

Company Bylaws
Theeb Rent A Car Company
Saudi Joint Stock Company

Article (1): Conversion

The Company, Theeb Rent A Car Company, as registered in the Commercial Register No. 1010150661 in Riyadh dated 12/04/1419H, shall be converted pursuant to the Companies Law and Regulations and these bylaws to a Saudi joint stock company in accordance with the following:

Article (2): Title of the Company

Theeb Rent A Car Company, a Saudi listed joint stock company.

Article (3): Objects of the Company

The Company's objects are:

- 1- rental of small, medium and large vehicles, and private hire;
- 2- real estate including ownership, maintenance, development of lands, the construction of buildings, investment of lands and buildings by leasing, sale in cash or in instalments to the Company, and the construction, management and investment, through leasing and sale to the Company, of hotels, serviced apartments, and different residential units, compounds, and commercial, residential, administrative and industrial towers, excluding in the cities of Makkah AlMukarramah and Almadina Almunawwarah;
- 3- trade, including wholesale and retail of new and used cars, numbers, tools, utilities, machines and spare parts for cars, fuel and industrial equipment;
- 4- commercial services;
- 5- provision of travel, tourism and hotel booking services;
- 6- leasing heavy equipment;
- 7- transport and freightage, for a fee, of products and equipment, and the transport of passengers, cars, equipment, and fuel via inland roads in and out of the Kingdom of Saudi Arabia; and
- 8- the ownership, management, operation and maintenance of fuel stations, centres for car and equipment maintenance, polishing, mechanical and electric workshop services for cars and equipment, and maintenance of tires.

The Company operates in the above objects following the attainment of necessary licences from the relevant authorities, if any.

Article (4): Participation and Ownership in Companies

The Company may establish companies on its own (limited liability or closed joint stock companies) provided that the capital thereof is no less than five million Saudi Riyals (SAR 5,000,000). It may own interests and shares in other existing companies or merge therewith. It also has the right to participate with others in the establishment of joint stock or limited liability companies after satisfying the requirements of applicable laws and regulations in this regard. The Company may also dispose of such interests or shares, provided that does not include any brokerage.

Article (5): Head Office of the Company

The head office of the Company is in the city of Riyadh. The Company may establish branches, offices or agencies for the Company within the Kingdom of Saudi Arabia by a resolution of the Board of Directors, the Chairman, the Deputy Chairman, the Managing Director, or the CEO. The Board of Directors may further establish branches, offices or agencies for the Company outside the Kingdom of Saudi Arabia. The Board of Directors reserves the right to close such branches, offices or agencies for the Company within or outside the Kingdom of Saudi Arabia.

Article (6): Duration of the Company

The term of the Company shall be ninety-nine (99) years commencing from the date of amendment of the Company's commercial registration certificate to indicate its conversion into a joint-stock company. The term of the Company may always be extended by a resolution issued by the Extraordinary General Assembly at least one year prior to the expiration of its term.

Part II: Capital and Shares

Article (7): Share Capital

The Company's share capital shall be four hundred thirty million Saudi Riyals (SAR 430,000,000) divided into forty-three million (43,000,000) shares, with an equal nominal value of ten Saudi Riyals (SAR 10) each, all of which are ordinary shares.

Article (8): Capital Subscription

The Shareholders have subscribed to all of the Company's forty-three million (43,000,000) shares with a value of four hundred thirty million Saudi Riyals (SAR 430,000,000).

Article (9): Preferred Shares

The Extraordinary General Assembly of the Company may, in accordance with principles set by the competent authority, issue preferred shares, purchase the same, convert regular shares to preferred shares, or convert preferred shares to regular shares.

Such preferred shares do not confer the right to vote in the Shareholders' assemblies; but rather entitle their owners the right to obtain additional higher percentage of the net profits, after setting aside the statutory reserves, and as determined by the Extraordinary General Assembly as follows:

- a) Such shares will entitle their holders to receive a higher percentage of the Company's net profits than ordinary shares holders after setting aside statutory reserve.
- b) Such shares will entitle their holders priority right of recovering the value of their equity shares upon liquidation of the Company and in obtaining a certain percentage of the returns resulting from the liquidation.

The Company may purchase such shares by a resolution from the General Assembly of Shareholders. Such shares shall not be included in the calculation of the required quorum for the convening of the General Assembly of the Company as stated in these Bylaws.

Article (10): Unpaid Value of Shares

If a Shareholder fails to pay the value of Shares when they fall due, the Board of Directors may, after giving such Shareholder notice by e-mail or registered mail, sell such Shares in a public auction or through the stock market, according to the circumstances and in accordance with the regulations set by the competent authority. The Company shall recover from the proceeds of the sale such amounts as are due to it and return the balance to the Shareholder. If the proceeds of the sale fall short of the amounts due, the Company shall have a claim on the assets of the Shareholder for the unpaid balance. Nevertheless, a defaulting Shareholder may, up to the date of sale of such Shares, pay the outstanding value of such Shares plus all the expenses incurred by the Company, in this regard. The Company shall cancel the Shares so sold and issue the purchaser a new Shares certificate bearing the serial numbers of the cancelled Shares and make a notation to that effect in the Shareholders' register.

Article (11): Issue of the Shares

The shares shall be nominal shares and may not be issued at less than their nominal value. However, the shares may be issued at a value higher than their nominal value, in which case the difference in value shall be added as a separate item in the Shareholders' equity. They may not be distributed as dividends to the Shareholders. A share shall be indivisible vis-à-vis the Company. In the event that a share is owned by several persons, they shall select one person from amongst themselves to exercise, on their behalf, the rights pertaining to such share, and they shall be jointly responsible for the obligations arising from the ownership of such share.

Article (12): Trading of Shares

Shares that are subscribed for by the founding Shareholders shall not be tradable before the publication of the financial statements for two complete financial years, each of not less than twelve (12) months, from the date of the incorporation of the Company. A notation shall be made on the respective share certificates, indicating their class, the date of incorporation of the Company, and the period during which their trading shall be suspended. During the lock-up period, shares may, in accordance with the applicable provisions for the disposal of shares, be transferred from one founding Shareholder to another, or from the heirs of a deceased founding Shareholder to a third party, or in case of seizing funds of an insolvent or bankrupt founding Shareholder provided that the other founding Shareholder are given the priority to own such shares. Such provisions shall apply to any shares subscribed for by the Shareholders in case the capital is increased before the lapse of such lock-up period.

Article (13): Shareholders' Register

Shares of the Company are traded according to provisions of the Capital Market Law.

Article (14): Purchase, Sale and Pledging of the Company's Shares

- 1- The Company may purchase or pledge its shares in accordance with the restrictions of the Capital Market Authority. Shares purchased by the Company shall not have any votes in Shareholders' assemblies.
- 2- The Company may purchase its shares to use them as treasury shares in accordance with the purposes and controls set by the Capital Market Authority.
- 3- The Company may purchase its shares for the purpose of allocating them to the Company's employees as part of an employees' shares plan in accordance with the regulatory controls set by the Capital Market Authority.
- 4- The Company may sell its treasury shares in single stage or multiple stages in accordance with the regulations of the Capital Market Authority.
- 5- The Company may pledge its shares to guarantee a debt in accordance with the regulations of the Capital Market Authority.
- 6- Any person that owns shares of the Company or holds such shares for and on behalf of a third-party may pledge the shares in accordance with the rules of the Capital Market Authority. In such case, the pledgee creditor may receive and enjoy all rights to dividends resulting from the pledged shares, unless the pledge agreement provides otherwise. The pledgee creditor shall not be permitted to attend or vote at the General Assembly meetings.

Article (15): Capital Increase

- 1- The Extraordinary General Assembly may resolve to increase the Company's capital, provided that the capital shall have been paid up in full, unless the unpaid part of the capital is allocated for Shares issued in exchange for converting debt instruments or financing instruments into Shares and the period specified for conversion has not yet expired.

- 2- The Extraordinary General Assembly may allocate in all cases the issued Shares when increasing the capital or any part thereof for the employees of the Company or of any other subsidiary company thereof. It is not permissible for the Shareholders to exercise their preemptive rights when the Company issues Shares to its employees.
- 3- The Shareholders have, at the time of issuance of the Extraordinary General Assembly's resolution approving to increase the capital, the priority to subscribe the new Shares issued in exchange for cash contribution. They shall be notified of their preemptive rights to subscribe the new Shares by publication in a daily newspaper or by registered mail stating also the decision to increase the capital, the terms of the offering, its duration, and start and end dates of the subscription.
- 4- The Extraordinary General Assembly may suspend the preemptive rights of the Shareholders to subscribe in a capital increase in exchange for cash contribution or give priority to non-shareholders when it deems that doing so is in the interest of the Company.
- 5- The Shareholders retain the right to sell or assign their preemptive rights during the period following the resolution of the General Assembly to increase the capital and until the last day of subscription for the new shares, relative to their preemptive rights, in accordance with the regulations set out by the relevant authority.
- 6- Notwithstanding the above, new shares shall be allotted to the holders of preemptive rights who have expressed interest to subscribe thereto, in proportion to their preemptive rights resulting from the capital increase; provided that their allotment does not exceed the number of new Shares they have applied for. Remaining new Shares shall be allotted to the preemptive right holders who have asked for more than their proportionate stake, in proportion to their preemptive rights resulting from the capital increase, provided that their total allotment does not exceed the number of new Shares they have asked for. Any remaining new Shares shall be offered to third parties, unless otherwise decided by the Extraordinary General Assembly decides, or provided by the Capital Market Authority.

Article (16): Capital Decrease

The Extraordinary General Assembly may decide to decrease the Company's capital if it exceeds its needs or if the Company suffered losses. And in the latter case only, the share capital may be decreased to below the limit set in Article 54 of the Companies Law. That resolution shall not be issued until after reading the external auditors' report about the reasons causing the decrease, and the obligations on the Company and the effect of the reduction on such obligations.

If the share capital decrease is due to it being in excess of the Company's needs, then the Company's creditors must be invited to express their objection thereto within sixty (60) days from the date of publication of the reduction resolution in a daily newspaper published in the city where the Company's head office is located. Should any creditor object and present to the Company evidentiary documents of such debt within the time limit set above, then the Company shall pay such debt, if already due, or present an adequate guarantee of payment if the debt is due on a later date.

Article (17): Issuing Sukuk and Bonds

The Company may issue, according to the Companies Law and Regulations and the Capital Market Law, sukuk, bonds or other securities inside or outside of the Kingdom of Saudi Arabia. The Extraordinary General Assembly may, by decision, delegate, from time to time, the power to the Board of Directors, to issue bonds, sukuk or other securities through a series of issue processes or through one or more programs for issuing the debt instruments or financing instruments, all of which shall be pursuant to the amounts and conditions set by the Board of Directors, which shall maintain the right to take all necessary actions to perform any issuance thereof.

Part III: The Board of Directors

Article (18): Management of the Company

The Company shall be managed by a Board of Directors consisting of six (6) members, including two (2) independent members, elected by the Ordinary General Assembly for a term not exceeding three (3) years.

Article (19): Termination of Membership

A Director's membership in the Board shall expire upon the expiry of the Board's term or should the Director no longer be fit for membership of the Board, pursuant to any applicable laws or instructions in the Kingdom. However, the Ordinary General Assembly may at any time dismiss all Directors or some of them, without prejudice to the right of the dismissed Directors to claim compensation from the Company if dismissed unreasonably or in inappropriate time. A Director may also tender his/her resignation, provided that such resignation occurs at an appropriate time, otherwise, said Director shall be held liable for any damages affecting the Company as a result of such resignation.

Article (20): Board Vacancy

If a position on the Board of Directors becomes vacant, the Board of Directors may appoint a temporary Director to fill the vacancy, regardless of the number of votes obtained at the General Assembly that elected the Board of Directors, provided that such Director shall be experienced and eligible. The Ministry of Commerce, or the CMA if the Company is listed, shall be notified within five Business Days from the date of the appointment, and such appointment shall be submitted to the first meeting of the Ordinary General Assembly. The new Director shall complete the unexpired term of his/her predecessor. If the number of Directors falls below the minimum number prescribed in the Companies Law or the Company's Bylaws, the remaining Directors shall call the Ordinary General Assembly to convene within sixty (60) days to elect the required number of Directors.

Article (21): Authorities of the Board

Without prejudice to the powers conferred on the General Assembly, the Board of Directors shall be vested with the widest powers to manage the Company, to formulate its general policy in line with its objectives and the realization thereof, to carry out all the required transactions and formalities, to sign before the Notary Public the Articles of Association of the companies in which the Company holds shares and any amendment decisions thereto, including those pertaining to the increase and decrease of capital, change of objectives or enter/exit of Shareholders, or the amendment of any of the Articles of Association clauses, or the liquidation of the companies, or the amendment or cancellation of the commercial registration certificates. The Board of Directors shall also have the power to manage its affairs within or outside the Kingdom of Saudi Arabia, to purchase or sell shares in other companies and dispose of their assets, properties and real estates, and all of the above-mentioned powers shall apply to all companies established/owned by such companies or in which such companies hold shares. The Board of Directors shall also be entitled to subscribe on behalf of the Company for shares of listed companies, to receive the surplus after allocation, to receive dividends, to attend its general assemblies or to delegate whom they may judge to attend or vote on behalf of the Company, and it shall also have the power to purchase and sell shares on behalf of the Company, to open and manage investment portfolios on behalf of the Company or cancel, liquidate or close the same, and to receive the share selling value and dividends. It shall also be entitled to purchase, buy, and transfer real estates and accept such transfer, to receive and deliver, to rent and lease, to receive and make payment, to mortgage and discharge of mortgage, to subdivide, to issue deeds of ownership, to bid, to receive and settle payment, and to acknowledge it. The Board of Directors shall also have the power to reconcile, waive, enter into agreements and to have commitments and engagements in the name of the Company

or on behalf thereof, and to carry out all the works and acts that ensure the achievement of the Company's objectives. It shall also be entitled to open all types of bank accounts with the banks, to issue checks and letters of credit, to make withdrawals and deposits, to issue bank guarantees, to sign all types of contracts, documents, agreements, deeds, papers, documentations, checks, and all financial transactions. In addition, the Board of Directors shall also have the power to open investment accounts in the name of the Company with all banks, Islamic finance institutions, real estate funds, as well as industrial and agricultural funds in the name of the Company, to receive the amounts paid to the Company and to deliver the same. Furthermore, it shall be entitled to enter into loan agreements, regardless of the duration thereof, guarantee agreements, securities, guarantees and mortgage agreement with the banks, public lending funds as well as local and international funding entities. The Board shall also have the authority to obtain, amend, and renew necessary licences for the operation of the Company, to request visas from the Labour Offices, to recruit in the name of the Company, to grant sponsored employees' entry and final exit visas, and to transfer and revoke sponsorships. The Board shall also have the power to represent the Company in its relations with others, before the Notary Public, the Civil Rights Department, police departments, and other government authorities, the Chambers of Commerce and Industry, private bodies and entities, banks, companies and institutions of all types within or outside the Kingdom of Saudi Arabia. The Board of Directors shall have the power to issue legal powers of attorney on behalf of the Company, to appoint and remove employees and representatives, as well as determine their salaries and remunerations. It shall also be entitled to draw up a management charter to organise the mechanism of operation within the Company and its relations with others, to formulate regulations, to form ad hoc committees and determine their powers, competences and selection mechanism. It shall have the authority to conclude loan, funding and financial facilities agreements with government finance institutions and funds, for any duration. The Board shall also have the power to sell and mortgage the Company's real estates and assets, provided that the Board minutes and the reasons for its decision to dispose thereof include the following conditions:

- 1- the Board of Directors shall set out, in its sale resolution, the reasons and justifications for the sale;
- 2- the sale shall be for an equivalent value;
- 3- the sale shall be immediate, except in cases of necessity and after obtaining sufficient guarantees;
- 4- such disposal shall not result in the suspension of the Company's activities or the imposition of other obligations.

The Board of Directors shall have the power to discharge the Company's debtors from their debt obligations, provided that the Board minutes and the reasons for its decision include the following conditions:

- 1- the discharge shall occur after the lapse of at least one full year from the establishment of the debt;
- 2- the discharge shall not exceed a maximum of 1% of the Company's share capital for each year for each debtor;
- 3- the discharge is a right retained by the Board that may not be delegated.

The total debt from which the Board of Directors discharged its debtors shall not exceed SAR one million Saudi per year.

The Board of Director has the authority to appoint the Deputy Chairman of the Board, the Managing Director, the CEO and the Deputy Executive Officer, Chief Financial Officer and the Operations Management Officer in order to open and manage bank accounts, to obtain banking facilities, to sign all banking services and to sign cheques and letters of credit, provided that a single document shall bear the joint signature of at least two of the above-mentioned Board members. Sole signatories may not be allowed in any of such banking services.

The Board shall also be entitled, within the limits of its competencies, to delegate or entrust one or more of its members or third parties to perform a specific work or works or with specific powers, or

to introduce a specific measure or disposal, and to cancel the delegation or power of attorney in whole or in part.

Article (22): Remuneration of the Directors

Remuneration of the Directors shall be determined by the General Assembly within the limits of the Companies Law and its implementing regulations. Notwithstanding the applicable laws and regulations in the Kingdom issued by the relevant authorities, Directors shall be also remunerated for attendance and transportation, according to what is set out by the Board. The Board of Directors' report to the Ordinary General Assembly must include a comprehensive statement of all the amounts received by Directors during the financial year as remuneration, expense allowance, and other benefits, as well as of all the amounts received by the Directors during in their capacity as officers or executives of the Company, or in consideration of technical, administrative or advisory services. It must also include the number of meetings of the Board and the number of sessions each Director attended as of the date of the last General Assembly..

Article (23): The Authorities of the Chairman, Deputy, Managing Director, and Secretary

The Board of Directors shall appoint from among its members a Chairman, a Deputy Chairman. The Board of Directors may also appoint a Managing Director. No member can concurrently assume the Chairman's position and be appointed to any other executive position in the Company.

The Board of Directors may appoint a CEO for the Company, from among its members, or otherwise by an independent contract. The Board shall determine the CEO's authorities, responsibilities and remuneration. The Board shall maintain the right to dismiss the CEO. It shall also be permissible for a single member to be both CEO and Managing Director. The Authorities of the Chairman, Deputy Managing Director, and CEO include, but are not limited to, the following:

- 1- The Chairman shall represent the Company in its relations with third parties, before the judiciary, Sharia courts, judicial authorities, Board of Grievances, enforcement judges, labour offices, supreme and primary labour bodies, commercial paper committees and all other committees and judicial authorities of different types, executive and administrative bodies and arbitration bodies. He shall have the right to plead, defend, litigate, claim, clear, reconcile, waive, acknowledge, deny, and have the right of pre-emption, bail, hearing and responding to claims, asking and challenging oaths, establishing evidence and plea, denying and challenging handwritings, signatures; requesting the appointment of and challenging experts and arbitrators, and following up on all cases filed by or against the Company before Sharia courts, judicial authorities, Board of Grievances, enforcement judges and courts, labour offices, supreme and primary labour bodies, the labour disputes committee, the commercial papers committees, the banking committees and all other judicial committees and arbitration bodies. The Chairman shall also have the right of conciliation, acceptance and denial of rulings on the Company, requesting, opposing and denying the implementation of rulings, requesting arbitration on behalf of the Company, appealing, opposing and accepting judgments issued against the Company, assigning claims, receiving and delivering on behalf of the Company, referring to the enforcement judges for all requirements, requesting the enforcement of judgments and receiving the results of enforcement.
- 2- The Chairman, within the limits of his competences, may appoint or delegate one or more Board Members or others in pursuing a certain activity or activities or with a specific authorities or to perform a certain procedure or action inside or outside the Kingdom of Saudi Arabia, and shall have the right to revoke and cancel all powers of attorney or authorization or appointment letters partially or fully, and the appointee may further appoint another.
- 3- The Company is also represented by the Deputy Chairman, the Managing Director, and the CEO, jointly or separately, before the Notary Public, the General Department of Passports, the Ministry of Civil Service, Police Departments, Traffic Authorities, Municipalities, Emirates, Governorates, the Ministry of Interior, the Ministry of Foreign Affairs, embassies and consulates, the Transport

- Ministry, the Saudi Customs Authority, recruitment offices, and all other government entities, Chambers of Commerce and Industry, private authorities and bodies, commercial banks, treasuries, and all government funds and funding institutions regardless of names and specialty, and companies of all kinds inside and outside the Kingdom of Saudi Arabia.
- 4- The Deputy Chairman, the Managing Director and the CEO shall, jointly or separately, entitled to purchase, buy, and transfer real estates and accept such transfer, to receive and deliver, to rent and lease, to receive and make payment, to mortgage and discharge of mortgage, sort and extract claims and encumbrances, and shall have the right to issue, amend and renew licences, open branches of the Company, issue and amend commercial registration certificates, add or remove commercial activities. They may further cancel branches, appoint managers, refer to the municipalities for issuing and amending licences for the Company's branches, adding and removing activities to the licences, request visas from labour and recruitment offices in the Company's name and grant sponsored employees exit and re-entry visas and final exit, and transfer and waive visas and issue residency permits and medical insurance certificates.
 - 5- The Deputy Chairman, the Managing Director and the CEO, jointly or severally, shall have the right to refer to traffic departments in all regions to obtain licences to buy and sell new and used cars, and shall have the right to refer to municipalities in all regions to obtain a municipal licence for the exhibition dedicated to buy and sell new and used cars.
 - 6- Each of the Deputy Chairman, the Managing Director and the CEO, within the limits of their respective competencies, shall have the right to issue powers of attorney on behalf of the Company, and each of them, within the limits of their respective competences, may appoint or delegate one or more Board Members or others in pursuing a certain activity or activities or with a specific authorities or to perform a certain procedure or action inside or outside the Kingdom of Saudi Arabia, and shall have the right to revoke and cancel all powers of attorney or authorization or appointment letters partially or fully.
 - 7- The Chairman shall have the right to call for the Board meeting, preside over the Board meetings and Shareholders General Assembly meetings, and approve and sign Board decisions and deliverables.
 - 8- The Deputy Chairman and Managing Director shall also be competent to implement such instructions made by the Board of Directors. The CEO shall be responsible for conducting the daily business of the Company.
 - 9- In addition, the Chairman shall have other powers assigned thereto by the Board in writing, and the Deputy Chairman will act as the Chairman in his absence.
 - 10- The Managing Director shall also have the powers assigned thereto by the Board in writing.
 - 11- The Board of Directors shall appoint a CEO whose powers and remunerations shall be determined in his appointment decision.
 - 12- The Board of Directors shall appoint a Board Secretary from among its members or otherwise. The Board Secretary shall be responsible for recording the minutes of Board meetings and decisions and writing them down in the special record. In addition, He/she shall have the other powers assigned thereto by the Board of Directors. His/her remuneration shall be determined by a Board resolution.

The term of the Chairman, Deputy Chairman, Managing Director and the Secretary, if a Director, shall not exceed their respective term of service as Directors, and may be reappointed.

Article (24): Board Meetings

The Board of Directors shall be convened at least two times per year upon a written invitation given by the Chairman. The Chairman shall call a meeting of the Board by written invitation, delivered personally, by mail, fax or e-mail, three days prior to the set meeting date unless agreed otherwise by the Directors. The Chairman must call a meeting of the Board if so requested by any two Directors.

Article (25): Quorum and Representation

- 1- A meeting of the Board shall be duly convened only if attended by at least four (4) of the Directors in person or by proxy, provided that at least three (3) Directors attend in person. In the event that a Director appoints another Director to attend a Board meeting as his/her proxy, then such proxy shall be appointed in accordance with the following guidelines:
 - a) a Director may not act as proxy for more than one other Director in attending the same meeting;
 - b) a proxy shall be appointed in writing; and
 - c) a Director acting by proxy may not vote on resolutions on which his/her principal is prohibited from voting.
- 2- In the event that a quorum is not met in the first meeting of the Board, the meeting shall be postponed for a period of at least seven (7) days, and not exceeding twelve (12) days, invitation for which shall be duly made, and shall take place in the same location and time set for the first meeting, The second meeting shall be duly convened if attended four (4) of the Directors. Should the quorum not be met, suggested decisions shall be sent to each Director to vote on, in writing.
- 3- Board Meetings may be held via instantaneous audio-visual communication, whereby each Director may see and hear one another during the meeting. In such a case, the Board Secretary shall send copies of decisions taken during the meeting to Directors to sign.

Each Director shall have one vote. Board resolutions shall be adopted with the approval of the majority of the Directors represented or in attendance. In the event of a tie, the chairman of the meeting, the Board Chairman or, in his/her absence, his/her delegate shall have a casting vote. It is for the Board of Directors to issue resolutions to pass, by presenting them to all the Directors separately, as long as a Director does not request a Board meeting for deliberations. These resolutions are presented to the Board in the first following meeting.

Article (26): Deliberations of the Board

Deliberations and resolutions of the Board of Directors shall be recorded in minutes to be signed by the Chairman, the present Directors and the Secretary. Such minutes shall be entered in a special register signed by the Chairman and the Secretary. The Directors may request that their objections are included in the minutes of the meeting, while attendance shall be documented by signing an attendance sheet.

Article (27): Conflict of Interest

In the event that a Director has an interest in any transactions made for the account of the Company, the relevant Director shall disclose such interest to the Board of Directors.

Such declaration shall be recorded in the minutes of meeting, and the interested Director shall not participate in the deliberation or voting on such resolution.

Article (28): Composition of Committees

The Board of Directors may form committees as dictated by the needs of the Company, with members from the Board of Directors or otherwise. The Board of Directors shall also appoint a head of committee and shall regulate the processes and specialty of each committee, as well as the number of members and the required quorum for meetings. The committees shall exercise the powers conferred upon them by the Board of Directors in accordance with the instructions of the Board. No committee may repeal or amend any of the decisions and rules approved by the Board of Directors.

Part IV: Assemblies of Shareholders

Article (29): Attending the Assemblies

Any Shareholder, regardless of the number of his/her shares, shall have the right to attend the constituent General Assembly or any General Assembly personally or by proxy, provided that the Directors or Company employees may not act as proxies.

Article (30): The Conversion General Assembly

The founders shall invite all Subscribers to a Conversion General Assembly, within 45 days from the date of the decision of the Ministry of Commerce to authorize the conversion of the Company. To be validly constituted, the Conversion General Assembly must be attended by Shareholders representing at least half (1/2) of the Company's share capital. If such quorum is not achieved, an invitation shall be sent for a second meeting after one hour from the end of the first meeting, provided that the invitation for the first meeting mentions the possibility of having a second meeting. If such invitation does not refer to the second meeting, an invitation shall be served for a second meeting to be held at least 15 days after this invitation being served. In any event, this second meeting shall be valid regardless of the number of Shareholders represented therein.

Article (31): Authorities of the Conversion Assembly

The Conversion Assembly shall have the powers listed in Article 63 of the Companies Law.

Article (32): Authorities of the Ordinary General Assembly

Except for matters falling within the jurisdiction of the Extraordinary General Assembly, the Ordinary General Assembly shall be competent to deal with all other matters related to the Company and shall be convened at least once a year during the first six months following the end of the Company's financial year. Other Ordinary General Assembly meetings may be called upon when necessary.

Article (33): Authorities of the Extraordinary General Assembly

The Extraordinary General Assembly shall be competent to amend the provisions of the Bylaws, to the extent permitted under the law. Furthermore, the Extraordinary General Assembly shall be empowered to adopt resolutions in matters within the jurisdiction of the Ordinary General Assembly under the same conditions and manners as prescribed for the latter.

Article (34): Manner of Convening Assemblies

Shareholders' public and private assemblies convene at the invitation of the Board in accordance with the Companies Law and its implementing regulations, and if requested to do so by the Company's external auditors, the Audit Committee or by a number of Shareholders representing at least 5% of the Company's capital. The external auditors may convene the General Assembly if the Board did not convene the General Assembly within thirty (30) days from the date of the external auditors request to do so.

The call for General Assembly meeting shall be published in a daily newspaper distributed in the locality of the head office of the Company, at least twenty-one (21) days prior to the date set for such meeting. Nevertheless, a notice sent by registered mail to all Shareholders on the mentioned date shall suffice. A copy of both the invitation and the agenda shall be sent to the Ministry of Commerce as well as to the Capital Market Authority, within the period set for publication.

Article (35): Record of Attendance

Shareholders who wish to attend a General Assembly shall register their names at the Company's head office before the time specified for the General Assembly.

Article (36): Quorum of the Ordinary General Assembly

A meeting of the Ordinary General Assembly shall not be valid unless attended by Shareholders representing at least a quarter (25%) of the Company's share capital. If such quorum cannot be attained at the first meeting, a second meeting shall be convened after one hour from the end of the first meeting, provided that the invitation for the first meeting mentions the possibility of having a second meeting. If such invitation does not refer to the second meeting, an invitation shall be served for a second meeting to be held within thirty (30) days following the previous meeting and the notice shall be sent in the manner prescribed by Article 34 of the Company's Bylaws. In any case, the second meeting shall be deemed valid irrespective of the number of shares represented therein.

Article (37): Quorum of the Extraordinary General Assembly

A meeting of the Extraordinary General Assembly shall not be valid unless attended by Shareholders representing at least half (50%) of the Company's share capital. If such quorum cannot be attained at the first meeting, a second meeting shall be convened after one hour from the end of the first meeting, provided that the invitation for the first meeting mentions the possibility of having a second meeting. If such invitation does not refer to the second meeting, an invitation shall be served for a second meeting to be held in such manner as prescribed by Article 34 of the Company's Bylaws. The second meeting shall be deemed valid if attended by Shareholders representing at least a quarter (25%) of the Company's share capital. If the required quorum has not been attained in the second meeting, there shall be an invitation for a third meeting to be held in such manner as prescribed by Article 34 of the Company's Bylaws and the third meeting shall be deemed valid irrespective of the number of shares represented therein upon the approval of the competent authority.

Article (38): Voting Rights

Each Shareholder shall have one vote for each Share he represents at the constituent General Assembly meeting, and each Shareholder shall have one vote for every Share he represents at the General Assemblies. Cumulative voting shall be used in electing the Board of Directors.

Shareholders may cast their votes by electronic methods and in accordance with the controls set by the competent authorities.

Article (39): Assembly Resolutions

1. Resolutions of the Conversion Assembly shall be adopted by an absolute majority of the shares represented at the meeting.
2. Resolutions of the Ordinary General Assembly shall be adopted by an absolute majority of the shares represented at the meeting.
3. Resolutions of the Extraordinary General Assembly shall be adopted by a majority vote of two-thirds of the shares represented at the meeting. However, if the resolution to be adopted is related to increasing or decreasing the share capital, extending the Company's term, dissolving the Company prior to the expiry of the term specified under the Bylaws or merging the Company with another company, then such resolution shall be valid only if adopted by a majority vote of three quarters of the shares represented at the meeting.

Article (40): Assembly Discussions

Each Shareholder shall have the right to discuss the items listed in the General Assembly's agenda and to direct questions in respect thereof to the Directors and the external auditors. The Directors or the external auditors shall answer the Shareholders' questions in a manner that does not prejudice the Company's interest. If a Shareholder deems the answer to the question unsatisfactory, then such Shareholder may refer the issue to the General Assembly and its decision in this regard shall be conclusive.

Article (41): Chairing Assemblies and Writing Minutes

General Assembly meetings shall be presided over by the Chairman or, in his/her absence, by the Deputy Chairman or a member delegated by the Board of Directors. The Chairman shall appoint a secretary for the meeting and a vote counter. Minutes shall be written for the meeting which shall include the names of the Shareholders present, in person or represented by proxy, the number of Shares held by each Shareholder, the number of votes attached to such Shares, the resolutions adopted at the meeting, the number of votes assenting or dissenting to such resolutions and a comprehensive summary of the discussions that took place during the meeting. Such minutes shall be regularly recorded after each meeting in a special register that shall be signed by the Chairman, the Secretary and the vote counter.

Part V: The Audit Committee

Article (42): Formation of the Committee

The Audit Committee shall be formed of three (3) members by a resolution of the Company's Ordinary General Assembly, provided that the members are not executive Directors whether Shareholders or otherwise. The resolution shall also determine the Audit Committee's composition rules, mandate and procedures as well as the remuneration of its members.

Article (43): Quorum of the Committee Meeting

The meetings of the Audit Committee shall be valid if attended by the majority of its members. All its resolutions shall be made by the majority of votes of the present members. In case of a tie vote, the chairman of the meeting shall have the casting vote.

Article (44): Authorities of the Committee

The Audit Committee shall oversee the affairs of the Company. For such purpose, the committee has the right to review all the Company's records and documents, require any explanations or statements from the members of the Board of Directors or the executive management. The committee may request the Board of Directors to call the General Meeting to convene if the Board of Directors obstructs its course of work or the Company suffers serious damage or losses.

Article (45): Reports of the Committee

The Audit Committee shall check the Company's financial statements, and the reports and notes to be provided by the external auditors. It shall express its opinion on the same, if any. It shall also prepare a report on its opinion with respect to the sufficiency of the internal control in the Company, along with other activities within its competence. The Board of Directors shall deposit enough copies of this report in the Company's head office at least twenty-one (21) days prior to the date of convening the General Assembly, in order to provide it to any Shareholder wishing to have a copy of the report. The report shall be read out at the meeting.

Part VI: The External Auditors

Article (46): Appointment of the External Auditors

The Company shall have one or more external auditors licenced to practice in the Kingdom of Saudi Arabia. The Ordinary General Assembly may appoint the external auditors annually and may also determine their remuneration and the duration of work. The Ordinary General Assembly may change the external auditors at any time without prejudice to their right to compensation if such change was due to unlawful reasons or at an inappropriate time.

Article (47): The Authorities of the External Auditors

The external auditors shall have access at all times to the Company's books, records and any other documents, and may request information and clarifications as they deem necessary. They may further verify the Company's assets and liabilities and perform other tasks within the limits of his competencies. The external auditor shall submit to the annual General Assembly a report showing how the Company enabled him to obtain the information and clarifications he has requested, any violations of the Companies Law and the Company's Bylaws, and his opinion as to whether the Company's accounts conform to the facts.

The Chairman shall enable the external auditors to perform their duties specified in the preceding paragraph. If the external auditors encountered a difficulty in this regard, they shall record that in a report submitted to the Board of Directors. If the Board does not facilitate the work of the external auditors, they shall call the Ordinary General Assembly to consider the matter.

Part VII: The Company Accounts and Profits Distribution

Article (48): The Financial Year

The Company's financial year starts on the first day of (January) and ends at the end of (December) of every year, provided that the first financial year shall commence on the date of amendment of the Company's commercial registration certificate to indicate its conversion into a joint-stock company and expire on the end of December of the following Gregorian year.

Article (49): Financial Documents

1. At the end of each financial year, the Board of Directors shall prepare the financial statements of the Company and a report of its activities and financial position for such financial year, including the proposed method of distributing the net profits. The Board of Directors shall put these documents at the disposal of the external auditors at least forty-five (45) days prior to the date specified for the General Assembly meeting.
2. The Chairman of the Board of Directors and the Chief Financial Officer and CEO shall sign the documents set forth in the above paragraph, and copies thereof shall be deposited at the Company's head office at the disposal of the Shareholders at least 21 days before the date of the General Assembly meeting.
3. The Chairman of the Board of Directors shall provide the Shareholders with the financial statements of the Company, the Board of Directors' report and the external auditors' report, unless they are published in a daily newspaper distributed in the city where the head office of the Company is located. The Chairman shall also send a copy of these documents to the Ministry of Commerce, the Capital Market Authority and other competent authorities at least fifteen (15) days before the date specified for the General Assembly meeting.

Article (50): Distribution of Dividends

The Company's annual net profits shall be allocated as follows:

1. ten per cent (10%) of the net profits shall be set aside to form a statutory reserve. Such setting aside may be discontinued by the Ordinary General Assembly when such statutory reserve totals thirty per cent (30%) of the Company's paid-up capital;
2. the Ordinary General Assembly, upon a proposal by the Board of Directors, may set aside 5% of the net profits to form a voluntary reserve to support the financial position of the Company;
3. the Ordinary General Assembly may resolve to form other reserves to the extent they serve the Company's interests, or to ensure the distribution of fixed dividends – so far as possible – to the Shareholders. The Ordinary General Assembly may also deduct amounts from the net profits to create social institutions for the Company's employees, or to support existing institutions of such kind; and
4. all remaining net profits shall be distributed to the Shareholders unless otherwise decided by the Ordinary General Assembly.

The Company may distribute interim dividends on a biannual or quarterly basis, and the General Assembly may delegate such authority to the Board of Directors by a resolution that is renewed annually in accordance with the regulations set out by the relevant authority.

Article (51): Eligibility to Profits

A Shareholder shall be entitled to his/her dividend share in accordance with the General Assembly's resolution passed in this respect, and such resolution shall state the date of entitlement and date distribution. Shareholders who are registered in the Shareholders Register at the end of due day shall have the priority over profits.

Article (52): Distribution of Dividends for Preferred Shares

1. In the event that no profits were distributed for any financial year, dividends may not be distributed for the following years, unless the set percentage has been paid to the holders of the preferred shares for such year, in accordance with the provisions of Article 114 of the Companies Law.
2. If the Company fails to pay the set percentage of dividends in accordance with the provisions of Article 114 of the Companies Law for three (3) consecutive years, a special assembly consisting of holders of preferred shares shall be held in accordance with the provisions of Article 89 of the Companies Law to resolve whether to have the holders of the preferred shares attend General Assembly meetings and participate in the deliberations and voting, or to appoint representatives to the Board of Directors, in proportion to the value of their shares in the Company's capital, until the Company is able to pay profits prescribed for holders of preferred shares for the previous years in full.

Article (53): Company's Losses

1. If the Company's losses amount to half (1/2) of the paid-up capital, at any time during the financial year, then any officer of the Company or the external auditors upon becoming aware of such losses shall notify the Chairman of the Board of Directors, who shall immediately inform the Directors. The Board of Directors shall, within fifteen (15) days of such notification, convene an Extraordinary General Assembly to meet within forty five (45) days from the date on which the Board of Directors was notified of the losses, to resolve whether to increase or reduce the capital of the Company pursuant to the provisions of the Companies Law, in order to render the losses equal to less than half (1/2) of the Company's paid-up capital, or dissolve the Company before the end of its term as stated in the Bylaws.

2. The Company shall be deemed dissolved by operation of law if the General Assembly is not convened during the term specified in the above paragraph, or if the General Assembly is convened but is unable to adopt a resolution on the matter, or if the Assembly resolves to increase the capital in accordance with the conditions specified in the above paragraph but the capital increase is not fully subscribed for within ninety (90) days from the date on which the General Assembly adopted the resolution to increase the capital.

Part VIII: Disputes

Article (54): Responsibility Claim

Each Shareholder has the right to raise the responsibility lawsuit determined for the Company against the borders of the Board of Directors such an error made by them may cause a damage to it, and the Shareholder may not raise the said case unless the Company right in raising it is still present, and the Shareholder shall inform the Company of its determination to raise the lawsuit.

Part IX: The Company Dissolution and Liquidation

Article (55): Termination of the Company

The Company, upon its dissolution, shall enter a liquidation phase during which it shall retain its legal personality to the extent necessary for the liquidation. The Extraordinary General Assembly shall issue a resolution for the voluntary liquidation of the Company, which must include the appointment of a liquidator and specify his powers, fees, any restrictions on his powers and the period required for the liquidation process. The period of a voluntary liquidation process shall not exceed five (5) years and may not be further extended without a judicial order. The authority of the Board of Directors shall cease upon the dissolution of the Company; however, the Board of Directors shall remain responsible for the management of the Company and shall be deemed as liquidators towards third parties, until a liquidator is appointed. Shareholders' assemblies shall continue throughout the duration of the liquidation process, but their role shall be limited to serving as a liquidator.

Part X: Final Provisions

Article (56)

The Companies Law and Regulations and the Capital Market Authority's laws and regulations shall apply to all matters not addressed in these Bylaws.

Article (57)

These bylaws are to be deposited and published as provided for in the Companies Law and its regulations.

