

**Bawan Company Bylaws**  
**Public listed Company**

**Part one**  
**Establishing the Company**

**Article 1: Establishing the Company:**

A Saudi joint stock company shall be established in accordance with the provisions of the Companies Law promulgated by Royal Decree No. M/3, dated 28/01/1437 AH, and its regulations, as follows:

**Article 2: Company's Name:**

Bawan Holding Company (listed joint stock company).

**Article 3: Company Purposes:**

The company carries out and implements the following purposes:-

- 1- Production of drawn steel wires, mesh panels with extension, galvanizing wires, hangers, iron constructions and their parts, barbed wire, zigzag iron, fencing nets, hand trolleys, reinforcing mesh, stainless steel and fire-resistant doors, cutting bending and forming rebar, doors, windows, decorative iron decorations, scaffolding, supports, platforms, doors, aluminum outlets, and decorative pipes for stairs aluminium.
- 2- Wrapping rebar with epoxy, straightening and cutting flat pole rolls, straightening and cutting various rolls of iron.
- 3- Production of compressed wood, wood charcoal, wood paneling, bookstore production, wooden doors and frames, wooden pallets, wooden kitchens, wooden furniture, decorations, adhesives and various glues.
- 4- Production of plywood boards, medium and high density boards covered with decorative paper.
- 5- Production of rebar, wire coils and all materials related to the building materials industries and its accessories.
- 6- The production of cement, ready-made concrete, prefabricated concrete molds, bricks, ceramics, marble and carpets.
- 7- Production of glass and fiberglass.
- 8- Production of indoor and outdoor lighting, lighting poles and electricity transmission towers.
- 9- Production of aluminum partitions and aluminum facades of buildings.
- 10- Production of transformers, power stations, electric wires, cables and electrical circuit breakers.
- 11- Production of dyes and paints.
- 12- Production of air conditioners.
- 13- Production of water pipes, tanks, pumps, heaters and bathroom sanitary kits.
- 14 - Production of kitchen cupboards with all its requirements of electrical equipment and others.
- 15- Buying lands to construct buildings on them and investing them by selling or renting for the benefit of the company.

16- Commercial services:

Commercial agencies, distribution agencies, non-exchange and real estate brokerage, export services for others, marketing services for others, shipping services, inspection and inspection services, clearance services for goods and merchandise, weighing and measuring services, packaging services, handling goods and containers in ports, commercial undertakings Cooked and uncooked catering services.

17- General contracting for buildings (construction, repair, demolition, restoration) public buildings, residential buildings, commercial buildings, educational, recreational and health facilities, airport buildings, manufactured buildings and other buildings.

18 - Establishing, managing, operating and maintaining factories.

19- Establishing, managing and operating industrial and commercial projects, hotels, restaurants and supermarkets.

20- Water, power, sewage works, road works, mechanical works, general and subsidiary contracting for public and private utilities, electrical and industrial works, operation, maintenance and cleaning of airports, centers, public utilities, electrical installations, cold storage and storage.

21- turbines - tunnels - oil and gas pipelines - earth dams

22- Doors - Windows - Painting

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

**Article 5: Company's head office:**

The head office of the company is located in the city of Riyadh in the Kingdom of Saudi Arabia, and it may establish branches, offices or agencies inside or outside the Kingdom by a decision of the Board of Directors.

**Article 6: Company's term:**

The duration of the company is (99) Gregorian years starting from the date of the issuance of the Minister of Commerce's decision approving the announcement of the company's transformation, and this period may always be extended by a decision issued by the extraordinary general assembly at least one year before the expiry of its term.

## **Part two** **Capital and Shares**

### **Article 7: Company's capital:**

The capital of the company was set at (600,000,000) six hundred million Saudi riyals, divided into (60,000,000) sixty million shares of equal value, each with a nominal value of (10) ten Saudi riyals, as nominal value.

### **Article 8: Subscribing to shares:**

Shareholders have subscribed to the entire company's 60,000,000 shares (sixty million shares) and the value is 600,000,000 riyals (six hundred million Saudi riyals).

### **Article (9): Preferred Shares and Bonds**

The Extraordinary General Assembly of the company may, according to the principles set by the competent authority, issue preferred shares or decide to purchase them, convert ordinary shares into preferred shares, or convert preferred shares into ordinary ones. Preferred shares do not give the right to vote in the general assemblies of shareholders. These shares arrange for their owners the right to Obtaining a percentage more than the common stock holders of the company's net profits after setting aside the statutory reserve.

### **Article (10): Sale of unpaid shares**

The shareholder is obligated to pay the value of the share on the dates specified for this, and if he fails to pay on the due date, the Board of Directors may, after being notified by publishing in a daily newspaper or notifying him by a registered letter, sell the share in the public auction or the stock market, as the case may be, in accordance with the regulations set by the competent authority. The company collects the sums due to it from the sale proceeds and returns the rest to the shareholder. If the proceeds of the sale are not sufficient to meet these amounts, the company may collect the remainder of all the shareholder's money. However, the shareholder who defaulted on payment until the day of the sale may pay the value due from him in addition to the expenses incurred by the company in this regard, and the company cancels the sold share in accordance with the provisions of these provisions. Article, giving the buyer a new share bearing the number of the canceled share, and indicating in the shares register that the sale took place with the name of the new owner.

### **Article (11): Issuance of shares**

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

### **Article (12): Trading in Shares**

The shares subscribed by the founders may not be traded until after the financial statements have been published for two fiscal years, each of which is not less than twelve months from the date of the company's incorporation. During the prohibition period, the ownership of shares shall be transferred in accordance with the provisions of the sale of rights from one of the founders to another founder or from the heirs of one of the founders in the event of his death to a third party or in the event of execution on the funds of the insolvent or bankrupt founder, provided that the priority of owning those shares is given to the other

founders, and the provisions of these Article on what the founders subscribe to in the event of an increase in the capital before the expiry of the prohibition period.

#### **Article (13): Shareholders Register**

The company's shares are traded in accordance with the provisions of the Capital Market Law.

#### **Article (14): Purchase and Mortgage of Shares**

1. The company may buy or sell its shares, whether ordinary or preferred, or mortgage them. The company may also purchase its shares to allocate them to the company's employees within the employee shares program in accordance with the regulations set by the competent authority, and the shares purchased by the company shall not have votes in the shareholders' assemblies.

2. Shares may be mortgaged according to regulations set by the competent authority, and the mortgagee creditor may receive profits and use rights related to the share, unless otherwise agreed upon in the mortgage contract. However, the mortgagee creditor may not attend or vote at the meetings of the general assembly of shareholders.

#### **Article (15): Capital Increase**

1. The Extraordinary General Assembly may decide to increase the capital of the company, provided that the capital has been paid in full. The capital is not required to have been paid in full if the unpaid part of the capital belongs to shares issued in exchange for converting debt instruments or financing instruments into shares and the period prescribed for their conversion into shares has not expired.

2. The Extraordinary General Assembly may, in all cases, allocate the shares issued upon the capital increase, or part thereof, to employees of the company and all or some of the subsidiaries, or any of that. Shareholders may not exercise the right of priority when the company issues the shares allocated to employees.

3. The shareholder who owns the share at the time of the issuance of the extraordinary general assembly's decision approving the capital increase shall have priority in subscribing to the new shares issued in exchange for cash shares, and they shall be informed of their priority by publication in a daily newspaper or by notifying them by registered mail of the decision to increase the capital, the terms of subscription, its duration and the date of its beginning and its end.

4. The Extraordinary General Assembly has the right to suspend the priority right of the shareholders to subscribe to the capital increase in exchange for cash shares or to give priority to non-shareholders in the cases it deems appropriate for the interest of the company.

5. The shareholder has the right to sell or relinquish the priority right during the period from the time of the issuance of the General Assembly's decision approving the capital increase until the last day of subscribing to the new shares associated with these rights, in accordance with the regulations set by the competent authority.

6. Subject to what is stated in paragraph (4) above, the new shares shall be distributed to the priority rights holders who have requested subscription, in proportion to their pre-emptive rights out of the total pre-emptive rights resulting from the capital increase, provided that what they receive does not exceed the shares they requested. The remainder of the new shares shall be distributed to the priority rights holders who requested more than their share, in proportion to their pre-emptive rights out of the total pre-emptive rights resulting from the capital increase, provided that what they receive does not exceed what they requested of the new shares, and the remaining shares are subtracted. On third parties, unless the Extraordinary General Assembly decides or the Capital Market Law provides otherwise.

### **Article (16): Capital Reduction**

The Extraordinary General Assembly may decide to reduce the capital if it exceeds the needs of the company or if it suffers losses. Only in the latter case may the capital be reduced below the limit stipulated in Article (fifty-fourth) of the Companies Law. The reduction decision shall not be issued until after reading a special report prepared by the auditor on the reasons for it, the obligations of the company, and the effect of the reduction in these obligations.

If the reduction of the capital is a result of it being greater than the company's need, the creditors shall be called to express their objections to it within sixty days from the date of publishing the reduction decision in a daily newspaper distributed in the area in which the company's head office is located. If one of the creditors objects and submits his documents to the company on the aforementioned date, the company must pay him his debt if it is immediate or provide him with a sufficient guarantee to pay it if it is deferred.

### **Article (17): Debt Instruments and Financial Instruments**

1- The company may issue - in accordance with the Capital Market Law - negotiable debt instruments or financing instruments.

2- The company may not issue debt instruments or financing instruments that are convertible into shares, except after a decision is issued by the extraordinary general assembly specifying the maximum number of shares that may be issued in exchange for those instruments or sukuk, whether those instruments or sukuk were issued at the time. itself or through a series of issues or through one or more programs to issue debt instruments or financing instruments. The Board of Directors shall issue - without the need for a new approval from this assembly, new shares in exchange for those - the instruments or sukuk that their holders request for their conversion, immediately after the end of the conversion request period specified for the holders of those instruments or sukuk. The Board shall take what is necessary to amend the company's articles of association with regard to the number of issued shares and the capital.

3- Subject to what is stated in Article (122) of the Companies Law, the company may convert debt instruments or financial instruments into shares in accordance with the Capital Market Law. In all cases, these instruments and instruments may not be converted into shares in the following two cases:

A- If the conditions for issuing debt instruments and financial instruments do not include the possibility of converting these instruments and instruments into shares by raising the company's capital.

b- If the holder of the debt instrument or the financing instrument does not agree to this transfer.

4- The decisions of the shareholders' assemblies shall apply to the holders of debt instruments and financial instruments. However, the aforementioned associations may not amend the rights assigned to them except with an approval issued by them in their own association held in accordance with the provisions of Article (89) of the Companies Law.

## **Part three** **Company's Management**

### **Article (18): Management of the company**

The company is managed by a board of directors consisting of (9) nine members elected by the ordinary general assembly of shareholders for a period not exceeding three years, and they may be re-appointed for several sessions. As an exception, the first board of directors was appointed for a period of five (5) years

by the company's transformational assembly, and the term of membership of the company's first board of directors begins from the date of the ministerial decision announcing the company's transformation.

#### **Article (19): Termination of Board Membership**

The membership of the Board shall terminate upon the expiry of its term, or the member's resignation or death, or if he is convicted of a crime breaching honor and trust, or if he is judged bankrupt, or made arrangements or reconciliation with his creditors, or becomes unfit for Board membership in accordance with any law or instructions in force in the Kingdom. However, the Assembly may The ordinary general public at all times may dismiss all or some of the members of the Board of Directors, without prejudice to the right of the dismissed member towards the company to claim compensation if the dismissal occurred for an unacceptable reason or at an inappropriate time. The company for the consequences of retiring from the damages.

#### **Article (20): Vacant position in the Board of Directors**

If the position of a member of the board of directors becomes vacant, the board may appoint a temporary member in the vacant position, provided that he is among those who have the necessary experience and sufficiency, and the competent authorities must be informed of this - within five working days - from the date of appointment and that the appointment be presented to the ordinary general assembly at the first meeting and the new member completes the term of his predecessor. If the necessary conditions for the convening of the Board of Directors are not met due to the lack of the number of its members below the minimum stipulated in the Companies Law or this Law, the Ordinary General Assembly must be called within sixty (60) days to appoint the necessary number of members.

#### **Article (21): Powers of the Board of Directors**

Taking into account the competences prescribed for the General Assembly, the Board of Directors shall have the widest powers in managing the company, managing its affairs, supervising its business and financial affairs inside and outside the Kingdom of Saudi Arabia, and preparing policies and guidelines to achieve its objectives. and others. The Chairman of the Board, by a written decision, may delegate some of his powers to other members of the Board or to third parties in carrying out specific work or business. The Vice Chairman of the Board of Directors shall replace the Chairman of the Board of Directors in his absence. As well as entering into tenders, auctions, awarding bids - for example, but not limited to -, signing documents of sale, rent, leasing, representation, declarations, mortgage and others, conducting transactions on behalf of the company, arresting and paying, receiving rights from others, acknowledgment, claim, defense, pleading and litigation. Clearance, conciliation, waiver, denial, request for an oath and its refutation, intercession, acceptance and denial of judgments, arbitration on behalf of the company, requesting execution of judgments and their opposition, receiving what happens from execution, taking out the proofs of validity, and requesting the amendment of sukuks and their duration. The Board also has the right to establish companies, contribute to the establishment of companies, open branches of the company, and the right to sign all types of contracts, documents and documents, including without limitation contracts of incorporation of companies established by the company or in which the company is a partner with all amendments to the articles of incorporation of companies that the company is. A partner in it and its appendices and all the decisions of the partners in those companies, including decisions related to raising and lowering the capital, assigning and buying shares, documenting contracts, signing with the Companies Department at the Ministry of Commerce and Investment, a notary, making amendments, changes, additions and deletions Extracting and renewing commercial records, receiving and writing them off, changing company names, granting loans to affiliated companies, guaranteeing their loans, signing agreements and instruments before notaries and official authorities, as well as loan agreements, guarantees, guarantees and securities, and waiving priority in Paying the company's debts, issuing legal agencies on

behalf of the company, buying and selling real estate, lands, shares and shares in companies and other properties, whether movable or immovable, and disposing of the assets and properties of the company. For the company and investment and mortgaging fixed and movable assets to guarantee the loans of the company and its subsidiaries according to the following conditions:

1. The board should specify in the sale decision the reasons and justifications for it.
2. The sale should be close to the same price.
3. That the sale be present except in cases of necessity and with sufficient guarantees.
4. That such behavior does not result in the suspension of some of the company's activities or the imposition of other obligations on it.

The Board has the right to empty, accept, receive the price, receive, deliver, rent, lease, receive and pay, open accounts, manage, operate and close bank accounts, withdraw and deposit with banks, and borrow from them, sign all papers, documents, checks and all banking transactions, invest and operate the company's funds in the local and international markets inside and outside the Kingdom of Saudi Arabia. The Board of Directors may also contract loans with government finance funds and institutions, regardless of their duration, and may contract commercial loans, obtain loans and other credit facilities from government institutions, commercial banks, financial institutions and any credit companies, and issue letters of guarantee in favor of any party if it deems that this is in the interest of any party. The interest of the company, the issuance of promissory notes and other negotiable documents, and entering into all kinds of agreements and banking transactions for any period of time whose terms do not exceed the end of the company's term. As for loans whose terms exceed three years, the following conditions shall be observed:

- a) That the Board of Directors specify in its decision the aspects of using the loan and how to repay it.
- b) To take into account in the terms of the loan and the guarantees provided to it, not to harm the company, its shareholders, and the general guarantees of the creditors.

The board may also approve the company's internal, financial, administrative and technical laws, policies and procedures for employees, authorize the company's executive directors to sign on its behalf in accordance with the regulations and controls set by the board, approve the company's work and operation plans, and approve the preliminary and annual financial statements. And absolve the company's debtors of their obligations, provided that the minutes of the Board of Directors and the rationale for its decision include observance of the following conditions:

The release must be at least one full year after the debt was created.

The release shall be for a specified amount as a maximum per year for one debtor.

Discharge is a right of the Board, which may not be delegated.

The board may also, within the limits of its competence, delegate one or more of its members or a third party to carry out certain work or works. Or some or all of its powers and cancel this authorization or power of attorney in whole or in part. The Board of Directors shall determine the powers and authorities delegated to it in accordance with the previous paragraph, the decision-making procedures and the term of the authorization. It shall also specify the issues that it retains the power to decide on, and the Board of Directors shall avoid issuing general authorizations. or indefinite duration.

The board of directors may also distribute interim dividends, which are approved in the nearest assembly held for the company

The Board has the right to appoint and dismiss employees and workers, appoint and dismiss agents, grant the right to delegate third parties to agents and dismiss them, request visas, bring manpower from outside the Kingdom, contract with them, determine their salaries and disburse them, issue all rewards and allowances, issue residencies and work permits, and transfer and waive guarantees, whether inside or outside the Kingdom. The right to delegate some of its members or others to do any of the foregoing, and the client has the right to delegate others and to others to delegate others, and the Board has all the powers mentioned in this bylaw and the decision to switch.

#### **Article (22): Remuneration of Board Members**

The remuneration of the Board of Directors consists of the percentage stipulated in Paragraph (5) of Article (48) of this Bylaw and within the limits of what is stipulated in the Companies Law or any other complementary regulations, decisions or instructions. The company may also pay a lump sum to members of the Board of Directors as an annual remuneration This is in a manner that does not violate the Companies Law, in addition to an attendance allowance and a transportation allowance as determined by the Board of Directors, taking into account the laws, decisions, and instructions in force in the Kingdom issued by the competent authorities. The report of the Board of Directors to the Ordinary General Assembly includes a comprehensive statement of all that the members of the Board of Directors received during the financial year of salaries, share in profits, attendance allowance, expenses and other benefits. The aforementioned report also includes a statement of what the members of the Board received in their capacity as employees or administrators, or what They seized him in return for technical, administrative or advisory works for the company previously approved by the company's general assembly.

#### **Article (23): Powers of the Chairman, Vice-Chairman, Managing Director and Secretary**

1. The Board of Directors shall appoint from among its members a Chairman and a Vice-Chairman. It may also appoint a Managing Director. It is not permissible for a single member to combine the position of the Chairman of the Board and the position of the Managing Director. The Chairman of the Board of Directors or his deputy shall have the power to invite the Board to meet and chair the meetings of the Board.

2. The Chairman of the Board of Directors represents the company in its relations with others, with governmental and private agencies, before the Sharia courts, judicial bodies, the Board of Grievances, notaries, labor and workers offices, the higher and primary labor committees, commercial paper committees, all judicial committees and other bodies, and before the notary public, arbitration bodies, civil rights and departments The police, chambers of commerce and industry, all government agencies, private bodies, companies and institutions of all kinds inside and outside the Kingdom. He has the right to enter into tenders, receive, pay, acknowledge, claim, defend, plead, quarrel, clear, conciliate, accept and object to judgments. He also has the right to sign all types of contracts, agreements, documents, and instruments, including without limitation the articles of incorporation of companies in which the company participates and their amendments, and to open branches For the company inside and outside the Kingdom, obtaining licenses and permits, signing loan agreements, guarantees and guarantees related to that or otherwise with commercial banks and government lending funds, following up on transactions, collecting the company's rights, paying its obligations, selling, buying, emptying and accepting it. Enforcement and release of mortgage, receiving, renting, leasing, receiving and paying, opening and closing accounts, bank credits, withdrawing and depositing with banks, determining authorized signatories, signing documents, checks, promissory notes, promissory notes, bills of exchange, etc., as well as appointing employees and workers, dismissing them, determining their salaries and allowances, and appointing agents. And lawyers for the



company to undertake a specific business or business. and other powers and competencies granted to him by the Board of Directors.

3. The Chairman of the Board, by a written decision, may delegate some of his powers to other members of the Board or to third parties in carrying out specific work or business. The Vice Chairman of the Board of Directors shall replace the Chairman of the Board of Directors in his absence.

4. The board of directors appoints a secretary for the board and determines his remuneration, to be chosen by him from among its members or from a third party, who is responsible for recording the minutes of the board's meetings, writing down the decisions issued by these meetings and keeping them, in addition to exercising other powers entrusted to him by the board of directors.

5. The term of the chairman, his deputy, the managing director and the secretary of the board member shall not exceed the term of their membership in the board, and they may be re-elected and the board may at any time dismiss them or any of them without prejudice to the right of the dismissed members to be compensated if the dismissal occurred for an illegal reason or in Inappropriate time.

#### **Article (24): Board of Directors Meetings**

The Board of Directors meets at least twice a year at the invitation of its Chairman. The invitation is in writing and may be delivered by hand or sent by post, fax or e-mail. The chairman of the board must call for a meeting whenever two of the members request him to do so.

#### **Article (25): Board meeting quorum**

The meeting of the Board is not valid unless it is attended by five members in person. A member of the Board of Directors may delegate other members to attend meetings of the Board on his behalf in accordance with the following rules:

- a) A member of the Board of Directors may not represent more than one member in attending the same meeting.
- b) The delegation must be established in writing and in connection with a specific meeting.
- c) The representative may not vote on decisions that the law prohibits the representative from voting on.

The decisions of the Board are issued by a majority of the opinions of the members present or represented in the meeting, and when the opinions are equal, the side with which the chairperson voted shall prevail.

The board of directors may issue resolutions by passing in urgent matters by presenting them to the members separately, unless one of the members requests in writing the board meeting to deliberate on them. These decisions are presented to the Board at its first subsequent meeting.

#### **Article (26): Board deliberations**

The deliberations and decisions of the Board of Directors shall be recorded in minutes signed by the Chairman of the Board, the members of the Board of Directors present and the Secretary, and these minutes shall be recorded in a special register signed by the Chairman and the Secretary. Such notification shall be recorded in the minutes of the Board meeting, and the interested member may not participate in voting on the decision issued in this regard.

## **Part Four** **Shareholders Meetings**

### **Article (27): Attending Assemblies**

Each subscriber, regardless of the number of his shares, has the right to attend the constituent assembly, and each shareholder has the right to attend the general assembly of shareholders, and for this he may delegate another person other than the members of the board of directors or the company's employees to attend the general assembly.

### **Article (28): The Constituent Assembly**

Shareholders invite all subscribers to hold a transformational assembly within forty-five days from the date of the ministry's decision to authorize the transformation of the company. For the meeting to be valid, the attendance of a number of subscribers representing at least half of the capital is required. If this quorum is not available, the second meeting shall be held an hour after the end of the period specified for the first meeting, provided that the invitation for the first meeting shall include that.

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

### **Article (29): Competences of the Constituent Assembly**

This association specializes in the following:

1. Verify that all the capital has been subscribed to and that it is fulfilled in accordance with the provisions of the Companies Law with the minimum capital and the amount due from the value of the shares.
2. Putting the final texts of the company's articles of association, but it may not introduce fundamental amendments to the law presented to it, except with the approval of all the shareholders represented therein.
3. Appointing the company's first auditor.
4. Deliberation in the shareholders' report on the works and expenses required by the transformation.

For the validity of its convening, the presence of a number of subscribers representing at least half of the capital is required, and each shareholder in its meetings has a vote for each share subscribed to or represented.

### **Article (30): Shareholders' Rights**

Shares entail equal rights and obligations, and the shareholder has all rights related to the share, in particular the right to obtain a share of the net profits to be distributed, the right to obtain a share of the company's assets upon liquidation, the right to attend shareholder assemblies, participate in its deliberations, and vote on its decisions, the right to dispose of shares, the right to request access to the company's books and documents, to monitor the work of the Board of Directors, to file a liability claim against members of the Board, and to appeal the nullity of the shareholders' assemblies decision, subject to the conditions and restrictions stipulated in the law or in the company's articles of association.

### **Article (31): Functions of the Ordinary General Assembly**

With the exception of the matters of the Extraordinary General Assembly, the Ordinary General Assembly is concerned with all matters relating to the company, and it convenes at least once a year during the six months following the end of the company's financial year. Other ordinary general assemblies may be called whenever the need arises.

### **Article 32: Functions of the Extraordinary General Assembly**

The Extraordinary General Assembly is competent to amend the company's articles of association, except for the provisions that are prohibited from amending by law. It may issue resolutions on matters originally within the competences of the ordinary general assembly, under the same terms and conditions prescribed for the ordinary general assembly.

### **Article 33: Invitation to associations**

General or special assemblies of shareholders are convened at the invitation of the board of directors, and the board of directors must invite the ordinary general assembly to convene if requested by the auditor, audit committee, or a number of shareholders representing at least 5% of the capital. The auditor may invite the assembly to convene if the board does not invite the assembly within thirty days from the date of the auditor's request. The invitation to convene the general assembly shall be published in a daily newspaper distributed at the company's head office at least twenty-one days before the date fixed for the meeting. However, it may be sufficient to send the invitation on the aforementioned date to all shareholders by registered letters. A copy of the invitation and the agenda shall be sent to the Capital Market Authority during the period specified for publication.

### **Article (34): Record of attendance at assemblies**

Shareholders who wish to attend the general or special assembly shall register their names at the place of the assembly and any location for the assembly to be held before the time specified for the assembly.

### **Article (35): Quorum of the Ordinary General Assembly**

The meeting of the Ordinary General Assembly shall not be valid unless attended by shareholders representing at least a quarter of the capital. If the quorum necessary for holding this meeting is not available, the second meeting shall be held an hour after the end of the period specified for convening the first meeting, provided that the invitation to hold the first meeting includes an announcement of the possibility of holding this meeting. In the event that the first invitation does not include the possibility of holding a second meeting, an invitation is sent to a second meeting to be held within thirty days. The invitation shall be announced in the manner stipulated in Article (33) of this Bylaw, and the second meeting shall be considered valid regardless of the number of shares represented therein.

### **Article (36): Quorum for the Extraordinary General Assembly**

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

In all cases, the second meeting shall be valid if attended by a number of shareholders representing at least a quarter of the capital. If the necessary quorum is not available in the second meeting, an invitation is sent to a third meeting to be held in the same conditions stipulated in Article (33) of this bylaw, and the third meeting will be valid regardless of the number of shares represented therein, after approval of the competent authorities.

### **Article (37): Voting in the Assemblies**

Each subscriber has a vote for every share he represents in the constituent assembly, and every shareholder has a vote for each share in the general assemblies. Cumulative voting must be used in electing the board of directors, so that the right to vote for a share may not be used more than once. Nor may the members of the Board of Directors participate in voting on the decisions of the Assembly that are related to their discharge of responsibility for managing the company or that relate to a direct or indirect interest to them.

#### **Article (38): Decisions of the associations**

The decisions of the Ordinary General Assembly are issued by an absolute majority of the shares represented at the meeting, and the decisions of the Extraordinary General Assembly are issued by a two-thirds majority of the shares represented at the meeting, unless it is a decision related to increasing or decreasing the capital or extending the company's term or dissolving it before the expiry of the period specified in its articles of association or By merging it with another company or institution, the decision shall not be valid unless it is issued by a majority of three quarters of the shares represented at the meeting.

#### **Article 39: Discussion in Assemblies**

Every shareholder has the right to discuss the topics listed on the agenda of the assembly and to direct questions about them to the members of the board of directors and the auditor. The board of directors or the auditor shall answer the shareholders' questions to the extent that does not jeopardize the interest of the company. If the shareholder finds that the answer to his question is not convincing, he will appeal to the assembly, and its decision in this regard will be enforceable.

It is also permissible to hold meetings of the general assemblies of shareholders and the shareholder to participate in its deliberations and vote on its decisions by means of modern technology, according to the controls set by the competent authority.

#### **Article (40): Presiding over associations and preparing minutes**

The meetings of the general assemblies of shareholders are chaired by the chairman of the board of directors or his deputy in his absence, or whoever is delegated by the board of directors from among its members for that in the absence of the chairman and his deputy. Minutes of the meeting of the assembly shall be drawn up containing the names of the shareholders present or represented, the number of shares they hold in person or by proxy, the number of votes assigned to them, the decisions taken, the decisions approved or otherwise, and a complete summary of the discussions that took place at the meeting. Minutes are recorded on a regular basis after each meeting in a special register signed by the association's president, secretary and vote collector.

### **Part five** **Audit Committee**

#### **Article 41: Formation of the Committee**

By a decision of the Ordinary General Assembly, an audit committee consisting of at least three members and not more than five members who are not members of the executive board of directors, whether from shareholders or others, shall be formed. The resolution shall specify the tasks of the committee, its work controls and the remuneration of its members.

#### **Article 42: Committee meeting quorum**

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

#### **Article (43): Scope of the Committee**

The Audit Committee is responsible for monitoring the company's business, and for this it has the right to review its records and documents and to request any clarification or statement from the members of the Board of Directors or the executive management, and it may ask the Board of Directors to invite the company's general assembly to convene if the Board of Directors obstructs its work or the company is exposed for serious damage or loss.

#### **Article (44): Committee Reports**

The Audit Committee shall consider the company's financial statements, reports and notes provided by the auditor, and express its views on them, if any. It shall also prepare a report on its opinion regarding the adequacy of the company's internal control law and the other work it has carried out within the scope of its competence. The board of directors shall deposit sufficient copies of this report at the company's head office at least twenty-one days before the date of the general assembly to provide a copy of it to all shareholders who wish. The report is read out during the assembly.

### **Part Six** **External Auditor**

#### **Article (45): External Auditor appointment**

The Company shall have one or more auditors from amongst the auditors licensed to work in the KSA. The Ordinary General Assembly shall annually appoint the auditor and shall specify their compensation and term of office and it may re-appoint them as per the law and regulation in this matter. Without prejudice to his right to compensation if the change occurred at an inappropriate time or for an illegal reason.

#### **Article (46): Powers of the Auditor**

The auditor at all times has the right to inspect the company's books, records, and other documents. He may request data and clarifications that he deems necessary to obtain, in order to verify the company's assets, obligations, and other matters that fall within the scope of his work. The Chairman of the Board of Directors shall enable him to perform his duty, and if The auditor encountered a difficulty in this regard, which was proved in a report submitted to the Board of Directors. If the Board does not facilitate the work of the auditor, it must request the Board of Directors to invite the Ordinary General Assembly to consider the matter.

1- The auditor shall submit to the annual ordinary general assembly a report prepared in accordance with the generally accepted auditing standards, which is guaranteed by the company's management position regarding enabling him to obtain the data and clarifications he requested, and what he found of violations of the provisions of the Companies Law or the provisions of the company's articles of association, and his opinion The extent of fairness of the company's financial statements. The auditor shall read out his report

in the General Assembly. If the assembly decides to ratify the report of the board of directors and the financial statements without listening to the auditor's report, its decision shall be void.

2- It is not permissible for the auditor to disclose to the shareholders, in a meeting of the general assembly or to third parties, the secrets of the company that have come to his attention due to the performance of his work, otherwise he must be dismissed, in addition to being held accountable for compensation. Because of the errors that fall from him in the performance of his work. If there are multiple auditors and they share in the error, they are jointly liable.

## **Part seven**

### **Company statements and Dividends payments**

#### **Article (47): Financial Year**

The company's financial year begins on the first of January and ends on the 31st of December of each Gregorian year, provided that the first financial year of the company begins from the date of the ministerial decision approving the declaration of incorporation and ends on the 31st of December of the following year.

#### **Article (48): Financial Documents**

1. At the end of each financial year of the company, the board of directors must prepare the company's financial statements and a report on its activity and financial position for the past financial year. This report includes the proposed method for distributing profits. The Board shall place these documents at the disposal of the auditor at least forty-five days before the date set for convening the General Assembly.

2. The company's chairman, chief executive and financial manager must sign the documents referred to in paragraph (1) of this article, and copies of them shall be deposited at the company's head office at the shareholders' disposal at least twenty-one days before the date set for holding the general assembly.

3. The chairman of the board of directors shall provide the shareholders with the company's financial statements, the board of directors' report, and the auditor's report, unless they are published in a daily newspaper distributed at the company's head office. He must also send a copy of these documents to the competent authority, at least fifteen days before the date of the General Assembly.

#### **Article (49) Distribution of Dividends**

The company's net profits shall be distributed after deducting all general expenses and other costs as follows:

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

2- The Ordinary General Assembly, based on the proposal of the Board of Directors, may set aside a certain percentage of the net profits to form a consensual reserve and allocate it for a specific purpose or purposes. This reserve may only be used by a decision of the Extraordinary General Assembly.

3- The Ordinary General Assembly may decide to form other reserves, to the extent that achieves the interest of the company or ensures the distribution of fixed profits as much as possible to the shareholders. The aforementioned assembly may also deduct sums from the net profits to establish social institutions for the company's employees or to assist the existing of these institutions.

4- From the rest, a down payment of no less than (5%) of the paid-up capital shall be distributed to the shareholders.

5- Subject to the provisions stipulated in Article (Twenty-first) of this Bylaw and Article (Seventy-sixth) of the Companies Law, after the above, a percentage not exceeding (10%) of the remainder shall be allocated to the Board of Directors' remuneration if the remuneration is a certain percentage of the company's profits. The entitlement to this bonus is proportional to the number of sessions attended by the member.

6- The company may, after fulfilling the regulations set by the competent authority, distribute semi-annual or quarterly dividends to shareholders, and the Board of Directors may be authorized to do so.

**Article (50): entitlement to profits**

The shareholder shall be entitled to his share of the profits in accordance with the decision of the General Assembly issued in this regard. The decision shall indicate the maturity date and the date of distribution. The eligibility for profits shall be for the owners of shares registered in the shareholders' records at the end of the day specified for entitlement.

**Article (51): Distribution of dividends for preferred shares**

1. If no dividends are distributed for any financial year, then no dividends may be distributed for the following years until after paying the percentage specified in accordance with the provisions of Article (one hundred and fourteen of the Companies Law) to holders of preferred shares for that year.

2. If the company fails to pay the specified percentage in accordance with the provisions of Article (one hundred and fourteen of the Companies Law) for a period of three consecutive years, the Special Assembly of the owners of these shares - held in accordance with the provisions of Article (eighty-ninth of the Companies Law) - may decide Either they attend the company's general assembly meetings and participate in voting, or they appoint representatives to the board of directors in proportion to the value of their shares in the capital, until the company is able to pay all the priority dividends allocated to the owners of these shares for the previous years.

**Article (52): Company Losses**

1. If the company's losses amount to half of the paid-up capital, at any time during the financial year, any official of the company or the auditor must immediately inform the Chairman of the Board of Directors, and the Chairman of the Board of Directors must immediately inform the members of the Board of that, and the Board of Directors must within five Ten days from his knowledge of this, call the extraordinary general assembly to meet within forty-five days from the date of his knowledge of the losses to decide either to increase or decrease the company's capital in accordance with the provisions of the Companies Law, to the extent that the percentage of losses drops below half of the paid-up capital, or to dissolve the company Before the term specified in this Companies Law.

2. The company shall be considered dissolved by the force of the Companies Law if the General Assembly did not meet within the period specified in Paragraph 1 of this Article, or if it met and was unable to issue a decision in the matter, or if it decided to increase the capital in accordance with the conditions prescribed in this Article and the subscription was not completed. In each capital increase within ninety days from the issuance of the Assembly's decision to increase it.

## **Part Eight** **Disputes**

### **Article (53): Liability Action**

Each shareholder has the right to file a liability action, which is vested in the Company, against the Board members if they committed a fault which has caused special damage to the shareholder. A shareholder may not file such action unless the Company is still entitled to file such an action. A shareholder shall inform the Company of their intent to file the action.

## **Part Nine**

### **Dissolution and liquidation of the company**

#### **Article (54): Company expiration / Dissolution and liquidation of the company**

upon expiry of the Company's term or the dissolution thereof, the Extraordinary General Assembly shall, based on a proposal by the Board, decide the method of liquidation. The Company shall maintain its corporate personality to the extent needed for the liquidation. The liquidation resolution must include appointment of one or more liquidators and must specify their powers, fees, and limitations of their powers and the period required for liquidation. The powers of the Board will end with the dissolution of the Company; however, members of the Board shall continue to manage the Company and they shall act as liquidators when dealing with third party until a liquidator is appointed. The General Assembly shall continue to exist during the liquidation period and its role shall be restricted to performance of its functions that do not contradict those of the liquidator. The General Assembly resolution must be announced through local newspaper.

## **Part Ten** **Closing Articles**

### **Article (55): Applicability**

The Companies Law and its regulations shall apply to all other matters not specifically provided for herein.

### **Article (56): Deposit and Publication**

These Bylaws shall be filed and published in accordance with the provisions of the Companies Law and its regulations.