

**Bylaws of the United International Transportation Company**  
**(Public Shareholding Company)**

**Article 1: Establishment**

In accordance with the provisions of the Companies Law and its regulations, and this bylaw, United International Transportation Company has been transformed from a limited liability company to a public shareholding company, registered in the commercial register of Jeddah under number (4030017038) and dated 16/01/1399H.

**Article 2: Company Name**

The name of the company is United International Transportation Company (public shareholding company).

**Article 3: Company Objectives**

The company engages in and carries out the following activities:

- Importing cars and spare parts for the purpose of trading in them by buying, selling, and renting them in any way to individuals, companies, or government or private entities.
- Commercial representation of national and foreign companies in accordance with the Law of Commercial Agencies.
- Operation and maintenance: the company may carry out maintenance work in accordance with or to help achieve its aforementioned activities within the limits of the regulations.
- Information technology.
- Retail and wholesale trade in the sale of new and used cars and others.
- Import, export, and marketing for others.
- Trade.
- Financial and business services and other services.
- Transport, storage, and refrigeration.
- Construction and building.
- Various real estate investment activities such as purchasing land and erecting buildings on it, and others.
- Transportation and catering services including passenger transportation, loading and unloading, and goods transportation.
- Wholesale and retail sale of electric vehicle chargers.
- Operation of electric vehicle charging stations.
- Wholesale and retail sale of used private cars, including (ambulances, minibuses, and four-wheel drives).
- Wholesale and retail sale of used heavy-duty vehicles, including (trailers and semi-trucks).
- Wholesale and retail sale of used travel and camping vehicles, including (caravans).
- Car auctions (car market).
- Repair of car engines.
- Repair of car transmissions.
- Repair of car electrical systems.
- Repair of car electronics.
- Repair of car air conditioners.
- Repair of car mechanics and electrical systems.

- Repair of car mechanics, electrical systems, bodywork, and painting.
- Activities of car service and maintenance centers.
- Activities of turning car parts.
- Car blacksmithing workshops.
- Car body repair and paint shops, including (rust treatment).
- Rental of motor vehicles.
- Rental of cars without drivers.
- Rental of trucks without drivers.
- Rental of buses without drivers.
- Car rental intermediaries.
- Electronic car rental intermediaries.
- Electronic car rental.
- Transportation and storage.
- Professional, scientific, and technical activities.
- Wholesale and retail trade; repair of motor vehicles and motorcycles.
- Manufacturing.
- Administrative and support service activities.
- Electricity, gas, steam and air conditioning supply.
- Information and communication.
- Construction.
- Real estate activities.
- Other service activities.
- Generation, transmission and distribution of electricity.
- Sale of motor vehicles.
- Retail sale of automotive fuel in specialized stores.
- Maintenance and repair of motor vehicles.
- Sale of parts and accessories for motor vehicles.
- Wholesale sale of other machinery and equipment.
- Retail sale of other new goods in specialized stores.
- Head office activities; supervision of other units in the company or establishment and their management.
- Rental of other machinery and equipment and other tangible goods.

The company carries out its activities in accordance with the applicable regulations and after obtaining the necessary licenses from the competent authorities, if any.

#### **Article 4: Participation and Ownership in Companies**

The company is authorized to establish companies on its own and may also own shares and stakes in other existing companies or merge with them. It has the right to participate with others in establishing shareholding companies or limited liability companies, subject to compliance with the requirements of the relevant regulations and instructions. The company is also allowed to deal with these shares or stakes, excluding brokerage in their trading.

#### **Article 5: Company Headquarters**

The company's headquarter is located in Jeddah, Kingdom of Saudi Arabia. It is permissible for the company to establish branches, offices, or agencies within or outside the Kingdom of Saudi Arabia upon a decision by the company's board of directors.

#### **Article 6: Company Duration**

The company has a duration of ninety-nine (99) Gregorian years, starting from the date of the issuance of the decision by the Minister of Commerce and Industry announcing the company's transformation. The company's duration can always be extended by a decision issued by the extraordinary general assembly before its expiration, for a minimum period of one year.

#### **Article 7: Company Capital**

The company's capital is set at SAR 711,666,680 (Seven Hundred Eleven Million, Six Hundred Sixty-Six Thousand, Six Hundred Eighty Saudi Riyals), divided into 71,166,668 (Seventy-One Million, One Hundred Sixty-Six Thousand, Six Hundred Sixty-Eight) ordinary shares of equal value. The nominal value of each share is SAR 10 (Ten Saudi Riyals), and all shares are fully paid in cash.

#### **Article 8: Subscription to Shares**

Shareholders have subscribed to all the shares of the capital and have paid their full value.

#### **Article 9: Sale of Stocks with Unpaid Full Value**

- 1- Shareholders are obligated to pay the value of the shares on the specified dates. If a shareholder fails to fulfill their payment obligation, the board of directors, after notifying them by email, registered letter, or any other modern means of communication, may sell the shares through public auction or on the stock market, as appropriate. Other shareholders have priority in purchasing the shares of the defaulting shareholder.
- 2- The company shall collect the amounts due from the sale and return the remaining amount to the shareholder. If the proceeds from the sale are insufficient to cover the amounts due, the company may collect the remaining amount from any of the shareholder's funds.
- 3- The rights associated with unpaid shares are suspended upon the expiration of the specified deadline until they are sold or the due amount is paid in accordance with paragraph (1) of this article. These rights include the right to receive a share of the net profits to be distributed and the right to attend and vote at general assemblies. However, the defaulting shareholder may, until the day of the sale, pay the due amount along with the expenses incurred by the company in this regard. In this case, the shareholder has the right to request the distribution of declared profits.
- 4- The company shall cancel the sold share certificate in accordance with the provisions of this article and issue a new certificate to the buyer with the same number. The necessary information about the new owner shall be recorded in the share register.

#### **Article 10: Issuance of Shares**

Shares are registered and cannot be issued below their nominal value. However, they may be issued above this value, and in this case, the difference in value is added as a separate item within the

shareholders' rights. They cannot be distributed as profits to the shareholders. Shares are not divisible against the company. If the shares are owned by multiple individuals, they must choose one person to represent them in exercising the rights associated with the shares, and these individuals are jointly liable for the obligations arising from the ownership of the shares.

## **Article 11: Trading of Shares**

Trading of shares subscribed by founders shall not be allowed until the financial statements for two consecutive fiscal years have been published, with each period being no less than twelve months from the date of the Minister of Commerce and Industry's decision to declare the company's transformation or the approval of the Capital Market Authority. These shares shall be marked with indications specifying their type, the date of the company's transformation announcement, and the period during which trading is prohibited. However, during the prohibition period, ownership of the shares may be transferred in accordance with the provisions of the sale of rights from one founder to another, or from the heirs of a founder in the event of their death, to a third party, or in the case of the execution of the assets of insolvent or bankrupt founders, with priority given to other founders in owning the shares. The provisions of this article shall also apply to shares subscribed by founders in the transformed company in the event of an increase in the company's capital before the expiration of the prohibition period.

## **Article 12: Shareholders Registry**

The trading of company shares shall be conducted in accordance with the provisions of the Capital Market Law.

## **Article 13: The Purchase, Sale and Pledging by the Company of Its Stocks**

1- The company may buy, sell, or pledge its shares. The company may also purchase its shares for use as treasury shares, allocated for the company's employees under an employee stock ownership program, or to fulfill the rights of holders of convertible debt instruments in their conversion to shares, in accordance with the terms and conditions of such instruments, or for exchange operations in return for acquiring shares or stakes in another company, purchasing an asset, or any other purpose approved by the Capital Market Authority and subject to the regulations set by the competent authority. The shares purchased by the company shall not have voting rights in shareholders' meetings.

2- The pledging of shares is allowed according to regulations set by the competent authority. The pledged creditor shall be entitled to receive dividends and exercise the rights associated with the shares, unless otherwise stipulated in the pledge agreement. However, the pledged creditor shall not be entitled to attend general meetings of shareholders or vote in them.

## **Article 14: Increase of Capital**

1- The extraordinary general assembly may decide to increase the company's capital, provided that the capital has been fully paid. It is not a requirement for the capital to be fully paid if the unpaid portion of the capital corresponds to shares issued in exchange for the conversion of debt instruments or financing instruments into shares, and the conversion period for such shares has not yet expired.

2- In all cases, the extraordinary general assembly may allocate the shares issued upon an increase in the capital or a portion thereof to the employees of the company, its subsidiaries, or both, or any of them. Shareholders are not allowed to exercise the right of priority when the company issues shares designated for employees.

3- The shareholder has the priority, at the time of the extraordinary general assembly's decision approving the increase in capital, to subscribe to the new shares issued in exchange for cash portions. These shareholders shall be notified of their priority by registered mail to the address indicated in the shareholders' registry or by using modern technological means, regarding the decision to increase the capital, the subscription terms, procedures, start and end dates.

4- The extraordinary general assembly has the right to suspend the exercise of the priority right for shareholders to subscribe to the increase in capital in exchange for cash portions or to give priority to non-shareholders in cases deemed appropriate for the company's interest.

5- The shareholder has the right to sell or transfer their priority right, with or without consideration, during the period from the issuance of the extraordinary general assembly's decision approving the increase in capital until the last day of subscription for the new shares associated with these rights, in accordance with the regulations set by the competent authority.

6- Subject to the provisions of paragraph (4) above, the new shares shall be distributed among the holders of priority rights who have requested subscription in proportion to their respective priority rights out of the total priority rights resulting from the increase in capital, provided that what they receive does not exceed their requested number of new shares. The remaining shares shall be distributed among the holders of priority rights who have requested more than their allocated share, in proportion to their respective priority rights out of the total priority rights of those who have requested more than their allocated share, if what they receive does not exceed their requested amount of new shares. The remaining shares shall be offered to others, unless otherwise decided by the extraordinary general assembly or stipulated by the Capital Market Law.

7- The nominal value of the new shares issued in the increase must be equal to the nominal value of the shares of the same class in the increase.

#### **Article 15: Reduction of Capital**

The extraordinary general assembly may decide to reduce the capital if it exceeds the company's needs or if the company incurs losses. In the latter case, capital reduction may only be carried out below the limit specified in Article 59 of the Companies Law. The reduction decision shall not be issued except after the presentation of a special report prepared by the board of directors on the reasons for the reduction, the company's obligations, and the impact of the reduction on these obligations. This report shall be accompanied by a statement from the auditors.

And if the capital reduction is a result of exceeding the company's needs, the creditors must be invited to submit their objections, if any, to the reduction within at least forty-five days from the date of the extraordinary general assembly meeting to decide on the reduction. If any creditor objects and submits

their documents to the company within the specified period, the company must either pay their debt immediately if it is due or provide sufficient guarantee to fulfill it if it is payable in the future.

#### **Article 16: Methods of Capital Reduction**

The capital of the company can be reduced by one of the following methods:

- a) Cancelling a number of shares equivalent to the required reduction.
- b) Reducing the nominal value of the share by canceling a portion of it equivalent to the loss incurred by the company.
- c) Reducing the nominal value of the share by returning a portion of it to the shareholder or by discharging him from all or part of the unpaid amount of the share's value.
- d) The company purchases a number of its own shares equivalent to the required reduction and then canceling them.

#### **Article 17: Procedures for Capital Reduction**

If the capital reduction is a result of exceeding the company's needs, the creditors must be invited to submit their objections, if any, to the reduction at least forty-five days before the specified date of the extraordinary general assembly meeting to decide on the reduction. The invitation must be accompanied by a statement indicating the amount of capital before and after the reduction, the date of the meeting, and the effective date of the reduction. If any of the creditors object to the reduction and submit their documents to the company within the specified period, the company must either pay their debt immediately if it is due or provide sufficient guarantee to fulfill it if it is payable in the future. In the case of capital reduction by the company purchasing its own shares, the shareholders must be invited to offer their shares for sale.

#### **Article 18: Termination of Board Membership**

The board membership ends when its term expires or the member's authority expires according to any system or regulations in force in the Kingdom. However, the ordinary general assembly has the right, at any time, to dismiss all or some members of the board of directors, without prejudice to the rights of the dismissed member to demand compensation if the dismissal occurs for an unacceptable reason or at an inappropriate time. A member of the board of directors may resign provided that it is at an appropriate time; otherwise, they shall be responsible for any damages resulting from the resignation.

## **Article 19: Company's Management**

The company is managed by a board of directors consisting of eight members elected by the ordinary general assembly of shareholders for a period not exceeding four years, except for the first board of directors, which has a term of five years starting from the date of the ministerial decision declaring the company's transformation into a public shareholding company.

## **Article 20: Termination of Board Membership**

The board membership ends when its term expires or the member's authority expires according to any system or regulations in force in the Kingdom. The board of directors may request the termination of the membership of any of its members in any of the following cases, for example:

- 1- If the member is absent from attending three consecutive meetings or five separate meetings during their membership period without a valid excuse accepted by the board of directors.
- 2- Exploiting or disclosing the company's secrets with the intent to harm it.
- 3- Disclosing the secrets they became aware of due to their position to unauthorized parties or to others.
- 4- Using the company's funds, authorities, or votes they possess in a manner that they know is against the company's interests, to achieve personal purposes, favor a company or individual, or benefit from a project or transaction in which they have a direct or indirect interest.
- 5- Receiving benefits, guarantees, or promises thereof in exchange for voting in a certain direction or abstaining from voting, with the aim of harming the company's interests, as well as granting, promising, or guaranteeing such benefits.
- 6- Accepting appointment as a board member in a shareholding company or remaining a member therein contrary to the provisions of the regulations. Every board member of a company that commits these violations and is aware of them without objecting to them according to the provisions of the regulations.
- 7- Obtaining a guarantee or loan from the company contrary to the provisions of the regulations. Every board member of a company that commits this violation and is aware of it without objecting to it according to the provisions of the regulations.
- 8- Any other violations stipulated by the Companies Law or any other laws.

However, the ordinary general assembly has the right, at any time, to dismiss all or some members of the board of directors, without prejudice to the rights of the dismissed member to demand compensation if the dismissal occurs for an unacceptable reason or at an inappropriate time. A member of the board of directors may resign provided that it is at an appropriate time; otherwise, they shall be responsible for any damages resulting from the resignation.



### **Article 21: Vacant Position on the Board of Directors**

If the position of a board member becomes vacant, the board has the right to appoint a temporary member to fill the vacant position. The appointed member should possess the necessary experience and qualifications. The Ministry and the Authority must be notified of the appointment within five working days from the date of appointment. The appointment should be presented to the ordinary general assembly at its first meeting, and the new member shall complete the remaining term of their predecessor. If the necessary conditions for the convening of the board of directors are not met due to a shortage of members below the minimum threshold specified in the Companies Law or this regulation, the remaining members must invite the general assembly to convene within sixty days to elect the required number of members.

### **Article 22: Powers of the Board of Directors**

Subject to the authorities prescribed for the general assembly, the board of directors has the broadest powers to manage the company and conduct its affairs both within and outside the kingdom. The board has the right, among other things, to represent the company in its relations with third parties, governmental and private entities, police departments, passport offices, municipalities, chambers of commerce and industry, special entities, companies, institutions of various types, other governmental authorities, banks, commercial banks, development funds, all government financing funds and institutions, financial institutions of all kinds, and participate in tenders. The board also has the right to sign all types of contracts, documents, and papers, including but not limited to company establishment contracts in which the company participates, as well as amendments to such company establishment contracts in which the company is a partner, official decisions, loan agreements, guarantees, warranties, waiving priority in settling the company's debts, leasing, receiving and making payments, opening accounts, authorizing credits, withdrawals, and deposits with banks, issuing bank guarantees, signing all papers, documents, and checks, and conducting all banking transactions. The board is also responsible for appointing and dismissing employees and workers, requesting visas, bringing in foreign workers from outside the kingdom, contracting with them, determining their salaries, obtaining residencies, transferring sponsorships, and relinquishing sponsorships. Within its jurisdiction, the board may delegate one or more of its members or others to carry out some of its tasks.

However, regarding the sale of company properties, the minutes of the board of directors and the justifications for the decision must take into account the following conditions:

- 1- The board must specify the reasons and justifications for the sale in its resolution.
- 2- The sale price should be close to the fair market value.
- 3- The sale should be made in person, except in cases determined by the board, with sufficient guarantees.

The board of directors is also allowed to contract loans with government financing funds and institutions, regardless of their duration. It can also contract commercial loans that exceed three years and do not extend beyond the company's duration, while considering the following conditions for loans exceeding three years:

- 1- The board of directors must specify the purposes of the loan.
- 2- The loan terms and guarantees provided should not harm the company or the general guarantees of the creditors. Within its jurisdiction, the board may delegate one or more of its members or others to carry out specific work or tasks.

The board of directors has the right, in cases determined by it, to release the company's debtors from their obligations in the interest of the company, subject to the following conditions:

- 1- The release should occur after at least one full year from the inception of the debt.
- 2- The release is limited to a specified amount per debtor per year.
- 3- The authority to release debt cannot be delegated.

The board of directors is also allowed to act on behalf of the company in dealing with financial companies in opening, activating, and closing investment accounts, as well as making withdrawals, deposits, buying and selling shares or transferring them, subscribing to them. It can also sign agreements for private portfolios, whether in shares or cash, and engage in buying and selling local and foreign bonds and instruments. The board can participate in and redeem investment funds. It can manage the company's investment portfolios through telephone, fax, written orders, or electronic services. The board has the right to delegate others, in whole or in part, with the authorities specified in this paragraph through written notice and proxy signature for all necessary signing.

### **Article 23: Remuneration of the Board Members**

The remuneration of the board consists of a specific amount, attendance allowance, in-kind benefits, or a certain percentage of profits. It is permissible to combine two or more of these benefits. If a certain percentage of net profits is used for compensation, it should not exceed 10% of the remaining net profits after distributing the percentages mentioned in Article 46. The board's report to the regular general assembly must include a comprehensive statement of all the benefits received by the board members during the fiscal year, including bonuses, expense allowances, and other benefits. It should also include a statement of the amount received by the board members as employees, administrators, or for technical or administrative work or consultancy. Additionally, it should provide the number of board meetings and the attendance of each member since the last general assembly meeting.

## **Article 24: Powers of the Chairman, Vice-Chairman, Managing Director, Chief Executive Officer and the Board Secretary**

The Board of Directors appoints a chairman and a vice-chairman from among its members. It may also appoint an executive member from among its members. The vice-chairman replaces the chairman of the board in his absence. The chairman of the board and the executive member (if appointed) are authorized jointly or individually to represent the company in its relations with external parties, government authorities, private entities, all ministries, emirates, the Zakat and Tax Authority, customs, the General Investment Authority, the Ministry of Commerce, the Capital Market Authority, police departments, public prosecution, chambers of commerce and industry, private entities, companies, and institutions of various types. They are also authorized to participate in tenders on behalf of the company, receive payments, make payments, make declarations, and make claims. They also have the right to sign all types of contracts, documents, and papers, including, but not limited to, agency agreements, franchises, and other contracts, transactions, deals, obligations, registering agencies and trademarks, articles of association of companies in which the company participates, amendments and attachments thereof, participating in other companies regardless of their type, signing agreements, bonds, releases, obtaining replacements for lost bonds before notary publics and official authorities, as well as loan agreements, guarantees, warranties, mortgages, their release, issuing legal powers of attorney on behalf of the company, overseeing transactions, obtaining the company's rights, settling its obligations, buying, selling, transferring, accepting, receiving, leasing, renting, receiving payments, opening bank and investment accounts, credits, withdrawals, deposits, closing bank and investment accounts with banks, issuing banking guarantees, signing documents, checks, promissory notes, liens, issuing bonds for order and other commercial documents, conducting all acts and transactions, and everything that may facilitate the company's affairs, achieve its objectives, and all matters entrusted to the Board of Directors. They are also authorized to appoint employees and workers, dismiss them, contract with them, and determine their salaries. They are authorized to appoint agents, lawyers, and legal representatives on behalf of the company from the company's employees or others based on valid authorizations, granting them the authority to sign on behalf of the company within the limits of the granted legal powers. Either of them may delegate one or more individuals, whether from the company's employees or others whom they deem suitable, based on an official delegation, to exercise any of their powers or any of the authorities mentioned in this clause. The chairman of the board is responsible for convening the board, presiding over its meetings, approving the board's decisions, the extracts derived from these decisions, and determining the agenda of the meetings, taking into consideration the matters proposed by the board members or the Chief Executive Officer for inclusion. The chairman is also responsible for effectively managing the board meetings and encouraging all members to actively participate in achieving the planned objectives. The chairman is responsible for chairing general assemblies and may delegate his deputy or others with these authorities. The chairman of the board represents the company before the legal courts, judicial authorities, the Board of Grievances, notaries, labor offices, workers, higher and primary committees, commercial papers committees, the committee for adjudicating disputes in securities, and all other judicial committees, arbitration bodies, and is responsible for defense, pleading, and litigation matters.

And the settlement and acceptance of judgments, objections thereto, attending sessions, hearing statements and witnesses, their rebuttal, acknowledgment, denial, reconciliation, exoneration, appeal, reviewing the implementation of judgments, appointing experts, arbitrators, and lawyers, and their dismissal within and outside the Kingdom.

The Chairman of the Board of Directors may delegate one of the board members, the Chief Executive Officer, or company employees, or others, in whole or in part, based on legal agencies or written official delegations, and authorize his agents to delegate others within the limits of their granted authority under the agencies or delegations, and he has the right to cancel the delegation or authorization partially or entirely.

The Board of Directors determines, by its resolution based on the recommendation of the Nominations and Remuneration Committee, the remuneration received by the Chairman of the Board of Directors and the Chief Executive Officer upon their appointment, in addition to the stipulated remuneration for the board members.

The Vice Chairman of the Board of Directors is responsible for representing the company in its relations with others, government and private entities, all ministries, emirates, the Zakat, Tax, and Customs Authority, the General Investment Authority, the Ministry of Commerce, the Capital Market Authority, police departments, public prosecution, chambers of commerce and industry, private entities, companies, and institutions of all kinds, entering into tenders on behalf of the company, receiving, settling, acknowledging, and claiming. He also has the right to sign all types of contracts, documents, and papers, including, but not limited to, agency contracts, privileges, and other contracts, transactions, deals, obligations, registering agencies, trademarks, articles of incorporation of companies in which the company participates, their amendments, supplements, contributing to other companies regardless of their type, and signing agreements, bonds, releases, and obtaining replacements for lost bonds before notaries and official authorities. He may issue legal powers of attorney on behalf of the company, follow up on transactions, collect the company's rights, settle its obligations, buy, sell, release, accept, receive, deliver, rent, lease, collect, pay, and carry out all actions and transactions that serve the company's affairs and achieve its objectives and all that is entrusted to the Board of Directors. He is authorized to appoint agents, lawyers, and legal representatives on behalf of the company, whether they are company employees or others, based on legal agencies and grant them the right to sign on behalf of the company within the limits of the granted legal agencies. He may also delegate one or more persons, whether they are company employees or others whom he deems appropriate, by means of an official delegation, to exercise any of his powers or any of the authorities mentioned in this paragraph.

The Vice Chairman of the Board of Directors is also responsible, in the absence of the Chairman of the Board, for calling the Board to convene, presiding over Board meetings, approving Board decisions, and the outputs derived from these decisions, determining the agenda of meetings, taking into account the topics proposed by the Board members or the Chief Executive Officer for inclusion. He is also responsible for effectively managing Board meetings and encouraging all members to actively participate in achieving the planned objectives. He is responsible for chairing general assemblies and has the authority to delegate other Board members with these powers.

The Vice Chairman of the Board represents the company in the absence of the President before legal courts, judicial bodies, the Grievances Board, notaries, labor offices, workers, higher and primary committees, commercial paper committees, the Securities Disputes Resolution Committee, and all other judicial committees and arbitration bodies. They are responsible for defense, pleading, litigation, settlement, accepting and objecting to judgments, attending sessions, listening to statements and witnesses, responding to them, acknowledging, and denying, reconciliation, acquittal, appeals, reviewing judgment enforcement, appointing experts, arbitrators, lawyers, and dismissing them within and outside the Kingdom.

The Vice Chairman of the Board may delegate one of the board members, the Chief Executive Officer, company employees, or others, either fully or partially, based on legitimate powers of attorney or official written authorizations. The deputies have the authority to grant proxies within the limits of their delegated powers as specified by the powers of attorney or authorizations, and they have the right to revoke the delegation or proxy partially or entirely.

The Board of Directors also appoints an Executive President of the company. The Executive President is responsible for implementing the policies determined by the Board of Directors and shareholders' assemblies, making decisions necessary for the company's interests, managing its affairs, achieving its objectives, and other responsibilities and powers determined by the Board of Directors or specified by this system.

The Executive President has the right to sign, on behalf of the company, all contracts, agreements, documents, and records, including but not limited to company establishment contracts in which the company participates, their amendments, appendices, bonds, and discharges before notaries and official authorities. They also have the authority to sign agreements, bonds, discharges, obtain replacements for lost bonds before notaries and official authorities, investment contracts, loan contracts, guarantees, warranties, buying and selling contracts, land disposals, accepting and paying prices, signing lease and rental agreements, agency and franchise agreements, and other contracts, agreements, transactions, obligations, participating in tenders and competitions on behalf of the company, registering agencies and trademarks, opening, managing, operating, and closing bank and investment accounts, issuing checks, credits, withdrawals, deposits, issuing all guarantees, bills of exchange, mortgages, issuing bonds to order, and other commercial papers, and carrying out all acts and transactions and anything that is within the scope of the company's business and serves its purposes, as entrusted to them by the Board of Directors. They have the right to represent the company in its relations with others, including ministries, emirates, police departments, public prosecution, Zakat and Tax Authority, customs, General Investment Authority, Ministry of Commerce, Capital Market Authority, all official and private authorities, chambers of commerce and industry, banks, financial institutions, and all government financing institutions and private companies of various types. They also have the authority to appoint, dismiss, contract, and determine the salaries of employees and workers. They may also appoint or delegate anyone they deem appropriate to perform all or part of these responsibilities.

The compensation of the Chief Executive Officer shall be determined by the Board of Directors based on the recommendation of the Nomination and Remuneration Committee.

The Board of Directors appoints a secretary, chosen from among its members or others, who is responsible for recording the minutes of the Board meetings, documenting the resolutions issued during these meetings, and keeping them, in addition to performing other tasks assigned to them by the Board of Directors. The Board determines their remuneration based on the recommendation of the Nomination and Remuneration Committee.

The term of the Chairman of the Board, the Vice Chairman, the Managing Director, and the Secretary of the Board shall not exceed the duration of their membership on the Board. The Board reserves the right to reappoint them, and at any time, it may dismiss them or any of them without violating the right of any dismissed member to compensation if the dismissal occurs for an unjustified reason or at an inappropriate time.

#### **Article 25: Board Meetings**

- 1- The shareholding company's Board of Directors shall meet at least four times a year, upon the invitation of its Chairman, in accordance with the provisions stated in the company's bylaws. The competent authority may amend the specified limit in this paragraph. The Chairman of the Board must call for a meeting whenever requested in writing by any Board member to discuss one or more topics.
- 2- The Board of Directors determines the venue for its meetings, and they may be conducted using modern communication technology.

#### **Article 26: Quorum for Board Meetings**

A Board meeting shall not be valid unless attended by at least four members of the Board, provided that the number of attendees in person is not less than three members, including the Chairman of the Board, the Vice Chairman of the Board, or anyone authorized by the Chairman in their absence.

In the case of delegation of a Board member to another member's attendance at Board meetings, the delegation must adhere to the following guidelines:

- A Board member may not represent more than one member in the same meeting.
- The delegation must be in writing.
- The deputy (in terms of the representative's vote) is not allowed to vote on decisions that the regulations prohibit the representative from voting on.

The decisions of the Board are issued by a majority of votes of the attending members of the Board or their representatives in the meeting, and in case of a tie, the side supported by the Chairman of the meeting's vote prevails.

The Board of Directors is authorized to issue urgent decisions without presenting them to the members for discussion, unless one of the members requests to discuss them in a written council meeting. These decisions are presented to the Board for approval at its first subsequent meeting and documented in the meeting minutes.

#### **Article 27: General Assembly for Transformation**

The General Assembly for Transformation is responsible for the following matters:

- 1- Verifying the subscription to the entire capital.
- 2- Approving the final texts of the company's bylaws, with no significant amendments allowed without the consent of all represented shareholders.
- 3- Approving the appointment of an auditor as the first auditor for the company's accounts for the first fiscal year upon transforming into a shareholding company.
- 4- Approving the expenses of the transformation.
- 5- Examining the approval of the value of in-kind shares (if applicable).

For the validity of its convening, it is required that a number of attending shareholders represent at least half of the capital, and each shareholder has one vote for each share subscribed to or represented by them.

#### **Article 28: Attendance at Assemblies**

Every subscriber, regardless of the number of their shares, has the right to attend the General Assembly for Transformation, and every shareholder has the right to attend the General Assemblies for Shareholders. They may delegate another person who is not a member of the Board of Directors to attend the General Assembly.

#### **Article 29: General Assembly for Transformation**

The General Assembly for Transformation is responsible for the following matters:

- 1- Verifying the subscription to the entire capital.
- 2- Approving the final texts of the company's bylaws, with no significant amendments allowed without the consent of all represented shareholders.

- 3- Approving the appointment of the auditor as the first auditor for the company's accounts for the first fiscal year upon transforming into a shareholding company.
- 4- Approving the expenses of the transformation.
- 5- Considering the approval of the value of in-kind shares (if applicable).

Its validity requires the presence of a number of shareholders representing at least half of the capital, and each contributor at its meetings has a vote on each share it has written or represented.

#### **Article 30: Ordinary General Assembly Powers**

Except for matters within the jurisdiction of the Extraordinary General Assembly, the Ordinary General Assembly is responsible for all matters related to the company and shall be held at least once a year within the six months following the end of the company's fiscal year. Additional ordinary assemblies may be called whenever necessary.

#### **Article 31: Extraordinary General Assembly Powers**

The Extraordinary General Assembly is responsible for amending the company's basic bylaws, except for matters prohibited from being amended. It can also make decisions on matters falling within the jurisdiction of the Ordinary General Assembly, under the same conditions and procedures specified for the Ordinary General Assembly.

#### **Article 32: Calling for Meetings of the Assemblies**

The Annual Ordinary General Assembly shall be held at least once during the six months following the end of the company's fiscal year. Additional ordinary general assemblies may be called whenever necessary. The General Assembly or the Special Assembly of Shareholders is called by the Board of Directors. The Board of Directors must call the Ordinary General Assembly to convene within thirty days of a request from the auditors or one or more shareholders representing at least (10% ) of the company's shares with voting rights. The auditors may also call the General Assembly if the Board fails to do so within thirty days of the auditors' request. The announcement of the General Assembly's convening shall be published on the website of the Saudi Stock Market "Tadawul" at least twenty-one days before the scheduled date of the assembly. The date and location of the General Assembly must also be announced.

And its agenda shall be available before the scheduled time by the same specified period. The company may invite the general and special assemblies to convene through modern technological means. A copy of the invitation and agenda shall be sent to the commercial registry and the Capital Market Authority within the specified publication period.

The company may amend the agenda of the assembly during the period between the aforementioned announcement and according to the conditions specified in this article.



### **Article 33: Attendance Registry of Assemblies**

Shareholders who wish to attend the General or Special Assembly shall electronically register their names or register at the company's main office before the designated time for the assembly. The Board of Directors may change the place of registration or the appropriate means as it deems fit. Upon the convening of the General Assembly, a list shall be prepared containing the names of attending shareholders and representatives, their place of residence, the number of shares they hold, whether in their own name or on behalf of others, and the number of votes assigned to them. This list shall be accessible to all interested parties.

### **Article 34: Quorum for Convening the Ordinary General Assembly**

The convening of the General Assembly shall be valid only if attended by shareholders representing at least one-quarter of the capital. If the necessary quorum for holding this meeting is not met, a second meeting shall be held one hour after the end of the designated period for the first meeting, provided that the invitation to the first meeting includes an announcement of the possibility of holding this meeting. In any case, the second meeting shall be valid regardless of the number of shares represented in it.

### **Article 35: Quorum for Convening the Extraordinary General Assembly**

The convening of the Extraordinary General Assembly shall be valid only if attended by shareholders representing at least half of the capital. If this quorum is not met in the first meeting, a second meeting shall be held one hour after the end of the designated period for the first meeting, provided that the invitation to the first meeting includes an announcement of the possibility of holding this meeting. In any case, the second meeting shall be valid if attended by a number of shareholders representing at least one-quarter of the capital. If the necessary quorum is not met in the second meeting, a third meeting shall be called in accordance with the same conditions specified in Article 32 of this regulation. The third meeting shall be valid regardless of the number of shares represented in it after obtaining the approval of the competent authority.

### **Article 36: Voting in Assemblies**

- 1- Each shareholder has one vote for each share represented by them in the General Assembly. Votes are counted in the Ordinary and Extraordinary General Assemblies on the basis of one vote per share represented in the meeting. However, members of the Board of Directors are not allowed to vote on decisions of the Ordinary or Extraordinary General Assembly that relate to their discharge of responsibilities for the period they served in the administration or for matters in which they have a vested interest that requires disclosure of continuity by the General Assembly, which directly or indirectly concerns them. Cumulative voting must be used in electing the Board of Directors.

2- The company may provide automated voting for shareholders.

### **Article 37: Resolutions of Assemblies**

Resolutions in the Transformation General Assembly are made by an absolute majority of the shares represented therein.

Decisions in the Ordinary General Assembly are made by an absolute majority of the shares represented in the meeting, and decisions in the Extraordinary General Assembly are made by a two-thirds majority of the shares represented in the meeting, except when the decision relates to increasing or decreasing the company's capital, extending the company's duration, dissolving the company before the specified period in its articles of association, merging the company with another company or entity, or dividing it into two or more companies. In these cases, the decision is not valid unless it is made by a three-quarters majority of the shares represented in the meeting.

The Board of Directors shall register the decisions of the Extraordinary General Assembly, as determined by the regulations, with the commercial registry within fifteen days from the date of issuance.

### **Article 38: Deliberation at Assemblies**

It is permissible to hold a General Assembly meeting and allow shareholders to participate in discussions and vote on decisions through modern technological means. Each shareholder has the right to discuss the topics listed on the agenda of the General Assemblies and direct questions regarding them to the members of the Board of Directors or the auditors. The Board of Directors or the auditors shall respond to the shareholders' questions to the extent that it does not harm the interests of the company. If a shareholder deems the response to their question unsatisfactory, they may refer the matter to the assembly, and its decision in this regard shall be binding. Any shareholder may object to the decisions of the assembly by filing a lawsuit to invalidate them with the competent judicial authority if they express their objection during the meeting. A lawsuit to invalidate the decisions cannot be heard after ninety days from the assembly.

### **Article 39: Chairing Assemblies and Preparing Minutes**

The Chairman of the Board of Directors or his deputy presides over the General Assembly meetings of shareholders, or whoever is delegated by the Board of Directors from among its members in the absence of the Chairman or his deputy. If that is not possible, the Assembly is chaired by someone appointed by the shareholders from the members of the Board of Directors or others through voting.

During the Assembly meeting, minutes are prepared, including the number of attending shareholders or representatives, the number of shares they hold in their own capacity or as proxies, the number of votes allocated to them, the decisions made, and the number of votes in favor of or against each decision. A comprehensive summary of the discussions held in the meeting is recorded. The minutes are regularly documented after each meeting in a special register signed by the Chairman of the Assembly, its secretary, and the vote collector.

#### **Article 40: Appointment of Auditors**

1- The company shall have one or more auditors who are licensed to operate in the Kingdom of Saudi Arabia, appointed by the Ordinary General Assembly. Their remuneration, term of service, and scope of work are determined, and their appointment may be renewed. The regulations specify the maximum duration of the auditors' term of service.

2- The General Assembly may also dismiss auditors at any time, without violating their right to compensation for any damage suffered if it is warranted. The Chairman of the Board of Directors is required to notify the Capital Market Authority of the dismissal decision and its reasons within five days from the date of issuance.

3- Auditors have the right to retire from their duties by submitting a written notification to the company. Their duties end on the date of submission or on a later date specified in the notification, without prejudice to the company's right to compensation for any damage suffered if it is warranted. The retiring auditor is obliged to provide the company and the relevant authority with a statement of the reasons for their retirement. The Chairman of the Board of Directors must call shareholders to a meeting or convene a General Assembly, as appropriate, to consider the reasons for retirement and appoint another auditor.

#### **Article 41: Powers and Obligations of Auditors**

1- Company auditors must possess independence according to the professional standards approved in the Kingdom.

2- It is not permissible to combine the role of company auditor with involvement in establishing, managing, or serving on the board of directors of the company being audited. Auditors cannot be partners of any of the company's founders, directors, board members, employees, or their relatives. They are also prohibited from purchasing or selling shares in the company they audit during the audit period.

3- Company auditors are not allowed to engage in technical, administrative, or consulting work in the company they audit or for its benefit, except as determined by regulations.

4- Auditors have the right, at any time, to access the company's documents, accounting records, supporting documents, and request data and clarifications they deem necessary to verify the company's assets and obligations, within the scope of their work. The Board of Directors is obliged to enable them to perform their duties. If auditors encounter difficulties in this regard, they should document it in a report submitted to the Board of Directors. If the Board of Directors does not facilitate the work of the auditors, they must request the shareholders' meeting or convene the General Assembly, as appropriate, to address the matter. Auditors are also authorized to issue this invitation if the Board of Directors fails to do so within thirty days from the date of the auditors' request.

5- Auditors must present a report on the company's financial statements to the General Assembly in its annual meeting or to the shareholders. The report should be prepared in accordance with the approved auditing standards in the Kingdom and include the management's position regarding the provision of requested data and clarifications. It should also highlight any violations of the regulations, the company's articles of association, or its bylaws within the auditor's jurisdiction, as well as their opinion on the

fairness of the company's financial statements. The auditor's report or a summary of it must be read out during the annual General Assembly.

6- Auditors are not allowed to disclose to shareholders outside the General Assembly or to third parties any confidential information they have obtained during their work. They have the right to compensation and are protected against dismissal.

7- Auditors are responsible for the contents of their reports and for any damage incurred by the company, shareholders, or third parties due to errors in their performance of duties. If the company has multiple auditors, they are jointly liable, except for those who can prove their non-involvement in the liability-causing error.

#### **Article 42: Powers and Obligations of Auditors**

The company's auditors must demonstrate independence according to the professional standards adopted in the Kingdom.

Auditors are not allowed to combine their auditing work with participating in the establishment, management, or board membership of the company they audit. They should not be partners with any of the company's founders, directors, or board members, nor should they be employees or close relatives of any of them. Auditors are also prohibited from buying or selling shares in the company they audit during the auditing period.

Auditors of the company are not permitted to engage in technical, administrative, or consulting work in the company they audit or for its benefit, except as determined by the regulations.

Auditors have the right to access the company's documents, accounting records, supporting documents, and to request data and clarifications necessary to verify the company's assets and obligations, within the scope of their work. The board of directors should enable auditors to perform their duties. If auditors encounter difficulties in this regard, they should report it to the board of directors. If the board of directors fails to facilitate the work of auditors, they must request the shareholders' invitation to a meeting or general assembly to discuss the matter, according to the circumstances. Auditors are allowed to issue this invitation if the board of directors does not issue it within thirty days of the auditor's request.

Auditors must present a report on the company's financial statements to the general assembly in its annual meeting or to the shareholders. The report should be prepared in accordance with the approved auditing standards in the Kingdom and should include the management's position on providing the requested data and clarifications, as well as any violations of the regulations, the company's articles of association, or its bylaws that the auditors have identified within their scope of competence. Auditors should either present their report or provide a summary of it at the annual general assembly meeting.

Auditors are not allowed to disclose to the shareholders or to third parties any company secrets they become aware of during their work. They also have the right to compensation and protection against dismissal.

Auditors are responsible for the contents of their reports and for any damage caused to the company, shareholders, or third parties due to errors committed in the performance of their work. If there are multiple auditors, they are jointly liable, except for those who can prove their non-involvement in the error that led to liability.

#### **Article 42: Financial Year**

The company's financial year starts on January 1st and ends on December 31st of each calendar year. However, the first financial year after conversion starts from the date of the ministerial decision announcing the company's conversion and ends on December 31st of the following year.

#### **Article 43: Financial Documents**

- 1- The board of directors must prepare the company's financial statements and a report on its activities and financial position for each fiscal year. The report should include the proposed method for distributing profits, and the board should make these documents available to the auditors at least forty-five days before the scheduled date for the general assembly meeting.
- 2- The chairman of the board of directors, the Chief Executive Officer, and the CFO, if available, must sign the documents mentioned in paragraph 1 of this article, and copies of these documents should be deposited at the company's main office for shareholders' access unless they have been published electronically at least twenty-one days before the scheduled date for the general assembly meeting.
- 3- Within thirty days from the date of the general assembly's approval of the financial statements, the report of the board of directors, the auditors' report, and the audit committee's report, the chairman of the board of directors must deposit copies of these documents with the Ministry of Commerce and the Capital Market Authority.

#### **Article 44: Profit Distribution**

The company's net annual profits and interim profits shall be distributed as follows:

- 1- The ordinary general assembly may decide to establish other reserves as deemed beneficial to the company or to ensure the distribution of fixed dividends to the shareholders. The assembly may also allocate amounts from the net profits to establish social institutions for the company's employees or support existing institutions.
- 2- After the allocations mentioned above, a first distribution shall be made to the shareholders, amounting to no less than 5% of the paid-up capital.
- 3- The company may distribute interim profits (quarterly or semi-annually) to its shareholders according to the guidelines determined by the competent authority and with the authorization of the ordinary general assembly through an annual resolution renewing the distribution of interim profits.

#### **Article 45: Company's Losses**

If the company's losses reach half of the issued capital, the board of directors must disclose this information and any recommendations regarding those losses within sixty days from the date of their knowledge. They should call for an extraordinary general assembly to convene within one hundred and eighty days to consider the continuation of the company and take any necessary actions to address or resolve those losses.

#### **Article 46: Liability Claims**

Any shareholder or group of shareholders owning 5% or more of the company's capital has the right to file a liability lawsuit against the members of the board of directors if the company fails to do so. This is applicable if the error committed by the board members causes harm to the shareholder personally. The shareholder can only file the mentioned lawsuit if the company's right to do so is still valid. The shareholder must notify the company of their intention to file the lawsuit at least fourteen days before its submission. However, their right is limited to claiming compensation for the specific damage they have suffered.

#### **Article 47: Dissolution of the Company**

- 1- Before the general assembly makes a decision to dissolve the company, the board of directors must prepare a statement confirming that they have examined the company's situation. The statement should affirm that the company's assets are sufficient to settle its debts by the proposed liquidation deadline and that the company is not insolvent according to the bankruptcy law. This statement should be presented to the general assembly within thirty days of its preparation for a decision on the dissolution of the company.
- 2- If the statement mentioned in paragraph 1 of this article reveals that the company's assets are not sufficient to settle its debts or that the company is insolvent according to the bankruptcy law, the general assembly is not allowed to decide on the dissolution of the company. Otherwise, they will be jointly liable for any remaining debts.

#### **Article 48:**

The Companies Law and its regulations thereof shall apply where there is no relevant provision in these Bylaws.

#### **Article 49:**

These Bylaws shall be lodged and published pursuant to the Companies Law and its regulations.