

Bylaws of the Saudi Tadawul Holding (listed Joint Stock Company)

Part I: Company's Incorporation

Clause 1: Incorporation

In accordance with these Bylaws, the provisions of the Companies Law, it is hereby established a Saudi joint stock company with a corporate personality and a separate financial disclosure. This company shall hereinafter be referred to as "**Company**".

Clause 2: Company's Name

The Saudi Tadawul Holding, a listed joint stock company.

Clause 3: Company's Purposes

- 1) Manage its subsidiaries, or participate in the management and support of other companies to which they contribute.
- 2) Invest its funds in stocks and other securities.
- 3) Owning real estates and transportation necessary to start its activities.
- 4) Providing loans, guarantees and financing to its subsidiaries.
- 5) Owning and exploiting industrial property rights from patents, trademarks, industrial, franchises and other moral rights, and leasing them to its subsidiaries or others.
- 6) The company may engage in any other activity in conformity with the relevant laws and regulations.

Clause 4: Participation and Ownership in Companies

The Company may establish, by itself, other limited liability or closed joint stock companies, provided that their capital is no less than five (5) million Saudi riyals. The Company may own stocks and shares in other existing companies or merge with them. The Company may participate with others to establish joint stock or limited liability

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companies after fulfilling the requirements of the laws and instructions followed in this regard. The Company may also dispose of these stocks or shares, provided that this does not include acting as a broker in trading such stocks or shares. The Company may own, sell, purchase and lease movable and immovable assets.

Clause 5: Company's Head Office

The Company's head office is located in Riyadh, Kingdom of Saudi Arabia ("KSA"). The Company may open branches, other offices or agencies inside or outside the KSA by resolution of the Company's Board of Directors ("**Board**").

Clause 6: Company's Term

The Company's term is ninety-nine (99) Gregorian years starting from the date its establishing Royal Decree is promulgated. Such term may be extended for a similar, shorter or longer period(s) by resolution of the Extraordinary General Assembly taken at least one year prior to the term of the Company.

Part II: Capital and Shares

Clause 7: Capital

The Company's capital is one billion, two hundred million Saudi riyals (SR 1,200,000,000) divided into one hundred twenty million (120,000,000) shares, all of which are of equal value and the nominal value of each is ten (10) riyals. All the shares have been fully subscribed to and paid for.

Clause 8: Subscription to Shares

The shareholders have subscribed to the entire capital shares of the Company, which are one hundred twenty million (120,000,000) shares. The whole value of such shares, which is one billion, two hundred million Saudi riyals (SR 1,200,000,000), has been deposited in the Company's name at a Saudi bank.

Clause 9: Preferred Shares

The Company may, by resolution of the Extraordinary General Assembly and after the fulfillment of relevant legal requirements, issue preferred shares, decide to purchase such shares or convert preferred shares into ordinary shares. Preferred shares shall have no voting rights at the Shareholder General Assemblies. 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.

Clause 10: Sale of Partly Paid-up Shares

A shareholder shall pay the value of a share at the specified dates. If a shareholder fails to pay on the due date, the Board may, after notifying such shareholder by registered mail sent to their address as recorded in the shareholder register, sell such share in a public auction or in the capital market, as the case may be, in accordance with the rules set by the competent authority.

The Company shall receive the amounts due thereto from the sale proceeds and shall return any remaining amount to the shareholder. If the sale proceeds are insufficient to cover these amounts, the Company may satisfy such amounts from the shareholder.

However, the shareholder in default up to the sale date may pay the due amount, in addition to any expenses incurred by the Company.

The Company shall cancel the sold share according to the provisions of this clause, and shall give the purchaser a new share bearing the number of the cancelled share, shall indicate in the shareholder register that the sale has taken place and shall mention the name of the new shareholder.

Clause 11: The Company's purchase of its shares, selling them and allocating them to its employees

1. The Company may purchase, sell and mortgage its ordinary or preferred shares, and the Company may also buy its shares to be used as treasury shares in accordance with the relevant regulatory guidelines and conditions.

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2. The Company may sell the treasury shares in one or several stages.

3. The Company may purchase its shares and allocate them to the employees of the Company - or its subsidiaries - through the employee shares program in accordance with the relevant regulatory guidelines and conditions.

Clause 12: Issuance of Shares

The shares are nominal, and they may not be issued for a value lesser than their nominal value. The Company may issue shares for a value higher than their nominal value, provided that the difference in value is added in a separate item within the shareholder rights and may not be distributed to shareholders as dividend.

A share is indivisible against the Company. If a share is owned by multiple persons, they shall select one of them represent them in exercising the rights relating to the share. These persons shall be jointly liable for the obligations arising from the share ownership.

Clause 13: Ownership of Shares

Subscription in shares or acquisition thereof imply that the shareholder accepts the Company's Bylaws and their compliance with the resolutions adopted by the Shareholder Assembly in accordance with the provisions of these Bylaws, whether such shareholder is present or absent and whether they agree or disagree with such resolutions.

Clause 14: Shareholder Register

The Company's shares are traded in accordance with the provisions of the Capital Market Law ("CML") and its implementing regulations and the provisions of these Bylaws.

Clause 15: Capital Increase

- 1) The Extraordinary General Assembly may, after ascertaining the economic viability, decide to increase the Company's capital one or several times by issuing new shares in the same nominal value as that of the original shares, provided that the original capital has been fully paid up. The capital is not required to be fully

paid up if the unpaid portion of the capital relates to shares issued in exchange for the conversion of debt instruments or financing instruments into shares and the prescribed period for conversion into shares has not expired yet.

- 2) The Extraordinary General Assembly may, in all cases, allocate all or part of the shares issued for capital increase to employees of the Company and/or all or part of its subsidiaries. Shareholders may not exercise pre-emptive rights if the Company issues shares for employees.
- 3) At the time the Extraordinary General Assembly issues a resolution approving the capital increase, a shareholder will be entitled to a pre-emptive right to subscribe to the new shares issued against cash contribution. Such a shareholder shall be informed of their pre-emptive right by publishing a notice in a daily newspaper or by notifying them through registered mail of the resolution of capital increase as well as the conditions, duration and commencement and expiry date of the subscription.
- 4) The Extraordinary General Assembly may stop application of the pre-emptive right vested in shareholders to subscribe to the capital increase against cash contribution or may vest such right in persons other than the shareholders in cases it believes this is appropriate for the Company's interest.
- 5) A shareholder may sell or assign the pre-emptive right during the period from the date the General Assembly resolution approving the capital increase is adopted until the last day of subscription to the new shares related to such right, in accordance with the controls set by the competent authority.
- 6) Subject to paragraph 4 above, the new shares shall be distributed to holders of pre-emptive right who requested subscription in proportionate to their pre-emptive right of the total pre-emptive rights resulting from the capital increase, provided that the shares they receive do not exceed the amount of new shares they requested. The remainder of the new shares shall be distributed to holders of pre-emptive right who requested more than their respective shares in proportionate to their pre-emptive right of the total pre-emptive rights resulting from the capital increase, provided that the shares they receive do not exceed the amount of new

shares they requested. The remaining shares shall be offered to third parties, unless the Extraordinary General Assembly decides or the CML states otherwise.

- 7) The new shares issued due to the capital increase may be in cash or in-kind. If there are in-kind shares, the Board shall follow the procedures provided for in the Companies Law to ascertain the validity of the assessment of these shares.

Clause 16: Capital Reduction

- 1) The Company's capital may, by resolution of the Extraordinary General Assembly, be reduced, if the capital exceeds the Company's need or if the Company suffers losses. In the latter case only, the capital may be reduced below the limit stipulated in Article 54 of the Companies Law. The reduction resolution may only be issued after the Extraordinary General Assembly examines the auditor's Report explaining the reasons for the reduction, the Company's obligations and the effect of the reduction on these obligations. The resolution must explain the method of reduction.
- 2) If the capital reduction is a result of the capital being in excess of the Company's need, the creditors shall be invited to submit their objections to the reduction within sixty days from the date the reduction decision is published in a daily newspaper distributed in the area where the Company's head office is located. If a creditor objects to such reduction and submits to the Company their documents on the specified date, the Company shall pay their debt if already due or shall provide them with sufficient guarantee to satisfy their debt if it is due in the future.

Part III: Bonds and Sukuks

Clause 17: Bonds and Sukuks

- 1) The Company may, by a resolution of the Extraordinary General Assembly and in accordance with relevant laws and regulations, issue any type of tradeable debt instruments, such as bonds and sukuks, in the Saudi currency or another currency inside or outside the Kingdom of Saudi Arabia. The Extraordinary General Assembly may delegate the Board to issue such debt instruments, including Bonds

and sukuk, whether in one or more parts or through a series of issues under one or more programs established by the Board from time to time. Such issuance shall take place at the dates, in the amounts and under the conditions adopted by the Board, which shall follow all the required procedures to issue them.

- 2) The Company may, by a resolution of the Extraordinary General Assembly, issue debt instruments or financing sukuk convertible to shares following adoption of a resolution by the Extraordinary General Assembly specifying the maximum number of shares that may be issued against such instruments or deeds, whether these instruments or bonds are issued one time, in a series of issues or through one or more programs for issuance of debt instruments or financing deeds. The Board shall, without need for further approval from the Extraordinary General Assembly, issue new shares against these instruments or deeds whose holders request their conversion. The instruments or deeds shall be converted immediately upon the expiry of the period of conversion request set for holders of these instruments or deeds. The Board shall take the necessary measures to amend the Company's Bylaws with regard to the number of shares issued and the capital. The Board shall announce the completion of procedures of each capital increase in the manner specified in the Bylaws for announcement of resolutions of the Extraordinary General Assembly.

Part IV: Board of Directors

Clause 18: Managing Company Affairs

- a) The Company shall be managed by a Board composed of nine (9) members to be elected by the Shareholders' Ordinary General Assembly.
- b) A member's term of office is three (3) years, renewable once or more.
- c) The Company shall submit the names of nominated members to the CMA Board to obtain its approval for their nomination prior to election of the Shareholders' Ordinary General Assembly.
- d) Regulations and instructions adopted by the CMA Board shall specify the procedures for holding meetings of the Company's Board, the manner of resolution adoption, work

plans of the Board, powers and tasks assigned to the Board and the CEO and all relevant administrative and financial matters.

Clause 19: Expiry of Board Membership

Membership of a Board member will expire upon the expiry of their term, resignation, death or if a member becomes unfit for membership according to any law or instructions applicable in the KSA. However, the Ordinary General Assembly may, at any time, dismiss all or part of the Board members without prejudice to the right of a dismissed member to claim compensation if they are dismissed for an unacceptable reason or at inappropriate time. A Board member may step down, provided that this takes place at an appropriate time, otherwise such member shall be liable to the Company for the damage caused by stepping down.

Clause 20: Vacant Positions in the Board

If the position of a Board member becomes vacant, the Board may appoint a member to temporarily fill the vacancy after obtaining the approval of the CMA for this appointment, provided that such member meets the conditions of experience and efficiency. The competent Authority shall be notified accordingly within five (5) days from the date of appointment. The appointment shall be referred to the ordinary general assembly in its first meeting. The new member shall complete the term of his predecessor. If the board of directors fails to convene due to not satisfying the minimum number of members as prescribed in the Companies Law or these Bylaws, the existing members shall call for an Ordinary General Assembly within sixty (60) days to elect the required number of members, subject to Clause 18/c.

Clause 21: Authorities of the Board

1. General Responsibilities of the Board:

- a) Subject to the powers reserved for the General Assembly, the Board shall have the widest powers to manage the business of the Company in order to attain its objectives. The Board shall be responsible for achieving the strategic and

operational objectives of the Company. The Board shall be responsible in particular for the following and may delegate some or all of these powers as it sees fit:

- 1) The overall strategy and business plan of the Company;
 - 2) Annual budget;
 - 3) Formation of the Board sub-committees and providing them with the powers the Board believes are appropriate;
 - 4) Approval of the Company's internal, financial, administrative and technical regulations as well as employee-related policies and regulations and setting the Company's performance standards;
 - 5) Approval of loans and other credit facilities, for any term, through government financing funds and institutions, commercial banks, finance houses, credit companies and any other credit body;
 - 6) Investment of Company's funds;
 - 7) Approval of establishment of companies, buying shares therein and mergers as well as obtainment and amendment of commercial registers; and
 - 8) Appointment of Company's representatives in boards of companies in which the Company owns stocks or shares; the right to attend shareholder assemblies, general assemblies and boards of these companies; signing minutes and resolutions of these companies, endorsing the approval of annual budgets of these companies and receipt of Company's share of these companies' profits.
- b) The Board shall prepare an annual report about the Company's performance. Such report shall be brought to the General Assembly.
- c) The Board may, within its powers, delegate one of its members or a third party to perform a certain work(s).
- d) The Company's Board shall appoint a CEO for the Company from its members or others. The CEO shall implement resolutions of the Board, shall manage daily business of the Company and shall head employees of the Company under the supervision of the Board in addition to other powers to be specified by the Board and included in the Company's regulations. The appointed CEO may not perform

any other public or commercial work, have an interest with any member of the Exchange, Edaa or Muqassa, in which he works, or own a part thereof. The CEO shall be dismissed from his position by decision of the Board.

Clause 22: Remuneration of the Board Members

Remuneration of a Board member and all their benefits, if any, shall be specified by a resolution of the Ordinary General Assembly in accordance with official decisions and instructions issued in this regard and within the limits of the provisions of the Companies Law and Regulations. The Board's report to be submitted to the Ordinary General Assembly must include a comprehensive statement of all benefits received by the Board members during the financial year, including bonuses, expense allowances and other benefits. The report must also include a statement of the amounts received by the Board members in their capacity as officers or administrators or any other amounts received thereby in consideration of technical or administrative activities or consultations. The report shall include as well a statement of the number of Board meetings and the number of meetings attended by each member since the date of the last meeting of the General Assembly.

Clause 23: Authorities of the Chairperson, Vice Chairperson and the Secretary

- 1) The Board shall appoint, from amongst its members, a Chairperson and a Vice Chairperson. The Chairperson may not hold any executive position in the Company.
- 2) The Chairperson shall represent the Company in its relations with others and before government agencies, companies and individuals; all types and degrees of courts; notaries, the Board of Grievances; the Committee for Resolution of Securities Disputes and arbitration panels; chambers of commerce and industry and all types and degrees of committees for resolution of disputes. To this end, the Chairperson may file pleadings and defenses on behalf of the Company, present evidence and documents, make settlements, give releases, deny or admit a charge

and request taking of oath within the scope of the resolutions adopted by the Board. The Chairperson may also receive and execute judgments as well as sign articles of incorporation of companies established by the Company or those which the Company participates in their establishment; other contracts or deeds; transfer of property before notaries, official and private authorities. The Chairperson may also sign contracts, loan contracts and other financial agreements, mortgages and leases. The Chairperson may delegate or assign a certain work(s) within their mandate to a third party.

- 3) The Vice Chairperson shall perform the duties and shall exercise the powers of the Chairperson in their absence.
- 4) The Board shall appoint a Secretary, from amongst its members or others, and such Secretary shall document deliberations and resolutions of the Board and their remuneration shall be specified by resolution of the Board. The term of office of the Chairperson, the Vice Chairperson and the Secretary selected from among the Board members must not exceed the term of office of each of them in the Board. They may be re-elected and the Board may, at any time, dismiss all or part of them without prejudice to the dismissed person's right to claim compensation if they are dismissed for an illegitimate reason or at an inappropriate time.

Clause 24: Meetings of the Board

The Board shall meet regularly according to what it sees fit, provided that these meetings are no less than two meetings annually by invitation of its Chairperson. The invitation must be in writing and must be delivered in person, through mail, FAX or Email. The Chairperson, or their representative, shall call the Board to convene where two (2) members request that therefrom.

Clause 25: Quorum of the Board Meetings

A Board meeting shall not be deemed valid unless at least half the members attend it, provided that the number of attendees in person is no less than three (3) members. A member may give proxy to another member to attend a Board meeting, as stipulated by the Board.

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Board resolutions shall be adopted by the majority of votes of the members attending or represented therein. In case of a tie, the Chairperson of the meeting will have a casting vote. In case of urgent matters, the Board may adopt resolutions by circulating them among the members separately unless one of the Board members request in writing a meeting of the Board to discuss these resolutions. Such resolutions shall be adopted by the majority votes of the Board members and they must be brought before the Board at the first following meeting.

Clause 26: Deliberations of the Board

Deliberations and resolutions of the Board shall be documented in minutes to be signed by the Chairperson of the Board, the Board members attending the meeting and the Secretary. The minutes shall be recorded in a special register to be signed by the Chairperson of the Board and the Secretary.

Part V: Shareholder Assembly

Clause 27: Attending Assemblies

A General Assembly duly composed shall represent all the shareholders and shall be convened in the city where the head office of the Company is located. Each shareholder may, regardless of the number of shares owned thereby, attend the General Assembly and they may give proxy to another shareholder, other than a member of the Board, to attend the General Assembly. The proxy shall be in writing.

Clause 28: Authorities of the General Assembly

Except for matters reserved for the Extraordinary General Assembly, the Ordinary General Assembly shall be in charge of all matters relating to the Company and shall be convened at least once a year within the six (6) months following the end of the Company's financial year. The Ordinary General Assembly may be called to hold other meetings whenever needed.

Clause 29: Authorities of the Extraordinary General Assembly

The Extraordinary General Assembly shall be in charge of amending the Company's Bylaws, except for the provisions it may not amend by law.

The Extraordinary General Assembly may adopt resolutions relating to the powers of the Ordinary General Assembly under the same conditions and controls set for the Ordinary General Assembly.

Clause 30: Calling for Meetings of Assemblies

Meetings of the Ordinary or Special Assemblies shall be held by call of the Board. The Board shall call for a meeting of the Ordinary General Assembly if this is requested by the auditor, the audit committee or a number of shareholders representing at least 5% of the capital. The auditor may call for a meeting of the General Assembly if the Board fails to call for such meeting within thirty (30) days from the date of the auditor's request.

The call for a meeting of the General Assembly shall be published in a daily newspaper distributed in the area where the Company's head office is located at least twenty-one (21) days prior to the date scheduled for the meeting. However, it may be sufficient to address the invitation for the meeting at the said time to all shareholders by registered mail. The invitation shall include the agenda and a copy of the invitation and the agenda shall be sent to the competent Authority within the period specified for publication.

Clause 31: Quorum for Meetings of the Ordinary General Assembly

A meeting of the Ordinary General Assembly shall be valid only if attended by shareholders representing at least one-quarter of the capital. If such quorum is not attained in the first meeting, a second meeting shall be held one hour after the lapse of time set for the first meeting, provided that the invitation for holding the first meeting indicates the possibility of holding such meeting. In all cases, the second meeting shall be valid regardless of the number of shares represented therein.

Clause 32: Quorum for Meetings of the Extraordinary General Assembly

A meeting of the Extraordinary General Assembly shall be valid only if attended by shareholders representing at least one-half of the capital. If such quorum is not attained

in the first meeting, a second meeting shall be held one hour after the lapse of time set for the first meeting, provided that the invitation for holding the first meeting indicates the possibility of holding such meeting. The second meeting shall be valid if attended by a number of shareholders representing at least one-quarter of the capital. If quorum is not attained in the second meeting, an invitation shall be made for a third meeting to be held under the same conditions provided for in Clause 30 of these Bylaws. The third meeting shall be valid regardless of the number of shares represented therein after obtaining the approval of the competent Authority.

Clause 33: Voting at Meetings of the Assemblies

Each shareholder shall have one vote per share in the General Assemblies. Cumulative voting shall be applied to election of the Board members.

Clause 34: Resolutions of the Assemblies

Resolutions of the Ordinary General Assembly shall be passed by absolute majority of the shares represented at the meeting. Resolutions of the Extraordinary General Assembly shall be passed by two-thirds majority of the shares represented at the meeting unless the resolution relates to increase or reduction of capital, extension of the Company's term, dissolution of the Company prior to the term set therefor in its Bylaws or merger of the Company with another company, in which case such resolution shall only be valid if passed with a three-quarters majority of the shares represented at the meeting.

Clause 35: Deliberations at Meetings of Assemblies

Each shareholder shall have the right to discuss the subjects listed on the agenda of the Assembly and may address questions in respect thereof to the Board members and the auditor. The Board members or the auditor shall answer questions of the shareholders to the extent that does not expose the Company's interest to harm. If a shareholder deems the answer to their question is unsatisfactory, they may raise the issue with the Assembly whose resolution in that regard shall be effective and enforceable.

Clause 36: Chairpersonship of Assemblies and Preparation of Minutes

Shareholder General Assemblies shall be chaired by the Chairperson of the Board; the Vice Chairperson of the Board, in case of absence of the Chairperson, or by whomever the Board delegates from its members for this purpose, in case of absence of the Chairperson or the Vice Chairperson of the Board. The Chairperson shall appoint a secretary for the meeting and a vote collector. At the meeting of the Assembly, there shall be written minutes including the number of shareholders attending or represented, the number of shares they hold in their personal capacity or by proxy, the number of votes they are entitled to, the resolutions adopted and the number of votes for or against them and a sufficient summary of the deliberations which has taken place in the meeting. After each meeting, minutes shall be regularly recorded in a special register to be signed by the Assembly's Chairperson, secretary and vote collector.

Part VI: Audit Committee

Clause 37: Formation of the Committee

By resolution of the Ordinary General Assembly, an audit committee shall be composed of no less than three (3) and no more than five (5) members, other than from the executive members of the Board and whether or not from amongst the shareholders. The resolution must specify the functions and controls of the Committee and the remuneration of its members.

Clause 38: Quorum of the Committee Meetings

An audit committee meeting shall be valid only if attended by majority of its members, and its decisions shall be passed by a majority vote of attending members. In case of a tie, the Chairperson of the meeting will have a casting vote.

Clause 39: Powers of the Committee

The audit committee shall monitor the Company's activities. To this end, the Committee shall have access to the Company's records and documents and may acquire any clarification or statement from members of the Board or the executive management. The

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Committee may ask the Board to call for a meeting of the Company's General Assembly if the Board obstructs its work or if the Company suffers substantial damage or loss.

Clause 40: Reports of the Committee

The audit committee shall examine the Company financial statements, reports, and notes submitted by the auditor and shall give its opinion thereon, if any. The Committee shall also prepare a report including its opinion on the efficiency of the Company's internal audit system and the other activities it performed within its powers. The Board shall keep sufficient copies of the Committee's report at the Company's head office at least twenty-one (21) days prior to the date the General Assembly convenes to provide any interested shareholder with a copy of the report. The report shall be recited at the Assembly meeting.

Part VII: Auditor

Clause 41: Appointment of Auditor

The Company shall have one or more auditors from amongst the auditors licensed to work in the KSA. The Ordinary General Assembly shall annually appoint the auditor and shall specify their compensation and term of office and it may re-appoint them, provided that the auditor's total term of offices does not exceed five (5) consecutive years. An auditor who has finished such term may be re-appointed after the lapse of two years from the date such term expired. The Assembly may also, at all times, change the auditor without prejudice to their right to claim compensation if the change occurred at inappropriate time or for an illegitimate reason.

Clause 42: Powers of the Auditor

The auditor may, at any time, have access to the books and records of the Company and any other documents, may ask for any statements or clarifications they deem necessary to verify the assets and liabilities of the Company and may perform any other function within the scope of his work. The Chairperson of the Board shall enable the auditor to perform their duties. If the auditor faces any difficulty in this regard, they shall state that fact in a report to be submitted to the Board. If the Board does not facilitate the job of the

auditor, the auditor shall ask the Board to call for a meeting of the Ordinary General Assembly to consider the issue.

Part VIII: Company's Accounts and Distribution of Dividends

Clause 43: Financial Year

The Company's financial year will commence on January 1 and will end by the end of December of each year. The first financial year will commence from the date the resolution establishing the Company is adopted and will end by the end of December of the following year.

Clause 44: Financial Documents

- 1) At the end of the financial year, the Board shall prepare the Company's financial statements and a report about its activities and financial position for the previous financial year. The report must include the method proposed for distribution of dividends. The Board shall put these documents at the disposal of the auditor at least forty-five (45) days prior to the date scheduled for the convening of the General Assembly.
- 2) The Company's Chairperson of the Board, CEO and CFO shall sign the documents referred to in paragraph 1 of this Clause. Copies of these documents shall be kept at the Company's head office at the disposal of the shareholders at least twenty-one (21) days prior to the date scheduled for the convening of the General Assembly.
- 3) The Chairperson of the Board shall provide the shareholders with the Company's financial statements, the Board report and the auditor's report, unless they are published in a daily newspaper distributed in the area where the Company's head office is located. The Board shall also send a copy of these documents to the competent Authority at least fifteen (15) days prior to the date scheduled for the convening of the General Assembly.

Clause 45: Distribution of Dividends

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After deduction of all overheads and other costs, the annual net profits of the Company shall be distributed as follows:

- 1) Ten percent (10%) of the net profits shall be retained to form a statutory reserve. The Ordinary General Assembly may discontinue such retention if the reserve reaches 30% of the paid capital.
- 2) The Ordinary General Assembly may, based on a proposal by the Board, retain a percentage of the net profits to form an additional reserve to be allocated for a certain purpose(s).
- 3) The Ordinary General Assembly may resolve to retain other reserves to the extent that serves the Company's interest or ensures, as far as possible, consistent distribution of dividends to shareholders. The Assembly may also deduct from the net profits amounts to establish social institutions for the Company's employees or to assist existing institutions.
- 4) The Board may recommend distribution of a certain percentage of the remaining profits to shareholders. The Company may distribute quarterly or semiannual dividends following satisfaction of liabilities of related bodies.

Clause 46: Entitlement to Dividends

A shareholder will be entitled to their share of dividends in accordance with the resolution adopted by the General Assembly in this regard and in accordance with the Companies Law and its implementing regulations and the CML and its implementing regulations. The resolution must indicate the date of entitlement and the date of distribution.

Clause 47: Distribution of Dividends to Holders of Preferred Shares

- 1) If no dividends are distributed for any financial year, no dividends may be distributed for the following years except after payment of the percentage specified in the provisions of Article 114 of the Companies Law to holders of preferred shares for that year.
- 2) If the Company fails to pay the specified percentage under the provisions of Article 114 of the Companies Law from the dividends for three (3) consecutive years, the

Special Assembly of holders of these shares, to convene pursuant to Article 89 of the Companies Law, may resolve either to attend the meetings of the Company's General Assembly and to participate in voting or to appoint representatives thereof at the Board in proportion with the value of their shares in the capital until the Company pays all priority dividends allocated for holders of such shares for the previous years.

Clause 48: Company's Losses

- 1) If losses of a joint stock company reach one-half of the paid capital, at any time during a financial year, any officer of the Company or the auditor shall, upon being aware of such losses, notify the Chairperson of the Board of such losses. The Chairperson of the Board shall notify the Board members of such losses forthwith. Within fifteen (15) days from the date of being aware of the losses, the Board shall call for a meeting of the Extraordinary General Assembly within forty-five (45) days from the date the Board is aware of the losses in order to decide either to increase or reduce the Company's capital in accordance with the provisions of the Companies Law to the extent the losses fall below one-half of the paid capital or to dissolve the Company prior to the term set herein.
- 2) The Company shall be deemed to have expired by operation of the Companies Law if the General Assembly does not meet within the time specified in paragraph 1 of this Clause, if the Assembly meets and is unable to pass a resolution in this regard or if the Assembly decides to increase the capital according to the conditions stipulated in this Clause but not all of the capital increase shares have been subscribed to within ninety (90) days from the date the Assembly's resolution to increase the capital is passed.

Part IX: Disputes

Clause 49: Liability Action

Each shareholder has the right to file a liability action, which is vested in the Company, against the Board members if they committed a fault which has caused special damage

to the shareholder. A shareholder may not file such action unless the Company is still entitled to file such an action. A shareholder shall inform the Company of their intent to file the action.

Part X: Dissolution and Liquidation of the Company

Clause 50: Expiration of the Company

Upon expiry of the Company's term or the dissolution thereof, the Extraordinary General Assembly shall, based on a proposal by the Board, decide the method of liquidation. The Company shall maintain its corporate personality to the extent needed for the liquidation. The liquidation resolution must include appointment of one or more liquidators and must specify their powers, fees, and limitations of their powers and the period required for liquidation. The period for voluntary liquidation may not exceed five (5) years and it may not be extended more than that except by a judicial order. The powers of the Board will end with the dissolution of the Company; however, members of the Board shall continue to managed the Company and they shall act as liquidators when dealing with third party until a liquidator is appointed. The General Assembly shall continue to exist during the liquidation period and its role shall be restricted to performance of its functions that do not contradict those of the liquidator.

Part XI: Final Provisions

Clause 51:

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

Clause 52:

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