisions concerning increase or decrease of capital, and the sale and purchase of shares and assigning them. The board may also notarize the contracts, sign with the companies



management at the Ministry of Commerce and Notary Public, and may make all changes and amendments, addition and deletion and the use of commercial registers and branches and amend and cancel them, and the issue of replacement of lost version, and the board has the right of attendance, and vote in their general assemblies.

- 11- The board has the right of increase or decrease of the company capital or amendment of its purposes, and it may open branches for the company and may issue and register the commercial registers and their branches and it may receive, amend and cancel them, and may issue replacement of their lost versions, and the board may also change name of the company or the companies affiliated to them and may sign all agreements. The board also has the right to sign commercial papers and to issue all types of powers of attorney for the company.
- 12- The board has the right to establish industries complementary to the present industries of the company and to expand in the field of business with all of its types which can be helpful in realizing objectives of the company, and it may purchase some or all of its shares or stocks.
- 13- The board has the right of sale, purchase and conveyance and accepting it for all types of properties and lands and assigning them to all of the government or private entities or the individuals, and the right to merge and to sort out and to allocate them, and to divide, plan and amend them. The board has the right to issue the replacement of lost or damaged versions of deeds and to receive and deliver, rent, lease, receive



and pay, and the right to dispose of the company assets, properties and to invest. It also has the right to mortgage, and to sell, buy, accept and to pay price, and to mortgage their properties, movables and properties and has the right to sell or mortgage company stores. The board also has the right to mortgage and convey and to receive the price and hand over the priced item, provided that the report of the board of directors and the decisions of the disposal of the company assets and properties observe the following conditions:

- a- In the sale resolution, the board shall identify reasons and justifications for that sale.
- b- Sale will be close to the price.
- c- Sale shall be on the spot except in cases of necessity and with sufficient guarantees.
- d- This disposal shall not lead to stoppage of some activities of the company, or bearing of other liabilities.

- 14- The board has the right to adopt the laws and the internal, financial, administrative and technical regulations of the company, and it may authorize executive managers of the company to set up policy, action plan and procedures, and to evaluate, and it may submit its reports to the board, and the board authorize the executive managers to prepare mechanism for incentive awards and allowances, and will pay all awards and allowances.



- 15- The board also has the right to represent the company in its relationships with third parties, and with the government and private entities, and all of the ministries and the government and private authorities with all of their specialties, and the board may finalize all procedures and transactions with all government and private entities and with all ministries and government and private agencies with all of their specialties.
- 16- And the board of directors of the company may, in cases as it deems relevant under its own discretion, have the right to acquit the company debtors from their liabilities in a way that realizes interest of the company provided that the minute of the board of directors and the preamble of its decision includes observing of the following conditions:
- a- Acquittal shall take place after elapse of one full year from arising of the debt as minimum.
 - b- Acquittal shall be for a specific amount as maximum for every year for each debtor.
 - c- Acquittal is a right of the board of directors, and it shall not delegate this right to others.



- 17- The board has the right to distribute interim earnings among the shareholders with a percentage not exceeding 10% of the company paid up capital.
- 18- The board has the right to appoint the lawyers, the employees, and workers and to terminate them and to pay all of the rewards and allowances and appoint and terminate the agents, and it has the right to authorize others and appoint them as attorneys and terminate them. The board may apply for visas, and bring manpower from outside Kingdom of Saudi Arabia and conclude contract with them and may determine their salaries and pay them, and it may issue resident IDs and work permits, and finalize all procedures for them. The board also has the right to transfer their sponsorships and release them whether inside or outside Saudi Arabia. The board also has the right to appoint some of its members or from outside the board as attorneys, and the person appointed as attorney may appoint another person as attorney and the board will have all of the authorities concerning this law.
- 19- The board may, within limits of its jurisdiction, delegate any of the said authorities to one or more of its members or to persons out of the board to take a specific action or to effect specific work or works, or it may delegate all of its authorities and cancel this authorization or Power of Attorney entirely or partially, and the board shall determine the authorities and the powers which it delegates according to the previous



clause, and the procedures of taking the decision and the authorization term. It will also determine the issues which will be reserved to be decided upon by the board only, and the board shall avoid issuing general or non specified authorizations, and it may authorize others, and the board enjoys all authorities stated in this Articles of Association.

Article No (19): Remunerations of the Board of Directors' Members

Remuneration of the board of directors shall be composed of monetary amounts within the limits as stipulated in the Companies Act and its regulation, and report of the board of directors to the ordinary general assembly shall include a comprehensive statement of all remunerations, expenses and other benefits that members of the board of directors obtained in their capacity as workers or administrators, or what they received against technical or administrative works or advices, and this will also include statement of the number of sessions of the board, and the number of sessions attended by each member till date of the last meeting of the general assembly.

Article No (20): Authorities of the Chairman, Deputy Chairman, Managing Director and Secretary:

- 1- The board of directors appoints from among its number a chairman and a deputy chairman, and it may appoint a managing director and a secretary and it is not allowed to join in the meantime the position of the chairman and any executive position in the company.



1- Without prejudice of the competencies and authorities of the board of directors, the chairman of the board of directors is concerned with representing the company in its relationship with third parties and before the government entities, development funds, banks, official and judicial and shari'a entities, and before the notary public and the commissions and committees with their different types and competencies in all cases, disputes and lawsuits including labor, commercial and financial disputes, and to this effect he has the right to sell and to convey to purchaser, and to purchase and receive the price with a certified check in name of the company. He may also purchase, accept eh conveyance, pay the price, and he mortgage and release the mortgage, and he may achieve division and sorting out, receive and update the deeds and enter them in the comprehensive system. He may assign and waive the shortage in area, amend the borders, dimensions, lengths, area, and the numbers of land plots, plans and deeds and their dates as well as the names of the areas, lease and rent, and may sign and renew the contracts of rent and may receive the rent charges through a certified check in the name of the company. The chairman may also follow up with the Passports Department for issue of resident IDs (Iqamas) and renew them and issue replacement of lost or damaged versions, and may complete procedures of exit and re-entry visas and final visas and he may transfer sponsorships, transfer information update data, amend occupations, make settlements and release of employees, and he may make notification on runaway and cancel such notifications and he may cancel the visas of exit re-entry and the final exit, and may issue visas as



replacement of lost or damaged versions, and may issue extension of the visit visas, and addition of dependents, and may finalize procedures of the dead workers, issue data sheet of workers (print) and he may drop the labor and follow up with the Deportation and Expatriates Department, the Department of Outlets Affairs and may issue certifications of return and may follow up with Labor and Workmen Law and issue the visas, and update the workers data, liquidate the data and cancel them and he may issue work licenses and renew them and he may finalize procedures of manpower with GOSI, and follow up with the Computer Department at the Manpower Section to drop the labor and add labor and add and delete the Saudies and he may receive Saudization certificates, and open the basic and supporting files and may renew and cancel them, and follow up with the concerned authorities and may finalize all necessary procedures and sign on behalf of the company in this concern, and he may also follow up with all local and international banks inside and outside Kingdom of Saudi Arabia, and may open accounts in name of the company and approve signature, and he may withdraw from accounts and deposit in them, and may transfer from them in cash or through checks. The chairman may issue ATM cards and receive them, and may receive the passwords, issue the credit cards and receive their passwords, and he may issue statement of account, issue checks book and receive and draw up it, and he may issue certified checks in name of the company and receive them, and may receive the transfers and cash them, and subscribe for amana funds and renew subscription, and he may refund units of the amana funds, and he may receive bank loans in name



of the company and accept their conditions, provisions and prices, and sign their contracts and forms and their undertakings and payment schedules, and he may receive the loan and dispose of it. The chairman may also submit guarantees and bails and he may provide sponsors with them and may apply for release from loans and activate and settle the accounts. He may also cash the checks in name of the company, and he may object against the checks, and may receive the returned checks, update the data, open credits in name of the company and renew them, and he may submit and agree upon the banking loans and facilities with their different types from the commercial banks for any amounts, and sign the commercial papers, documents, checks and al of the banking transactions in name of the company. He may issue credit accounts, promissory notes and all commercial papers and sign all types of contracts, documents, agreements, deeds and documents of facilities, and he has the right to open investment accounts in name of the company with all banks, sharia finance companies, financial institutions and any credit companies or commissions, as well as the real estate and industrial funds in name of the company. He may receive the amounts paid to the company and hand over them , and may issue the guarantees and mortgage with the banks and public lending funds and the finance entities as well as the local and international investment companies, and he may issue the promissory notes and other securities. He also has the right to conclude the financial loans, finances and facilities with the government finance funds and institutions no matter how long their terms are, and the Islamic murabaha contracts, and transfer (hawala)



contracts, and the agreements related to treasury products, and he may also conclude contracts with the banks and the commercial finance institutions with terms not exceeding expiry of the company term, and may also conclude all contracts with the Industrial Development Fund, and it may present guarantors and consolidate with them, and sign before Notary Public concerning industrial mortgage and receiving loan and assigning it, and applying for being exempted from it, and may apply for having no any financial liabilities and paying the loan, and he has the right to follow up with the Ministry of Justice, Ministry of Interior, Ministry of Foreign Affairs, Ministry of Defense, Ministry of Energy, Industry and Mineral Resources, Ministry of Commerce and Investment, Trademarks and Agencies Department, Quality and Precious Metals Department and Free Professions Department and to issue certificate of origin, and he may apply for custom exemption (release), and he may follow up with the Ministry of Finance, Ministry of Work, Ministry of Health, Health Affairs Department, and the private and government hospitals and their branches and their affiliated departments, sections and commissions. The chairman also may follow up with the Saudi Food and Drugs Authority, and he may sign on behalf of the company on Articles of Incorporation of companies and the amendments, appendices and the decisions of partners in the companies in which the company participates inside and outside the kingdom, and increasing their capital and amendment of the managers and terminating them, and the amendment of the management clause and entry in existing companies and decrease of capital and he may purchase the stocks and shares, and may pay the



price and sell the stocks and shares and receive value and profits, and may waive the stocks and shares from the capital and accept the waiver of the stocks, shares and capital, and he has the right to attend the company's ordinary and extra ordinary meetings or authorize a person he deems fit to attend and vote in name of the company, and he may liquidate the company and pay the fees, and may receive the registration certificates and follow up the procedures of their merger, transfer and liquidation before all of the concerned entities, and he may purchase the shares and stocks and sell an assign them whether as a whole or partially. He may sign agreements, and may register the marks and the commercial agencies and assign them and may register the patents and open files for the company and issue commercial registers and register them for the company. He may also subscribe to chamber of commerce, and may renew the subscription and sign all decisions and document required for opening branches for the company an signing contracts of transferring the company branches to independent companies with a separate legal entity. As for the limited liability companies or closed joint stock companies, and may sign all of the documents required in this regard. He may also announce in the official newspapers and meet with all of the government entities and sign whatever is required for the aforesaid actions. He may also report to the Quality Department and SASO, as ell as the telecom companies , and may establish land phones and mobile telephones in name of the company. The chairman may follow up with the General Investment Authority and sign before it, and may follow up with the Capital Market Authority, and enter bids, sign



investments and sign the contracts of the company with third parties, and he may issue and renew the industrial licenses and may amend them and reserve names, cancel the licenses, follow up with the General Organization for Social Insurance, the Civil Defense, Zakat and Income Corporation and may transfer the licenses. He has the right to represent the company before the courts and has the right to make claims with the courts and to claim and raise lawsuits, and he may plead, defend and hear the lawsuits and reply to them, and he may admit, deny, reconcile, assign, acquit, apply for oath and object it, and he may bring witnesses and evidences and may appeal against them, and he may answer and he may practice discrediting and crediting, and the appeal against forgery, and may deny the handwriting, seals and signatures, and he may request for travel ban and for lifting it, and for asking for seizure and execution, and he is allowed to request for arbitration and to appoint experts and arbitration and to appeal against them and replacing them, and he may ask for applying the Article no (230) of the Law of Trials before Sharia Courts, and may apply for enforcing and cancelling the rules and objection against the judgments, and to apply for appeal and request reconsideration and he may ask for rehabilitation and right of pre-emption and finalize whatever requires attendance in the hearings in all lawsuits raised from or against the company before all sharia courts and administrative courts (Grievances Board), and the medical forensic committees, labor committees, committees of settling financial disputes, committees of settlement of bank disputes, and he also has the right to deal with the offices of settlement of commercial papers disputes, the



committees of settlement of commercial disputes, the customs committees, the commercial fraud committees and before the Control and Investigation Board, Public Investigation and Prosecution Board and to receive and deliver and to follow up with all of the related entities, and finalize all necessary actions, and he may admit the action plan of the company and shall agree upon their operative plans and budgets, and the Chairman of the board of directors may delegate some of his authorities to other members of the board or third parties to do definite work or works and has the right to appoint third parties as attorneys for all or some of the aforementioned points inside and outside the kingdom and to terminate him, and the attorney has the right to appoint others as attorneys.

Article No (21): Board Meetings

The Board shall meet at least two times a year upon a written invitation of the Chairman. The invitation shall be served in writing or any of the communication means. The Chairman shall call for the meeting whenever requested in writing by two members.



Article No (22): Quorum of the Meetings:

A meeting of the Board shall not be valid unless attended by at least 3 members. A Board member may delegate another member to attend the meeting on its behalf under the following terms:

1. The board member may not delegate more than One member to represent it in this meeting.
2. The proxy shall be in writing and for certain meeting.
3. The authorized member may not vote on resolutions which the law prohibits him to vote on it.

The board resolutions shall be passed in majority of the attended or represented members and in case of vote tie, the side with whom the chairman has voted shall prevail.

The board of directors may pass its resolutions by submitting it to all members separately, unless either of them requests in writing, the board meeting for deliberations, this resolutions shall be submitted to the board of directors in the First subsequent meeting.



Article No (23) Deliberations:

The board deliberations and decisions shall be recorded in minutes signed by the chairman, present members and secretary. Such minutes shall be recorded in a special register signed by the chairman and secretary.

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Chapter No (4) Shareholders' Assemblies

Article No (25) Attending meetings:

Any subscriber, regardless of his shares, may attend the constitutional assembly and any shareholder may attend the general assembly and to authorize any other person from outside the board of directors or the company's workers to attend the general meeting.

Article No (26) Constitutional Assembly:

Founders shall invite all subscribers to convene a constitutional assembly within (45) days after the date of the issuance of the decision of the Ministry approving the company's incorporation. The meeting shall be validly held only if attended by subscribers represent Half of the capital. If this quorum is not reached:

1. A call for another meeting shall be sent after 15 days of the invitation.
2. The Second Meeting shall be held after one hour after the end of the period of the first meeting, provided that the invitation of the first



meeting stipulate that. In all cases, the Second meeting shall be valid regardless of the attended subscribers.

Article No (27) Powers of the Constitutional Assembly:

The transformational committee shall have the powers set out in article No 63 of the companies regulations.

Article No (28) Powers of Ordinary General Assembly

Except for issues related to the extraordinary general meeting, the Ordinary General Meeting shall deal with Company-related issues and shall be convened at least once a year during the six months that follow the end of the Company's fiscal year. A call for another regular meetings shall be convened whenever necessary.



Article No (29) Powers of the Extraordinary General Meeting:

The Extraordinary General Meeting shall be competent to amend the Company law, except for the stipulations whose adjustment is regularly prohibited. In addition, the Extraordinary General Meeting may issue resolutions for internal issues under the Ordinary General Meeting specialization in the same conditions determined to the Ordinary General Meeting.

Article No (30) Invitation to Meetings:

The shareholders' general meetings shall be convened whenever called by the chairman as per the companies regulations. The chairman shall call for convening the ordinary general meeting if requested by the auditor or audit committee or any number of shareholders representing at least 5% of the capital. The auditor may call for convening the meeting if the board of directors didn't call the meeting within 30 days after being requested by the auditor.

The call for convening the general assembly shall be published in the official newspaper and in a daily newspaper distributed at the Company's head office at least 10 days before the determined meeting date and sending a copy of the invitation and agenda to Capital Market Authority.



However, its sufficient to send the invitation in the specified date to all shareholders with registered letters and sending a copy of such invitation and agenda to the capital market authority during the determined publishing period.

Article No (31) Attendance Sheet:

A sheet including the names of the attended or represented shareholders shall be prepared stating the number of shares acquired personally or in proxy and number of the allocated votes. This sheet may be accessed by the stakeholders.

Article No (32) Quorum of the Ordinary General Assembly:

The Ordinary General Meeting shall not be validly held unless attended by shareholders representing at least half of the capital. If this quorum is not met in the First Meeting, an invitation to another meeting shall be necessary to be convened as follows:



1. The Second Meeting shall be held after one hour after the end of the period of the first meeting, provided that the invitation of the first meeting stipulate what proves the possibility of this meeting.
2. A call for a second meeting shall be sent within the Thirty days following the previous meeting. This invitation shall be published in the method stipulated in article No (30) of the Law.

In all cases, the Second meeting shall be valid regardless of the attended subscribers.

Article No (33) Quorum of the Extraordinary General Assembly:

The Extraordinary General Meeting shall not be legitimate unless attended by shareholders representing at least half of the capital. If this quorum is not met in the First Meeting, an invitation to another meeting shall be sent as follows:



1. The Second Meeting shall be held after one hour after the end of the period of the first meeting, provided that the invitation of the first meeting stipulate what proves the possibility of this meeting.
2. A call for a second meeting shall be sent as stipulated in article No (30) hereof.

In all cases, the Second meeting shall be valid if attended by the shareholders representing at least quarter of the capital.

If the quorum is not reached in the second meeting, a call for a third meeting shall be sent on the same conditions as set out in article No (30) hereof. The Third meeting shall be valid regardless of the represented shares after the approval of the competent authority.

Article No (34) Voting in Meetings:

Each subscriber shall have a vote for each share that he represents in the constitutional assembly. Each shareholder shall have only One vote for each



share in the general assemblies. Accumulative voting shall be used in electing the board of directors.

Members may not vote on the decisions of the board related to their discharge from the company's management or in relation to a direct or indirect interest of them.

Article No (35) Meetings Resolutions:

Constitutional and ordinary assemblies shall issue its resolutions by absolute majority of shares represented in the meeting. The resolutions of the ordinary general assembly shall be passed by the absolute majority of the votes attended in the meeting (a higher percentage may be stipulated). The resolutions of the extraordinary general assembly shall be passed by the majority of two thirds of the votes attended in the meeting, unless the resolution is related to the capital increase or reduction, extend the company's term or its dissolution before the expiration of its term specified in its law, or by merging it with another Company or organization. The decision shall not be legitimate unless issued by majority of three-quarters of the shares represented in the meeting.



Article No (36) Deliberations in the Meetings:

Each shareholder has the right to discuss the subjects listed on the meeting agenda and address related questions to the board of directors and the external auditor. The board of directors or the auditor shall answer the shareholders' questions in a way that does not harm the Company's interest. If the shareholder feels that the answer to his question is not convincing, he may appeal to the meeting, and its decision in this regard would be effective.

Article No (37) Chairman of Meetings and Preparing Minutes:

Shareholders' general meetings shall be presided by the chairman or his deputy in case of his absence or any member in the board of directors in the absence of the chairman and his deputy.

The chairman shall write minutes include names of shareholders present or represented, number of shares owned personally or by delegation, number of votes designated for them, decision taken, number of approved or disapproved votes, and a sufficient summary for discussions taken place during the meeting. The minutes shall be recorded regularly following each meeting in a special register signed by the meeting chairman, secretary, and the vote's collector.



Chapter No (5) Audit Committee

Article No (38) Formation of the Committee:

The ordinary general assembly may constitute an audit committee composed on 4 members from outside the executive board members whether from shareholders or otherwise. The resolution shall include the tasks of the committee and method of its work and rewards of its members.

Article No (39) Quorum of the Committee:

The meeting shall not be valid unless if attended by the majority of the members. Its decisions shall be passed with the majority of the presented votes. In case of votes tie, the side with whom the chairman voted shall prevail.

Article No (40) Powers of the Committee:

The audit committee shall monitor the company's works and may access its records and documents and request any explanation from the board of directors or the executive management and may request the board of directors to call for convening the general assembly if the board of directors hindered its work or if the company incurred gross damages or losses.



Article No (41) Reports of the Committee:

The audit committee shall examine the company's financial statements, reports and notes submitted by the auditor and express an opinion regarding it, if any, as well as prepare a report on its opinion about the sufficiency of the internal control system of the company and all other works it performed. The board of directors shall file enough copies of this report at the company's head office at least with 10 days prior the date of the general assembly for providing the shareholders with a copy of it.

Chapter No (6) Auditor

Article No (42) Appointing an Auditor:

The general assembly may appoint auditor (s) from auditors licensed in the Kingdom of Saudi Arabia and determine their fees and period and to reappoint them. The general assembly may, at any time, change the auditors, without prejudice to their right of indemnification if the change occurred in an inappropriate time or for invalid reason.



Article No (43): Powers of the Company's Auditor:

The auditor shall has the right at any time to access the Company books, records and other documents. He may request documents and explanations as seen necessary. He is also entitled to examine the Company's assets and liabilities and any other thing under his jurisdiction and the chairman shall allow him to perform his duties. If the auditor faced any hardships in this regard, he shall state that in the report submitted to the board of directors. If the board of directors didn't facilitate the auditor's works, he shall ask the board of directors to call the general meeting to decide this matter.



Chapter No (7)

Company's accounts and profits distribution

Article No (44): Fiscal Year:

The company's First fiscal year shall start as at 01/01 and ends at the end of December of the same year, provided that the First financial year shall start after the Ministerial resolution by approving the transformation and ends on 31/12 of the next Gregorian year.

Article No (45) Financial Documents:

- 1- The board of directors shall prepare, at the end of each financial year, the financial statements and a report for the ended financial year. Such report shall include the method suggested for distributing profits and put it under the disposal of the auditor before the date of the general assembly with 45 days.
- 2- The chairman and executive chairman and financial director shall sign the documents mentioned in paragraph (1) and deposit a copy of it at the company's head office to be put under the disposal of the



shareholders with at least 10 days before convening the general meeting.

- 3- The chairman shall provide the shareholders with the financial statements, board report, auditor report, unless if its published in a daily gazette distributed at the company's head office, provided sending a copy of such documents to capital market authority with at least 15 days before convening the general meeting.

Article No (46) Profits Distribution:

The company shall distribute the annual net profits as follows:

- 1- Setting aside 10% of the net profit as a statutory reserve and the general assembly may stop such reserve if it reached 30% of the paid up capital.
- 2- The extraordinary general assembly may, at a proposal from the BoDs, set aside at least 10% from the net profit to form the statutory reserve to be allocated for certain purpose(s).
- 3- The surplus shall be distributed to the shareholders, provided that it does not exceed 5% of the paid up capital.
- 4- Notwithstanding article No (20) hereof and article No (76) of the companies regulations, 10% of the surplus shall be allocated to the



BoDs, provided that such reward shall be in proportion to the meetings attended by the member.

Article No (47) Due Profits

Any shareholder shall be entitled to a share in the profits as per the resolution issued by the general assembly in this regard. Such resolution shall include the date of accrual and distribution date. The profits priority shall be given to the shareholders registered in shareholders record at the end of the due day.

Article No (48): Distributing Preferred shares:

1. In case of not distributing the profits of any fiscal year, its not allowed to distribute the profits for the subsequent years unless after the payment of the percentage stipulated in article No 114 of the companies regulations for the owners of the preferred shares for this year.
2. If the company failed to pay the due percentage as per article No (114) of companies regulations from the profits for Three consecutive years, the special committee constituted as per article No (89) of the companies regulations may decide to allow them to attend the general assembly and participate in voting or appoint their representatives in



the board of directors in proportion to their share in the capital for allowing the company to pay all priority profits for the shareholders for the previous years.

Article No (49) Company Losses:

- 1- If the company's losses reaches half of the paid capital at any time during the financial year, the company's officer or auditor shall, after being notified by the chairman, notify the chairman who shall notify the board members. The board of directors shall, within (15) Fifteen days after that notification, call the Extraordinary General Meeting within 45 days of recognizing losses and to report increasing or decreasing the company's capital pursuant to the companies regulations to the extent subject to which the losses exceed half of the paid up capital or dissolve the company before its term as per companies regulations.
- 2- The company shall be considered terminated if the general assembly failed to convene within the period specified hereinabove or if it convened but failed to pass its resolutions in the above matter or if it decided to increase the capital as per the laws and provisions of this article No even in case of they didn't subscribe in the capital increase within (90) days after the date of the board's resolution with increase.



Chapter No (8) Disputes

Article No (50) Liability Claim:

Each shareholder may file the company's responsibility against the board members if they committed any mistake or error. The shareholder may not file the said claim unless if the company still has the right to file it. The shareholder shall notify the company with its intention to file the case.



Chapter No Nine

Dissolution and liquidation of the company

Article No (51) Company's Dissolution:

The company shall be liquidated upon expiry of its term with keeping its legal personality with the required volume for liquidation and issuing the optional liquidation decision by Capital Market Authority. The liquidation decision shall include appointing the liquidator and determine its powers, fees and restrictions imposed on his powers, period required for liquidation. Optional liquidation period shall not exceed (5) Five years not renewable for more than that unless with legal decision. The powers of the board of directors shall cease to be valid upon expiry of the company, however, the board shall continue to run the company until a liquidator is appointed. The company's functions shall continue to assume their competences to the extent they are not in conflict with the competences of the liquidators.



Chapter No Ten

Final provisions

Article No (52):

Companies Regulations and its implementing regulations shall apply to anything not covered herein.

Article No (53) Publication:

This law shall be filed and published pursuant to companies regulations and its implementing regulations.

