

**AYYAN Investment Company
(A Saudi Joint Stock Company)**

Company Bylaws

Chapter One

Establishment of the company

Article 1: Establishment and Transformation

A Saudi joint stock company was established in accordance with the provisions of the Companies Law and its Bylaws, according to the following:

Article 2: Company Name:

AYYAN Investment Company (A Saudi Joint Stock Company).

Article 3: The Company's Objectives:

The Company's objectives are defined as follows:

1. Establishing, managing, operating and maintaining various industrial enterprises alone or in association with other companies, bodies or individuals.
2. Maintenance, management and operation works for industrial, residential and commercial cities, and public and private facilities and installations.
3. Owning and reclaiming lands and using them to establish agricultural and livestock production projects.
4. Owning, managing, operating and maintaining real estate and land, and establishing commercial and residential facilities on them and investing them by selling, buying and leasing in cash or in installments



5. Owning, investing in, managing, operating and maintaining hotels, hospitals, health, educational, entertainment and tourism facilities.
6. Establishing, managing, operating and maintaining cold stores, transport fleets, maintenance and repair workshops, and fuel stations.
7. Wholesale and retail trade for what falls within the scope of the company's industrial, agricultural, tourism and health activities and exporting the Kingdom's various products to other countries.
8. Obtaining commercial agencies.

The company shall conduct its activities according to the followed regulations after obtaining the necessary licenses from the competent authorities.

Article 4: Participation and Ownership in Companies:

The company may establish (limited liability or closed joint stock) companies solely, provided that their capital is not less than five (5) million [Saudi Riyals], and may also own shares and stakes in other existing companies or merge with them, and participate with others in establishing joint-stock or limited liability companies, provided that such participation shall not exceed twenty percent (20%) of its free reserves and ten percent (10%) of the capital of the company in which it participates, the total of these participations shall not exceed the value of these reserves, and the Ordinary General Assembly shall be notified of the same in its first meeting, after fulfilling the requirements of the laws / regulations and instructions followed in this regard. Also, the company may dispose of these shares or stakes, provided that this shall not include mediation in their circulation.

Article 5: The Head Office of the Company:

The head office of the company is in Al-Khobar and its address is P.O. 77411, Al-Khobar 31952. The head office may be moved to any other area inside the Kingdom by a decision of the Extraordinary General Assembly, and the board of directors may establish branches, offices, or agencies for the company inside or outside the Kingdom.



Article 6: Company Term:

The term of the company shall be ninety-nine (99) calendar years starting from the date of the Minister of Commerce's decision announcing its incorporation, and the company's term may always be extended by a decision issued by the Extraordinary General Assembly at least a year before its expiration date.

Chapter Two Capital and Shares.

Article 7: Capital:

The Company's Capital has been set at Eight hundred six million, three hundred sixty-three thousand, two hundred and eighty (806,363,280) Saudi Riyals, divided into Eighty million, six hundred thirty-six thousand, three hundred and twenty-eight (80,636,328) shares of equal value. The nominal value of each share is ten (10) Saudi Riyals, and all of which are ordinary and cash shares.

Article 8: Subscription to Shares:

The founders subscribed to one million, nine hundred thousand (1,900,000) shares, and they have paid in full an amount of one hundred ninety million (190,000,000) Saudi Riyals deposited with the Arab National Bank, Mubarratz branch, in the name of the company under incorporation and the remaining shares are put up for public subscription within thirty (30) days from the date of publication of the ministerial decision authorizing the establishment of the company. And in this case, the full value of the shares shall be paid upon subscription, and the subscription proceeds shall be deposited in the name of the company under incorporation with one of the banks designated for this purpose, and the remaining value of the shares subscribed to shall be paid on the dates specified by the Board of Directors.



Article 9: Sale of Shares of Non-fulfilling Value:

The shareholder shall pay the value of the share at the dates specified for that, and if they fail to pay the due date, the Board of Directors may, after notifying them through announcement on the Tadawul website or informing them by registered mail of selling the share by public auction in accordance with the controls determined by the competent authority.

The company shall collect from the proceeds of the sale the sums owed to it and return the rest to the owner of the share. If the proceeds of the sale are not sufficient to meet these sums, the company may collect the remainder of all the shareholder's funds.

Nevertheless, a shareholder who fails to pay until the day of the sale may pay the value owed on them in addition to the expenses that the company has spent in this regard.

The company shall cancel the sold share in accordance with the provisions of this article and give the buyer a new share bearing the number of the canceled share and indicate in the stock register the occurrence of the sale with an indication of the name of the new owner.

Article 10: Issuance of Shares:

Shares shall be nominal and may not be issued at less than their nominal value but may be issued at a higher than this value. In this last case, the difference in value shall be added in a separate item within the shareholders' equity and may not be distributed as dividends to shareholders. The share is indivisible vis-à-vis the company, and if owned by several people, then they must choose one of them to represent them in using the rights pertaining to the share, and these persons shall be jointly responsible for the obligations arising from the ownership of the share.

Article 11: Shares Trading:

Shares are negotiable after the issuance of their certificates. As an exception to this, shares that the founders subscribe to may not be traded before



publishing the balance sheet and profit and loss account for two fiscal years, each of which is not less than twelve months from the date of announcing the establishment of the company. It is also not permissible to trade in the capital increase shares that are subscribed to the founders if the capital has been increased during the aforementioned ban period, provided that the two-year period begins in this case from the date of amending the company's data in the commercial register indicating the increase.

These sukuk shall include information showing their type, the date of incorporation of the company and the period during which it is prohibited to trade them, however it is permissible during the ban period to transfer the ownership of cash shares in accordance with the provisions of selling rights from one of the founders to another founder or to a member of the board of directors to present them as a guarantee to the management or from the heirs of one of the founders in the case of their death to others.

Article 12: The Register of Shareholders:

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

Article 13: Issuance of Share Certificates:

The company shall issue share certificates so that they have serial numbers, signed by two members of the board of directors and stamped with the company's seal. The share shall include in particular the number and date of the ministerial decision issued to authorize the establishment of the company, the number and date of the ministerial decision issued announcing the establishment of the company, the value of the capital, the number of shares distributed to it, the nominal value of the share and the paid-up amount and the company's objectives in short, its head office and its term. Shares may have coupons with serial numbers that include the attached share number with it.



Article 14: Capital Increase:

1. The Extraordinary General Assembly, after obtaining the approval of the competent authorities, may decide to increase the capital of the company provided that the capital has been fully paid, and it shall not be required that the capital be fully paid if the unpaid part of the capital is due to shares issued in exchange for converting debt instruments or financing instruments into shares and the period specified to convert them into shares has not expired yet.
2. The Extraordinary General Assembly in all cases may allocate the issued shares upon increase of the capital or part thereof to the employees of the company and its subsidiary companies or some of them, or any of the foregoing. Shareholders may not exercise the right of priority when the company issues shares allocated to employees.
3. The shareholder who owns the share at the time of issuance of the Extraordinary General Assembly resolution approving the increase of capital shall have priority in subscribing for the new shares issued in exchange for cash shares, and they shall be informed of their priority by publishing it in a daily newspaper or informing them through registered mail of the decision to increase the capital, the conditions for subscription, its duration, and its start and end date.
4. The Extraordinary General Assembly shall have the right to suspend the priority right of shareholders for subscription by increasing the capital in exchange for cash shares or giving priority to non-shareholders in cases it deems appropriate in the interest of the company
5. The shareholder shall have the right to sell or waive the right of priority during the period from the time of the decision of the general assembly approving the increase of the capital until the last day for subscription for new shares related to these rights, in accordance with the controls laid down by the competent authority.
6. Subject to the provisions of Paragraph (4) above, the new shares shall be distributed to priority right holders who requested the subscription, in proportion to the priority rights they own from the total priority rights resulting from the capital increase, provided that what they obtain shall not exceed



what they requested of the new shares, and the remainder of the new shares shall be distributed to the pre-emption rights holders who requested more than their share, in the percentage of priority rights they own compared to the total priority rights resulting from the capital increase, provided that what they obtain shall not exceed the new shares they requested, and the remaining shares shall be offered to others, unless the Extraordinary General Assembly decides or the financial market law stipulates otherwise.

Article 15: Reducing the Capital

The Extraordinary General Assembly based on acceptable justifications, if capital exceeds its need or if the company incurs losses, and in the latter case alone it is permissible to reduce the capital to below the limit stipulated in Article (54) of the Companies Law, and the decision shall not be issued until after the auditor's report is read on the reasons for the decrease and the obligations of the company and the impact of the decrease on these obligations and the decision shall show the method of the decrease. And if the decrease is the result of an increase in capital beyond the company's need, the creditors must be invited to express their objections to it within sixty (60) days from the date of publication of the decrease decision in a daily newspaper distributed in the city where the head office of the company is located. And if one of them objects and submits documents to the company on the aforementioned date, the company must pay their debt to them if it is due or provide them with sufficient guarantees to pay it if it is not.

Chapter Three

The Board of Directors

Article 16: Company Management:

1. The management of the company shall be undertaken by a board of directors consisting of seven (7) members appointed by the Ordinary General Assembly for a period of time not exceeding three years, provided that the cumulative vote is used in the election of the Board of Directors.



2. The members of the Board shall be jointly responsible for indemnifying the company, the shareholders, or others for the damage that results from their mismanagement of the company's affairs or their violation of the provisions of the law or the company's articles of association, and every condition stipulating otherwise shall be considered as if it is non-existent. Responsibility falls on all members of the board of directors if the error arises from a decision issued by their unanimous vote. As for the decisions issued by majority vote, the opposing members shall not be asked for such decisions if they explicitly prove their objection in the minutes of the meeting. Absence from attending the meeting at which the decision is issued shall not be considered a reason for exemption from liability unless it is proven that the absent member is not aware of the decision or is unable to object to it after being aware of it.

Article 17: Termination of Board Membership:

Membership of the Board of Directors shall end for one of the following reasons:

1. With the expiration of its term.
2. With the resignation or death of the member.
3. If a member fails to attend four (4) consecutive sessions without a legitimate excuse.
4. If a judgment of bankruptcy is issued against the member.
5. If the member becomes unfit for membership in accordance with the provisions of any law in force in the Kingdom of Saudi Arabia.

And if the position of one of the members of the board of directors becomes vacant during the year, the board may appoint another member in the vacant position, provided that this appointment shall be presented to the first meeting of the Ordinary General Assembly for approval and the appointed member shall complete the term of their predecessor.

If the number of board members falls below the quorum necessary for the validity of its meetings, the general assembly must be called as soon as possible to appoint the necessary number of members.



Article 18: Powers of the Council:

Without prejudice to the powers established for the general assembly, the board of directors shall have the broadest powers and authorities to manage the company's business, supervise and conduct its affairs, draw up general policies and rules for its work, financial and administrative programs to run its affairs.

In order to carry out its duties, the board shall have all the powers and perform all the works and actions that the company has to perform according to its statute or its articles of incorporation.

The board of directors may, for example, contract for loans and guarantees, whatever their amounts are, for any term, including loans that exceed three years, and to buy, sell, mortgage and redeem real estate mortgages, receive bonds, amend boundaries, lengths, area, plot numbers, plans, sukuk and dates thereof, names of neighborhoods, receipt and delivery, contact all relevant authorities and finish all necessary procedures and to sign as required, the movables and properties of the company, the declaration of the fulfillment of the receivables, the release of the company's debtors from their obligations and making clearances, the right to sign contracts for the establishment and incorporation of companies in which the company participates and the contracts for their amendment and the right to enter into auctions and tenders of all kinds and collect company funds, deposit them in banks, open, operate and close documentary credits and accounts, sign and endorse documents and checks, purchase stocks and shares, represent the company at government departments, companies, individuals, banks and notaries and chambers of commerce and industry, issue the necessary legal agencies on behalf of the company and the representatives and determine their salaries, remuneration and dismiss them, and shall have the right to donate from the company's funds and participate in charitable societies and charities. The council shall have the right to entrust one or more of its members or from third parties to carry out specific work or actions for the period that the council deems appropriate, according to deeds of agencies or authorizations, and its agent shall have the right to delegate others in all or part of what they are entrusted with, and the council shall have the right to exercise all these powers inside and outside the Kingdom of Saudi Arabia.



Article 19: Remuneration of Board Members:

Members of the Board of Directors of the company shall be paid in exchange for the services they perform a lump sum amount of one hundred and fifty thousand (150,000) Saudi Riyals for each member for the fiscal year, provided that the entitlement of this remuneration shall be in accordance with the regulations and controls issued in this regard, in addition to a fee for attending sessions of the amount of three thousand (3,000) Saudi Riyals for each session for each member of the Board of Directors, and the attendance allowance shall include the Secretary of the Board.

A lump sum amount of fifty thousand (50,000) Saudi Riyals shall be paid to each member participating in a committee, with a maximum of seventy thousand (70,000) Saudi Riyals if member in more than one committee, provided that the entitlement of this reward shall be proportional to the number of sessions attended by the member, in addition to an attendance allowance of three thousand (3,000) Saudi Riyals for each member for each session of each committee, and the attendance allowance shall include the secretary of the committee.

Members of the Board of Directors shall be paid a bonus of (10%) of the net profits after deducting the reserves decided by the General Assembly and after distributing a profit to the shareholders of not less than (5%) of the company's paid-up capital.

And in all cases, the total remuneration and financial or in-kind awards and benefits that a member of the Board of Directors obtains shall not exceed an amount of five hundred thousand (500,000) Saudi Riyals and shall be within the limits of what is stipulated in the Companies Law or any other regulations, decisions or instructions supplementing it. The report of the Board of Directors to the Ordinary General Assembly shall include a comprehensive statement of all the salaries, share in profits, attendance allowances, expenses and other benefits obtained by members of the Board of Directors during the fiscal year. The aforementioned report shall also include a statement of what was disbursed to members of the Board of Directors as employees or administrators or what they spent in exchange for technical, management or consultancy work previously approved by the company's general assembly.



Article 20: The Powers of the Chairman and the Deputy Chairman of the Council

1. The Chairman of the Board of Directors shall represent the company in its relations with others and before the judiciary, as well as in pleading and defending, and shall have the right to claim and institute cases - plead and defend - hear claims and respond to them - affirmation - denial - conciliation - waiver - request the oath and return it and refrain from it - bring witnesses and evidence and challenge them - answer, reject and amend - appeal for forgery - deny handwritten texts, seals and signatures - request prevention from travel and lifting it - request for seizure and execution - request for arbitration - appointing experts and arbitrators - appealing the reports of experts and arbitrators, and rejecting and replacing them - requesting the application of Article 230 of the Sharia pleadings law - demanding the implementation of judgments - accepting and repudiating judgments - objecting to judgments and requesting reconsideration – making a request for rehabilitation, a request for preemption – taking action as required to attend sessions in all cases with all courts, receipt of sums by check - receipt of verdicts - a request for the judge to step down - a request for admission and interference with the Sharia courts in the administrative courts (the Board of Grievances) - at the Sharia medical committees - at the workers committees of the Financial Dispute Resolution Committees, the Banking Dispute Settlement Committees at the Offices for Settlement of Commercial Paper Disputes and the Commercial Dispute Resolution Committees - with the Customs Committees and Commercial Fraud Committees at the Supervision and Investigation Authority of the Investigation and Prosecution Authority, Prosecution, acceptance of judgment and its denial, reconciliation, overlooking and exemption, waiver of rights, requests for attachment of debtors and their relinquishment, and signing of contracts and agreements of all kinds and signing of contracts for the establishment of companies in which the company participates, as well as annexes to amend the incorporation contracts, and they shall have the right of delegating others in accordance with the decisions of the Board of Directors and according to what is indicated in the articles of association of the company.



2. The board of directors shall appoint from among its members a chairman and a vice-chairman, and it may also appoint a managing director from among its members. It shall not be permissible for one member to combine the positions of the chairman of the council and the managing director, and the Board of Directors shall distribute the functions and remuneration for them in accordance with this bylaw.

3. The board may appoint from among its members or from others a general manager of the company, whose powers and fees shall be determined by a separate decision.

4. The Board of Directors shall also appoint a secretary from among its members or from others, who shall be concerned with recording the events and decisions of the Board of Directors in minutes to be kept in a special register prepared for this purpose and their remuneration shall be determined by a decision of the board. The term of the board chairman, the managing director, and the secretary of a board member shall not exceed their membership in the board, and it shall always be permissible to reappoint the chairman, managing director and the secretary who is a member of the Board of Directors.

Article 21: Board Meetings:

The board of directors shall meet in or outside the company's headquarters at least twice a year upon an invitation from its chairman. The invitation shall be accompanied by the agenda, and the chairman of the board must call the board to a meeting whenever two of the members so request. The invitation shall be addressed to each member at least two weeks before the date set for the meeting.

Article 22: The Quorum of the Board Meeting:

A council meeting shall not be valid unless it is attended by at least half of the members on the condition that the number of attendees shall not be less than four and the decisions of the council shall be issued by the majority vote of the attendees or representatives. In case of equal votes, the side supported by the chairman or their delegate to chair the session shall prevail.



Article 23: Council deliberations:

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

Article 24: Passing of Decisions:

The Board of Directors may issue its decisions in the event of urgency by a single vote on them by the members by mail, fax, telegraph, or telex, unless a member requests in writing to hold a meeting of the Board for deliberation, provided that the decision is presented in this way to the Board at its first meeting for approval.

Chapter Four

Shareholders' Assemblies

Article 25: Attending Assemblies:

A properly formed general assembly shall represent all shareholders and may not be held except in the city in which the company's head office is located.

Every subscriber, regardless of the number of their shares, shall have the right to attend the founding assembly by themselves or on behalf of other subscribers, and every shareholder shall have the right to attend the General Assembly and authorize in writing another person who is not a member of the Board of Directors to attend the General Assembly.

Article 26: Authorities of the Conversion Assembly:

The conversion assembly shall be concerned with the following matters:

1- Verification of underwriting of all capital and of fulfillment, in accordance with the provisions of the Companies Law, with the minimum amount of capital and the amount due from the value of the shares.



2- Setting the final texts of the company's regulation, but it shall not be permitted to introduce fundamental amendments to the regulation presented to it unless approved by all subscribers represented in it.

3- Discussing the founders' report on the business and expenses required by the incorporation.

For its validity to convene, the presence of a number of subscribers representing at least half of the capital shall be attained, and each subscriber in its meetings shall have a vote on each share they have subscribed for or they represent.

Article 27: Authorities of the Ordinary Assembly:

With the exception of matters pertaining to the Extraordinary General Assembly, the Ordinary General Assembly shall be concerned with all matters related to the company, and shall convene at least once a year during the six months following the end of the company's fiscal year, It is also permissible to convene other ordinary assemblies whenever the need arises.

Article 28: Authorities of the Extraordinary General Assembly:

The Extraordinary General Assembly shall have the authority to amend the company's bylaw except for provisions that it is prohibited to amend by law. In addition, it shall have the right to issue decisions on matters falling within the jurisdiction of the Ordinary General Assembly under the same terms and conditions established for the last assembly.

Article 29: Convening Assemblies:

The general assemblies of the shareholders shall convene at the invitation of the Board of Directors. The Board of Directors shall call the Ordinary General Assembly to convene if requested by the auditor, the audit committee, or a number of shareholders representing at least 5% of the capital. The invitation to the meeting of the General Assembly shall be



published in a daily paper distributed in the city where the head office of the company is located at least twenty-one (21) days before the date set for the meeting. Shareholders may be invited by the aforementioned date by registered mail as long as all the shares of the company remain nominal, provided that the invitation in all cases shall include the agenda. A copy of the invitation and the agenda shall be sent to the General Directorate of Companies in the Ministry Trade as well as to the Capital Market Authority during the period specified for publication. The second meeting may be held an hour after the end of the period specified for the first meeting, provided that the invitation to hold the first meeting includes a statement of the possibility of holding the second meeting an hour after the end of the time limit for the first meeting.

Article 30: Assemblies Attendance Record:

When the assembly convenes, a list of the names of the present shareholders, the representatives and their places of residence shall be issued, with a statement of the number of shares in their possession, in person or by proxy, and the number of votes assigned to them. All interested parties shall have the right to review this list.

Article 31: The Quorum for the Meeting 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 company's capital.

If the quorum required to hold the Ordinary General Assembly meeting according to the first paragraph of this article is not met, a second meeting may be held one hour after the end of the period specified for the first meeting, provided that the invitation to hold the first meeting includes a statement of the possibility of holding the second meeting one hour after the deadline for the first meeting. The second meeting shall be valid regardless of the number of shares represented in it.



Article 32: Quorum for the Extraordinary Assembly Meeting:

The meeting of the Extraordinary General Assembly shall not be valid unless attended by shareholders representing at least half of the capital. If this quorum is not met in the first meeting, a second meeting may be held one hour after the end of the period specified for the first meeting, and the second meeting shall be valid if attended by a number of shareholders representing at least one-fourth of the capital, provided that the invitation to hold the first meeting includes a statement of the possibility of holding the second meeting an hour after the end of the deadline for the first meeting. And if the quorum is not met for the second meeting, an invitation shall be sent for a third meeting to be held according to the same conditions stipulated in Article (31) of the bylaw, and the third meeting shall be valid regardless of the number of shares represented in it upon approval of the competent authorities.

Article 33: Voting in the Assemblies:

Each subscriber shall have a vote for every share they represent in the founding assembly. The votes in the ordinary and extraordinary general assemblies shall be calculated on the basis of one vote for each share. Nevertheless, members of the Board of Directors may not participate in voting on decisions related to release from liability for the term of their management. The cumulative vote shall be used in the election of members of the Board of Directors, so that the right to vote for the share may not be used more than once.

Article 34: Resolutions of the Assemblies:

1. Decisions in the Founding Assembly shall be issued by an absolute majority of the shares represented in it, and decisions of the general assembly shall be issued by an absolute majority and for the shares represented in the meeting.
2. The decisions of the Extraordinary General Assembly shall also be issued by a two-thirds majority of the shares represented in the meeting, unless the decision is related to increasing or decreasing the capital, extending the term



of the company, dissolving the company before the expiration of the period specified in its bylaw, or merging the company into another company or establishment, the decision shall not be valid unless issued by a majority of three quarters of the shares represented at the meeting:

3- The board of directors shall publicize the decisions of the extraordinary general assembly in accordance with the provisions of Article (65) of the Companies Law if it includes the amendment of the articles of association of the company.

Article 35: Discussion in Assemblies:

Every shareholder shall have the right to discuss the topics on the assembly's agenda and 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 the company's interest is not compromised and if the shareholder believes that the response to their question is not convincing, then they shall appeal to the assembly and its decision in this regard shall be considered effective.

Article 36: Presiding over Associations and Preparing Minutes:

The general assembly shall be chaired by the chairman of the board of directors or a vice-chairman when the chairman is absent, or whoever is delegated by the board of directors from among its members in case of absence of both the chairman and the vice-chairman. The chairman shall appoint a secretary for the meeting and a collector of votes. A record shall be drawn up at the meeting of the assembly that includes the names of the present shareholders or representatives, the number of shares in their possession in person or by proxy, the number of votes decided for them, the decisions taken, the number of votes that approved or disagreed with them, and a comprehensive summary of the discussions that take place in the meeting. The minutes shall be entered regularly after each meeting in a special register to be signed by the chairman of the assembly, its secretary and the vote collector.



Chapter Five

The Audit Committee

Article 37: Formation of the Committee:

An audit committee shall be formed by a decision of the Ordinary General Assembly, from other than the executive members of the Board of Directors whether they are shareholders or not. A decision shall be issued by the general assembly of the company based on a proposal of the Board of Directors regarding this committee's duties, the manner of its work, the rules for selecting its members, their remuneration and the term of their membership. Its membership shall range from three to five.

Article 38: Quorum for the Committee Meetings:

For the audit committee's meeting to be valid, the majority of its members must attend, and its decisions shall be issued by the majority of the votes of those present. When the votes are equal, the side with which the chairman votes shall prevail.

Article 39: The Quorum of the Committee Meetings:

The audit committee shall be concerned with monitoring the company's business and verifying the correctness and integrity of the reports, financial statements, and internal control systems therein. The committee's tasks in particular shall include the following:

1. Reviewing the company's financial lists and statements and notices related to its financial performance before presenting it to the Board of Directors to ensure its integrity, fairness and transparency, and to express its opinion on them.
2. Expressing its technical opinion upon the request of the Board of Directors on whether the report of the Board on the financial statements of the company is fair, balanced, and understandable, and includes information that enables shareholders and investors to evaluate the company's financial position, performance, business model and strategy.



3. Studying any important or unfamiliar issues included in the financial reports and accounts, and carefully researching any issues raised by the company's financial director, or whoever assumes the financial director's duties, the company's compliance officer, or the auditor.
4. Verifying the accounting estimates in the fundamental issues mentioned in the financial reports.
5. Studying the accounting policies applied in the company and expressing opinion and making recommendations to the Board of Directors in this regard.
6. The Audit Committee, in order to perform its duties, shall have the right to review the company's records and documents, to request any clarification or a statement from the members of the board of directors or the executive management, to request the board of directors to invite the general assembly of the company to convene if its work is impeded or the company suffers material damage or losses.

Article Forty: Committee Reports:

The Audit Committee shall review the company's financial statements and the 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 internal control system in the company and the other activities it has carried out within the scope of its competence. The board of directors shall keep a sufficient number of copies of this report in the company's headquarters at least twenty-one (21) days before the date of the general assembly to provide each of the shareholders a copy of it. The report shall be read aloud during the assembly.



Chapter Six

The Auditor

Article 41: Appointing the Auditor:

The company shall have one or more auditors from among those authorized to work in the Kingdom who are to be appointed annually by the General Assembly. The company shall determine the auditor's remuneration and it may reappoint the auditor's, provided that the total period of the auditor's appointment shall not exceed five consecutive years in accordance with the condition mentioned in Article (133) of the Companies Law.

Article 42: Authorities of the Auditor:

The auditor shall have the right to inspect the company's books, records and other documents at all times, request the data and clarifications that the auditor deems necessary to obtain, and verify the company's assets and obligations.

The auditor shall submit to the annual general assembly a report that includes the company's position on enabling the auditor to obtain the data and clarifications requested by the auditor and the violations the auditor may have uncovered of the provisions of the Companies Law or the provisions of this bylaw and the auditor's opinion on the extent to which the company's accounts conform to reality.

Chapter Seven

Company accounts and Dividend Distribution

Article 43: The Fiscal Year:

The company's fiscal year shall begin on the first day of January of each year and end by the end of December of each year.



Article 44: Financial Documents:

At the end of each fiscal year, the Board of Directors shall prepare an inventory of the value of the company's assets and liabilities on the aforementioned date. It shall also prepare the company's balance sheet, profit and loss account, a report on the company's activity and its financial position for the past fiscal year and the method it proposes to distribute the net profits at least sixty (60) days before the holding of the Ordinary General Assembly. The board shall place these documents at the disposal of the auditor at least fifty-five (55) days before the scheduled date of the assembly meeting, and the chairman of the board of directors shall sign the aforementioned documents, and copies of them shall be kept in the company's headquarters at the disposal of the shareholders at least twenty-five (25) days before the scheduled date of the general assembly and the chairman of the board of directors shall publish in a newspaper distributed in the city in which the head office of the company is located, the budget, profit and loss accounts, a full summary of the report of the board of directors and the full text of the auditor's report, and shall send a copy of these documents to the General Directorate of companies at least twenty-five (25) days before the meeting of the general assembly.

Article 45: Distribution of Profits:

The annual net profits of the company 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 suspend this action when the reserve reaches (30%) of the paid-up capital.
2. From the remainder after that, a first payment equal to 5% of the paid-up capital shall be distributed to the shareholders.
3. Thereafter, not exceeding 10% of the remainder shall be allocated for the remuneration of the members of the Board of Directors and as decided by the competent authorities, in addition to the allowance for attending the sessions that the member is entitled to for each session, and the travel and



transportation expenses for the non-resident member. The remaining amount shall be distributed to the shareholders as an additional share in the profits according to what the assembly shall decide, or it shall be carried over for the following years.

The company may distribute interim dividends to its shareholders in a semi-annual or quarterly manner, if its articles of association stipulate that this is permissible, after fulfilling the following requirements:

- That the Ordinary General Assembly authorizes the board to distribute interim dividends according to a resolution that is renewed annually.
- That the company is of good and regular profitability.
- That it has reasonable liquidity and can reasonably estimate the level of its profits.
- That the company has sufficient distributable profits according to the latest audited financial statements to cover the profits proposed to be distributed after deducting and capitalizing what is distributed from those profits after the date of these financial statements.

Article 46: Entitlement to Profits:

Dividends to be distributed to shareholders shall be paid at the place and dates specified by the Board of Directors.

Article 47: Company Losses:

1. If the company's losses amount to half of the paid-up capital at any time during the year, then any official in the company or the auditor as soon as they become aware of this, shall inform the chairman of the board of directors, and the chairman of the board of directors shall immediately, upon being aware of the foregoing, inform the members of the board, and the board of directors shall, within fifteen (15) days of its knowledge of the foregoing, invite the Extraordinary General Assembly to a meeting within forty-five (45) days from the date of its knowledge of the losses, to decide



whether to increase or decrease the capital (according to the provisions of the law) to the extent that the percentage of losses decreases to less than the paid-up capital, or dissolve the company before the term specified in its articles of association.

2. The company shall be considered terminated by the force of the Companies Law if the general assembly does not meet within the period specified in paragraph (1) of this Article, or if it meets and is unable to issue a decision on the matter, or if it decides to increase the capital in accordance with the conditions stipulated in this Article, and the entire capital increase has not been subscribed within ninety (90) days from the issuance of the assembly's decision to increase.

Chapter Eight

Disputes

Article 48: Liability Claim

Every shareholder shall have the right to file a lawsuit for the liability established for the company against the members of the board of directors if the mistake made by them would cause harm to the shareholder, provided that the right of the company to file such lawsuit is still valid, and the shareholder shall notify the company of their intention to file the lawsuit.

Company Dissolution and Liquidation

Article 49: Termination of the Company:

The company shall terminate upon the expiration of the period specified for it according to this bylaw or according to the provisions stipulated in the Companies' Law. And upon the expiry of the company's term or in the event of its dissolution before the term specified for it, the Extraordinary General Assembly shall decide, based on the proposal of the Board of Directors, the



method of liquidation and the appointment of one or more liquidators and determine their authorities and fees and the authority of the board of directors shall terminate upon the dissolution of the company. However, the board of directors shall continue to manage the company until the liquidator is appointed, and the company's apparatus shall maintain its authorities to the extent that it does not conflict with the authorities of the liquidators, and the shareholders shall have the right to obtain a share of the company's assets upon liquidation.

Chapter Nine

Concluding Provisions

Article 50: This bylaw shall be kept and published in accordance with the Companies Law.

